



Sustainability Impact assessment (SIA) in support of trade negotiations with Angola for EU-SADC EPA accession

Final Report

December 2021

Prepared by BKP Economic Advisors

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ABSTRACT

The European Commission has commissioned a Sustainability Impact Assessment (SIA) in support of negotiations with Angola to accede to the EU-SADC Economic Partnership Agreement (EPA). The SIA analyses the potential economic, social, human rights and environmental impacts of Angola's accession to the EPA, as well as the institutional and administrative capacity of Angola to implement the EPA, thereby supporting the negotiations. In parallel, negotiations for a separate Angola-EU Sustainable Investment Facilitation Agreement (SIFA) are also planned, the impacts of which are also considered in the SIA. The present report summarises the main findings and recommendations of the research undertaken. The overall expected impact of Angola's accession to the EPA is assessed as limited but positive in the short term, but substantially larger and positive in the longer term. The longer-term impact of the SIFA is potentially even stronger (and also positive). The SIFA and accession to the EPA are clearly complementary. For Angola to fully benefit from the agreements, assistance by the EU (and/or EU Member States) will be required, as well as a commitment by the Angolan Government to put in place the necessary measures that will enable businesses to enhance their competitiveness and produce not only for the EU export market but also for the domestic and regional markets, and do so in a sustainable and inclusive manner.

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ACRONYMS

AAAQ	Availability, Accessibility, Acceptability and Quality	IUCN	International Union for Conservation of Nature
ACP	African, Caribbean and Pacific	JUCE	Janela Única do Comércio Externo
AEO	Authorised Economic Operator	LDC	Least Developed Country
AfCFTA	African Continental Free Trade Area	LGBTI	Lesbian, Gay, Bisexual, Transgender, and Intersex
AGT	Administração Geral Tributária	LMIC	Lower Middle Income Country
AIPEX	Agência de Investimento Privado e Promoção das Exportações	MEA	Multilateral Environmental Agreement
ARCCLA	Agência Reguladora de Certificação de Carga e Logística de Angola	MEP	Ministério da Economia e Planeamento
BAU	Business As Usual	MFN	Most-Favoured Nation
BNA	Banco Nacional de <i>Angola</i>	MINAGRIP	Ministério da Agricultura e Pescas
CBD	Convention on Biological Diversity	MINDCOM	Ministério da Indústria e Comércio
CDOA	Câmara dos Despachantes Oficiais de Angola	MSMEs	Micro, Small and Medium-sized Enterprises
CEDAW	Convention on the Elimination of All Forms of Discrimination against Women	MSW	Municipal Solid Waste
CGE	Computable General Equilibrium	MW	Megawatt
CITES	Convention on International Trade in Endangered Species of Wild Fauna and Flora	NBSAP	National Biodiversity Strategy and Action Plan
CNFC	Comité Nacional da Facilitação do Comércio	NDCs	Nationally Determined Contributions
CO2	Carbon Dioxide	NGO	Non-Governmental Organisation
CSD	Civil Society Dialogue	NTM	Non-Tariff Measure
CSR	Corporate Social Responsibility	OECD	Organisation for Economic Cooperation and Development
DFQF	Duty Free, Quota Free	OHCHR	Office of the United Nations High Commissioner for Human Rights
DG	Directorate-General	OR	Outermost Region
DR	Democratic Republic	PE	Partial Equilibrium
EAC	East African Community	PM	Particulate Matter
EBA	Everything But Arms	PNQA	Programa Nacional de Qualidade Ambiental
EDF	European Development Fund	PRODESI	Programa de Apoio à Produção, à Diversificação das Exportações e Substituição de Importações
EESC	European Economic and Social Committee	RBC	Responsible Business Conduct
ENSAN	Estratégia Nacional de Segurança Alimentar e Nutricional de Angola	RoO	Rules of Origin
EP	European Parliament	ROW	Rest of the World
EPA	Economic Partnership Agreement	SACU	Southern African Customs Union
EU	European Union	SADC	Southern African Development Community
EUR	Euro	SDGs	Sustainable Development Goals
EVI	Environmental Vulnerability Index	SIA	Sustainability Impact Assessment
FDI	Foreign Direct Investment	SIFA	Sustainable Investment Facilitation Agreement
FPIC	Free, Prior and Informed Consent	SMEs	Small and Medium-sized Enterprises
FTA	Free Trade Agreement	SPS	Sanitary and Phyto-Sanitary
GCI	Global Competitiveness Index	TBT	Technical Barriers to Trade
GDP	Gross Domestic Product	TFA	Trade Facilitation Agreement
GHG	Greenhouse Gas	ToR	Terms of Reference
GSP	Generalised Scheme of Preferences	TRF	Trade-Related Facility
GTAP	Global Trade Analysis Project	TRQ	Tariff Rate Quota
HS	Harmonised System	TSD	Trade and Sustainable Development
ICERD	International Convention on the Elimination of All Forms of Racial Discrimination	UCAN	Universidade Católica de Angola
ICESCR	International Covenant on Economic, Social, and Cultural Rights	UDHR	Universal Declaration on Human Rights
IFA	Investment Facilitation Agreement	UN	United Nations
IFI	Investment Facilitation Index	UNCLOS	United Nations Convention on the Law of the Sea
ILO	International Labour Organisation	UNCTAD	United Nations Conference on Trade and Development
INACOQ	Instituto Nacional de Controlo de Qualidade da Indústria e Comércio	UNEP	United Nations Environmental Programme
INDC	Intended Nationally Determined Contributions	UNFCCC	United Nations Framework Convention on Climate Change
IPPC	International Plant Protection Convention	USD	United States Dollar
ITC	International Trade Centre	VAT	Value Added Tax
		WFP	World Food Programme
		WHO	World Health Organisation
		WTO	World Trade Organisation

EXECUTIVE SUMMARY

1. The European Commission has commissioned a Sustainability Impact Assessment (SIA) in support of negotiations with Angola on the latter's accession to the Economic Partnership Agreement (EPA) between the EU and Southern African Development Community (SADC). The negotiations are expected to be launched in 2021, following Angola's request for accession made in February 2020. Negotiations for a separate Angola-EU Sustainable Investment Facilitation Agreement (SIFA) were also launched in June 2021, the impacts of which are also considered in the SIA.

2. SIAs are integrated, independent, evidence-based, transparent, participatory, and proportionate studies and have two main elements. First, they provide a robust **analysis of the potential economic, social, human rights and environmental impacts** that the trade agreement under negotiation could have in the EU, in the partner country or countries, and in other relevant countries or specific regions. Second, they comprise a continuous and wide-ranging **consultation process** aimed at ensuring a high degree of transparency and the engagement of all relevant stakeholders in the conduct of the SIA inside and outside the EU.

3. Ultimately, the aim of the SIA is to assist the European Commission and the Government of Angola to structure the negotiations on Angola's accession to the EU-SADC EPA, the negotiations on the SIFA, and complementary technical assistance in such a way that these three elements, considered by the EU as a package, maximise the mutual benefits for the EU and Angola in an inclusive and sustainable manner.

Context

4. The **EU-SADC EPA** is a trade agreement signed in 2016 between the EU and six SADC countries: Botswana, Eswatini, Lesotho, Namibia and South Africa (Southern African Customs Union - SACU countries), and Mozambique. Under the EPA, the EU has provided duty-free, quota-free access to imports from SADC EPA countries (with some exceptions for South Africa) since the first day of the EPA's application, while SADC EPA countries are progressively liberalising access to their markets for imports from the EU.

5. Although Angola participated in the original negotiations of the EPA, it eventually did not sign the Agreement. However, the accession of Angola at a later stage was already foreseen in the EPA.

6. **Angola's accession to the EU-SADC EPA** aims at addressing a number of Angolan and EU policy objectives. For Angola, preferential market access to the EU for non-oil goods under an EPA is expected to contribute to the much-needed diversification away from mineral fuels and diamonds. In this regard, the accession to the EPA would ensure that Angola does not lose some of the preferential access to the EU market which its exports currently enjoy under the EU preferential trade scheme Everything but Arms (EBA). The EPA would provide predictable and stable preferential market access to the EU market. For the EU, Angola's liberalisation under the EPA would likewise ensure predictable and stable preferential market access, and enhance the transparency of trade rules. The EU already is an important supplier for Angola of machinery and inputs used by Angolan firms. Reducing import tariffs on these goods under the EPA could enhance the competitiveness of Angolan firms. Finally, accession to the EPA (as well as Angola's membership in the SADC Trade Protocol) could facilitate regional economic integration between Angola and the other SADC countries, with EPA rules of origin allowing for regional cumulation.

7. To be successful, Angola's economic diversification project requires large investments. With investment issues currently not covered in the EU-SADC EPA, the SIFA with the EU could attract further investment in Angola, especially by small and medium-sized businesses and in the non-oil sector, contributing to Angola's economic

diversification. The objectives of the SIFA would be to enhance the transparency and predictability of investment conditions for all investors, as well as enhancing the investment framework through cooperation. The SIFA would not cover investment liberalisation, investor protection, or investor-state dispute settlement.

Methodology

8. The **economic impact analysis** is based on a combination of quantitative and qualitative assessment techniques. It covers six sets of issues: a descriptive analysis of trade, services and investment flows; an economic impact analysis based on a partial equilibrium model simulation undertaken by the European Commission's DG TRADE, complemented with own analysis; an analysis of the links between EPA accession and non-tariff measures (NTMs); an assessment of possible effects of EPA accession and the SIFA on governance, the business environment and the investment climate in Angola; an analysis of impacts on regional integration in Southern Africa; and an assessment of the impact on the EU's outermost regions.

9. The **social analysis** seeks to respond to the question of how Angola's accession to the EPA could affect a range of social issues in Angola. For each of the following social issues we first analyse the current situation in Angola, then the expected impacts, based on the EPA text and estimated economic impacts, and conclude by suggesting policy recommendations and flanking measures: employment levels, women (as workers, entrepreneurs, traders and consumers), consumer welfare (including inequality and vulnerable groups), job quality and rights at work, corporate social responsibility (CSR), and public policies (e.g. social protection, healthcare and education).

10. The **human rights analysis** looks at how the EU-SADC EPA could affect the enjoyment of and state's responsibilities regarding human rights in Angola. Based on an established methodology for human rights impact assessments (European Commission 2015; De Schutter 2011), we provide a concise description of the human rights baseline in Angola, covering the country's international human rights obligations and pre-existing conditions of stress or vulnerability. Second, we carry out a screening and scoping exercise to identify specific key human rights/issues that could be most affected by the EPA. Third, we carry out a detailed assessment (quantitative and qualitative) of these potentially most affected rights, before deriving policy recommendations and relevant flanking measures.

11. The **environmental analysis** includes the following environmental impact dimensions: (1) Climate change; (2) Air quality; (3) Use of energy; (4) Water quality and resources; (5) Land use and soil quality; (6) Waste and waste management; (7) Biodiversity; and (8) Ecosystem services and protected areas. The analytical process follows the same stages as the human rights analysis: baseline description; screening and scoping; in-depth analysis; and recommendations.

12. This SIA also comprises an **assessment of the administrative capacity** in Angola to implement the EPA. Based primarily on consultations in Angola, this is undertaken in three steps: after an identification of the institutions that may have a direct and indirect intervention in the management and implementation of trade agreements, their administrative capacity constraints and the underlying explanations is determined, before the consequences for EPA implementation are assessed and recommendations, including on suggested technical assistance, are developed.

13. Complementing the overall analysis, four **case studies** have been prepared, providing more detail on specific topics respectively sectors. The selection criteria were, first, the magnitude of the EPA's expected impact on the sector or issue, and second, the importance of the issue or sector/value chain as seen by stakeholders and from a negotiating perspective. Based on these selection criteria, the four studies address the EPA's impact on the Angolan (1) fishery sector and (2) agri-food value chains, on (3)

deforestation and biodiversity, and on (4) the potential implications on child labour and children's rights.

14. **Consultations** with stakeholder served to reflect their experience, priorities and concerns, helped identify priority areas and key issues relating to the possible economic, social, environmental and human rights impacts in the negotiations, and to contribute to the transparency of the SIA analysis. The consultation plan was based on four pillars: first, targeted consultation activities, in particular a workshop in Luanda, an online survey, and interviews with stakeholders in Angola, the EU and SADC; second, meetings with EU civil society; third, meetings with EU institutions; and finally digital engagement with stakeholders in general, through the SIA website and electronic communication channels.

Findings and conclusions of the analysis

15. **Overall**, the expected impact of Angola's accession to the EU-SADC EPA is assessed as limited but positive in the short term, but substantially larger and positive in the longer term. The longer-term impact of the SIFA is potentially even stronger (and also positive) than the EPA impact. The SIFA and accession to the EPA are clearly complementary. For Angola to fully benefit from the accession to the EPA, assistance by the EU (and/or EU Member States) will be required, as well as a commitment by the Angolan Government to put in place the necessary measures that will enable businesses to enhance their competitiveness and produce not only for the EU export market but also for the domestic and regional markets, and do so in a sustainable and inclusive manner.

16. A quantitative assessment of the **economic impact** could be made only for the *short-term effects* arising from the tariff changes associated with Angola's accession to the EPA. Although this analysis tends to undervalue the gains from the EPA for a number of methodological reasons, it shows a net positive (if limited) impact for Angola: Angola's *exports* as an EPA member are estimated to be higher by €14.3 million (€14.5 million higher to the EU and €0.2 million lower to other markets) than in the counterfactual situation. It means that Angola will export (excluding mineral fuels and diamonds) about one quarter (26.5%) more to the EU under the EPA than as a GSP beneficiary country. Accession to the EPA will also contribute to export diversification. Angola's *imports* will increase more than exports, between €596 million and €693 million (6.1% to 7.1% of current total imports), depending on the degree of tariff liberalisation granted to imports from the EU. However, with very few exceptions – which can be addressed through Angola's exclusion list – the increased imports from the EU do not compete with domestic production in Angola. Rather, with a considerable share of imports from the EU being intermediates, their increased import leads to higher productivity and competitiveness of Angolan businesses. Angola's *government revenues* are estimated to decrease by up to €300 million as a result of tariff cuts, equivalent to about 1.8% of the 2019 government budget. This reduction in government revenues would be phased in over the transition period (the length of which is to be negotiated), providing the time to take fiscal countermeasures. Accession to the EU-SADC EPA would also develop Angola's trade with other SADC EPA states as a result of the regional preferences clause. Under this clause, Angola would grant the other SADC EPA states the same preferences that it grants to the EU, and would benefit from the same preferences that the SADC EPA states have granted to the EU.

17. *Longer-term effects* stemming from Angola's accession to the EPA (as well as the SIFA) are estimated to be positive and substantially larger than the short-term effects, but cannot be quantified. The EPA's and SIFA's focus on investment facilitation, transparency and predictability of rules are expected to substantially strengthen the *investment climate* and more broadly the business environment. This is expected to foster private *investment*, which in turn is expected to enhance productivity and hence the competitiveness of the Angolan economy overall – and ultimately *GDP*. With investments expected to be facilitated in particular in non-mineral fuels sectors, they will also contribute to further *economic and*

export diversification. The positive developments are also expected to partially compensate the negative tariff revenue effects through increased collection of domestic taxes. Longer-term benefits could stem from favourable *rules of origin* in the EPA, which facilitate Angola's insertion into regional value chains. Also, although the EPA does not address African *regional integration* beyond SADC, diagonal cumulation under the EPA rules of origin would in principle allow the coverage of African value chains involving most African countries.

18. Given the modest short-term economic impacts, **social impacts** in the short run are also expected to be limited, but somewhat stronger in the longer term, and on balance positive. *Employment effects* in export-oriented sectors as well as in retail trade are positive already in the short term, but are limited by the small size of exporting sectors, respectively by the anticipated concentration of areas where EU imports are marketed in the main cities. In import-competing sectors, some jobs could be put at risk, but this risk can be mitigated by a corresponding designation of sensitive and excluded goods in the accession agreement. The impact on *women* depends on the specific sector and type of economic activity in which women are engaged; as there is no clear pattern with regard to the employment of women in benefitting sectors or those that could come under stress because of the EPA, there is no indication that the EPA's impact on women would differ from the overall employment effects. The impact on *informality* is also expected to be limited, but the analysis has been hampered by the lack of robust and reliable data. The estimated effects of Angola's accession to EPA for *consumers* are positive, with an overall increase in availability and diversity of imported EU consumer goods, as well as the potential for better-quality and safe products to be manufactured in Angola, including for the domestic market. Impacts for *welfare* and *poverty* levels also seem to be positive, although limited.

19. With respect to *labour rights and working conditions*, the conclusions are as follows: No short-term effects for *child labour* are expected, as this occurs in segments of the Angolan economy that are not impacted on by the EPA. In the longer-term, there could be indirect positive effects, including job creation and income generation for adult household members which may decrease the need for child labour. Accession to the EPA is not expected to impact trade in most sectors where *forced labour* has been reported. Given the anticipated limited impact of the EPA on Angola's labour market and the lack of a specialised Trade and Sustainable Development (TSD) Committee under the EPA (and therefore a lower likelihood of a continuous policy dialogue addressing labour standards), accession to the EPA is not likely to bring about a change in the situation of *trade unions* or, more broadly, freedom of association in Angola. Similarly, impacts on *non-discrimination at work* are expected to be limited. Any effects regarding *civil society participation* will depend on the implementation practice at the time of accession. These, however, may also be limited given that the EPA does not include a mechanism of dialogue or consultation with civil society. Finally, because Angolan exports to the EU are expected to be higher under the EPA than under the GSP, *CSR/responsible business conduct (RBC) practices* and their contribution to sustainable development will be fostered. Moreover, the EU's text proposal for SIFA includes provisions related to investment and sustainable development as well as on dialogue with the civil society which, if kept in the final negotiated text, are expected to have a positive effect on the respect for international labour (and environmental) standards, labour inspection, gender equality, and encouraging the application of CSR/RBC practices in Angola.

20. Based on a screening and scoping analysis undertaken, the EPA's potential **impact on the enjoyment of human rights** in Angola is, overall, limited. A more detailed analysis of two potentially more affected rights has been undertaken. This analysis suggests that the Angola's accession to the EPA is not expected to have a significant impact on the *right to own property* overall. Indirect effects could occur via changes in sector output in agriculture. Considering existing implementation weaknesses, it cannot be excluded that the EPA or the SIFA contribute to the overall pressure on land rights in some

regions in the country and might play a minor role in affecting the right to own property of local communities.

21. The *right to food* is likely to be impacted positively overall: imports of high-quality EU food products are expected to increase, allowing Angolan consumers access to high-quality food. Lower prices due to increased competition from EU food products entering the market could also result, assuming sufficient competition in the distribution services sector. Domestic food production is not expected to be diverted by increased exports. However, the right to food of local communities could be affected less favourably as a result of agricultural investments that might be triggered by the EPA and by the SIFA.

22. Similar to the other impact dimensions, the **environmental impact** of Angola's accession is expected to be limited. For example, anticipated effects on *ecosystems services, energy consumption, water availability and quality, air quality, and biodiversity* are marginal or negligible. The direct effects on Angola's greenhouse gas (GHG) emissions, and *climate change* in general, are also expected to be limited: some positive effects would stem from the EPA's contribution towards diversifying Angola's economy away from oil, but potential increases in agri-food production could have a mixed effect on GHG emissions, including through potential land use change (deforestation for agricultural export-oriented production purposes). Given the EPA provisions on environmental sustainability in the *TSD chapter*, Angola would be encouraged to pursue effective implementation of the multilateral environmental agreements (MEAs) which the country has already ratified. In addition, although not a legal requirement under the EPA, for reasons of policy coherence membership in the EPA would also encourage Angola's ratification of those trade-related MEAs which it has not yet ratified.

23. With regard to Angola's **administrative capacity for EPA implementation**, some areas, such as the implementation of tariff preferences, would pose no implementation challenges. However, in a number of other areas, administrative capacity constraints have been identified: Although Angola's *customs operations* are overall well advanced, capacity constraints appear to exist with respect to origin verification (as Angola does not, so far, operate any preferential trade arrangements), risk-based operations, and customs automation. Also, challenges have been faced in the implementation of the electronic Single Window for trade. In addition, no administrative capacity for implementing trade defence instruments in line with international (WTO) requirements presently exists, and efforts at establishing trade defence institutions have not yet been successful.

24. The country's *quality infrastructure* (comprising both sanitary and phytosanitary, SPS, matters and technical barriers to trade, TBT) is underdeveloped in all respects. It neither allows an effective control of imports, ensuring human, animal and plant safety against imported pests and sub-standard quality products, nor does it provide internationally accredited conformity assessment services that potential exporters of many goods, especially agricultural products, would require to access foreign markets.

Recommendations

25. The scope of negotiations on Angola's accession to the EPA is relatively limited. Nevertheless, a number of **recommendations for negotiations** are put forward:

- The Angolan government should carefully consider which goods to exclude from its market access offer, and for which goods to request transition periods for tariff reductions. Government revenue considerations and limiting import competition for key domestic sectors should guide these considerations.
- Considering the absence of any implementation experience with quotas and TRQs in Angola, as well as economic efficiency considerations, it is recommended that as part of its accession package to the EPA Angola commits not to use such instruments.

- Angola and the EU should discuss priority areas for technical assistance and support already during the accession negotiations. Suggested priorities for assistance are mentioned below.
- To highlight the importance of environmental issues, considering the European Green Deal and the need for EU trade policy to align with it, Angola and the EU should consider engaging in regular discussions on sustainability matters to avoid or mitigate any potential negative environmental effects of trade under the EPA.

26. With respect to the SIFA negotiations, the following is recommended:

- The use of soft provisions in the SIFA should be minimised as much as possible. This may require that the EU agrees to binding commitments for technical assistance to ensure the “practicability” of certain measures mentioned in the SIFA.
- Angola and the EU should aim at including strong enforceable provisions on investment and sustainable development, as currently foreseen in the EU text proposal for Chapter V.
- The responsibility by the Parties to respect human rights should be included, e.g. in the Preamble. An explicit reference to legitimate tenure and protecting property and land rights in Article 5.6 could be considered.

27. To ensure that the potential benefits offered by the EPA and the SIFA are actually reaped, and that the potential challenges and costs are minimised, the following **recommendations for flanking measures** are proposed:

- To mitigate the government revenue effects, the Angolan Government should, during the transition period in which tariffs are gradually reduced, *develop and implement fiscal measures*. The EU should provide technical support for this, including through twinning arrangements between the Angolan and EU revenue authorities.
- To benefit from *regional integration* opportunities provided under the EPA, the Angolan Government should prepare a specific strategy and prioritise specific value chains that can be developed within the context of Angola’s trade with SADC countries.
- To maximise the benefits from *export-driven employment generation*, complementary policy measures should comprise investment in vocational training, notably for young people to develop skills required for new job profiles and the new organisation of work.
- To support the *creation of formal businesses and jobs* the Angolan Government should improve procedures for setting up and running formal businesses, encourage formal employment with written contracts, social security contributions and the observance of health and safety at work requirements. In addition, the Government should take steps such as supporting creation of cooperatives and developing the trade infrastructure to enable access to markets and facilitating access to finance for small-scale food producers to help them to sustain their livelihoods.
- Awareness raising campaigns on the negative consequences of *child labour* should be undertaken and access to school and social assistance for children from poor families be facilitated. The Angolan authorities should also enhance efforts to address trafficking in persons, forced labour, hazardous child labour and other illegal activities. EU technical assistance should support these actions.
- The Angolan Government should urgently strengthen *land rights related to business activities*. The Government should also ensure that effective consultation processes consistently take place, backed by appropriate environmental and social impact assessments guaranteed by the law. A monitoring body should be established, and reports should be publicly available, involving non-state actors and affected communities. The EU should continue to provide assistance on these matters.
- The EU and Angola should ensure that the EPA is used as a tool to enhance Angola’s *food security*, reducing the risk of spiking food prices, hunger and adverse economic effects in times when environmental conditions hurt crop production.

28. **Technical assistance** by the EU and EU Member States should address administrative capacity constraints likely to affect the implementation of the EPA and the SIFA, as well as broader productive capacity constraints. As noted above, it would be preferable if the EU and Angola could address technical assistance needs already as part of the EPA accession and SIFA negotiations, and agree on the broad lines of support. The following areas of technical assistance are recommended as priorities:

- Support should be provided to address the identified constraints faced with respect to *customs management*, including origin verification, risk-based operations, customs automation, and the implementation of the electronic single window for trade.
- EU support in overcoming the constraints in Angola's *quality infrastructure* – covering SPS issues and TBTs – is an important element to ensure that Angolan exporters can make use of the preferential access to the EU market under the EPA. Already, technical assistance in this area is provided, but such support will need to continue for Angola to expand and diversify exports to the EU under the EPA.
- More broadly, the provision of *trade training programmes* – aimed at both public and private sector staff – should be considered, as well as support to introduce courses in international trade and economics in at least one Angolan university, e.g. through partnership with an EU university. A number of scholarships for public sector staff to participate in such course should be considered.
- The EU should provide financial and technical assistance to support *labour inspection* services, in particular in the context of the proposed SIFA text, according to which each Party shall establish and maintain an effective labour inspection system for all economic sectors, including for agriculture and mining activities. More broadly, EU technical assistance implemented in cooperation with the ILO could support the development of domestic dialogue between the Government and social partners on matters related to *respect for labour standards and working conditions*.
- EU technical assistance promoting the use of *CSR/RBC practices* and supporting capacity building in their application is also considered important.
- To complement commitments on reducing the environmental footprint of trade under the EPA, the EU should support Angola in the further development of renewable energy and of the expansion of clean technologies for sustainable agriculture and fishing, thereby ensuring effective water management, avoiding threats to biodiversity loss and land use change, and ensuring low emission-intense agricultural production and fishery. In addition, support towards Angola's ratification of the remaining trade-related MEAs and in the effective implementation could be considered.

29. A general recommendation relates to public-private dialogue: to create a common understanding on the EPA, the Angolan Government should make an effort to engage into dialogue with social partners and other civil society organisations on the reform process and accession to the EPA. Moreover, the EU should continue to provide technical assistance to further develop capacity of civil society in Angola; and the EU civil society, including the European Economic and Social Committee (EESC), should involve Angolan counterparts in a dialogue on trade, sustainable development and the EPA.

1 INTRODUCTION – STUDY CONTEXT AND SCOPE

The European Commission's Directorate-General (DG) for Trade has awarded a contract for a "Sustainability Impact Assessment (SIA) in support of negotiations with Angola to accede to the EU-SADC Economic Partnership Agreement" (EU-SADC EPA) to the consortium led by BKP Economic Advisors GmbH (BKP). Work on the SIA started in January 2021.

The SIA supports the EU's trade negotiations with Angola regarding the latter's joining the existing EU-SADC EPA. The negotiations will follow Angola's request, made in February 2020, to accede to the EPA; they are expected to be launched in 2021 and be completed within one year. The EPA between the EU and six countries of the Southern African Development Community (Botswana, Eswatini, Lesotho, Mozambique, Namibia and South Africa) is a free trade agreement signed in 2016. Under the EPA, the EU has provided duty-free, quota-free access to SADC EPA countries exports (with some exceptions for South African exports) to the EU since the first day of the EPA's application. For their part, SADC EPA countries are progressively liberalising the access to their markets for EU goods.

In parallel, negotiations for a separate bilateral Angola-EU Sustainable Investment Facilitation Agreement (SIFA) are also planned; these negotiations were launched in June 2021. Although the two negotiations are legally independent (the EPA does not presently cover investment issues), they share the common objective of contributing to Angola's sustainable development and economic diversification by fostering predictability and transparency of the trade and investment environment.

The SIA analyses the potential economic, social, human rights and environmental impacts of Angola's accession to the EPA, as well as the institutional and administrative capacity of Angola to implement the EPA. To the extent possible, the SIA also considers impacts of the SIFA. The specific purpose of the SIA is to assess and indicate how Angola's accession to the EPA and the SIFA under negotiation can contribute best to a number of key policy objectives: enhance predictability and transparency of the trade and investment environment and relations, and thereby foster the competitiveness of Angolan businesses and contribute to the country's economic diversification. The study comprises both data-driven analysis and comprehensive consultations of stakeholders in Angola, the EU and SADC EPA countries.

This final report presents the findings of the research undertaken. Section 2 provides an overview of the negotiation context. Section 3 summarises the methodologies and tools used for the SIA (the full methodology was presented in the inception report). The results of the study are described in section 4, which dedicates one section each to the various dimensions of the analysis – economic, social, human rights and environmental aspects of sustainability, as well as Angola's administrative capacity for EPA and SIFA implementation. Section 5 draws conclusions and provides recommendations.

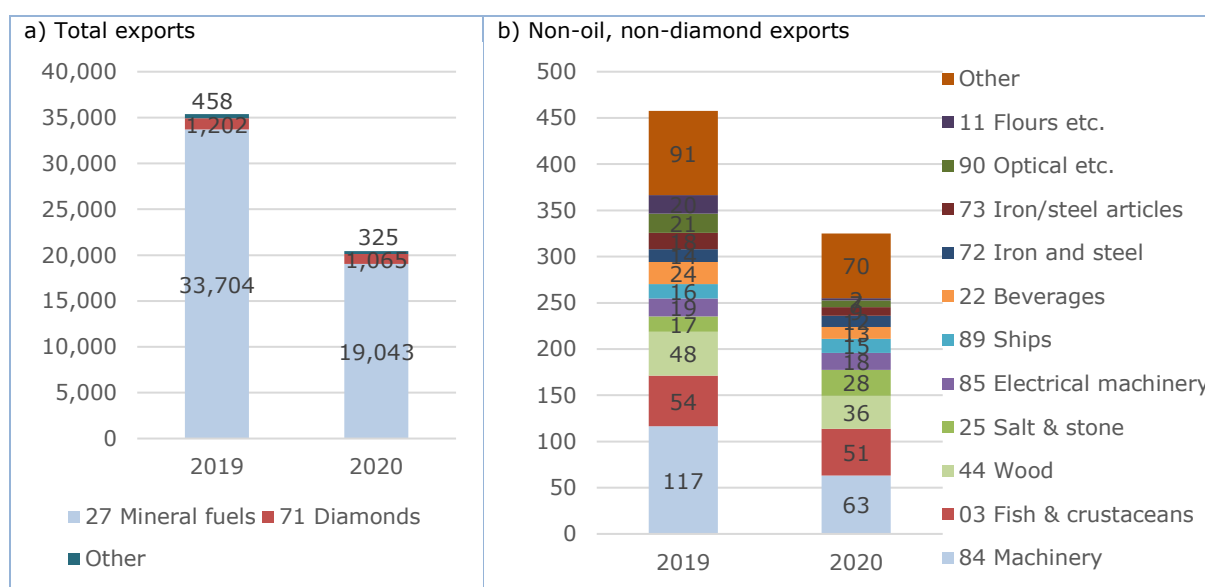
Annexes include a report on the consultation activities (Annex A), the four case studies prepared as part of the study (Annex B), as well as provide more detailed information on the various analyses undertaken (Annexes C to G).

2 CONTEXT OF THE NEGOTIATIONS

2.1 Angola's Current Economic Situation

Despite efforts in recent years to diversify, Angola's economy continues to be characterised by a high dependency on the oil sector. Its share in GDP was 30.3% in 2019 (IMF 2020), but its importance goes beyond this. For example, 60.5% of government revenues in 2019 were oil related (IMF 2020). In terms of exports, the concentration is even higher: in 2019, 95.3% of Angola's total exports of USD 35.4 billion were mineral fuels and another 3.6% diamonds, leaving only 1.3% – or USD 458 million – for all other merchandise exports (Figure 1). Largely in response to covid-19 (and as a consequence of both declining oil prices and declining export volumes), exports decreased by 42.2% in 2020, to USD 20.4 billion, but the overall structure did not change much – as non-oil, non-diamond exports also decreased (although at a slightly lower rate of 29%, to USD 325 million), their share hardly changed (1.6%).

Figure 1: Angola's exports by sector, 2019-2020 (USD million)



Source: Own calculations based on AGT¹

This extreme concentration has been a key characteristic of Angola's economy for decades, and its exposure to the international oil price has been clearly exposed in recent years. The economy has been in recession for several years (and the IMF expects another contraction in 2021 of -0.7% in 2021 before a return to growth of 2.4% in 2022²). Economic and export diversification are needed not only to reduce the country's vulnerability but also in response to declining oil output³, and the Government has designed a number of policies and strategies to this effect. These include the Programme to Support Production, Export Diversification and Import Substitution (*Programa de Apoio à Produção, à Diversificação das Exportações e Substituição de Importações – PRODESI*) that was officially approved by Presidential Decree No. 169/18 of 20 July 2018⁴ and has been complemented by several sector studies.⁵ Previously, a number of sectoral export

¹ Data provided by the Angolan Revenue Authority (Administração Geral Tributária, AGT); <https://agt.minfin.gov.ao/PortalAGT/#/estatisticas/estatistica-do-comercio-externo>; aggregated trade statistics are also available from the National Statistical Institute (e.g. INE 2021a).

² As per the World Economic Outlook database in October 2021.

³ Even before the covid-19 pandemic, daily oil production is project to decline from 1,400 million barrels in 2019 to 1,100 million barrels in 2023 (UCAN-CEIC 2019, 30).

⁴ Complemented in 2019 by Presidential Decree No. 23/19; see section 4.1.2 for a discussion.

⁵ For more information, see <https://www.prodesi.ao>.

promotion programmes ("*programas dirigidos*") had been developed. More information about the economic policies and reform programmes is provided in section 1.2.2 of Annex C.

Angola is a Least Developed Country (LDC), but is scheduled to graduate from this status in February 2024.⁶ Therefore, it will no longer be eligible to export all products to the EU duty-free from February 2027 onwards, as is currently the case under the EU's Everything But Arms (EBA) arrangement. Although Angola's exports would still benefit from some preferences in EU market access (under the Generalised Scheme of Preferences, GSP), these are more limited both in terms of the products covered and the level of preferences. The partial loss of preferences for Angola is one of the reasons for the country's request to negotiate accession to the EU-SADC EPA (see section 2.5).

2.2 Regional Context in Southern Africa

Angola is a member of SADC but so far (along with DR Congo) does not participate in the SADC Trade Protocol, and thus does not offer preferential access to imports from other SADC members, nor do its exports benefit from preferences in other SADC countries. Angola ratified the Agreement to establish the African Continental Free Trade Area (AfCFTA) in November 2020. Trading under the AfCFTA started on 01 January 2021, although so far the implementation modalities are not yet in place, so that duties in Angola are still payable. As a majority of SADC countries (among the SADC EPA countries, all except Botswana and Mozambique) also ratified the AfCFTA Agreement,⁷ Angola will start offering preferences to them on the basis of the AfCFTA once the implementation modalities are in place.

The EU is the main trading partner of SADC EPA States; within the region, South Africa remains the EU's dominant trading partner, accounting for 82% of EU imports and 93% of EU exports to SADC EPA States (European Commission 2020).

Angola's negotiations for the accession to the SADC-EU EPA come at a time when the SADC economies face regional and global challenges. First, they have been hit by slow economic growth and recessions in 2019 (South Africa faced an economic recession, Namibia contracted by 1.9% and no other country surpassed Botswana's growth rate of 3.5%) partly due to natural disasters and unfavourable commodity cycles (European Commission 2020). Second, the global economy was affected by an unprecedented economic downturn largely driven by the covid-19 pandemic. SADC EPA States were also impacted by the pandemic through reduced fiscal revenues – driven by the reduced economic activity – and trade flows – driven by increased trade/border restrictions (SADC 2020).

2.3 EU-Angola Trade and Investment

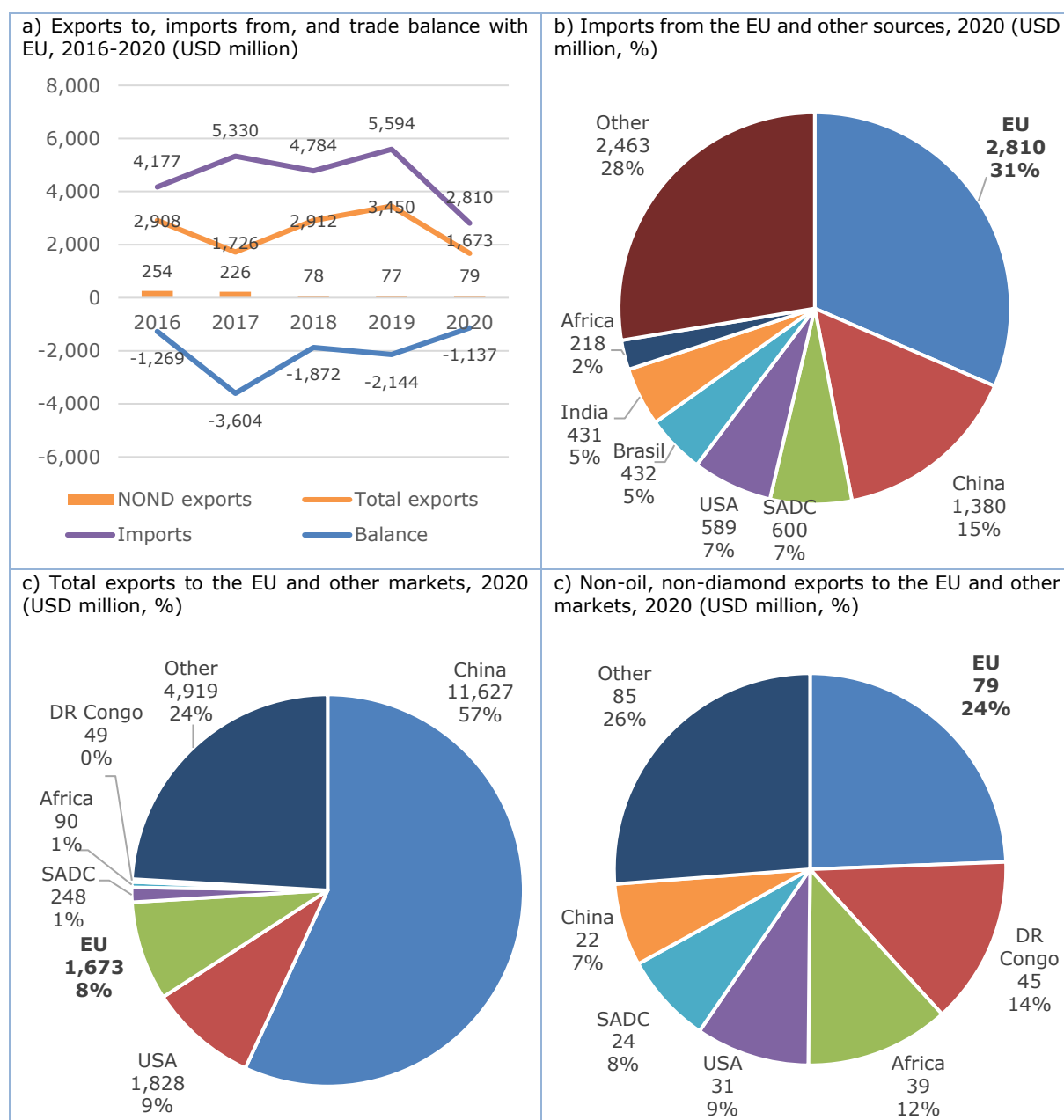
In terms of **trade in goods**, the EU is one of the most important trading partners for Angola: it is the most important supplier, in 2020 accounting for 31% (or USD 2.8 billion) of Angola's total merchandise imports, far ahead of China (15% or USD 1.3 billion) (Figure 2b). As a market for Angolan goods, the EU is the third most important one with an export value in 2020 of USD 1.7 billion (or 8% of total Angola's exports), after China (USD 11.6 billion or 57%) and the USA (USD 1.8 billion or 9%) (Figure 2c). However, if only non-oil, non-diamond products are considered (Figure 2d), the EU is the most important export

⁶ Angola's graduation from LDC status was originally scheduled for February 2021. However, considering Angola's prolonged economic recession and its socioeconomic vulnerabilities exacerbated by the COVID-19 pandemic, the UN General Assembly decided to provide Angola with an additional three-year preparatory period. See Resolution adopted by the General Assembly on 11 February 2021, A/RES/75/259, <https://undocs.org/en/A/RES/75/259>.

⁷ Among SADC's 16 member states, Botswana, Comoros, DR Congo, Madagascar, Mozambique, Seychelles and Tanzania have not yet ratified the AfCFTA Agreement (as of 28 June 2021).

market for Angola, with a value of product exported in 2020 of USD 79 million (24% of all non-oil, non-diamond exports), ahead of DR Congo (USD 45 million, 14%). This shows the EU's potentially very important role for Angola's export diversification efforts.

Figure 2: Angola's goods trade with the EU



Source: Own calculations based on AGT⁸

Over time, both Angola's exports to the EU and its imports from the EU showed an increasing trend – until the pandemic year 2020 (Figure 2a): exports increased from USD 1.7 billion in 2017 to USD 3.5 billion in 2019 before dropping again to USD 1.7 billion in 2020. Imports from the EU reached a peak of USD 5.6 billion in 2019 before falling by about 50% to USD 2.8 billion in 2020. Angola's bilateral goods trade balance with the EU has been consistently negative, although the magnitude of the trade deficit decreased from

⁸ Data provided by the Angolan Revenue Authority (Administração Geral Tributária, AGT); <https://agt.minfin.gov.ao/PortalAGT/#/estatisticas/estatistica-do-comercio-externo>; aggregated trade statistics are also available from the National Statistical Institute (e.g. INE 2021a).

USD 3.6 billion in 2017 to USD 1.1 billion in 2020. Finally, the performance of Angola's non-oil, non-diamond exports to the EU was uneven: following a sharp drop from USD 254 million in 2016 to USD 78 million in 2018, exports have been almost constant – and were also not affected negatively in 2020 (Figure 2a).

As mentioned previously, Angola benefits from DFQF access to the EU under the EBA and will lose, according to current EU GSP rules, some of this preferential access three years after graduation from LDC status. However, this preference loss would, based on the current export structure, only affect a small fraction of exports – because of the dominance of petroleum exports, which are duty free in the EU in any case, about 98% of Angola's export to the EU enter duty free. Only about 1.5% of its exports (worth €28.9 million in 2020, down from €55.5 million in 2017) might carry positive duties in the EU (Table 1).⁹

In 2020, out of the €28.9 million exports that were eligible for GSP preferences, €24.2 million were actually imported in the EU using the preferences, all of which at zero tariffs under the EBA.¹⁰ However, this does not mean that the preferences granted (currently under the EBA and in the future under the EPA) are irrelevant – to the contrary, they are likely to be essential for Angola's capacity to diversify exports, as many of Angola's potential exports would carry positive duties in the future if Angola joined the Standard GSP or GSP+ instead of the EPA. Also on the positive side, the utilisation of these preferences has increased: whereas in 2017 only about half of the exports eligible for zero-duty actually used these preferences, in 2020 83.6% of preference-eligible exports made use of the preferences.

Table 1: EU imports from Angola, by preference eligibility and preference use, 2017-2020

	2017	2018	2019	2020
<i>In EUR million</i>				
GSP eligible	55.5	47.6	40.5	28.9
Actual import regime: GSP ZERO	28.1	32.5	31.0	24.2
Actual import regime: MFN NON ZERO	27.4	15.1	9.5	4.7
ONLY MFN (not GSP eligible)*	2,217.6	3,582.3	3,498.5	1,882.8
Actual import regime: MFN ZERO	2,217.6	3,582.3	3,498.5	1,882.8
Unknown eligibility	4.6	3.4	1.5	1.0
Total	2,277.7	3,633.4	3,540.5	1,912.7
<i>In % of total (except where noted)</i>				
GSP eligible	2.4	1.3	1.1	1.5
Actual import regime: GSP ZERO (% of GSP eligible)	50.7	68.3	76.6	83.6
Actual import regime: MFN NON ZERO (% of GSP eligible)	49.3	31.7	23.4	16.4
ONLY MFN (not GSP eligible)	97.4	98.6	98.8	98.4
Unknown eligibility	0.2	0.1	0.0	0.1
Total duty free	98.6	99.5	99.7	99.7

* Imports that attract zero MFN tariffs in the EU are by definition classified as "only MFN" and not generating eligibility for any tariff preferences.

Source: Own calculations based on Eurostat COMEXT data.

Trade in services between the EU and Angola increased until 2015/2016 and then steeply fell until 2019 (data for 2020 are not yet available as of June 2021). The EU's exports to Angola reached a maximum of €5.4 billion in 2015, which decreased €2.2 billion in 2019 (Figure 3). Imports from Angola reached a maximum of €2.4 billion in 2015, and then fell sharply, to €0.5 billion in 2019. Compared with trade in goods, bilateral services trade is roughly equally important; and in both goods and services trade the EU has a sizeable, but in recent years declining bilateral trade surplus. Compared to other SADC EPA countries,

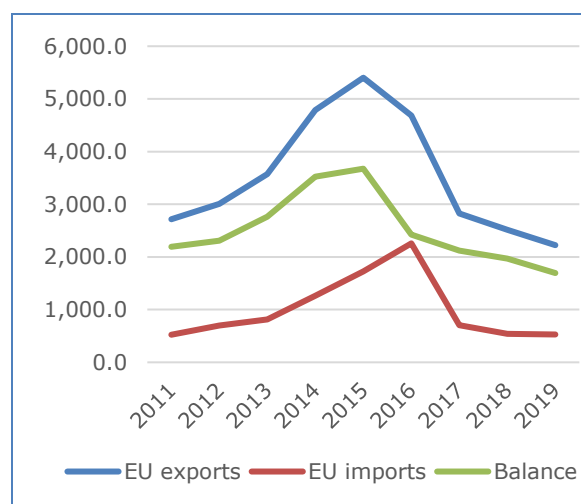
⁹ About 25% of the exports that pay no duties under the EBA would continue to receive duty-free treatment under the standard GSP arrangement, whereas 75% would face tariffs above zero.

¹⁰ Goods which in principle are "GSP eligible" must still comply with the GSP rules of origin in order to actually benefit from the preferences. For example, a car built in Japan and exported from Angola to the EU would be considered as "GSP eligible" (as Angola can export cars duty free to the EU under the EBA) but the actual import regime would be "MFN NON ZERO" (as the car exported from Angola is not manufactured, or originating, in Angola).

Angola is the second most important market for EU services providers after South Africa (exports of €7.7 billion in 2019), far ahead of Mozambique (exports of €496 million in 2019). No sectoral breakdown of bilateral services trade is available.

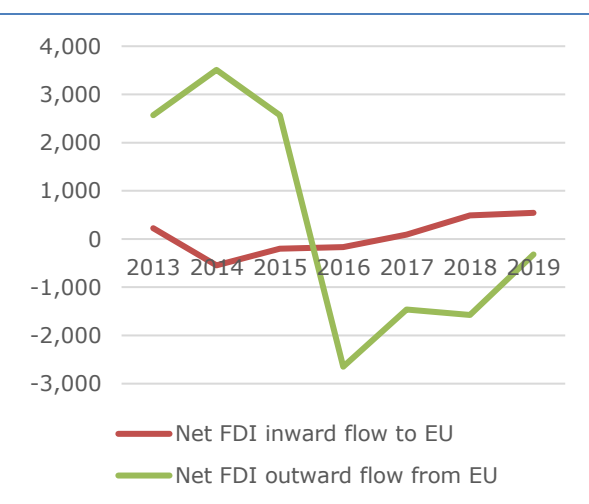
EU **foreign direct investment** (FDI) in Angola is also clearly linked to the performance of Angola's petroleum sector (which in turn largely depends on the world oil price). Thus, net EU FDI flows to Angola were about €3 billion until 2015 (Figure 4). From 2016 onwards, EU FDI flows to Angola were negative, although with decreasing magnitude; by 2019 the outflow of EU FDI in Angola had almost stopped (€-317 million); in that year, EU27 FDI stocks in Angola stood at €13.9 billion. Conversely, Angolan FDI flows to the EU were much steadier and show an increasing trend; reaching €544 million in 2019. With Angolan FDI stocks in the EU reaching €2.6 billion in that year, bilateral FDI activity is much more balanced than between the EU and many other African (and indeed developing) countries. Angola has 14 bilateral investment treaties (BITs), of which only five are in force; two of these are with EU Member States: Germany and Italy.¹¹ Further information about investment in Angola is provided in section 1.2.2.2 of Annex C.

Figure 3: EU-Angola trade in services, 2011-2019 (€ million)



Source: Eurostat, International trade in services (since 2010) (BPM6)

Figure 4: EU FDI flows to and from Angola, 2013-2019 (€ million)



Note: Values for 2013-17 are for EU28; 2018-2019 are for EU27

Source: Eurostat, EU direct investment flows, breakdown by partner country and economic activity (BPM6)

2.4 Overview of the Existing EU-SADC EPA

The EU-SADC EPA¹² is a trade agreement signed in 2016 between the EU and six SADC countries: Botswana, Eswatini, Lesotho, Mozambique, Namibia and South Africa. Provisional implementation started for all Parties except Mozambique in 2016, and for Mozambique in 2018; the formal entry into force is still awaiting ratification by some of the Parties. Although Angola participated in the original negotiations of the EPA, it eventually did not sign the Agreement. However, the later accession of Angola is already foreseen in the EPA (Article 119(3)).

Under the EPA, the EU has provided duty-free, quota-free (DFQF) access to all exports (except arms and ammunition) of SADC EPA countries except South Africa since the first

¹¹ BITs with France, Portugal and Spain are not in force (UNCTAD 2019, 83).

¹² The full text of the EPA is available in (almost) all EU official languages at <https://eur-lex.europa.eu/legal-content/EN/TXT/?uri=CELEX%3A22016A0916%2801%29>.

day of the EPA's application. For South Africa, 96% of exports to the EU are duty-free, quota free under the EPA, with another 2.7% benefitting from tariff preferences under tariff rate quotas. For their part, SADC EPA countries are progressively liberalising the access to their market based on the tariff phase-out schedules. The five member countries of the Southern African Customs Union (SACU; Botswana, Eswatini, Lesotho, Namibia and South Africa) grant DFQF to 84.9% of EU exports and partial tariff preferences for another 12.9%. Mozambique as a least developed country (LDC) provides more limited preferences to its imports from the EU: it removes customs duties on 74% of imports from the EU.

The main objectives of the EU-SADC EPA are to contribute to sustainable development and poverty reduction, promote regional integration, economic cooperation and good governance in the SADC region, as well as promote the region's integration in the world economy, including through improving trade and trade policy capacity.

The scope of the EU-SADC EPA (Box 1) is relatively limited when compared to other recent FTAs concluded by the EU. It largely comprises trade in goods, with a focus on tariff liberalisation, but foresees the possibility to be expanded to also services and investment, subject to negotiations between the Parties.

Box 1: Structure of the EU-SADC EPA

- Part I: Sustainable development, covering general provisions, trade and sustainable development, and cooperation areas
- Part II: Trade and trade-related matters, covering provisions on trade in goods, trade defence, non-tariff measures, customs and trade facilitation, technical barrier to trade, sanitary and phyto-sanitary issues, agriculture, current payments and capital movements, and trade in services and investment
- Part III: Dispute avoidance and settlement
- Part IV: General exceptions
- Part V: Institutional provisions
- Part VI: General and Final provisions
- Annex I to III: Goods schedules of the EU, SACU states, and Mozambique
- Protocols I to IV: Rules of origin; assistance in customs matters; geographical indications; and relationship between the EPA and the EU-South Africa TDCA

Source: EU-SADC EPA

Although legally separate from the EPA, several EU development cooperation programmes in SADC region are materially linked to the EPA. They aim, among others, at facilitating reforms of government revenues, as well as at improving the business environment and SADC's competitiveness more generally.

More information about the EU-SADC EPA is available e.g. in a recent factsheet prepared by the European Commission.¹³

2.5 Objectives and Scope of EPA Accession and SIFA Negotiations

Objectives

Angola's accession to the EU-SADC EPA aims at addressing a number of Angolan and EU policy objectives. For Angola, preferential market access to the EU for non-oil goods under an EPA is expected to contribute to the much-needed diversification away from mineral fuels and diamonds. In this regard, accession to the EPA would avoid that Angola loses some of the preferential access to the EU market which its exports currently enjoy under the EBA. This would particularly hit non-oil exports (and would therefore be detrimental to the economic diversification goal). It would therefore provide predictable and stable preferential market access for Angola's exports to the EU market. For the EU, Angola's liberalisation under the EPA would likewise ensure predictable and stable market access, and enhance the transparency of trade rules, in addition to improving market access for

¹³ https://trade.ec.europa.eu/doclib/docs/2020/october/tradoc_158989.pdf. Also see the latest European Commission's annual implementation report (European Commission 2020).

EU goods on the Angolan market. The EU already is an important supplier for Angola of machinery and inputs used by Angolan firms. Reducing import tariffs on these goods under the EPA could enhance the competitiveness of Angolan firms. Finally, accession to the EPA (and in parallel Accession of Angola to SADC Trade Protocol) could facilitate regional economic integration between Angola and the other SADC EPA countries, with EPA rules of origin allowing for regional cumulation.¹⁴

To be successful, Angola's economic diversification requires massive investments. This includes – especially in a context where public investment is limited by the financial constraints which the Government faces – large-scale investment by domestic and foreign investors. With investment issues currently not covered in the EU-SADC EPA, an investment facilitation agreement with the EU could attract further investment in Angola, especially by small and medium-sized businesses and in the non-oil sector, contributing to Angola's economic diversification. The joint objectives which both Angola and the EU pursue with the SIFA are thus to enhance the transparency and predictability of investment conditions for all investors, as well as enhancing the investment framework through cooperation.

Scope

As Angola is about to negotiate its accession to the existing **EU-SADC EPA**, the country will mostly agree to the provisions which are already in the EPA (see Box 1 above). This follows from Article 119(3) of the EPA, which states that "negotiations concerning the terms of accession should be conducted on the basis of this Agreement, taking into account the specific situation of Angola". As the EU would provide DFQF treatment to all of Angola's exports except arms and ammunition (i.e. the current treatment under the EBA would continue under the EPA), the main focus of negotiations will be the preferential market access which Angola would provide to products which it imports from the EU. In addition, negotiations could in principle also cover Angola's position regarding EPA protocols, such as the one on GIs, as well as regarding the start of negotiations on services and investment in line with Part II, Chapter IX of the EPA.

The stand-alone **SIFA** is expected to cover rules on transparency and good administrative practices related to investment, as well as cooperation on investment issues with a particular focus on investment contribution to sustainable development. It would however not cover investment liberalisation, investment protection, or an investor-state dispute settlement mechanism.¹⁵ The SIFA is expected to be structured into eight chapters (Box 2; more details are provided in section 1.2.2.1 of Annex C). When assessing the potential impact of the SIFA in Angola, one needs to take into account that negotiations on a WTO Investment Facilitation Agreement (IFA) are also ongoing; the SIFA's impact would therefore differ depending on whether the WTO IFA is actually concluded and if so, whether Angola joins it and what its provisions provide for in comparison to the SIFA.

Box 2: Proposed structure and scope of SIFA

Chapter I: General Provisions
Chapter II: Predictability and Transparency
Chapter III: Streamlining of Authorisation Procedures
Chapter IV: Focal Points and Stakeholders' Involvement
Chapter V: Investment and Sustainable Development
Chapter VI: Dispute Avoidance and Settlement [no text proposed yet]
Chapter VII: Cooperation and Institutional Provisions
Chapter VIII: Final Provisions

Source: EU's textual proposal for the SIFA of 14 June 2021, updated on 23 September 2021, <https://trade.ec.europa.eu/doclib/html/159654.htm>

¹⁴ Activation of the cumulation is still in progress.

¹⁵ See Art. 1.2(4) of the EU's textual proposal for the SIFA.

3 STUDY METHODOLOGY AND TOOLS

3.1 Analytical Approaches

Considering that the EU is Angola's third-largest trading partner, while Angola accounts for a very small share (about 0.5%) of the EU's total trade, Angola's accession to the EU-SADC EPA will have a stronger impact on Angola; the analysis therefore primarily focusses on the impacts in Angola as well as on selected impacts on regional economic integration in Southern Africa. The following impact dimensions are analysed: economic impact, social impact including gender and labour rights, impact on the enjoyment of human rights, and the impact on the environment. In addition, Angola's administrative capacity to implement the EPA is assessed. The following sections provide an overview of the approach used for the analysis of each of the impact dimensions. Further details on the methodology were provided in the inception report.¹⁶

3.1.1 Economic Impact Analysis

The economic impact analysis first estimates the effects of tariff changes resulting from Angola's accession to the EU-SADC EPA on Angola's and the EU's bilateral and total trade. It then assesses the wider economic impacts on Angola's economy – effects on output, on competitiveness, GDP, and government procurement – also considering non-tariff issues addressed in the EPA as well as the potential implications of the SIFA on investment in Angola. Finally, the impact on Angola's regional integration, and the impact on the EU outermost regions is analysed.

Partial equilibrium (PE) model simulations prepared by the European Commission's DG TRADE constitute the starting point for the analysis. The model estimates the changes in bilateral trade between the EU and Angola, and in trade of the EU and Angola with the rest of the world caused by Angola's accession to the EPA. The model estimates the effects of tariff liberalisation (but not any changes in non-tariff measures that might be associated with Angola's accession to the EU-SADC EPA) on goods trade at the HS sub-heading (i.e. 6-digit) level by comparing 2019 trade in a baseline scenario (approximating the situation that would prevail if Angola did not accede to the EPA) with three liberalisation scenarios (reflecting different options regarding Angola's preferential tariffs for imports from the EU in the case of accession):

- In the baseline, Angola applies MFN tariffs on imports from the EU. Conversely, the EU applies the preferential tariffs of the GSP standard arrangement on imports from Angola. This corresponds to the situation in which Angola has graduated from LDC status and (3 years later) from EBA status without joining the GSP+ arrangement;
- The first liberalisation scenario assumes that both the EU and Angola set all tariffs to zero. This full liberalisation scenario serves as a theoretical extremum: it calculates the maximum impact theoretically possible if Angola liberalised all its tariffs on EU imports. Note that this is not a realistic scenario, as no SADC-EPA country has liberalised all its tariffs. For example, the actual scope of liberalisation (in terms of percent of tariff lines) by SACU countries for imports from the EU covers 84.9% DFQF plus 12.9% partial liberalisation (reduced tariffs of tariff rate quotas), while preferences offered by Mozambique, an LDC, are lower, covering 74% of imports from the EU;
- The other two liberalisation scenarios are more realistic in the sense that they take into account the exclusion of certain products from liberalisation by Angola (while the EU offers duty-free quota-free access for all Angolan exports except arms and ammunition under all three liberalisation scenarios): in the most conservative liberalisation

¹⁶ Available at <https://trade.ec.europa.eu/doclib/html/159521.htm>.

scenario, Angola excludes 182 products (at HS sub-heading level) from liberalisation, while in a more ambitious scenario, only 98 products are excluded.

Complementing the analysis of trade impacts, an assessment of the impact on Angola of non-tariff measures (NTMs) addressed in the EPA is carried out. Some of the main NTMs analysed include TBT, SPS, technical regulations, customs procedures/trade facilitation, rules of origin and domestic regulations on import/export licensing and restrictions. This analysis entails a review of the EPA provisions on NTMs, an understanding of the relevant context, regulations, and recent performance in Angola ("current situation"), followed by a qualitative assessment of the EPA's impact on these issues.

The analysis of possible effects of the EPA and the SIFA on the business environment and investment climate, as well as investment, is framed in the context of how these two agreements would influence the competitiveness of the Angolan economy. Like the NTM analysis, the analysis is driven by a comparison of the investment-related provisions in the EPA and the SIFA and Angola's current investment climate and business environment investment, *inter alia* by reviewing the World Bank's Doing Business Indicators, as well as UNCTAD's recent investment policy review of Angola (UNCTAD 2019). Comparing current performance with requirement (likely) arising under the EPA and SIFA allows to make a qualitative assessment in terms of the impact which the agreement could have on Angola's investment environment, and following from that, private investment levels, and competitiveness.

The impact which Angola's membership in the SADC-EU EPA is expected to have on the regional integration efforts particularly on the SADC Trade Protocol and the AfCFTA is analysed based on a review of (i) the most recent descriptive statistics on inter-regional trade and complement this analysis with conclusions on the potential impact of Angola's accession on inter-regional trade diversion and (ii) the development support measures on regional integration.

Finally, the impact of Angola's accession to the EPA on the EU's Outermost Regions (ORs) is done at sub-sector level through a matching analysis for EU and Angolan trade with the ORs, i.e. it is determined to which extent ORs export products which are anticipated to face greater competition from Angola under the EPA.

3.1.2 Social and Gender Impact Analysis

The social and gender impact analysis follows the structure outlined below:

- **Step 1: Description and analysis of the actual situation in Angola** in all areas envisaged for the social and gender impacts analysis, i.e., employment, informal employment, poverty and inequality, consumers and their purchasing power (incomes and expenditures), working conditions, respect for labour standards (elimination of child labour and forced labour, and promotion of non-discrimination at work and freedom of association and the right to collective bargaining), situation of women (as workers, entrepreneurs and traders) and uptake of Corporate Social Responsibility/Responsible Business Conduct practices.
- **Step 2: Identification and analysis of impacts related to the legal text of the EPA.** This aims at identifying provisions which may have (direct or indirect) impacts for Angola in areas covered by the social impact analysis.
- **Step 3: Social and gender impact analysis** of Angola's accession to the EPA. In the absence of CGE modelling, impacts on employment across sectors, on prices, wages, and welfare levels, an approach based on descriptive statistics (using the results of the economic impact analysis) and qualitative analysis is used.
- **Step 4: Conclusions and recommendations.**

3.1.3 Analysis of Impacts on Human Rights

The approach for the human rights¹⁷ analysis is structured into four steps that reflect the established methodology of the human rights impact assessment (European Commission 2015; De Schutter 2011).

In **Step 1, Human rights baseline**, a description of the human rights situation in Angola is prepared, including an overview of the country's international human rights obligations – i.e. ratifications of core international and regional human rights treaties as well as core ILO Conventions and other treaties relevant for the analysis – and a summary of pre-existing conditions of stress or vulnerability. Key implementation issues are identified based on the reports of the UN monitoring bodies for all relevant conventions, highlighting position of specific vulnerable groups.

This focused review is used as a context for further analysis and for drafting policy recommendations because it exhibits the way human rights resilience is present in Angola in the face of its accession to the EU-SADC EPA.

Step 2, Screening and scoping, focuses on the identification of those human rights that are most likely to be affected when Angola joins the EU-SADC EPA. The EPA is scanned for provisions (chapters/sections) that are most likely to cause an impact on the enjoyment of human rights in Angola and the EU (if impacted). The likely cause-effect relationships between the trade and trade-related measures in the EPA and human rights are based on multiple sources, e.g. the results of the economic analysis; a review of relevant academic literature; a review of relevant reports of international organisations (UN, ILO, etc.); a review of relevant reports of non-governmental organisations and news reports; and stakeholder consultations.

The output of the screening and scoping exercise is a tabular overview of the potential impacts of the EPA which includes the following information: the specific trade measures/provisions in the EPA expected to have an impact on human rights; the specific human rights (with references to international human rights law) expected to be affected;¹⁸ a short description of the potential impact; the kind (direct or indirect) and magnitude (major or minor) of the impact; and potentially affected population groups (if possible/applicable).

Depending on the outcome of the screening exercise, a maximum of two human rights are selected for **Step 3, Detailed assessment**. Applicable human rights laws are scanned (based on the obligations of the state countries under international and regional human rights treaties) to provide a framework of applicable and binding entitlements and duties related to the selected human right(s). Insofar possible, national legislation is scanned for protection mechanisms – if legal frameworks exist, if implementation practice is in place to mitigate possible negative impacts and enhance potential positive impacts from the Angolan accession, focusing in particular on the changes that could potentially affect the enjoyment of each of the selected human rights (using baseline analysis to aid the impact assessment). Then we substantiate on the potential impact noting the expected significance of the impact and analysing the extent to which the particular measures foreseen may enhance or impair the enjoyment of the relevant rights and /or may strengthen or weaken the ability of the parties to fulfil or progressively realise their international human rights obligations. Particular attention is given to impacts on

¹⁷ In line with the Tool No.28 of the Better Regulation "Toolbox" and the EC Guidelines on the analysis of human rights impacts in impact assessment for trade-related policy initiatives, "human rights" are defined as set out in the Charter of Fundamental Rights of the European Union, core UN human rights treaties and relevant regional human rights treaties.

¹⁸ In line with the Fundamental Rights Check list outlined in the Better Regulation Toolbox, it will be specified whether the potentially affected rights are absolute human rights or not.

vulnerable groups or groups of individuals that are at risk of being marginalised (Danish Institute for Human Rights 2016).

This assessment is undertaken, to the extent possible and considering the limitations resulting from the PE analysis of economic effects, both quantitatively and qualitatively. The quantitative analysis is based on the results of the economic impact analysis.¹⁹ The qualitative analysis is based on various sources as well as stakeholder consultations and close work with local partners.

In **Step 4, Policy recommendations and flanking measures**, policy recommendations are formulated as to how any tensions between the EPA and state human rights obligations may be addressed, helping to strengthen positive and to mitigate potential negative impacts of Angola's accession to the EU-SADC EPA on human rights, with a particular focus on the most vulnerable groups.

3.1.4 Environmental Impact Analysis

In line with the handbook for trade sustainability impact assessments, the environmental analysis will include the following environmental impact dimensions: (1) Climate change; (2) Air quality; (3) Use of energy; (4) Water quality and resources; (5) Land use and soil quality; (6) Waste and waste management; (7) Biodiversity; and (8) Ecosystem services and protected areas.

Also in line with the handbook, the methodology for the environmental analysis is organised along the following steps:²⁰

- **Step 1: Environmental baseline:** In the first step the existing overall environmental situation in Angola is identified, including understanding main areas of environmental stress and vulnerability, legal obligations of the parties with respect to the environment and pre-existing conditions that severely influence environmental conditions or impact policy making to address environmental challenges.
- **Step 2: Screening and scoping:** This aims at identifying how each of the eight environmental dimensions may be affected by the EPA. This will include identifying relevant indicators to assess impacts for each of the environmental aspects and identify data sources to conduct the assessment;
- **Step 3: In-depth analysis of the potential environmental impacts** of the EPA, in comparison to baseline developments. In addition to identifying impacts this will include identifying how the Agreement may help to address environmental concerns;
- **Step 4: Case study.** One environmental case study, on biodiversity and deforestation, will provide further details on a topic already identified as being potentially impacted by the EPA;

¹⁹ When relevant, we will use human rights indicators to supplement the analysis (United Nations Human Rights Office of the High Commissioner (OHCHR) 2012).

²⁰ During the development of this study a new methodology for assessing the impacts of trade agreements on biodiversity and ecosystems was developed in a study project for the European Commission (IEEP et al. 2021). Using this new methodology would have resulted in a quite similar approach to the analysis as was used by the project team. This is mainly influenced by the lack of data to analyse environmental developments and impacts in Angola. For this reason, the methodology used largely is based on qualitative analysis. Main steps used such as formulation of a baseline, screening and scoping and in-depth analysis are similar in both methodologies. The main difference between the two methodologies is that the specific methodology for the biodiversity impact assessment focuses on impacts resulting from increased trade and responses suggested to address these impacts, while in the methodology used in this SIA the team also identifies how the increased cooperation between trade parties could help strengthen the governance and policy framework to help avoid negative impacts and strengthen positive impacts. Another difference is that in this SIA eight environmental impact dimensions are analysed with a focus on those economic activities where the impacts are considered to be the most prominent while the new methodology has a narrower scope (addressing the dimension biodiversity) with a wider economic focus (identifying semi-quantitative impacts for all economic activities).

- **Step 5: Conclusions and recommendations.**

3.1.5 Assessment of Administrative Capacities

The focus of the administrative capacity assessment is on customs authorities and authorities responsible for SPS and TBT matters. The analysis under this task uses the following approach:

- **Step 1: Identification of Ministries and other government bodies** that may have a direct and indirect intervention in the management and implementation of trade agreements;
- **Step 2: Identification of administrative capacity constraints and their underlying explanations;**
- **Step 3: Consequences for EPA implementation and recommendations.**

The main source of information for this assessment are consultations with the (government) bodies that would be in charge of the EPA implementation in Angola.

3.2 Consultations

The consultations are an important element of the SIA because they contribute significantly to its transparency and participatory nature. This requires that stakeholders are provided with information, and consulted, at each stage of the analysis, thereby strengthening the legitimacy of the study and its findings and recommendations. The main objectives of the consultations are:

- To inform stakeholders about the conduct of the SIA and its findings and recommendations, allowing stakeholders to provide their inputs to the study and their views about Angola's accession to the EU-SADC EPA;
- To contribute to the identification of possible economic, social, environmental and human rights impacts of the EPA;
- To contribute to the identification of sectors and groups which might benefit or be negatively affected as a result of the implementation of the EPA in Angola;
- To analyse the reasons for such potential effects; and
- To contribute to the identification and the conduct of the case studies.

The approach to consultations has been explained in detail in a dedicated consultation strategy (annex C to the inception report). Following the identification of relevant stakeholders in the EU and Angola, the operational consultation activities have been grouped into four "pillars", characterised by different target groups and channels used:

- Pillar 1: Targeted consultation activities, in particular a hybrid workshop in Luanda (21 & 22 July); also accessible through Zoom), an online survey (open from May to 10 August 2021), and interviews and meetings with stakeholders in Angola, the EU and SADC countries;
- Pillar 2: Two meetings with EU civil society (civil society dialogue, CSD, meetings);
- Pillar 3: Meetings with EU institutions;
- Pillar 4: Digital engagement with stakeholders and interested persons in general, through a website (<http://angola.fta-evaluation.eu>), Twitter, and electronic newsletters to the 600+ identified stakeholders.

4 RESULTS OF THE ANALYSIS

4.1 Economic Sustainability of Angola's Participation in the EPA

4.1.1 Impact on Tariff Changes on Trade Flows

Table 2 shows the effects of the tariff changes caused by Angola's accession to the EU-SADC EPA on total exports and imports by Angola, the EU, and the rest of the world for the three liberalisation scenarios. As can be seen, the difference between the full liberalisation and ambitious scenarios are limited; therefore, we focus the discussion here on the full liberalisation and the conservative scenario.

Impact on Angola's imports

In the extreme (theoretical) case of full liberalisation, due to the assumed complete elimination of duties for imports from the EU, Angola's imports from there are calculated to increase by €1.3 billion or 51.2% compared to the baseline. At the same time, Angola's imports from the rest of the world decline by €630 million (8.8%). This trade diversion effect means that total imports increase by €693 million, or 7.1%.

In the conservative liberalisation scenario, Angola's imports from the EU are higher by €1.15 billion or 44.7% than in the baseline. Due to trade diversion, Angola's total imports increase by €596 million (6.1%); this calculated increase is high compared to earlier simulations of other SADC EPA countries²¹ but can be explained by Angola's relatively high current MFN import tariffs.

Table 2: Impact of tariff liberalisation on trade flows (€ million and %)

	Changes in € compared to baseline				Changes in % compared to baseline				
Exports from	Exports to	Angola	EU	ROW	Total	Angola	EU	ROW	Total
Scenario 1: Full liberalisation		693.0	22.8	-0.9	715.0	7.1	0.0	0.0	0.01
	Angola	0.0	14.5	-0.2	14.3	..	0.4	0.0	0.04
	EU	1,322.6	0.0	-36.8	1,285.8	51.2	..	0.0	0.06
	ROW	-629.5	8.4	36.0	-585.1	-8.8	0.0	0.0	-0.01
Scenario 2: Conservative		596.1	21.5	-0.7	616.9	6.1	0.0	0.0	0.00
	Angola	0.0	14.5	-0.2	14.3	..	0.4	0.0	0.04
	EU	1,154.5	0.0	-32.1	1,122.4	44.7	..	0.0	0.05
	ROW	-558.4	7.0	31.5	-519.9	-7.8	0.0	0.0	0.00
Scenario 3: Ambitious		685.7	22.7	-0.9	707.5	7.1	0.0	0.0	0.01
	Angola	0.0	14.5	-0.2	14.3	..	0.4	0.0	0.04
	EU	1,311.2	0.0	-36.6	1,274.6	50.8	..	0.0	0.06
	ROW	-625.4	8.2	35.8	-581.4	-8.8	0.0	0.0	-0.01

Source: Own calculations based on DG TRADE modelling.

Using UNCTAD's stage of processing product categories, about one third each of Angola's imports are in intermediate, capital and consumption goods, whereas raw materials imports are limited. As a result of EPA accession, the increase in Angola's imports would particularly be in intermediate and consumption goods, but less in capital goods and raw materials (Table 3). This applies to all scenarios. Thus, in the conservative liberalisation scenario, imports of consumption goods from the EU are estimated to increase by €519 million (84.5%); as about half of this import increase is the result of diversion of imports from the rest of the world, the total import increase in consumption goods is estimated at €262 million (9.6%). The increase in imports of intermediate goods is in the same order of magnitude. This means that the benefits of Angola's EPA accession in terms of lower

²¹ For example, the European Commission (2016) calculated total imports of SADC EPA countries to increase by 0.14% as a result of the EPA.

prices of imports accrue to Angolan consumers and businesses in a balanced way.²²

Table 3: Impact of tariff liberalisation on Angola's imports from the EU, by type of product (stage of processing)

Product	Imports in baseline EUR M	Full liberalisation scenario						Conservative liberalisation scenario					
		Change in EUR M			Change in %			Change in EUR M			Change in %		
		EU	ROW	Total	EU	ROW	Total	EU	ROW	Total	EU	ROW	Total
Raw materials	309.4	16.1	-10.7	5.4	16.6	-5.0	1.8	12.5	-9.1	3.5	13.0	-4.3	1.1
Intermediate goods	3,317.8	600.4	-269.5	330.9	59.3	-11.7	10.0	543.2	-250.0	293.2	53.7	-10.8	8.8
Capital goods	2,971.0	68.7	-42.2	26.5	13.9	-1.7	0.9	68.7	-42.2	26.5	13.9	-1.7	0.9
Consumption goods	2,726.6	626.1	-306.8	319.3	102.0	-14.5	11.7	518.7	-256.8	261.9	84.5	-12.2	9.6
Not allocated	402.0	11.2	-0.3	10.9	3.1	-0.9	2.7	11.2	-0.3	10.9	3.1	-0.9	2.7
Total	9,726.8	1,322.6	-629.5	693.0	51.2	-8.8	7.1	1,154.5	-558.4	596.1	44.7	-7.8	6.1

Source: Own calculations based on DG TRADE modelling.

A negative impact for Angola's productive sector could however occur if imports replaced domestic production. While this is analysed in more detail in section 4.1.3, in preparation of that analysis Table 4 shows the calculated impacts of Angola's accession to the EU-SADC EPA on imports by sector for all those sectors where total imports in the full liberalisation scenario would increase by at least €10 million.

Table 4: Impact of tariff liberalisation on Angola's imports from the EU, selected sectors

HS Chapter	Baseline Total import	Full liberalisation				Conservative scenario			
		Change in EUR M		Change in %		Change in EUR M		Change in %	
		Import from EU	Total import	Import from EU	Total import	Import from EU	Total import	Import from EU	Total import
16 Meat, fish or crustaceans, n	80.9	71.9	58.0	215.1	71.8	71.9	58.0	215.1	71.8
73 Iron or steel articles	312.9	98.9	48.9	75.3	15.6	98.9	48.9	75.3	15.6
22 Beverages, spirits and vine	102.6	75.4	46.2	150.2	45.0	70.9	43.4	141.3	42.3
69 Ceramic products	72.6	49.8	37.9	263.9	52.2	49.8	37.9	263.9	52.2
76 Aluminium and articles ther	104.0	49.6	36.9	263.8	35.5	49.6	36.9	263.8	35.5
39 Plastics and articles thereo	325.2	72.2	29.8	86.3	9.2	72.2	29.8	86.3	9.2
85 Electrical machinery and eq	704.3	79.7	24.2	41.2	3.4	79.7	24.2	41.2	3.4
20 Preparations of vegetables,	34.7	37.7	23.5	218.5	67.8	24.8	12.8	143.8	37.0
48 Paper and paperboard; artic	122.3	37.9	21.9	84.3	17.9	30.9	16.4	68.7	13.4
11 Products of the milling indu	109.1	26.7	20.6	67.7	18.9	0.6	0.4	1.5	0.3
02 Meat and edible meat offal	427.6	50.8	20.5	144.5	4.8	24.0	6.3	68.4	1.5
87 Vehicles; other than railway	509.0	51.4	20.3	63.3	4.0	51.4	20.3	63.3	4.0
04 Dairy produce; birds' eggs;	119.6	32.4	20.1	45.4	16.8	27.8	15.9	38.9	13.3
34 Soap, organic surface-active	107.9	53.1	20.1	300.7	18.6	42.8	15.4	242.0	14.2
94 Furniture; bedding, mattres	143.3	52.5	19.7	85.5	13.8	52.5	19.7	85.5	13.8
84 Nuclear reactors, boilers, m	1,462.8	47.3	19.7	9.5	1.3	47.3	19.7	9.5	1.3
44 Wood and articles of wood;	23.1	19.9	16.6	148.8	72.2	19.9	16.6	148.8	72.2
21 Miscellaneous edible prepar	64.1	21.8	14.2	70.4	22.2	21.8	14.2	70.4	22.2
03 Fish and crustaceans, mollu	114.3	17.6	14.1	189.2	12.4	17.6	14.1	189.1	12.4
68 Stone, plaster, cement, asb	27.5	19.0	13.2	128.2	48.1	19.0	13.2	128.2	48.1
83 Metal; miscellaneous produ	62.6	17.4	13.2	41.8	21.1	17.4	13.2	41.8	21.1
32 Tanning or dyeing extracts;	46.8	22.5	12.5	113.1	26.8	4.2	2.8	21.2	5.9
19 Preparations of cereals, flo	166.5	38.2	11.7	110.1	7.0	34.9	11.1	100.6	6.7
72 Iron and steel	164.4	23.9	10.4	79.2	6.3	22.0	9.5	73.2	5.8
Others	4,318.6	254.8	118.5	25.7	2.7	202.4	95.1	20.4	2.2
Total	9,726.8	1,322.6	693.0	51.2	7.1	1,154.5	596.1	44.7	6.1

Source: Own calculations based on DG TRADE modelling.

As can be seen, import increases are spread over many sectors. Under the full liberalisation scenario, Angola's imports from the EU increase up to 300% (HS chapter 34, soaps and detergents) or up to €99 million (HS ch. 73, iron or steel articles). In most sectors, about half of the import increase is caused by diversion of imports from other sources. The highest *total* import increase for any HS chapter in absolute terms is €58 million, for meat

²² In theory, imports of inputs for production and capital goods can be exempted from duties; in practice, however, according to information provided by stakeholders interviewed, the use of these exemptions is limited.

and fish preparations (HS ch. 16), and in relative terms 72% (again for meat preparations, as well as HS ch. 44, wood and wood articles). In the conservative scenario, import increases are more limited in those sectors where products are assumed to be excluded from the liberalisation, most notably flours (HS ch. 11), meat (HS ch. 02), and vegetable preparations (HS ch. 20).

Impact on Angola's exports

According to the PE simulations, Angola's total exports increase by €14.3 million or 0.04% as a result of accession to the EPA. Exports to the EU increase by €14.5 million, or 0.4%, and exports to the rest of the world decrease slightly (by €0.2 million); in other words, diversion of Angolan exports is very limited (Table 2 above).²³ The export increase is comparatively small because in the baseline, i.e. Angola as a GSP beneficiary country, the EU also offers preferential access to many of Angola's exports. Furthermore, the modest relative increase in exports to the EU is mostly a result of the current dominance of mineral fuels and diamond exports. If these are taken out of the equation, the export increase of €14.5 million equates to an increase of 26.5% of non-mineral fuels, non-diamond exports to the EU. Put simply, as an EPA member, **excluding mineral fuels and diamonds, Angola will export more than a quarter more to the EU than as a GSP beneficiary, because of additional tariff preferences.**

As Table 5 shows, the export gains accrue to few products, primarily frozen shrimps (HS code 030617; +€5.3 million), ethyl alcohol (220710; +€3.8 million), wheat brans (230230; +€2.1 million), and bananas (080390; +€1.7 million) – these four account for almost 90% of the increase in export value stemming from accession to the EPA.²⁴ Gains occur only for those products which would face positive duties in the GSP, while no changes in Angola's exports are calculated for any export products which would benefit from zero duty access also under the GSP²⁵ – examples for such products among Angola's current exports are granite (HS codes 251611 & 12), copper cathodes (740311), sawn wood (440728 & 29) or coffee (090111). More accurately, the tariff effects of Angola's accession to the EPA would not lead to an increase in Angola's exports to the EU. Rather, accession to the EPA would avoid a decline in Angola's exports for those products, listed in Table 5, that would lose duty free access to the EU upon Angola's graduation from the EBA into the standard GSP (or GSP+).²⁶

In other words, not acceding to the EPA would result in higher tariffs for Angolan exports to the EU and thus reduced exports from Angola to the EU; this would be an immediate cost of non-accession for Angola.

²³ Because the EU tariffs on imports from Angola are zero in all liberalisation scenarios, the effects are also the same across all of them.

²⁴ Because of the nature of the PE model, these products are also the ones benefitting most in terms of total export increases; see Table 1 in Annex C. Note that not all of the products listed would necessarily be eligible to export duty-free to the EU. E.g., the model assumes that all exports comply with the rules of origin; for some of the products listed, it is however likely that these are mostly re-exports (such as vehicles, HS 8703/8704), which might well fail to meet the origin requirement and hence attract MFN tariffs upon entry into the EU.

²⁵ This finding is in line with the European Commission's assessment of the EU-SADC EPA's economic impact (DG Trade 2016)

²⁶ Remember that the baseline already reflects this loss of preferences and simulates Angola's exports as a standard GSP beneficiary country. The calculated changes compared to the baseline exports thus reinstate the actual 2019 exports, i.e. they undo the export loss in the baseline resulting from EBA graduation.

Table 5: Impact of tariff liberalisation on Angola's exports to the EU, by product

Product code and description		GSP tariff	Baseline (€ M)	Change (€ M)	Change (%)
030617	Frozen shrimps and prawns	4.2%-8.5%	12.8	5.3	41
220710	Undenatured ethyl alcohol	19.2€/hl*	0.0	3.8	61,859
230230	Bran, sharps and other residues; of wheat	44-89€/t*	1.1	2.1	188
080390	Fruit, edible; bananas, other than plantains	114€/t**, 12.5%	1.0	1.7	175
740811	Copper; wire, of refined copper	1.3%	0.8	0.3	42
030614	Frozen crabs, in shell or not	2.6%	1.1	0.2	22
870324	Vehicles; with only spark-ignition...	6.5%	0.2	0.2	105
110710	Malt; not roasted	131-177€/t*	0.0	0.2	20,213
030357	Frozen swordfish (Xiphias gladius)	4%	0.3	0.1	33
870423	Vehicles; compression-ignition internal...	15.4%	0.0	0.1	221
740829	Copper; wire, of copper alloys...	1.3%	0.2	0.1	41
Others			3,618.1	0.3	0.0
Total			3,635.6	14.5	0.4

Source: Own calculations based on DG TRADE modelling.

Based on the PE simulations, the impact of Angola's accession to the EU-SADC EPA is estimated to be sizable in terms of Angola's imports from the EU as well as overall imports (an issue that is further analysed in section 4.1.3), and limited overall on Angola's exports (but sizable with respect to Angola's non-oil, non-diamond exports).

It should be noted that the PE simulations tend to underestimate the effect on Angola's exports, for a number of reasons. The first one is a methodological issue, i.e. the zero-trade problem: the model calculates changes in exports as percentage changes. This means that the model does not capture the impact on products which are currently not exported, or are exported in very small quantities – as Angola's current export structure consists of only very few products, the calculation results do not consider the potential for diversification, even where there is veritable potential to start exporting under the EPA.

A second issue is that the model estimates of Angola's export increases in absolute terms (i.e. increase in euros/dollars) depend on the baseline values; as noted above (section 2.3), these values differ quite substantially across official sources. For example, if baseline fish exports had been taken from the BNA data, the absolute effect of the EPA on Angola's fishery exports would be considerably higher.

Another reason why the model simulations tend to underestimate trade gains (especially for Angola) is that they only capture the effects of tariff liberalisation but not other issues affecting trade, including positive competitiveness effects due to access to cheaper high-quality inputs for Angolan firms, non-tariff measures as well as productive capacity constraints, which are also addressed in the EPA, respectively the technical assistance expected to be available in association with the EPA, and which are also influenced by the separate SIFA being negotiated.

Last but not least, the PE simulation results are based on a static model that does not capture any dynamic effects expected to arise from the EPA (and the SIFA). These are improvements in the productivity and competitiveness of Angolan businesses stemming from cheaper inputs, increased foreign investment with associated injection of capital, enhanced production processes and technologies, learning and knowledge spill-overs, etc. Such effects will positively influence Angola's trade performance in the longer term, but they are not reflected in the results as reported in this section.

In conclusion, it is expected that both Angola and EU gain in terms of trade performance – the EU from an expansion in exports, and Angola will potentially benefit from a relative increase in non-oil, non-diamond exports contributing to export diversification, as well as, in the longer-term, from starting to export new products and from dynamic gains. Nevertheless, to happen in practice, these potential benefits require a strategic approach on sectors to focus on, as well as complementary technical assistance.

The next section addresses the potential impact of non-tariff measures, while longer-term effects on Angola's trade performance, including from increased investment, productivity gains, technology transfer, assistance for export development and investment facilitation, are addressed in section 4.1.3.

4.1.2 Impact of Non-Tariff Measures on Trade

Previous studies have shown that non-tariff issues constitute an important barrier for Angolan exports, even in the absence of tariffs faced in export markets (e.g. BKP Development Research & Consulting 2019). The EPA addresses a number of NTMs, and therefore the potential effects of Angola's accession to the EPA could go beyond tariff liberalisation – depending on the specific provisions in the EPA and Angola's current situation. The SIA therefore analyses some of the main NTMs, including quantitative restrictions and tariff rate quotas (TRQs), customs issues including rules of origin and trade facilitation, TBTs and SPS issues, technical regulations, and trade defence instruments. Section 1.3 in Annex C provides the full analysis, which is summarised in this section.

With regard to **quantitative restrictions** and import licensing, the EPA does not create any WTO-plus obligations for the Parties. As Angola is a member of the WTO, the EPA will therefore not have a direct impact on Angola in this respect. However, we note that Angola, which in recent times has not applied quantitative restrictions outside of the usual general exceptions,²⁷ is considering their use in the context of PRODESI. Thus, Presidential Decree 23/19 establishes quantitative import restrictions for a number of products²⁸ from 2022 onwards (contingent upon compliance with WTO rules), as well as introduces import licensing requirements. To the extent that these measures would indeed comply with the relevant WTO rules, they would also comply with EPA rules. Nevertheless, considering the overwhelming evidence, shown in many studies and analyses, that the use of tariffs is superior to quantitative restrictions, bilateral discussions in the framework of the EPA could be used to help the Government of Angola find the least disruptive measure to pursue its legitimate policy goal of protecting infant industries and reducing the balance of payment deficit.

Similarly, it is not expected that Angola would establish **TRQs** on imports from the EU, and as such no implementation structures would have to be set up. In addition, the EU will also not apply TRQs on imports from Angola. Accordingly, Angola's accession to the EPA would not have any impact in this respect.

One effect of the EPA related to **customs and trade facilitation** could stem from its *rules of origin*. Specifically, the cumulation rules in the EPA are more lenient than those under the EU's GSP and EBA. A detailed comparison goes beyond the scope of this study; nevertheless Table 6 provides an overall summary. Effectively, cumulation rules of the GSP would make it hard for Angolan exports to the EU to benefit from preferences if they relied on inputs from other SADC countries beyond the levels established in the conditions for "sufficient working"). Therefore, the EPA provides a benefit and would be conducive to the development of regional value chains. At the same time, this benefit is expected to accrue only in the long term, as presently (and also in the foreseeable future) all of Angola's exports to the EU are goods "wholly obtained" in Angola.

²⁷ Such as protection of human, animal or plant life or health, public morals, national treasures, etc.

²⁸ The products covered are: a) sugar; b) chicken meat products; c) pork products; d) dried beef; e) rice; f) wheat flour; g) spaghetti pasta; h) cornmeal; i) milk; j) soap; k) tilapia; l) honey; m) soybean oil; n) palm oil; o) sunflower oil; and p) peanut oil.

Table 6: Comparison of cumulation rules in the GSP and EPA rules of origin

	GSP	EPA
Bilateral cumulation	✓ (more than “insufficient working or processing”)	✓ (more than “insufficient working or processing”)
Diagonal cumulation	(✓) (only regional cumulation with other GSP countries in the same GSP group; plus extended and cross-regional cumulation if requested and authorised by the EU)	✓ (inputs from other SADC EPA States, ACP EPA States, EU OCTs, EBA & GSP beneficiary countries)

Source: Own preparation based on legal texts.

Accession to the EPA could furthermore require a change in Angola’s customs regime, i.e. the *customs fee structure*. Currently, customs fees/stamp duties (emolumentos gerais aduaneiros) are calculated as a percentage on the customs value of products imported or exported. This ad valorem calculation might need to be changed to one based on the cost of service provided, as required by the EPA (as well as by WTO rules); it could also be argued that the currently different levels of customs fees charged on imports (2% on the customs value) and exports (0.5%) constitute an “indirect protection to domestic products”, which is explicitly not allowed in line with Article 27(1) of the EPA.

Such a change in the fee structure would likely have a negative impact on government revenues²⁹ but at the same time reduce transaction costs for traders, thereby facilitating trade.

In other areas related to customs issues, the anticipated impact of the EPA is unequivocally positive, primarily through *technical assistance*: the EPA contains a commitment by the EU to assist SADC EPA countries in customs matters, notably those areas where Angola’s capacities have been identified as being limited, such as risk assessment, origin verification, or related to the operation and the mutual recognition of authorised economic operator (AEO) programmes.

To significantly expand agricultural exports under the EPA, a strengthening of the capacities to meet EU **SPS** and **TBT** requirements is indispensable. Weaknesses in Angola’s quality infrastructure – both those affecting the possibility to export (certification, conformity assessment for exports) and the control of imports – are well documented (see Annexes C and G). This calls for *technical and financial support* by the EU and its member states both for the development of the quality infrastructure and to businesses. Technical assistance under the 11th EDF in this area is planned to be provided in the project “Support to safety and quality standards towards a national sustainable and inclusive economic growth in Angola”.³⁰ Such continued support will be crucial for Angola to expand and diversify exports to the EU under the EPA.

The *transparency* provisions foreseen in the TBT and SPS chapters would, if the proper domestic mechanisms for onward information sharing with domestic businesses are in place, help Angola’s export oriented businesses to adapt to changing requirements in the EU on time. To ensure that this happens, EU support to establish such a mechanism might be required. In addition, assistance to Angolan exporters in meeting changed/tightened import requirements in the EU could be considered.

²⁹ For a quantitative assessment of the magnitude of this effect, more detailed information on imports and exports at transaction level would be required. Government revenue effects are addressed in more detail in section 4.1.3.4.

³⁰ The project aims at verification and improvement of testing capacity of national laboratories in Angola, a review of the existing legislation and regulations to identify and fill in gaps in addressing technical and safety and SPS standards and support capacity building of inspection, certification, and traceability services. The project includes also a component supporting public-private dialogue and knowledge development regarding requirements of EU and SADC markets, as far as technical, safety and SPS standards are concerned. The project is planned to start in 2022 or early 2023 and last for three years.

In terms of other regulatory and administrative issues related to SPS measures, upon accession to the EPA, Angola would likely have to ratify the International Plant Protection Convention (IPPC); but this is already in process (although progress has been slow). Furthermore, it would need to notify the EU about its relevant SPS norms, regulations and requirements (as well as standards and technical regulations), as well as any upcoming changes to them, which again should pose few challenges. More demanding might be an effective notification of the EU about animal diseases and plant health issues encountered in the country – as the administrative capacity analysis shows, e.g. the absence of sanitary surveys prevents the authorities from systematically identifying diseases and pests across the territory.

Finally, with respect to **trade defence instruments**, the EPA establishes no WTO-plus obligations on the Parties on *anti-dumping and countervailing measures*. It therefore has no direct impact for Angola regarding such measures. Nevertheless, considering that the current trade defence regime in Angola is underdeveloped regarding anti-dumping measures, and does not provide for countervailing measures at all, it could be considered to provide assistance for the establishment of a WTO compliant anti-dumping and countervailing measures regime. The current legal basis, established in Article 11 of the 2020 Customs Tariff,³¹ appears to fall short of the requirements established in the relevant WTO Agreements. Regarding *multilateral safeguards*, Angola's accession to the EPA will allow it to benefit from the EU's obligation to exclude the SADC EPA states from any multilateral safeguards applied. As, however, the EU does not apply multilateral safeguards in practice, this is a rather theoretical benefit. For the establishment of a functioning Angolan multilateral safeguards regime, the same considerations as made for anti-dumping and countervailing measures apply. Finally, with regard to *bilateral safeguards*, the EPA provides a menu of options. According to these, Angola could in principle resort to general bilateral safeguards, food security safeguards and infant industry protection safeguards; but again, a functioning trade defence regime would be required. In the accession negotiations, Angola could also aim at providing a list of certain sensitive products (such as wheat flour) which could be covered under the agricultural safeguards.

In sum, the EPA's provisions covering non-tariff issues are expected to have limited direct effects on Angola's trade with the EU (or overall), at least in the short term. Longer-term benefits could stem from favourable rules of origin in the EPA, which facilitate Angola's insertion into regional value chains.

Some changes in Angola's regulatory and implementation framework for NTMs could be required, such as a change in the customs fee structure or ratification of the IPPC. These would contribute to a strengthening of the trading environment. In addition, the EPA would provide an important catalyst for EU support to Angola in relation to enhancements of various elements of the trade regulatory framework and its implementation. Examples include support for the upgrading of the quality infrastructure, customs matters (e.g. risk assessment, origin verification, or related to the operation and the mutual recognition of AEO programmes) or trade defence instruments. It should be considered to discuss such support already during the accession negotiations and agree of a framework for support e.g. in a side agreement to the accession.

4.1.3 Wider Economic Impacts on Angola

In the absence of CGE model calculations, a quantitative assessment of the wider economic impacts of Angola's accession to the EPA – i.e. on overall and sectoral output, on Angola's competitiveness, on GDP, and on government revenues – is not possible. However, some inferences can be drawn from other economic analyses of the EU-SADC EPA in combination

³¹ Presidential Legislative Decree 10/19 of 24 November 2019, Diário de República, 29 November 2019.

with the PE simulation results discussed above and complementary analysis of statistics and information obtained from other sources, including stakeholders.

4.1.3.1 Impact on output

To assess the impact of accession to the EPA on Angola's total output, given the methodological constraints one needs to assess separately the effects on output of export-oriented sectors and import competing sectors: With regard to **export oriented sectors**, the projected increases in exports are small, reaching a maximum of €7.6 million for wheat brans, €5.5 million for crustaceans, €3.8 million for ethyl alcohol, and €2.7 million for bananas (see Table 1 in Annex C). All of these export increases are small in absolute terms, and while they might translate into output increases, these will be marginal when compared to the size of the economy, and also compared to the size of the respective sectors.

With respect to **import-competing sectors**, as mentioned above, increased imports resulting from Angola's accession to the EPA could have negative effects on domestic producers through more competition. However, this will depend on the actual presence of domestic production of the goods that might be imported more following accession – if no domestic production takes place, then by definition there can be no negative impact on output (and employment).

For the analysis, we compare the changes estimated by the PE model with current and planned domestic production as listed in national policies and strategies, and information from stakeholders.³² Among the policy documents, of particular importance are PRODESI (Presidential Decree 169/18) and Presidential Decree 23/19 for the implementation of PRODESI, which provides a list of products identified for import substitution, as well as the National Industrial Development Plan 2025 (Ministério da Indústria e Comércio 2021). It is assumed that these documents include all the sectors where production in Angola is currently taking place or considered feasible by the Government, and which might face competition from imports.

PRODESI contains a list of 55 products and product groups ("PRODESI products"). Table 7 shows the impacts on Angola's imports of these products under the different policy scenarios.³³ It shows that, in the baseline, PRODESI products account for 13% of Angola's total imports (€1.3 billion out of €9.7 billion), with imports of these products from the EU being below average, at 6% (€152 million out of €2.6 billion). In the full liberalisation scenario, Angola's total imports of PRODESI products would be higher by €120 million (9.5% compared to the baseline; and 17% of the total import increase), with the highest increases in absolute terms being in imports of wheat flour, bleaches, juices and soft drinks, pork, and plasters. In the conservative liberalisation scenario, where Angola would exclude a higher number of products, including several PRODESI ones, the increase in PRODESI product imports would only be €28 million (2.2% compared to the baseline; and 4.7% of the total import increase). This could be further reduced to almost zero if bleaches and plasters were also excluded from the liberalisation.

³² Coherent and comprehensive statistics on actual production at the level of disaggregation required for the analysis could not be obtained.

³³ This calculation is only an approximation, as PRODESI products are not defined in terms of HS codes, and therefore the study authors had to prepare a correspondence table between PRODESI products and the HS based on best judgement (see Table 3 in Annex C).

Table 7: Impact of EPA accession on Angola's imports of selected products targeted by PRODESI (€ million)

Product	Baseline imports			Import change full lib.			Import change cons.			Import change amb.		
	EUR	ROW	Total	EUR	ROW	Total	EUR	ROW	Total	EUR	ROW	Total
Wheat flour	10.9	28.2	39.1	26.1	-5.8	20.3	0.0	0.0	0.0	26.1	-5.8	20.3
Bleaches	9.7	37.7	47.4	41.4	-26.5	14.9	41.4	-26.5	14.9	41.4	-26.5	14.9
Juices and softdrinks	4.9	4.5	9.4	16.8	-3.9	13.0	0.0	0.0	0.0	16.5	-3.7	12.8
Pork	9.9	27.9	37.8	18.3	-5.9	12.4	1.6	-1.4	0.2	18.2	-5.9	12.4
Glue cements, mortars, pl	9.8	11.3	21.1	14.3	-2.8	11.5	14.3	-2.8	11.5	14.3	-2.8	11.5
Construction paint	6.7	11.6	18.2	18.0	-8.4	9.6	0.0	0.0	0.0	18.0	-8.4	9.6
Sanitary towels	1.5	18.1	19.6	12.8	-6.6	6.2	0.0	0.0	0.0	12.8	-6.6	6.2
Napkins, toilet paper, kitc	2.1	1.8	3.9	7.0	-1.5	5.5	0.0	0.0	0.0	6.9	-1.4	5.5
Soy cooking oil	52.0	29.8	81.8	15.4	-10.7	4.7	0.0	0.0	0.0	15.4	-10.7	4.7
Milk	11.8	0.6	12.4	4.0	-0.1	3.9	0.0	0.0	0.0	4.0	-0.1	3.9
Blue soap	1.3	20.7	21.9	6.2	-2.9	3.3	0.0	0.0	0.0	2.6	-2.0	0.5
Cement	1.2	1.6	2.8	3.3	-0.6	2.7	0.0	0.0	0.0	0.0	0.0	0.0
Tempered, laminated, mu	2.1	2.4	4.6	3.2	-1.0	2.3	0.0	0.0	0.0	3.2	-1.0	2.3
Onions	0.1	6.0	6.1	2.7	-0.7	2.0	0.0	0.0	0.0	2.7	-0.7	2.0
Chicken meat	9.3	283.4	292.7	10.0	-8.0	2.0	0.0	0.0	0.0	10.0	-8.0	2.0
Maize grain	0.3	7.6	7.9	1.9	-0.5	1.4	0.0	0.0	0.0	1.9	-0.5	1.4
Other PRODESI products	18.2	626.3	644.5	17.3	-12.3	5.0	3.7	-2.5	1.3	13.7	-10.0	3.7
Total PRODESI products	151.9	1,119.5	1,271.4	218.7	-98.1	120.6	61.0	-33.1	27.9	207.6	-94.2	113.4
Other products	2,430.9	6,024.5	8,455.5	1,103.9	-531.4	572.5	1,093.5	-525.3	568.2	1,103.6	-531.3	572.3
Total	2,582.8	7,144.0	9,726.8	1,322.6	-629.5	693.0	1,154.5	-558.4	596.1	1,311.2	-625.4	685.7

Note: Column "EUR" indicates Angola's imports from the EU; "ROW" its imports from the rest of the world.

Source: Own calculations based on DG TRADE modelling; see Table 2 in Annex C for the impact on the complete list of PRODESI products.

Therefore, the impact of acceding to the EPA on the production and output of sectors focussing on the national market in Angola would be minimal in the case of the conservative scenario, with the possible exception of bleaches and mortars and plasters. But even under the full liberalisation scenario, the increase in imports of most PRODESI products would remain limited, considering the small increases in relation to the market size and the fact that some of the increase will be absorbed by increased demand reflecting the likely declines in prices which consumers would have to pay in the absence of import tariffs. This assessment is in line with the Commission's economic impact assessment of the EU-SADC EPA (DG Trade 2016), which found small sectoral output changes in the SADC-EPA countries (except for "rest of SACU") of up to 0.5%. Most services sectors were found to be benefitting, while most goods sectors – note that results for agriculture are not shown in the study – decrease marginally.³⁴ Similarly, Osman (2015) finds relatively limited (negative) impacts on domestically oriented sectors in Angola. Finally, Lopes concludes that "[e]xcluding the extractive industries (oil and diamonds), the industrial base of Angola's economy is very limited, which means that there is little reason to restrict imports" (Lopes 2016).

Nevertheless, some industries might be more affected by the import increase that might be caused by EPA accession. These could include the following ones:

- **Wheat flour:** industrial wheat flour production in Angola was restarted in 2017 and currently is based on three mills. The largest one is Grandes Moagens de Angola (GMA) at the Port of Luanda, which has a milling capacity of 1,200 tonnes per day, with plans to expand capacity to 3,500 tonnes per day.³⁵ Other mills are Kikolo in Luanda (500 tonnes per day, with plans to double capacity) and a mill by Grupo Leonor Carrinho in Lobito opened in late 2019. All mills currently produce wheat flour based on imported wheat (import of which is duty-free), although there are plans to restart wheat production in the country.³⁶ The three mills provide direct employment for about 370 people; their combined annual production capacity is 700 thousand tonnes per year,

³⁴ The growth in services sectors is likely to be a consequence of the modelling approach which only captures tariff changes introduced by the EPA. This invariably leads to a relative decrease in competitiveness of goods sectors with lower rates of protection, and a relative increase in competitiveness of the services sectors.

³⁵ "O Sector Agroindustrial está no nosso ADN", GMA, <http://www.gmangola.com/pt/quem-somos/estrategia/o-sector-agroindustrial-esta-no-nosso-adn/> [accessed 21 June 2021].

³⁶ "Angola is Ambitious to Increase Wheat Production Capacity", Miller Magazine, n.d., <https://millermagazine.com/english/angola-is-ambitious-to-increase-wheat-production-capacity/.html> [accessed 21 June 2021].

more than the current demand of Angola, estimated by the Ministry of Industry to be 520 thousand tonnes (in 2019).³⁷ Considering this overcapacity, a further increase in imports caused by the elimination of duties for imports from the EU (currently tariffs are 20%) could exert notable further competitive pressure on the industry. On the other hand, it should be noted that the industry is also expected to be positively affected by the increase in exports, as discussed above, which limits the net negative effect (in value terms) to about €13 million in the full liberalisation scenario.

- Hygiene products (bleaches, sanitary towels, detergents): These are considered under different products in PRODESI, but production in Angola is mostly concentrated in few conglomerates, such as S.I.C.I.E., which produces (in Viana, close to Luanda) and distributes sanitary towels, diapers, napkins and toilet paper as well as detergents and bleaches under various brand names including Suave and Brilux. S.I.C.I.E. employs over 1,000 persons.³⁸ With the combined import increase from EPA accession (in the full liberalisation scenario) across bleaches, sanitary towels, and napkins/toilet paper/kitchen rolls estimated at €26.6 million, or 37.5% of imports in the baseline, and this effect falling onto one or very few producers, a negative impact on the company's operations cannot be excluded.

In sum, because of the small impact on output which the tariff changes resulting from Angola's accession to the EPA is expected to cause both in exporting sectors and in most import-competing sectors, the overall *short-term* impact on output is considered as negligible. As discussed in section 4.1.1 above, this finding is however incomplete, because the underlying PE model simulations do not capture effects of non-tariff issues nor dynamic effects, all of which are expected to be positive for Angola. In the *longer term*, therefore, a substantial positive effect of the EPA is expected, although this cannot be quantified. Nevertheless, the following section provide a more detailed analysis.

4.1.3.2 Impact on Angola's competitiveness

The impact of Angola's accession to the EPA on the country's competitiveness is assessed as positive and growing over time, as a result of three interlinked factors: access to cheaper capital goods and especially inputs used for domestic production; increased investment – also resulting from the SIFA; and technical and financial assistance provided in connection with the EPA membership. In this context, we note that the two agreements would address the most pressing constraints to higher productivity and competitiveness of the Angolan economy as identified in UCAN's latest economic report: "The most severe obstacle to increasing the productivity of the workforce is education and their professional qualification [...] The second obstacle to continued productivity growth relates to the stock of capital" (UCAN-CEIC 2019, 195). Workforce capacity would benefit both from technical assistance provided in relation to the agreements, as well as increased FDI employing local staff, and the capital stock would directly be positively affected by the anticipated increase in investment to which the EPA and SIFA would contribute.

Access to cheaper inputs

Businesses across all sectors will benefit from cheaper high quality capital goods and especially intermediate inputs. As the analysis above has shown (Table 3 above), Angola's imports of intermediates from the EU are estimated to increase by €600 million or 59.3% in the full liberalisation scenario (and €543 million/53.7% in the conservative scenario), and total imports of intermediates by about half these levels.

³⁷ "País pode alcançar produção excedente de farinha de trigo", Jornal de Angola, 20 December 2019, <https://jornaldeangola.ao/ao/noticias/detalhes.php?id=441522> [accessed 21 June 2021].

³⁸ <https://www.suaveangola.com/company.html> [accessed 22 June 2021].

While prices of inputs and intermediaries imported from the EU are likely to remain above the levels of competing products from e.g. China, their price-quality ratio will improve, and their increased use by Angolan companies will lead to increased productivity and competitiveness.

Strengthened investment environment and private investment

Both the EPA and the SIFA are expected to have positive effects on Angola's investment environment and, in consequence, investment activity (both by domestic, EU, and other foreign investors).

The fact that the **EPA** does not include provisions on investment does not necessarily mean that the EPA will not have any impact on investment, or the investment climate and business environment more broadly in Angola. In particular, theoretically positive and negative effects could occur.

On the positive side, the general rationale for expecting that the EU-SADC EPA will have positive effects on governance and the business and investment climate has been noted in the European Commission's economic impact assessment of the EPA: "the EPA presents a stable and predictable framework for trade relations between the partners. The EPA also guarantees preferential market access to the EU. This market access will no longer be at the discretion of the EU or dependent on the level of the development of a country's economy. It is laid down in a treaty between the Parties. This creates predictability for business operators" (European Commission 2016, 13). In the same vein, the SIFA would enhance the transparency and predictability of the investment climate in Angola. More broadly, it is reasonable to assume that the EU-SADC EPA and the SIFA will have a positive impact on the Angolan Government's willingness and capacity to pursue good governance frameworks and create and/or maintain open markets and legal institutions that encourage entrepreneurial activity.

On the negative side, the removal of tariff barriers for EU exports to Angola could discourage market-seeking EU FDI in Angola: producing locally for the domestic market becomes less attractive when trade barriers are lowered. The net effect will then depend on whether the positive effects outweigh the negative ones or vice versa.

In terms of the theoretically possible negative effect on investment, this is unlikely to materialise. Although detailed information about the sectors in which EU FDI in Angola operates is not available, as discussed above, information obtained indicates that the vast majority of EU investments in Angola is export oriented, not seeking to supply the domestic market behind high tariff walls.

With respect to the **SIFA**, its impact on the investment facilitation framework in Angola (which is one element of the wider business environment) is expected to be highly positive. We use the Investment Facilitation Index (IFI) developed by Berger et al. (2019; 2021) to estimate this effect.³⁹ This shows that Angola's current performance (with a score of 0.73 out of a maximum of 2.00), is between the average scores of low income (0.45) and lower middle income countries (LMIC; 0.80), being closer to the latter; this is in line with Angola's income status on the brink to an LMIC. Assuming that the SIFA would be in line with the EU's initial text proposal, and that the provisions in the text proposal were implemented in

³⁹ The IFI assesses countries' investment facilitation measures based on 117 indicators in six areas, (international) cooperation, electronic governance, application process, focal point and review, outward investment, and regulatory transparency and predictability, on a range from zero (no respective measure) to two (comprehensive measure in place for each indicator). While the IFI includes 86 economies worldwide, it does not include Angola. We have therefore completed the IFI score for Angola applying Berger et al.'s original methodology, and based on a review of Angola's relevant legislation and manuals, complemented with additional research and interviews of stakeholders.

Angola (regardless of whether they are best endeavour clauses or hard obligations), Angola's overall IFI score would increase to 1.42, i.e. improve by 94%. Areas of particular weakness would benefit even stronger – cooperation by 367%, and focal point and review by 211%. These levels of improvement, showing the upper boundary of the effect which the SIFA could have in Angola, place the Agreement among the most ambitious international efforts to codify investment facilitation. It should also be noted that some aspects of the SIFA text, such as the clause on the establishment of a domestic supplier database, are not captured in the IFI. The actual benefits of the SIFA in terms of linking investors and domestic suppliers could still be higher than reported here. Conversely, if Angola decided to join the WTO investment facilitation agreement (IFA; provided that one is concluded), the incremental benefit of the bilateral SIFA would be more limited and mostly derive from a broader scope of the bilateral agreement when compared with the WTO IFA. As currently neither the scope of the WTO IFA nor the scope of the SIFA is known, it would be speculative to predict which of the two is broader, and therefore whether the SIFA would provide an incremental benefit over and above the WTO IFA.

These improvements in the Angolan investment framework are also expected to lead to more investment in Angola. While a quantitative analysis of this impact is beyond the scope of the SIA, the literature clearly shows the cost-saving effects from increased transparency and predictability: Echandi and Sauvé (2020) provide a conceptual framework for the different types of costs and cost savings, while Balistreri and Olekseyuk (2021) estimate that the ad valorem equivalent trade costs stemming from investment facilitation for low and middle income countries could be reduced by up to 56% in an ambitious WTO IFA. With the SIFA being among the most ambitious IFAs, and accordingly – if the measures foreseen in it are fully implemented – the costs savings would be expected to be in the same order of magnitude. Due to the cost-savings for investors, more investment will be attracted, with positive follow-on effects for GDP and welfare (see next section).

In terms of the potential positive effects on the investment climate and investment, although neither the EPA nor the SIFA provide for investment liberalisation, their focus on investment facilitation, transparency and predictability of rules are expected to substantially strengthen the investment climate and more broadly the business environment. This in turn is expected to foster private investment, which in turn is expected to enhance productivity and hence the competitiveness of the Angolan economy overall.

Because the SIFA operates on an MFN basis, any benefits that it creates for foreign investors would, *de iure*, accrue not only to EU investors but to all foreign investors. In practice, smaller investors, respectively businesses planning smaller-scale investments are expected to benefit in particular from the enhanced transparency and predictability of the investment framework, because they typically lack the connections and insight knowledge which large companies have. Considering that the average size of EU investments in Angola is small, as analysed above, one can therefore expect nevertheless that the SIFA will in practice bring more than average benefits to EU investors, and in particular SMEs. Again, however, the magnitude of the additional benefit of the SIFA will depend on whether Angola joins a WTO IFA, as mentioned above.

Nevertheless, based on the EU text proposal, some limitations in the SIFA remain: a relatively high number of articles and provisions qualifies obligations of the Parties by providing that these apply "the extent practicable". Without objective, clear and observable criteria of what is "practicable" and what is not, the risk is that the provisions which are subject to "practicability" will not be implemented; and it would then fall on the Committee on Investment Facilitation (or the dispute resolution mechanisms, where these are applicable) to determine what is practicable. This issue could be addressed at different levels: First, in SIFA negotiations the EU and Angola should agree to limit, to the extent possible, the "practicability" contingency. In particular where the SIFA refers to mechanisms and measures that are already in place – such as the Single Electronic Window

for Investment in Angola – the practicability has already been proven, and there should thus be no need to refer to it in the Agreement.

The second way to ensure “practicability” of measures is through the provision of technical assistance. In the draft text, this is already foreseen (in Article 7.1), but a clear(er) nexus could be provided regarding the purpose of the assistance, such as by clarifying that technical assistance would aim first and foremost on ensuring that the Parties can meet the obligations under the SIFA, in particular where these are conditioned on their practicability.

Finally, regarding the scope of the SIFA it is suggested that developments in the WTO IFA negotiations are closely followed by the negotiators so that adaptations can be reflected in the negotiations, thereby ensuring that the SIFA remains complementary to the WTO IFA.

Availability of technical and financial assistance

Although accession to the EU-SADC EPA in itself will not be legally linked to an increased access by Angola to trade-related technical or financial assistance – Chapter III of Part I on areas of cooperation shows a strong commitment by the EU to support SADC EPA countries in the implementation of the Agreement. Furthermore, the European Commission has clearly stated that it considers the EPA, the SIFA and EU assistance to Angola as a single package. In this respect, it is expected that assistance will be made available in connection with the EPA to improve Angola’s productive capacity and enhance export performance of a wider range of products, not only to the EU but in general terms.

A number of key weaknesses affecting Angola’s productive and export capacity have been identified in different studies and assessments. For example, according to UNCTAD’s Productive Capacities Index, the areas of ICT, transport, and structural change are key weaknesses.⁴⁰ UCAN’s latest economic report on Angola considers, as mentioned above, that the education and professional qualification of workers are the most severe obstacle to increasing productivity (UCAN-CEIC 2019, 195). A recent study on export diversification potential in Angola identified, in addition to macroeconomic distortions, hard infrastructure constraints, limitations in access to (trade) finance, and a difficult overall business environment, the following weaknesses (BKP Development Research & Consulting 2019):

- constraints in productive capacity, both regarding the number and size of businesses and quantity of output (in many sectors) and operational issues within existing firms, leading to a lack of competitiveness in terms of price and quality. The Angolan Government is addressing these issues. For example, to foster the involvement of MSMEs in supply chains, Article 12 of Decree 23/19 foresees that “retailers and wholesalers who carry out activities of aggregation of national production, especially family agricultural businesses and micro and small industries” as well as “alliances between national producers, transporters, industrialists and traders implemented through the formation of consortia of various types, cooperatives, or other forms of cooperation for the development of productive activity” benefit from government incentives, including initiatives facilitating and fostering access to credit;
- weaknesses in the quality infrastructure, particularly in relation to conformity assessment and ensuring that Angolan businesses are able to meet product safety and quality requirements in target markets (as analysed in section 4.1.2, and section 1.3 in Annex C); and

⁴⁰ More information about the Index is available at <https://unctad.org/topic/least-developed-countries/productive-capacities-index>.

- cumbersome, slow and expensive export procedures, especially when compared with most other countries (again, see section 4.1.2, and section 1.3 in Annex C).

Addressing these weaknesses requires, in addition to political will, technical and financial support, which could and should be made available in relation to the EPA. The EU and its member states have a strong track record in providing trade related assistance to Angola, including under ACOM and Train for Trade projects⁴¹, as well as the “Support to safety and quality standards towards a national sustainable and inclusive economic growth in Angola” expected to start in 2022 or early 2023. However, further targeted report in the context of Angola’s accession to the EPA – provided both to companies and private sector organisations, and the public sector – to overcome the identified constraints would help ensure that the benefits of the EPA for Angola’s competitiveness are maximised; this would be in line with the cooperation priorities as identified in Article 13 of the EPA.

Judging on the experience of other SADC EPA countries, it is expected that such support would indeed be made available (see Box 3). More details on technical assistance and areas where support might be needed in particular are discussed in section 4.5 below.

Box 3: An example of post-EPA accession technical assistance: *Promove Comércio* in Mozambique

Following its ratification of the EPA in January in 2018, Mozambique has benefited from a technical assistance programme funded by the EU, *Promove Comércio*, which is aimed at contributing to improve trade facilitation aspects of the Ease of Doing Business by reinforcing Government capacity to implement trade facilitation reforms (EPA and WTO TFA), address quality infrastructure weaknesses and reinforce the knowledge and capacity of private sector stakeholders regarding EPA opportunities. This project started is being implemented in two phases namely phase I (2019-2021) and phase II is set to start soon and last three (3) years. No annual report or review is available to date for this intervention but one important lesson is worth noting. In addition to having a dedicated National Steering Committee, *Promove Comércio* adopted the already existing National Trade Facilitation Committee, which was established to manage the country’s implementation of WTO TFA in Mozambique, as its national multi-stakeholder consultation mechanism.

4.1.3.3 Impact on GDP

Other economic impact assessments of the **EU-SADC EPA** found generally small GDP effects on the SADC EPA countries: According to the European Commission (2016) GDP across all SADC EPA countries would increase by 0.03% as a result of the EPA, ranging from 0.01% for South Africa and Mozambique to 1.18% for the “rest of SACU” region, i.e. Eswatini and Lesotho. Conversely, using a different analytical approach and different hypotheses for the baseline, Grumiller et al. (2018)⁴² estimated the economic effects of EPAs for the African countries to be negative but likewise small. For the SADC EPA countries, the GDP loss is estimated at -0.2%, and for Mozambique at up to -0.39%.

As shown in the preceding sections, given Angola’s particular economic structure, the impact of the tariff changes resulting from the EPA on trade and output are expected to be limited. As a consequence, the impact on Angola’s GDP is also expected to be minimal. However, other effects caused by the EPA – including with regard to non-tariff issues and dynamic improvements in competitiveness – are likely to be more important and benefit

⁴¹ See https://unctad.org/system/files/official-document/aldc_train-for-trade-II_flyer.pdf.

⁴² Whereas the European Commission compares the situation with the EU-SADC EPA in place with a counterfactual future situation in which the EPA is not in place (but some SADC EPA countries may have graduated out of the GSP), Grumiller et al. compare the current situation with a future situation in which the EPA is applied. This approach distorts the simulation results because it compares the situation of today which is impossible to maintain in the future (due to the changes in status that countries will undergo even in the absence of an agreement), thereby invariably leading to negative results for any country that moves from being a beneficiary of a unilateral preference scheme to a reciprocal arrangement. For more details, see section 3 of the inception report.

Angola, so that in the long-term, a positive impact of the EPA on GDP and welfare is deduced.

With regard to the **SIFA**, some lessons can be drawn from the literature. Notably, Balistreri and Olekseyuk (2021) have recently estimated the economic impact of various scenarios for a potential WTO IFA based on a CGE analysis. This showed that GDP in low income countries would increase by between 0.6% (for the least ambitious scenario) and more than 2% in the “extended ambitious IFA”; welfare of low income countries would increase by 1% to 3.5% under these scenarios, respectively. While the overall economic effects of an IFA would increase with the coverage of the agreement, the analysis also shows that the “benefits are concentrated among the regions participating in the negotiations” (Balistreri and Olekseyuk 2021, 13). Although no precise numbers for the impact of the SIFA on Angola’s GDP can be provided (and would depend also on whether and what type of WTO IFA will be concluded), based on the findings in the literature on the WTO IFA impact the economic impact for Angola of the SIFA is expected to be a substantial gain in GDP and welfare.

Based on the estimation of changes in output discussed above and considering the small size of the sectors⁴³ whose output is expected to be affected by Angola’s EPA accession – both positively and negatively – we conclude that the *short-term* impact of tariff changes on Angola’s GDP is negligible. *Longer-term* effects from increasing competitiveness and economic diversification supported by the EPA and the SIFA are expected to be more important and positive, although quantification is impossible in the absence of a CGE model-based analysis.

4.1.3.4 Impact on government revenues

Because accession to the EPA will require that Angola reduces tariffs on imports from the EU, government revenues will be affected. A direct impact stems not only from lower (or no) collected duties on imports from the EU but also because some imports from third countries will be replaced by EU suppliers. On the other hand, positive effects result from the increase in imports overall and higher collection of other taxes levied at the border, as well as, indirectly, generally higher tax collections (income and corporate taxes) resulting from increases in productivity and output. In line with this combination of effects in different directions, the European Commission’s economic impact assessment of the EU-SADC EPA estimated the average tariff revenues of SADC EPA countries to decline by 0.59%, ranging from a loss of 1.5% in Mozambique to an increase of 1.84% for the “rest of SACU” (European Commission 2016).

The PE model calculations only allow to capture the direct government revenue effects of Angola’s accession to the EPA (Table 8).⁴⁴ In the full liberalisation scenario, duties on imports from the EU of course decrease by 100% (based on the scenario assumptions, all duties are set to zero), and duties on imports from other countries decrease by 29.9%, as a result of some of their imports being diverted to imports from the EU, which are duty-free. The combined effect is a decline in tariff revenues of €398 million, or 49.7% of the tariff revenues in the baseline. In the other two scenarios, the effect is smaller, but only slightly so (in the conservative scenario with the lowest assumed commitments by Angola, €360 million or 44.9% of baseline tariff revenues. Compared to the European Commission’s 2016 study, this is much higher – mostly because the share of imports from the EU in total imports is much higher in Angola than in Mozambique and other SADC EPA countries.

These revenue losses are partly offset by increases in the collection of other taxes levied on imports. Table 8 calculates these using the example of 14% value added tax (VAT),

⁴³ See section 1.2.3 in Annex C for a sectoral breakdown of Angola’s GDP and industrial output, and a more detailed discussion of the tariff change-induced impacts on Angola’s GDP.

⁴⁴ For the calculation of revenue effects, see section 1.2.4 in Annex C.

which is assumed to be levied on all imports; as VAT is a domestic tax it is also applied on imports, including those from the EU under the EPA. As imports from the EU increase more than imports from other sources decrease, the overall effect on VAT revenues on imports is positive, reaching €97 million (or 7.1%) in the full liberalisation scenario, compared to the baseline.

Table 8: Impact of EPA membership on Angola's tariff revenues and border tax collection (changes compared to baseline)

	Full liberalisation		Conservative scenario		Ambitious scenario	
	€ million	%	€ million	%	€ million	%
Change in tariff revenues						
On imports from EU	-227	-100.0	-207	-91.3	-225	-99.4
On imports from ROW	-171	-29.9	-153	-26.6	-170	-29.6
Total	-398	-49.7	-360	-44.9	-395	-49.4
Change in VAT on imports						
On imports from EU	185	51.2	162	44.7	184	50.8
On imports from ROW	-88	-8.8	-78	-7.8	-88	-8.8
Total	97	7.1	83	6.1	96	7.1
Change in total border tax revenues						
On imports from EU	-42		-45		-42	
On imports from ROW	-260		-231		-257	
Total	-301		-276		-299	

Note: For VAT change calculations, it has been assumed that 14% VAT is collected on all imports; other border taxes are not considered.

Source: Own calculations based on DG TRADE modelling; see Table 6 in Annex C.

Summing up the two effects, the total effect of EPA accession on Angola's revenues from border taxes is still negative, but clearly less so than the analysis of tariff revenues alone would suggest: in the full liberalisation scenario, the loss amounts to €301 million. In the conservative scenario, this reduces to €276 million. Comparing this to total government revenues in 2019 of AOA 6.5 trillion (IMF 2020, 24) – about €16.8 billion – means that the revenue loss would amount to about 1.8%.

Note, however, that these comparisons refer to the situation after the transition period during which Angola would gradually reduce its tariffs on EU imports; the duration of this period will need to be negotiated; as an indication transition periods for Mozambique under the EU-SADC EPA reach up to 10 years. In other words, the revenue effect will occur gradually over several years, giving the Government time to adopt mitigating measures (such as strengthening domestic tax collection); technical assistance from the EU to support this could be requested.

In sum, EPA accession is expected to have a negative effect on Angola's government revenues. Nevertheless, the magnitude of the total effect is expected to be smaller than the analysis of direct effects undertaken in this section suggests. This is because positive indirect effects stemming from increased collection of domestic taxes, which in addition tend to increase over time as the positive competitiveness and productivity effects of the EPA materialise. Also, the revenue effect will only occur over several years as Angola's tariffs on selected EU imports are gradually reduced.

4.1.4 Impact on Regional Integration

One of the stated key objectives of the EU-SADC EPA is to promote regional integration between the Parties and among the SADC EPA States as defined by Article 1(b) and (f). Furthermore, Protocol 1 of the EPA sets out the rules of origin *inter alia* to promote the creation of value chains between the Parties through cumulation of origin (see section 4.1.2 above).

The ambition to promote trade between the Parties, and particularly among SADC EPA States comes at a time when intra-SADC trade and Angola-SADC trade flows are relatively low – the share of Angola's exports going to other SADC countries (excl. DR Congo, which

like Angola does not currently participate in the SADC Trade Protocol) was 2% in 2020, and the share of imports from SADC in Angola's total imports 6% (see Figure 2 above) – and with no dynamic trend in recent years (see section 1.4 in Annex C).

To a large extent, the EPA's impact on regional integration will also depend on Angola's participation in the SADC Trade Protocol. In this context, we note that, according to one key informant interviewed by the study team, in May 2020 and February 2021 the SADC Council of Ministers of Trade communicated to the EU that the Parties of the SADC Trade Protocol would welcome Angola's engagement in the EU-SADC EPA accession process only *after* its accession process to the SADC FTA was successfully concluded. This may possibly pose a challenge to the accession negotiation process. Also, Angola has been slow so far to live up to its promises to fast-track the accession process into the Protocol. While it formally communicated its interest to join the Protocol in 2016, it only submitted its first draft tariff offer in 2020, which covered fewer tariff lines than its offer made for WTO accession in 1996.

Advancing the SADC integration process would be in line with the EPA, which in addition to the commitment to regional integration in the Preamble and Article 3 also calls on the Parties to promote the harmonisation of customs legislation, procedures, standards and requirements (Art. 47), as well as to cooperate on matters concerning e.g. TBT (Art. 54), SPS (Art. 60). At the same time, the EPA itself would contribute to regional trade liberalisation. Article 108(2) states that

"Any more favourable treatment and advantage that may be granted under this Agreement by a SADC EPA State to the EU shall be enjoyed by the other SADC EPA States."

Thus, in the absence of Angola's participation in the SADC Trade Protocol, under the EPA Angola would nevertheless grant the same tariff preferences to other SADC EPA states which it grants to the EU, and similarly benefit from the same preferential market access in other SADC EPA states which they have granted to the EU under the EPA. The economic impact of this subregional liberalisation triggered by the EPA is not incorporated into the PE model simulations used for the quantitative assessment provided above, but is expected to be positive for Angola's economy.

This could apply in particular at the sector level, notably in sectors which have export potential in general, but not necessarily to the EU. The 2019 Export Diversification Study identified sectors with regional export potential, using a ranking based on demand side factors (e.g. regional demand, market access barriers) and supply-side factors (revealed comparative advantage, export performance and potential to overcome key constraints) during indicative timeframes (short, medium and long terms). Some of the sectors identified included glass, cement and fishery products (short term) and dimension stones, fruits and fruit preparations (medium term) (BKP Development Research & Consulting 2019). It would appear to be reasonable for Angola to devise specific strategies in export-oriented priority sectors and value chains of PRODESI, e.g. food and agro-industry, to benefit from targeted interventions to exploit potential untapped demand in SADC markets that would arise from its membership in the EPA.

Finally, EU support to SADC regional integration is also provided through regional technical assistance programmes, which have played a role in the implementation of the EPA (as well as the SADC FTA) at national level. The SADC Trade-Related Facility (TRF) is an example from which lessons can be learned.⁴⁵ It is a grant from the EU of EUR 36.1 million for 12 SADC Member States over the period Oct 2014 to Sep 2019 (later extended to September 2021). Its specific objective is to enhance the implementation of the SADC Trade Protocol (window 1) and the SADC-EU EPA (window 2) to increase intra-regional and

⁴⁵ https://www.sadc.int/files/7615/0390/3249/SADC_TRF-BOOK.pdf [accessed on 9 July 2021]

inter-regional trade flows of the participating SADC Member States. Lesotho, Tanzania, Namibia and Mozambique were eligible for up to EUR 2.6 million each. Although the 2019 mid-term review of the SADC TRF identified some areas for improvement, it also found that the TRF made a good contribution to many Member States' national trade development agendas. It also noted that the development of regional value chains and industry first and foremost requires dedicated national resources and commitment; and that a programme like the TRF at best can only kick-start certain efforts or stop gaps in others.

In summary, accession to the EU-SADC EPA will also develop Angola's trade with other SADC EPA states as a result of the regional preferences clause. The extent to which the EPA will support Angola's participation in (and enhancement of) the Southern African deeper regional integration process will depend largely on Angola's ability to:

- prioritise specific value chains where offensive and defensive interests can be developed within the context of Angola's trade with SADC countries;
- elaborate clear adequately sequenced implementation plans for the EPA (and the SADC Trade Protocol);
- mobilise domestic and external resources to implement the EPA and its related reforms to maximise trade and investment opportunities for businesses from the EU and SADC EPA states; and
- set up adequate national institutional frameworks/bodies and coordination mechanism (or maximise the existing one) to monitor implementation of trade agreements efficiently and effectively.

EU support under regional assistance facilities is expected to support Angola on these matters.

One area that the EPA does not specifically address is its role in the wider African trade integration process, as now being led by the AfCFTA. There are no provisions that would address regional integration beyond SADC. Nevertheless, diagonal cumulation under the EPA rules of origin would in principle allow the coverage of African value chains involving most African countries (see section 4.1.2 above).

4.1.5 Impact on EU Outermost Regions

The nine outermost regions (ORs) of the EU consist of six French overseas territories (French Guiana, Guadeloupe, Martinique, Mayotte, La Réunion and Saint Martin), two Portuguese autonomous regions (the Azores and Madeira) and one Spanish autonomous community (the Canary Islands). The ORs are primarily active in traditional sectors, as agriculture, fishing and livestock farming. Typical products produced in these regions include exotic fruits and vegetables (e.g. bananas, melons, sugar cane, tomatoes and potatoes), fish through fishing or fish farming, and meat through livestock farming. Several ORs, such as La Réunion, Martinique and French Guiana, have diversified their economies towards small industries in the construction and public works sector, the wood sector, and the mining industry. The majority of these regions also have important tourism sectors.

Trade between the ORs and Angola is minimal and the effect of Angola's accession to the EPA on this bilateral trade is therefore estimated to be negligible. A potential (negative) impact of Angola's accession to the EPA on the ORs could however exist at the sector/product level, if Angolan exports to the EU which are also exported by ORs expand as a result of Angola's EPA membership.⁴⁶ As the analysis in section 1.4 of Annex C shows, bananas and crustaceans are two product groups where this could be the case: Angola's exports of these are expected to be larger as an EPA country than otherwise, and they are

⁴⁶ Conversely, no impact on OR imports, even at the sector or product level, is expected because of the negligible effect of the Angola's accession to the EPA on EU trade, and the non-existent exports by Angola to the ORs.

exported to the EU also by several ORs (Guadeloupe for bananas, and the Canary Islands as well as the Azores and Madeira for fish and crustaceans). Nevertheless, considering the small absolute increases in Angola's exports of these products to the EU (not reaching €10 million for any product), their effect on the EU market (increase in supply) will be negligible. It is also to be considered that EPA accession would reinstate (respectively continue) the preferences in the EU market that Angola currently already enjoys as an LDC/EBA beneficiary country – therefore, the calculated larger exports compared to the baseline are not actually export increases but help maintain the current level of exports (and would only in the long run lead to export increases, as supply side constraints are overcome). For the foreseeable future, Angola's shares in total EU imports of any of the goods considered (bananas, crustaceans) will remain insignificant.

We therefore conclude that Angola's accession to the EU-SADC EPA will have no impact on the ORs.

4.2 Social Sustainability of Angola's Participation in the EPA

4.2.1 Employment effects⁴⁷

The EPA's employment effects for Angola will depend on the scale and the nature of changes in trade and investment flows related to the accession to the EPA, compared to a situation without the agreement (the increase of imports from and exports to the EU and trade diversion from the rest of the world) and type of traded goods and services. Trade union representatives participating in the workshop for this study emphasised that all the economic and social impacts should be considered in the context of the situation on the labour market in Angola (for details, see Annexes D1 and D2).

As noted in section 4.1, considering the overall modest impacts on exports, and the also limited degree of competition between EU imports and domestic production, the overall employment effects of the EPA stemming from the tariff liberalisation are small. Nevertheless, in the following we also address some sectoral effects.

The projected modest increase in imports of capital goods, including machinery, and cheaper inputs, as well as increased investment stemming from the SIFA should support improvements in productivity, product quality and enable the manufacture of value added products, which in turn may increase sales of Angolan goods both on the domestic market and for exports, and contribute to job creation. However, as also noted, in sectors such as agriculture and food processing, where the level of mechanisation is low,⁴⁸ more intensive use of machinery will mean changes in the organisation of work, including the replacement of manual work by mechanisation and changes in job profiles. This may require investment in vocational training, in particular for young persons, to help them to develop the necessary skills to operate new equipment or to take new or re-profiled jobs.⁴⁹ In addition to agriculture, the petrochemical industry was named by stakeholders as a sector that could benefit from imports of equipment and on that basis contribute to the diversification of Angolan economy, substitution of imports and potentially increase in exports and job creation.⁵⁰

⁴⁷ In line with the approach in the economic impact analysis, employment impacts of Angola's accession to the EPA as reported here should be interpreted as changes compared to the situation of the country benefitting from the general GSP arrangement.

⁴⁸ For example, in Angola, 3% of the agricultural land is cultivated mechanically, 72% manually and 25% by the use of animals (MINAGRIF 2019).

⁴⁹ See Pacatolo (2021); "A agricultura é o sector que maior quantidade de emprego gera, afirma Domingos Veloso", Andrade, L./ONGoma, 20 June 2017, <https://www.ongoma.news/artigo/a-agricultura-e-o-sector-que-maior-quantidade-de-emprego-gera-afirma-domingos-veloso>

⁵⁰ Esteves, F. (2021), Presentation at the workshop of the study in the panel dedicated to societal views on impacts of Angola's accession to the EU-SADC EPA

The increase in imports in consumer goods is anticipated to generate employment impacts for the retail trade and domestic production competing with imports. Regarding the latter, as indicated in section 4.1, the risk of potential employment reduction can be mitigated by a selective and gradual import liberalisation. Moreover, in the longer term, the expected positive effects of the EPA on competitiveness in Angola are also expected to increase consumers' purchasing power, thereby increasing demand for consumer products, including domestically produced ones. In addition, demographic factors support this positive trend: the population has been growing from 16.4 million in 2000 to 32.8 million in 2020, with the share of urban population increasing to 66.8% in 2020.⁵¹ Angola also has a very young population, with 21 million (66.1%) being of 0-24 years of age,⁵² which further increases demand. Therefore, in particular over the longer term, the likelihood of increased imports in consumer goods putting the domestic production and employment at risk is expected to decrease.

Regarding retail trade, Annex D1 provides its description, including data on employment (1.7 million jobs), and its structure and the level of informality (70%-80%). The employment effects of the EPA for the sector should be positive overall, given that more imports will require additional staff along the distribution chain. Moreover, increased imports from the EU at least initially are expected to influence formal distribution in cities rather than distribution services in other parts of the country, both due to the weak state of the distribution infrastructure in Angola and the concentration of purchasing power in the cities.

In terms of export sectors, products from the fisheries and fruits and vegetables sectors are expected to benefit from the EPA, as they will avoid the losses of preferences currently enjoyed under the EBA, and in the longer term increase exports to the EU due to competitiveness gains. This in turn would generate additional employment.

For the fruits and vegetables sector (for further details see the case study in Annex B2, and Annex D1) the impact is difficult to quantify given that many agro-enterprises (each employing up to a few thousand workers⁵³) grow and market a diversity of fruits and vegetables. Therefore an increased banana production may encourage a shift of workers between cultivations, a change in organisation of work or creation of new jobs.

Regarding shrimps, crabs, and prawns, almost all Angolan exports in those groups were destined on the EU market in the last few years (see the case study in Annex B1). As a result of Angola's accession to the EPA, current jobs in the maritime shrimp and prawn fishing (around 1,500) would be preserved, while in the situation of a move from EBA to GSP accompanied by a potential fall in exports by 28%, a corresponding number of jobs may be put at risk unless exports can be diverted to other markets or jobs moved to other segments of the sector.

As indicated in the economic analysis, the increase in exports predicted by the PE model and the related job creation is likely to be underestimated given that the model does not take into consideration sectors nor products where there have been no exports to date, which however, may become competitive thanks to efforts related to export diversification. In addition, it does not show any indirect effects (including for employment) which would come from related sectors, e.g., services accompanying trade in goods. In this context, it is worthwhile to mention that in another recent study analysing the potential for export diversification and job creation in Angola across a range of sectors, a high potential for job

⁵¹ World Development Indicators. See <https://data.worldbank.org/indicator/SP.POP.TOTL?locations=AO>; and <https://data.worldbank.org/indicator/SP.URB.TOTL.IN.ZS?locations=AO>

⁵² <https://pt.countryeconomy.com/demografia/estrutura-populacional/angola>

⁵³ Sources mention numbers between 3,500 and 4,500; see AFP, Shine (2018), Banana exports key to Angola ending its dependence on oil: <https://www.shine.cn/news/world/1811265704/>; Macao Magazine (March 2020), *Cropping up*: <https://macaomagazine.net/cropping-up/>

creation has been identified for a number of agrifood sectors (BKP Development Research & Consulting 2019).

As highlighted elsewhere in this report (see in particular sections 4.1.2 and 4.5), and as also highlighted by stakeholders in the consultations, for additional exports to the EU and the region, and additional employment opportunities to materialise, Angola has some way to go yet, inter alia to build the productive capacity of businesses, to ensure that companies thinking of exporting their goods can meet SPS or technical and safety standards, and to develop the trade infrastructure. In the stakeholder consultations, respondents were of the view that Angola's accession to the EPA would have positive impacts on employment in the country, including the situation of women, young people, persons with disabilities and migrant workers on the labour market, their wages, and transition from informal to formal economy. They thought there would also be positive effects related to vocational training.

There may also be positive spill-over effects, i.e., products that will be of a quality and characteristics good enough to meet EU standards and be exported to the EU are likely to also meet standards in other destination markets, notably those where they benefit from tariff preferences. This in turn, may increase the likelihood of job creation resulting from exports to the EU and onto other markets.

In interviews for this study, stakeholders were of the view that in general imports from the EU to Angola will not represent a threat, including for local employment, as goods produced in the EU and Angola respectively are different. According to these views, only a few products, such as fish or furniture should be excluded from import liberalisation to support local production in Angola. Others were of the view that in the long term competing against EU imports may be even healthy for Angolan companies, as this will require from them investing in better product development, and will support creativity. However, in the short term, import liberalisation should be carefully planned in order not to stifle local production and provoke job losses. Stakeholders also thought that investment by EU companies, including investment in the already existing enterprises (facilitated by the EPA as well as the SIFA), could help create employment.

The overall employment effects of the EPA stemming from the tariff liberalisation are expected to be small. Estimated increases in *exports* to the EU (and output) are limited in the short term, and in the longer term depend on enabling factors in several areas. These include a need for investment in vocational training, notably for young people to develop skills required for new job profiles and the new organisation of work, e.g., involving a more frequent use of machinery. Other requirements include the need to improve business environment to facilitate establishment of formal companies that could export, product development to meet EU standards, and development of physical and quality infrastructure. Some of these needs can be addressed by ongoing EU assistance projects. Export-related effects may be underestimated due to limitations of methodological tools used in the analysis.

Employment effects related to increased *imports* from the EU may vary depending on the sector, with possible positive impacts and employment generation in the retail trade sector, notably in consumer goods, where increased imports may require recruitment of additional staff along the distribution chain. This, however, at least in the short term may be limited to cities.

In sectors that manufacture products competing with imports, the EPA could put some jobs at risk. However, this effect is limited (there are few sectors in Angola competing with imports from the EU), and it can be mitigated through a staged and selective liberalisation of import tariffs in Angola. Moreover, given a growing young and urban population, a positive macroeconomic trend may enable increase in the domestic demand creating space in the market, for both domestic production and imports.

4.2.2 Effects for informal employment

The analysis of impacts which Angola's accession to the EPA may have for informal employment in the country was carried out for sectors likely to be affected – retail trade, agrifood, shrimps and prawns – taking into consideration job characteristics for each of them (see Annex D1).

As indicated in the previous section, direct positive effects of the EPA on employment are expected in **retail trade**, with job creation more likely to happen in cities. If accession to the EPA happens at a time of macroeconomic stability and economic growth, an uptake of the trend observed in 2000-2016 is likely when formal food stores increased their market share from 5% to the current 20-30%.⁵⁴ This may happen both through servicing higher (additional) trade volumes coming from imports as well as shift of some customers from buying on informal markets to formal stores. While work in a formal store does not mean automatically having a formal job, the likelihood of formal jobs is nevertheless higher in such a situation, and therefore it is possible that formal jobs will be created in the retail sector, as a result of accession to the EPA. In addition, given a growing population in Angola and the likelihood of increased and diversified domestic production thanks to, e.g., imports of capital and intermediate goods from the EU and investment, the overall trade volume on the domestic market may increase providing opportunities for income generation also in the informal part of retail trade, with additional jobs or higher incomes for those already involved. In the longer term, the Government may look at opportunities to increase tax base to compensate partial loss of tariff revenues due to the EPA and implement actions outlined in the National Development Plan 2018-2022, including replacing informal markets with formal ones, establishing cooperatives in agriculture and fisheries, and formalising street vendors. In this way, the EPA would be one factor among others contributing (indirectly) to a gradual move towards formal economy and jobs, as far as retail trade is concerned. Another factor which may also contribute to this move is the need to increase the safety of food sold domestically in Angola, including on informal markets.⁵⁵ In this context, there is a need to consider impacts for small-scale food producers, for whom selling products (e.g., fruits and vegetables) on informal markets represents their second informal economic activity (after agriculture) and often the main source of income. While in the short term, as noted above, impacts for them may be limited, in the longer term they may need to compete against imports and domestic production originating from larger undertakings, and face new requirements, such as those related to food standards.⁵⁶

Regarding effects in sectors likely to preserve or increase exports thanks to accession to the EPA, the **fruits** sector (including bananas) is composed of a few large companies, employing up to 4,500 workers each, as well as small family undertakings. Based on the characteristics of the sector, at least in the short to medium term exports are likely to come from large, formal enterprises which are able to ensure adequate product quality, storage space and logistics. Some, e.g. Fazenda Girassol (800 workers) or Novagrolíder (4,500 workers) already export bananas to Portugal,⁵⁷ while others, e.g. Turiagro (400 workers), export to African countries.⁵⁸ Although no information is provided on corporate

⁵⁴ African Business Information (2015), Wholesale and Retail of Food in Angola: <https://www.whoownswhom.co.za/store/info/3090?segment=Wholesale+and+Retail+of+Food+in+Angola>); and African Business Information (2020), Wholesale and Retail of Food in Angola: <https://www.whoownswhom.co.za/store/info/4811?segment=Wholesale+and+Retail+of+Food+in+Angola>)

⁵⁵ "Mercado informal é o de maior risco em qualidade sanitária", Jornal de Angola, 15 January 2021, <https://www.jornaldeangola.ao/ao/noticias/mercado-informal-e-o-de-maior-risco-em-qualidade-sanitaria/> [accessed 10 June 2021]

⁵⁶ "Projecto nos Mercados Informais: PNUD e MAT unem forças", UNDP, May 2020), <https://www.ao.undp.org/content/angola/pt/home/blog/projeto-de-mercados-informais-uma-resposta-do-pnud-a-pandemia.html> [accessed 10 June 2021]

⁵⁷ "Cropping up", Macao Magazine (March 2020), <https://macaomagazine.net/cropping-up/>; "Fazenda Girassol inicia embalagem de banana para exportar", Jornal de Angola, 19 July 2020, <https://www.jornaldeangola.ao/ao/noticias/fazenda-girassol-inicia-embalagem-de-banana-para-exportar/>

⁵⁸ <https://turiagro.com/>

websites, in the literature and in PRODESI publications regarding the nature of employment and working conditions, the likelihood that jobs in these companies are formal is higher than elsewhere in the sector. In any case, jobs preserved or created as a result of the EPA are likely to have characteristics of jobs offered by that group of companies, at least in the near future.

In **shrimp** production, there is very little information available which would suggest job characteristics in companies which may be involved in exports to the EU and generate additional employment. In aquaculture, 15 companies are large and 51 of a smaller size, most of them informal (PRODESI 2020). The latter would suggest an informal nature of jobs as well, while the likelihood of formal jobs may be higher in larger formal companies involved in international trade. In maritime fishery, PRODESI suggests an informal character of enterprises (PRODESI 2020), which in turn would suggest an informal nature of jobs. On the other hand, however, Angola ratified ILO Convention No. 188 on work in fishing, which requires adoption of written contracts with fishers and compliance with other employer's obligations related to formal work. As noted in Annex D1, there are still gaps in the implementation of the Convention by Angola, and there is a need to align the existing legislation and practice with it. However, there is a trend to formalise jobs in industrial maritime fishing. Therefore, jobs in that sector that are created as a result of Angola's accession to the EPA are expected to be formal from the beginning or that the Government takes steps to ensure it as soon as possible.

In stakeholder consultations, respondents suggested that Angola's accession to the EPA could support a move from the informal to the formal economy.

Impacts on informality are expected to be limited, but may be underestimated by the economic model. Regarding direct effects and those which can be expected in a short to medium term, it is expected that the type of jobs created as a result of the EPA will follow the employment patterns prevailing in enterprises already involved in trade with the EU. However, the lack of precise data about these patterns, notably in the agri-food sector, means that one can only speak about a higher likelihood than in the rest of the sector that the future jobs will be formal. In addition, the regulatory framework (e.g., implementation of ILO Convention No. 188 on work in fishing) may support the move towards formal jobs. In this regard, it will also be important that the Angolan Government takes steps to improve the business environment in the country, incl. procedures related to setting up and running a formal business and encouraging formal employment with written contracts, social security contributions and the observance of health and safety at work requirements.

Positive impacts for retail trade may lead to the creation of (potentially) formal jobs in formal stores in Angolan cities as well as additional opportunities for income generation in informal trade. On the other hand, informal small-scale food producers may face challenges if the poor state of infrastructure and the lack of access to finance and trade intermediaries limit their operation to the local market only (thus not allowing them to increase production or income), and if they need to meet additional, standard-related requirements, and compete against imports and sales by large farms. Hence, the Government should take steps such as supporting the creation of cooperatives and developing the trade infrastructure to enable access to markets and facilitating access to finance for small-scale food producers to help them to sustain their livelihoods.

4.2.3 Impacts on poverty levels and for consumers

The effects of Angola's accession to the EPA for poverty levels in the country will be related to the opportunities for employment and income generation, as well as the risks of job destruction. In this context, it is important that, based on the economic modelling, jobs are likely to be preserved or created in agriculture (e.g., in the fruits and vegetables sector) in rural areas and in provinces where poverty levels are higher on average (see Annex

D1).⁵⁹ To increase that effect and poverty reduction, there is a need to support small-scale producers in their access to regional markets to sell products to a wider group of customers than only locally and hence to generate higher and more sustainable incomes.

Other export opportunities, e.g. in the fisheries sector are also likely to influence (to a limited extent), income and employment situation in coastal provinces.⁶⁰ In this context, it is to note that also the nature of created jobs (if formal or not) may matter for poverty reduction, as formal jobs typically are related to higher wages and overall better working conditions – in a situation where incomes in agriculture and fishing are the lowest in the Angolan economy and on average represent a quarter of the wage in the mining sector, which is on the other extreme of the scale (INE 2019). In addition, the potential for additional jobs in the retail trade sector is likely to benefit residents of urban areas where poverty is mostly related to unemployment and informality (World Bank 2020). Finally, investment and imports of capital goods from the EU may help to diversify Angolan economy and contribute to further employment generation, although it is difficult to precisely predict the scale of that growth and sectors where it will be most likely to happen. In this context, important will be activities supporting skills development and employability, in particular of young people, and quality and duration of education for children, given that poverty in Angola is related to the education level (56.5% of persons not having completed any education live in poverty compared to 17.3% of those having at least the secondary education) (INE 2019).

On the other hand, there is a risk that reduced tariff revenues (due to reduction of tariffs for imports from the EU) may have a negative impact on public expenditures on social policies and programmes aiming at poverty reduction. As noted in section 4.1.3.4, the loss is estimated at up to €300 million. This would almost be equal to the 2-year budget of the Plan for Monitoring and Combating Poverty linked to the Integrated Plan for Local Development and Fight against Poverty 2018-2022, where annual spending was planned at €160 million.⁶¹

Regarding effects of Angola's accession to the EPA for consumers, we estimate that increased imports of consumer goods from the EU (thanks to tariff reduction) will provide access to a higher number and wider range of products, which should be safe in use (or consumption, respectively) and of a reasonably high quality (as we assume they would meet EU requirements for their product category). They would include food and household goods. In addition, imports of machinery and other capital as well as intermediate goods should support the domestic provision of services (e.g., if imported vehicles are used as public transport means for goods and passengers) and production of more and better-quality products. This should benefit consumers, as they would have better access to safer and better products manufactured domestically. This view was also expressed in stakeholder consultations where respondents thought that Angola's accession to the EPA would have very positive impacts on quality, safety and availability of goods and services in Angola, as well as availability of consumer information and respect for consumer rights. They were also of the view that it may have a positive impact on the access to services such as education or health care. One of the reasons provided in relation to a better

⁵⁹ The main provinces accounting jointly for around 60% of fruit production in Angola include Benguela, Cuanza Sul, Uíge, Bengo and Cabinda (MINAGRIF 2019). Out of these, Cuanza Sul and Benguela have poverty levels at around the country's average (38%-44%), while Uíge and Bengo display higher levels (44%-56%). At the same time, Benguela, Cuanza Sul and Uíge belong to provinces with the highest population density and therefore a large group of poor people (e.g. 1.1 million in Cuanza Sul) (World Bank 2020). Some of the large farms cultivating fruits and vegetables, including bananas exported to the EU, are located in Cuanza Sul and Zaire (close to the border with Bengo province) and mark areas with a potential for jobs.

⁶⁰ The fisheries sector is linked to ports in provinces with high poverty levels, i.e. Benguela and Cuanza Sul, and in addition in Luanda and Namibe.

⁶¹ "Governo angolano quer tirar da pobreza extrema três milhões de pessoas até 2022", Observador, August 2018, <https://observador.pt/2018/10/17/governo-angolano-quer-tirar-da-pobreza-extrema-tres-milhoes-de-pessoas-ate-2022/>

availability and accessibility of goods to consumers was the expected tariff liberalisation leading to reduced prices of imported products.

The estimated effects of Angola's accession to the EPA for consumers are positive, with an overall increase in availability and diversity of imported EU goods, including food and household products. Moreover, given an expected import growth in intermediate and capital goods, there is potential for better-quality and safe products to be manufactured in Angola, including for the domestic market.

Impacts for welfare and poverty levels also seem to be positive, although they may be limited. Job creation thanks to the accession to the EPA, in agriculture in rural areas, in retail trade in the cities and shrimp catch in the coastal regions may help to generate income and reduce poverty.

There is some limited risk that falling tariff revenues may have an impact on the ability of the Government to provide funding for public social policies, including for poverty reduction programmes. Furthermore, while job creation supports poverty reduction, low job quality, including job informality may limit positive welfare effects. Therefore, it is important that workers' rights already foreseen by the law or ratified conventions are observed, and measures are taken to facilitate move from informal to formal economy.

4.2.4 *Labour standards and working conditions*

4.2.4.1 Child labour

Child labour remains an issue in Angola and is most common in the informal sector and linked to poverty. According to UNDP, it stood at 18.7% before the COVID-19 pandemic.⁶² Child labour rates in rural areas are substantially higher than in urban ones. In a case study (Annex B4), we have analysed in detail the situation in sectors involved in trade with the EU or likely to be affected by Angola's accession to the EPA, where child labour has been identified. Here, we summarise its findings.

In the **fishing** sector, cases of child labour have been reported in artisanal fishing, including activities, such as cleaning fish for deep freezing or sun drying.⁶³ Evidence which would either confirm or exclude the presence of child labour in commercial finishing is not available. However, we note that Angola in 2016 ratified ILO Convention No. 188 (Work in Fishing), which sets the minimum age for work on board of a commercial fishing vessel at 16 years of age and for light work at 15 years. Hazardous work is prohibited for persons under 18 years of age. In light of this, if Angola implements and enforces the ILO Convention effectively, including its provisions on the minimum age, child labour should not be present in commercial fishing, incl. in the shrimp sector involved in exports to the EU.

In **agriculture**, child labour is often related with subsistence family farming or the strive to meet basic needs. It is an issue particularly in provinces where drought and hunger contribute to the disintegration of many families and force children and adolescents to look for food, such as recently in Namibe, Huíla and Cunene.⁶⁴ No data could be identified which would either confirm or exclude child labour presence on large farms producing for exports, including to the EU; however, other evidence suggests that the likelihood there is lower. Hence, to the extent that exports will mainly be related to larger farms (at least in the short-term), it is likely that there will be no direct link between the EPA and child labour.

⁶² Human Development Indicators - Angola: <http://hdr.undp.org/en/countries/profiles/AGO>

⁶³ "Findings on the Worst Forms of Child Labor", US Department of Labour, 2019, <https://www.dol.gov/agencies/ilab/resources/reports/child-labor/angola>

⁶⁴ "Cresce prática de trabalho infantil no Namibe", Angop, May 2021, <https://www.angop.ao/noticias/sociedade/cresce-pratica-de-trabalho-infantil-no-namibe/>

Indirect positive effects could occur if the accession to the EPA allows for the creation of additional employment in agriculture for adults and poverty reduction in a longer term, and thus the need for children to work decreases. Likewise, if family farms become included in cooperatives or value chains and receive an opportunity to export their produce to the EU or SADC EPA countries, this could contribute to a decrease in child labour, provided that the income generated will satisfy household needs or allow for hiring adult workers.

Children aged 11-14 years are also engaged in **retail trade** in streets (e.g., in the province of Cunene and the capital, Luanda) and informal markets, selling mainly food (e.g., bread, fish, or nuts) and drinks (tea, coffee, or fresh water). Poverty and the need to support the household budget is the main reason for them to start.⁶⁵ Given the type of retail trade in which children are involved in Angola and products sold, it is not likely that increased imports resulting from the accession to the EPA will have a direct impact on their activity and situation, as the imported goods will be of a different category. However, in a longer-term an overall development of (formal) retail trade supported by increased trade flows between the EU and Angola could encourage some customers to do the shopping in formal stores, including supermarkets rather than on informal markets, which may decrease demand on the latter. Much will depend on the extent to which actions planned by the Angolan Government – such as vocational training, support for microenterprises, including access to finance and social policy supporting poor families – will reach families of working children; and the extent to which providing social assistance and creating income generation opportunities for adult family members will decrease the need for child labour. Equally important will be facilitated access to education for children and awareness raising campaigns emphasising the negative impacts of child labour, as well as the benefits of pursuing education.

Child labour has also been reported in the **mining** sector, incl. diamond extraction. Given that accession to the EPA will not change its trade in diamonds (or other minerals) with the EU, it will not have a direct impact on child labour in this area. At the same time, it is difficult to determine if diamonds or other minerals proceeding from illegal extraction and involving child labour may find their way onto the EU market. In this context, the planned EU compulsory due diligence of products being placed on the EU market to check if they involve child labour or other types of labour or human rights violations, may help to prevent such products from entering the EU and therefore decrease incentives for using children in work in mines, at least in those involved in export activities to the EU. This will require, however, an effective system of checks along the supply chain.

There are also ongoing activities to address child labour and ensure protection of children's rights (for details, see Annex D1).

In interviews for this study, stakeholders noted that child labour represents a complex problem in Angola, mainly related to economic activities in the informal sector and agriculture (family subsistence farming), and often being a result of poverty. They stressed, however, that it should be perceived as a problem only when children work and do not attend school. The interviewees suggested that the EU's financial and technical assistance, including support for the Angolan Government, could help in reducing the incidence of child labour. In the online consultation, mixed views were expressed regarding

⁶⁵ "Trabalho infantil é realidade mundial", Jornal de Angola, 12 June 2018, <https://www.jornaldeangola.ao/ao/noticias/detalhes.php?id=406468>; "Cresce o número de crianças expostas ao trabalho infantil", Jornal de Angola, 12 July 2020, <https://jornaldeangola.ao/ao/noticias/cresce-o-numero-de-criancas-expostas-ao-trabalho-infantil/>; "Covid-19: Pandemia aumenta desemprego e trabalho infantil em Luanda", Jornal de Angola, 15 July 2020, <https://www.jornaldeangola.ao/ao/noticias/covid-19-pandemia-aumenta-desemprego-e-trabalho-infantil-em-luanda/>; "Mais de três mil crianças envolvidas em trabalho infantil", Jornal de Angola, 12 June 2021, <https://www.jornaldeangola.ao/ao/noticias/mais-de-tres-mil-criancas-envolvidas-em-trabalho-infantil/>

potential impacts of Angola's accession to the EPA on child labour, although no further reasoning was provided.

The analysis of types of work carried out by children in Angola, as well as places (e.g., family farms, informal markets) suggests that at least in the short-term the accession to the EPA is not likely to have direct effects for them, as the work happens in segments of the Angolan economy others than those thought to be affected (positively or negatively) by trade with the EU and change of terms of trade triggered by the accession to the EPA.

However, in the longer-term there may be indirect effects, including the possibility of job creation and income generation for adult household members which may decrease the need for child labour. To occur, these will need to be accompanied by Government actions, such as the provision of vocational training, facilitation of setting up enterprises and creating formal cooperatives, access to funding and access to markets. In parallel, there will be a need for awareness raising campaigns directed at adults (to understand the negative consequences of child labour) and facilitated access to school and social assistance for children from poor families. Similar support, including assistance in meeting relevant product standards, will be needed to avoid potential negative impacts for small farms and poor families, e.g., being pushed out from the local or domestic market by imports or respectively, larger, or formal undertakings.

In addition, by acceding to the EPA Angola will commit to implement the ratified ILO fundamental conventions, including those related to elimination of child labour. To achieve this, the Angolan Government and enforcement agencies will need to enhance efforts to address trafficking in persons, forced labour, hazardous child labour and other illegal activities, and address poverty and other reasons of child labour, as outlined above.

EU technical assistance should support the above actions, while the planned EU compulsory due diligence mechanism may provide an additional incentive to act.

4.2.4.2 Forced labour

According to the Global Slavery Index, around 199,000 persons in Angola are estimated to live or work in conditions of modern slavery.⁶⁶ As outlined in detail in Annex D1, past evidence of such conditions includes cases in individual companies and certain sectors, such as in construction,⁶⁷ fishing⁶⁸ and extraction of diamonds and other minerals; the latter involving both forced labour and child labour⁶⁹ and trafficking in persons from DR Congo.⁷⁰ Moreover, child victims of trafficking in persons are used in criminal activities given that children due to their age cannot be prosecuted. The provinces of Luanda,

⁶⁶ <https://www.globallslaveryindex.org/2018/data/country-data/angola/>

⁶⁷ "Odebrecht condenada por trabalho escravo em Angola", VOA, March 2017, <https://www.voaportugues.com/a/odebrecht-trabalho-escravo-angola/3773639.html>; "Odebrecht pagará R\$ 30 milhões para encerrar maior ação por trabalho escravo da história brasileira", BBC News, March 2017, <https://www.bbc.com/portuguese/brasil-39288152>

⁶⁸ "Angola: Trabalho escravo em empresa de pesca?", RFI, July 2018, <https://www.rfi.fr/pt/angola/20180726-angola-trabalho-escravo-em-empresa-de-pesca-angolanos-benquela-peixe>; "Jovens angolanos dizem-se explorados em companhias de pesca geridas por chineses", VOA, July 2018, <https://www.voaportugues.com/a/jovens-angolanos-dizem-se-explorados-em-companhias-de-pesca-geridas-por-chineses-/4467476.html>; "Sindicato angolano acusa empresa chinesa de escravatura moderna", VOA, June 2020, <https://www.voaportugues.com/a/sindicato-angolano-acusa-empresa-chinesa-de-escravatura-moderna/5482185.html>

⁶⁹ "Products of slavery and Child Labour, Anti-Slavery, 2016, https://www.antislavery.org/wp-content/uploads/2016/11/products_of_slavery_and_child_labour_2016.pdf; "Angola é o segundo país lusófono com mais escravos modernos exploracao de diamantes agrava risco de trabalhos forçados", O Novo Jornal, July 2018, <https://novojournal.co.ao/sociedade/interior/angola-e-o-segundo-pais-lusofono-com-mais-escravos-modernos-exploracao-de-diamantes-agrava-risco-de-trabalhos-forcados-57016.html>

⁷⁰ "Angola: Exploração ilegal de diamantes é feita por crianças com menos de 12 anos", Ecclesia, November 2018, <https://agencia.ecclesia.pt/porta/direitos-da-criancas-exploracao-ilegal-de-diamantes-e-feita-por-criancas-com-menos-de-12-anos/>

Benguela and those at the borders (Cunene, Lunda Norte, Namibe, Uíje and Zaire) are most at risk of human trafficking. In Cunene, for example, due to drought, in some villages children have been forced to leave school and go for long distances to find water, dig wells, or look after cattle in pastures. Non-accompanied children may then easily become victims of human trafficking and be taken to neighbouring countries or farther (including to Europe) to work in domestic service and other forms of forced labour.⁷¹

The evidence collected for the SIA does not suggest a direct link between Angola's accession to the EPA (and increased exports to the EU) and forced labour: cases of forced labour have been identified either in sectors where the accession to the EPA is not expected to change (e.g. in mining), or where there is no direct link to the EPA (e.g., in the domestic service or in criminal activities) or in single companies, without an indication that this may reflect a widespread problem in the sector.

A positive impact can be expected if the proposed EU text for the SIFA regarding the respect for the ILO conventions related to the elimination of forced labour is maintained in the final SIFA, and if the anticipated annual policy dialogue in the Committee on Investment Facilitation refers also to labour-related aspects. This could encourage Angola to combat forced labour.

Some cases of working conditions akin to modern slavery and in any case being in a breach of Angolan labour legislation have been reported in individual companies, including in sectors involved in trade with the EU, such as fisheries. This highlights the need for better monitoring by labour inspection and trade unions, for reporting, and for ensuring that the situation has been remedied (here the state institutions and enforcement agencies, such as inspection services, police and judiciary need to play a role, although their low capacity and corruption may have a negative impact on the willingness and ability to take an action). The EU could provide financial and technical assistance to inspection services, e.g. to support the hiring of additional inspectors to bring them to the overall number recommended by the ILO, to train them, and to equip them. Such an assistance could be provided together with the ILO or other donors, including individual EU Member States.

Accession to the EPA is not expected to impact trade in most sectors where forced labour has been reported, e.g., (illegal) mining, including the extraction of diamonds. There is thus no direct link between the Agreement and forced labour in these sectors. However, there may be indirect impacts and additional ways to address the problem of violation of labour standards and working conditions in exporting sectors in Angola going beyond extraction of minerals. For example, the planned introduction of a compulsory due diligence mechanism in exports to the EU, as well as the encouragement of application of internationally recognised sustainability certification schemes, e.g., in agriculture, should help to decrease the scale of the problem.

4.2.4.3 Freedom of association, the right to collective bargaining and working conditions

Trade unions in Angola are present in different sectors, both public and private. They seem to be active, advocating respect for workers' rights and decent working conditions, in line with the national legislation and international commitments.⁷² At the same time, evidence

⁷¹ "EUA alertam para tráfico de seres humanos em Angola e Moçambique", DW, July 2021, <https://www.dw.com/pt-002/eua-alertam-para-tr%C3%A1fico-de-seres-humanos-em-angola-e-mo%C3%A7ambique/a-58133225>

⁷² "Angola: Government Suspends Salaries of Thousands of Public Sector Workers", ITUC, June 2018, <https://www.ituc-csi.org/angola-government-suspends>; "Sindicato angolano acusa empresa chinesa de escravatura moderna", VOA (June 2020), <https://www.voaportugues.com/a/sindicato-angolano-acusa-empresa-chinesa-de-escravatura-moderna/5482185.html>; "Angola: Sindicatos preparam protestos contra 'trabalho escravo'", DW (May 2021), <https://www.dw.com/pt-002/angola-sindicatos-preparam-protestos-contra-trabalho-escravo/a-57520637>; "Sindicato levanta greve na função pública em Angola depois de

from the last few years also suggests shortcomings in the Government's engagement with social partners.⁷³ In addition, as claimed by trade unions, there have been problems with trade union registration and acts of interference in the election of members of trade union commissions (for details, see Annex D1). The evidence from recent years moreover includes some cases of breaching employer's obligations both in the public and private sectors (see Annex D1). While some of the shortcomings may result from the state of public finances at the time of the economic downturn (e.g. delays in payment in the public sector), the lack of knowledge and skills in managing people and challenges to meet certain standards (e.g. the lack of performance appraisals), others are related to employer negligence and a low likelihood that they will be forced by inspection services to remedy the situation (e.g., non-payment of social security contributions, suspension of wage payment for reasons turning out to be the employer's fault).

The lack of information regarding working conditions in enterprises likely to participate in trade with the EU makes it difficult to estimate the impact which the accession to the EPA may have for working conditions. It is possible but not guaranteed that working conditions may be better in large, formal enterprises or on large farms involved in international trade than in the rest of the economy, including in small informal companies or family farms. Hence, workers may benefit from better working conditions thanks to the EPA and increased exports driven (initially) by large enterprises; however, the scale of that impact is expected to be limited, at least in the short-term.

In addition, the lack of a specialised Committee on Trade and Sustainable Development under the EPA means that there is no dedicated forum for regular dialogue on labour rights and monitoring of their respect; this is different under other EU FTAs with a TSD chapter. Of course the Parties still can discuss these aspects at the Trade and Development Committee meetings, but the reports from those meetings until 2020 suggest that labour-related matters have never been discussed there yet. In addition, the EPA TSD Chapter (unlike TSD chapters in other EU FTAs) does not envisage establishment of dedicated civil society advisory groups or a dialogue with civil society under the Agreement, which would provide an opportunity for civil society, notably trade unions, to bring to the Parties' attention concerns related to the respect for labour standards – as has been the case, e.g., under the agreements with Korea and the Andean countries – and would help to hold the Parties to account. This in turn means that the direct impact of the EPA's provisions on trade union operations and labour rights is likely to be limited. On the other hand, the EU text proposal for the SIFA envisages a dialogue with the civil society, which – if maintained in the final text – could provide an alternative channel for the discussion about labour rights in the context of investment (and maybe also trade) relations between the EU and Angola.

In interviews for this study some stakeholders were of the view that while it is easy to join a trade union in Angola, the capacity of trade unions is weak, and they do not have much bargaining power to influence the situation. In this context, some emphasised that it is not helpful either that the Angolan legislation reportedly leans more towards business than workers' rights and in addition, it is not fully implemented or enforced in practice. In online

Governo aceitar negociar", VOA (May 2021), <https://www.voaportuques.com/a/sindicato-levanta-greve-na-fun%C3%A7%C3%A3o-p%C3%BAblica-em-angola-depois-de-governo-aceitar-negociar/5880822.html>; "Sindicato acusa Governo angolano de discriminar médicos nacionais", VOA (July 2021), <https://www.voaportuques.com/a/sindicato-acusa-governo-angolano-de-discriminar-m%C3%A9dicos-nacionais/5954718.html>

⁷³ "Justiça aberta a negociações com sindicato", Jornal de Angola (23 May 2018), <https://www.jornaldeangola.ao/ao/noticias/detalhes.php?id=405097>; "Angola: Government Suspends Salaries of Thousands of Public Sector Workers", ITUC, June 2018, <https://www.ituc-csi.org/angola-government-suspends>; "Salários em atraso preocupam sindicato", Jornal de Angola (24 August 2018), <https://www.jornaldeangola.ao/ao/noticias/detalhes.php?id=411655>; "Angola: Sindicatos preparam protestos contra "trabalho escravo", DW (May 2021), <https://www.dw.com/pt-002/angola-sindicatos-preparam-protestos-contr-trabalho-escravo/a-57520637>

stakeholder consultations, respondents were of the view that Angola's accession to the EPA will have positive impacts on the situation of trade unions and the quality of work.

Given the anticipated limited impact of the EPA on Angola's labour market, the accession to the EPA is not likely to bring about a change in the situation of trade unions, or – more broadly – freedom of association in Angola through economic change.

Also, the lack of a dedicated TSD Committee in the EPA that would oversee implementation of the TSD chapter and provide a forum for a continuous monitoring and an annual discussion about the Parties' compliance with TSD provisions and ILO fundamental conventions represents a shortcoming compared to other EU FTAs with a TSD chapter and a limitation in addressing labour rights, including freedom of association and the right to collective bargaining. While the Parties can still raise any TSD-related matter in the Trade and Development Committee meetings, based on the practice so far, the chances of this to happen do not seem to be very high.

While recommendations related to the overall management of the EU-SADC EPA fall outside the scope of this study, nevertheless from the point of view of increasing the likelihood of positive impacts for Angola (and other Parties), it is suggested that the EU consider two options. The first one would be to propose labour-related agenda items for the Trade and Development Committee meetings on a regular basis.⁷⁴ The second one would be to suggest the establishment of a technical group for TSD or labour-related matters, making use of Article 103(3) of the EPA, according to which the Trade and Development Committee can establish any special technical groups.

Positive impacts for the respect of labour standards in Angola, including freedom of association, could result from the SIFA investment and sustainable development chapter and the proposed annual dialogue between the Parties in the Committee on Investment Facilitation and with civil society, as provided for in the EU text proposal for the SIFA.

In addition, EU technical assistance implemented in cooperation with the ILO could support the development of domestic dialogue in Angola between the Government and social partners on matters related to respect for labour standards and working conditions. An assistance project similar to the current Trade for Decent Work Project⁷⁵ running until the end of 2021 could improve their understanding of the requirements of the ILO fundamental conventions and their implementation in law and practice. It could also support capacity development in the Government and social partners and practice of holding dialogue on labour-related aspects covering respect for existing commitments, but also the development of knowledge and skills needed in public and private sector to diversify and modernise the economy and manage different areas of public administration and service in a modern and professional way.

Moreover, to enhance the positive effects of accession, the Government should pursue the implementation of the National Development Plan, including the parts related to labour inspection and improved awareness of and respect for health and safety at work rules.

4.2.4.4 Non-discrimination at work

As outlined in Annex D1, limited information is available regarding the employment of **migrant workers** in Angola. Some evidence suggests that they are hired on larger farms

⁷⁴ This would seem to be justified given that the SADC countries have recorded shortcomings in this area, e.g., Botswana and Eswatini were discussed as individual cases in the ILO Committee on the Application of Standards with regard to Convention No. 87.

⁷⁵ See https://www.ilo.org/global/standards/WCMS_697996/lang--en/index.htm

and in modern undertakings in agriculture, e.g. in the fruits and vegetables sector⁷⁶ or on coffee plantations (Bessou et al. 2020), i.e. in sectors which are expected to benefit from the EPA. In the *construction* sector and in production of construction materials in Angola staff at the management level comes mainly from countries owning the companies, i.e., Brazil, China, and Portugal. Migrant workers represent 8%-29% of staff; over time the proportion of Angolan workers to foreigners increases, as skills are developed (Oya and Wanda 2019). While there is no quantitative estimation of the impacts of accession to the EPA on the construction sector, one may expect that with the increasing trade and investment flows, and the efforts to diversify and modernise the economy and facilitate access to markets, the construction sector (e.g., infrastructure, stores, shopping centres, production plants) should be able to grow offering job opportunities to both Angolan and migrant workers. Regarding the *oil* sector, in October 2020, a Presidential Decree established that recruitment in oil extraction should give a preference to Angolan workers. However, there is a consideration that for the Decree to be effective, there will be a need for vocational training and skills development of Angolan workers to increase their employability in the sector and to be able to compete with expatriate workers.⁷⁷

Finally, there is evidence that in *diamond* extraction, notably in illegal activities, migrant workers (adults and children) are employed, originating mainly in the DR Congo. Accession to the EPA will not change the terms of trade with the EU in diamonds, notably in illegal extraction and therefore, there will be no direct impacts for the sector.

Detailed data regarding employment of **youth** (15-24 years of age) in Angola by sector could not be obtained. It is therefore impossible to provide a precise estimate of the impacts that the increase in exports and imports in relations with the EU resulting from Angola's accession to the EPA may have for this group of workers. However, given a high unemployment rate among young people (51.8%) (INE 2020), one may assume that job creation in any sector may benefit them, notably if accompanied by the investment in education and vocational training to improve employability of young people and their chances to get a job.

The available evidence suggests that migrant workers are employed e.g., in the vegetables and fruits sector, which is likely to benefit from increased exports to the EU thanks to Angola's accession to the EPA. Likewise, migrant workers in the construction sector and production of construction materials, although their share decreases, may enjoy indirect positive effects of increased trade and investment flows complemented by Government actions to diversify and modernise the economy, incl. infrastructure development.

Other sectors employing migrant workers, such as oil extraction or mining of minerals and (illegal) extraction of diamonds will not be directly affected by accession to the EPA, given that the Agreement will not change their terms of trade in relations with the EU.

Young people in Angola are likely to benefit from job creation in any sector, given a high unemployment rate in this group. However, for this to happen, there is a need to pursue activities outlined in the National Development Plan 2018-2022, incl. access to vocational education and training, and facilitation of setting up formal enterprises.

4.2.5 Civil society participation

Compared to other, more comprehensive TSD chapters, the one in the EU-SADC EPA does not include provisions requiring the establishment of civil society Domestic Advisory Groups (DAGs) nor holding the Civil Society Forum meetings; under other EU FTAs, these annually

⁷⁶ "Fazenda Girassol inicia embalagem de banana para exportar", Jornal de Angola, 19 July 2020, <https://www.jornaldeangola.ao/ao/noticias/fazenda-girassol-inicia-embalagem-de-banana-para-exportar/>

⁷⁷ "Sindicato elogia 'angolanização' do setor petrolífero", DW, October 2020, <https://www.dw.com/pt-002/sindicato-elogia-angolaniza%C3%A7%C3%A3o-do-setor-petrol%C3%ADfero/a-55352259>

bring together representatives of the governments of the Parties and their civil society to discuss the implementation of the TSD chapter and impacts of the FTA on sustainable development. So far, following an EU and civil society initiative, one Civil Society Forum meeting took place under the EPA in 2017.⁷⁸ Over the last few years, the Trade and Development Committee discussed the possibility to establish a Joint Platform for Civil Society Dialogue, however, without any tangible outcomes.⁷⁹ The EU civil society, including the European Economic and Social Committee (EESC) has been advocating since 2017 the inclusion of civil society of all Parties into a dialogue about the EPA, its implementation, and impacts (see Annex D1).

Given that Angola will accede to an existing Agreement, any effects for the country will depend on the text of the EPA at the time of the accession and the implementation practice. Therefore, any prospects for civil society participation in the dialogue about the EPA will depend on whether progress will be achieved in establishing relevant structures and practice between the EU and SADC by the time of Angola's accession. In the meantime, the Angolan Government should make an effort to engage into a dialogue with social partners and other civil society organisations on the reform process and accession to the EPA. Moreover, the EU should continue providing technical assistance to further develop the capacity of civil society in Angola. EU civil society, including the EESC, should involve Angolan counterparts into a dialogue related to trade and the EPA.

While the lack of a dedicated Committee on the TSD chapter represents a certain obstacle in addressing aspects covered by the chapter (the Trade and Development Committee has not had them on the agenda, except one presentation on the European Green Deal), one cannot exclude that such discussions will take place in the future. For example, the adoption of domestic or international policies, legislation or measures aimed at supporting sustainable development and having a potential impact on trade may provide an opportunity for both the presentation of the new initiative and a discussion between the Parties. The EU planned legislation on compulsory due diligence could be one of those. Another occasion for a discussion on links between trade and sustainable development may come at the time of the upcoming ex-post evaluation of the EU-SADC EPA, when the EU side might launch a discussion about impacts of the EPA. Angola as a potential future Party to the Agreement should be involved in that process, including by presenting its own policies and other initiatives.

In addition to the EPA, the Commission's negotiating directives for the SIFA include a commitment that the future agreement will contribute to the sustainable development and responsible investment. Therefore, the future agreement could provide an additional platform for the EU and Angola's dialogue regarding sustainable development and its social and environmental pillars, an encouragement for the uptake of CSR/RBC practices by Angolan companies and foreign investment in the country, as well as an opportunity to engage in a conversation with other stakeholders, including civil society representatives from the EU and Angola. Moreover, the EU's text proposal for the SIFA includes provisions on investment and sustainable development inspired by the EU TSD chapters, and in the institutional part foresees a dialogue with civil society, with meetings held annually on the occasion of meetings of the Committee on Investment Facilitation. This would provide an additional channel for a discussion with civil society on matters related to investment facilitation and sustainable development in its labour and environmental dimensions.

Given that Angola will accede to an existing agreement, any effects for the country will depend on the text of the EPA and the implementation practice at the time of the accession. Therefore, any prospects for civil society participation in the dialogue about the EPA will

⁷⁸ <https://sadc-epa-outreach.com/civil-society-forum>

⁷⁹ See the TDC meeting agendas for February and November 2018, February 2019 and February 2020, available at <https://trade.ec.europa.eu/doclib/press/index.cfm?id=1986>

depend on whether progress will be achieved in establishing the relevant structures and practice between the EU and SADC EPA states by the time of Angola's accession.

In the meantime, the Angolan Government should make an effort to engage into a dialogue with social partners and other civil society organisations on the reform process and accession to the EPA. Additionally, based on the EU's text proposal the SIFA would provide a channel for discussion with civil society on investment facilitation and sustainable development.

Moreover, the EU should continue providing technical assistance to further develop capacity of civil society in Angola, and the EU civil society, including the EESC, should involve Angolan counterparts in a dialogue on trade, sustainable development and the EPA.

4.2.6 Effects on women

As outlined in the economic and overall employment effects analysis (sections 4.1.1 and 4.2.1), *agriculture* – and in particular bananas (as well as other fruits and vegetables) – is expected to benefit from the EPA, compared with a situation without the Agreement. In 2018-2019, 51.4% of women and 40.5% of men worked in agriculture, forestry, and fisheries in Angola (INE 2020). While women work mainly in subsistence family farming, they are also employed in large farms producing for the domestic market and exports and therefore, they are likely to benefit from additional employment and income opportunities generated by the EPA and an increased activity of large exporting farms (for details see section 4.2.1).

Women owning small farms and working on them may also benefit, in particular in a longer-term; however, they face several challenges which will need to be addressed. These include the lack of documents proving the title to land ownership, which in turn impedes their ability to apply for credit (for inputs and equipment), expand productive capacity or use services, including irrigation or mechanisation (PRODESI 2017). The lack of identity documents and low literacy levels – in 2014, 25.1% for women in rural areas (INE 2018) – make it even more difficult to apply for ownership titles. Moreover, as mentioned in section 4.2.1, small-scale farmers, including women, will require Government's support in the access to markets (investment in infrastructure), vocational training, access to funds and modernisation of production methods, including mechanisation (EU 2014), access to inputs (e.g., seeds and fertilisers), and facilities (e.g., warehouses) and skills development in marketing the produce, as well as management skills (Zarrilli 2014). Assistance projects funded by international donors already aim at addressing issues related to ownership titles, identity documents, literacy rates and productive capacity.⁸⁰ A project delivered jointly by the EU and UNCTAD focuses on six priority areas, including small business development.⁸¹ The Angolan Government's initiative AgroPRODESI provides activities supporting development of agricultural value chains, promotion of agricultural undertakings, sustainable national production, and gender equality in agriculture. Women represent also 55% of beneficiaries of the IFAD Market-oriented Smallholder Agriculture Project.⁸² There are also examples of female entrepreneurs from Angola being active in food processing, including processed vegetables and fruits, and exporting them to the EU.⁸³

On the other hand, as indicated in sections 4.2.1 and 4.2.2, small-scale food producers, including women, if not supported by the Government, may run a risk of being pushed out

⁸⁰ E.g., Embaixada dos Estados Unidos da América (EUA) (2021), Projeto do Governo dos EUA apoia Mulheres Agricultoras Rurais em Angola: <https://ao.usembassy.gov/pt/pr-030521-pt/>

⁸¹ "EU and UNCTAD kick-start project to help Angola diversify its trade", <https://unctad.org/news/eu-and-unctad-kick-start-project-help-angola-diversify-its-trade>

⁸² IFAD (2018), Republic of Angola Country Strategic Opportunities Programme 2019-2024, <https://webapps.ifad.org/members/eb/125/docs/EB-2018-125-R-26-Rev-1.pdf?attach=1>

⁸³ "Empresárias vencem obstáculos e incentivam outras mulheres", Jornal de Angola (10 March 2020), <https://www.jornaldeangola.ao/ao/noticias/empresarias-vencem-obstaculos-e-incentivam-outras-mulheres/>

from the market either by imported food products or by the activity of larger Angolan undertakings (Zarrilli 2014). While imports may have an impact on local food producers in rural areas only in a longer-term, the lack of support to small-scale producers may expose them much faster to an uneven competition with larger undertakings offering a wider range of products often of a better quality.

In the *fisheries* sector, women are mostly involved in the inland sector, artisanal fishing and fish processing (salting and smoking).⁸⁴ Given that these segments are different from those expected to benefit from the accession to the EPA (commercial maritime fishing and exports of frozen shrimps), at least in the short-term no direct substantial impacts for most women in the sector are expected. However, women could benefit from employment generation in fish processing plants, if the sector is able to meet EU SPS standards and expand exports of processed fish (see the case study in Annex B1).

Regarding *retail trade*, women work mostly in the informal part of the sector (workers and entrepreneurs) due to the lack of other job opportunities. In urban areas, women sell food, drinks, and imported goods (Zarrilli 2014). Many of them use micro loans to travel and buy goods, e.g., clothes and shoes from Brazil, the US, China, Thailand, and other parts of the world, to sell them to customers in Angola.⁸⁵ Women also participate in informal cross-border trade in food, detergents, clothes and footwear, e.g., between Angola and Namibia (Namibia Statistics Agency 2014; 2019).

Angola's accession to the EPA is expected to trigger increases in the import of consumer goods. In the short-term this will probably not have direct effects for women selling food and drinks in informal markets; most likely, the goods traded by women (e.g., fresh products, such as bread) are of a different category than those imported from the EU. However, in the longer term, if formal trade develops in parallel and city inhabitants become better off, some customers might shift from buying in informal markets to doing the shopping in formal stores, including in supermarkets, and therefore demand for informal trade may decrease. This in turn means a risk of more limited income from traditional informal trade, while on the other hand jobs in the formal part of retail trade sector may be created, including for women. In addition, tariff reductions because of the EPA for some consumer goods originating in the EU, may encourage women importing such products for sale, to buy them in the EU rather than in other countries, as they will become relatively cheaper while being of a high quality. An increase in such import operations would create additional job opportunities for female traders (importing from the EU) or help to generate additional income for those already involved in trade. Regarding trade with neighbouring countries, there are usually niches in the market and therefore female informal cross-border traders may be able to maintain their activity for some time. However, the development of formal, facilitated cross-border trade in the SADC region, including Angola, thanks to accession to the EPA may also encourage companies of different size to use the opportunity of cross-border trade for income generation and this may push some of small informal traders out of the market, while some may be encouraged to increase the scale of their activity.

Regarding *other sectors* of female employment in Angola, most of them are not likely to be directly affected by Angola's accession to the EPA, but there could be limited indirect impacts. Industry may be the only exception, considering the expected increased industrial production and diversification of the economic activity in Angola in the longer term,

⁸⁴ FAO (2018), Fishery and Aquaculture Country Profiles - The Republic of Angola, <http://www.fao.org/fishery/facp/ago/en>; IFAD (2014), The Republic of Angola: Artisanal Fisheries and Aquaculture Project- Detailed Design Report, <https://webapps.ifad.org/members/lapse-of-time/docs/english/EB-2014-LOT-P-19-Project-Design-Report.pdf>

⁸⁵ "Angola's 'suitcase traders'", BBC News, (2017), <https://www.bbc.com/news/av/business-41285456>; "Crashing barriers: Angola's female entrepreneurs", Euronews, (2019), <https://www.euronews.com/2019/11/27/crashing-barriers-angola-s-female-entrepreneurs>

creating additional job opportunities, for both men and women. On the other hand, as indicated in section 4.1, there are limited risks for sectors that could face stronger competition with imports from the EU, and therefore also for workers, incl. women who are employed there. However, these risks may be mitigated by staged liberalisation or excluding sensitive products. In addition, the reduction in tariff revenues could have a limited impact on public expenditures, affecting public sector operation and / or provided services, including potential effects for female workers in the affected sectors. While the estimated amount is limited, it would contribute to the state of public finances as it is after a few years of economic downturn.

Regarding effects for women-led enterprises, only around 16% of them operate in sectors other than wholesale and retail trade or agriculture (5% in industry and 11% in services), and in terms of firm size 47.8% of female entrepreneurs work on their own, without employees, and only 1.5% of them employ more than 20 persons (GEM 2019). The direct effects of the EPA for them may be similar as for the sectors in which they operate, as already described above, i.e. limited at least in the short-term. The overall effects would depend, however, on the outcomes of actions taken in parallel by the Government to improve business environment, including access to funds, training, etc.

Impacts for women are likely to be limited, in line with the overall impacts resulting from the accession to the EPA. In agriculture, women working on larger farms exporting to the EU would benefit. Women being part of cooperatives could also benefit if support is provided by the Government or donors, which would enable their marketing and exporting activity and provided existing challenges, e.g., related to ownership title to land, identity documents, and access to credit, inputs, training, and technology are addressed. Women owning small subsistence farms and selling their products on local markets are unlikely to be affected by the EPA in the short-term, given that food imports from the EU will primarily address consumers in urban areas. In the longer term, however, if not supported by the Government or other assistance, they could face increasing competition from imports or Angolan larger farms, pushing them out of the market or limiting chances for income generation. In the fisheries sector, there could be job opportunities for women in processing plants.

In the wholesale and retail trade, women involved in a small-scale trade in local informal markets in urban areas are not expected to be affected by the accession to the EPA in the short term, given that products they sell are different than those likely to be imported from the EU. In the longer term, some customers may switch to buying in formal stores, which would decrease demand on informal markets. However, increased imports from the EU are likely to facilitate job creation in the formal part of the sector. Women involved in small-scale international trade selling imported goods to Angolan customers could benefit from tariff reduction under the EPA and either increase their activity or switch from products imported from other countries to those imported from the EU. The Government or donors should provide an offer of vocational training or support in setting up and running an enterprise to women who are selling small quantities of goods in informal markets to support their employability, also in other sectors.

Women working in a limited range of sectors which may face an increased competition of imports from the EU could see their jobs being at risk. However, this risk may be mitigated by a staged opening of the Angolan market to imports from the EU.

4.2.7 Corporate Social Responsibility/Responsible Business Conduct practices

The subsidiaries of multinational companies often follow CSR practices of headquarters and apply them in their host countries, sometimes in a form adapted to the local circumstances.

In Angola, this is the case, e.g., in oil extraction or the food sector.⁸⁶ This suggests that if thanks to the SIFA or accession to the EPA, Angola becomes more attractive to EU investors (as is expected in the long terms according to the analysis undertaken), the subsidiaries of EU companies would follow the CSR practices of their headquarters and promote them among their local suppliers. Such practices may be related, e.g., to reducing the environmental footprint or respect for labour standards (including elimination of child labour or labour akin to modern slavery) from their supply chains. In addition, the Commission's negotiating directives for the SIFA include a commitment that the future agreement will contribute to sustainable development and responsible investment, including the respect for relevant internationally recognised labour and environmental standards, and CSR/RBC instruments, as well as related due diligence guidance in supply chains. Accordingly, the EU's text proposal for the SIFA includes provisions on the promotion of due diligence in supply chains, the uptake of CSR practices and the use of international instruments in this area. Therefore, subject to the outcome of the negotiations, it can be assumed that the future agreement will encourage the uptake of CSR/RBC practices by Angolan companies and foreign investors in the country.

Moreover, large Angolan companies, including those operating in agriculture and exporting their products, have developed their own CSR practices.⁸⁷ This was echoed in interviews conducted for this study. Stakeholders provided examples of Angolan companies from diverse sectors, including agriculture (coffee producers, food processing and beverages), detergents, telecoms and banking, implementing CSR practices, such as support to local communities and small-scale farmers (to set up cooperatives), providing funds to organisations clearing landmines, giving school meals and school kits to disadvantaged children, promoting sport activities for children and adolescents, refurbishing schools, providing nutrition advice and others. These findings suggest that the anticipated positive impacts of Angola's accession to the EPA on exports and economic diversification in the longer term would also encourage more companies to pursue CSR practices, which become an element of the company's image and a must in order not to lag behind market leaders or direct competitors.

A recent study analysing the Angolan banana and other fruits sector observed that an increase in the use of certification schemes in particular in the banana sector globally would mean a need for Angolan producers to join such schemes if they wish to export e.g., to the EU. At the time of the study, one exporter adhered to the Global Gap scheme while some others were in the process of starting certification and were applying basic principles of the scheme (Van den Broek et al. 2019). This suggests that export opportunities to be brought about by the accession to the EPA, including in bananas (as estimated by the economic model) and other fruits, could encourage the use of sustainability certification schemes and related practices in respect of environment, labour standards and working conditions.

Finally, as the example of some Latin American countries (including Colombia, Ecuador, and Peru) demonstrates, EU assistance projects promoting CSR practices may contribute to an increase in their use. Therefore, the EU should consider the implementation of a similar project in the SADC region or in Angola specifically, starting from awareness raising and training to be followed by development and application of CSR practices in companies, in particular those producing for exports, as part of the national programme of export diversification.

Current practice in Angola suggests that foreign investment by companies whose headquarters follow CSR practices promote them also in subsidiaries. Also, an increasing

⁸⁶ See "Nestlé opens first factory in Angola", New Food Magazine (August 2012), <https://www.newfoodmagazine.com/news/8511/nestle-opens-first-factory-in-angola/>; <https://www.nestle-esar.com/re-sustainability>; BP in Angola Sustainability Reports 2016-2018, available at <https://www.bp.com/en/global/corporate/sustainability/reporting-centre-and-archive/archive.html>

⁸⁷ See e.g. <http://www.grupolider-ao.com/en>; <https://turiagro.com>

global application of CSR/RBC practices and adherence to sustainability certification schemes in certain sectors, including agriculture, is likely to require adherence of Angolan companies, in particular those intending to export to the EU, to CSR practices and schemes. With Angolan exports to the EU expected to be higher under the EPA than under the GSP, CSR practices and their contribution to sustainable development will be fostered. Moreover, based on the EU text proposal the SIFA is likely to include commitments to internationally recognised instruments in CSR/RBC and due diligence guidance in supply chains encouraging the application of CSR/RBC practices in Angola.

In this context, EU technical assistance promoting the use of CSR/RBC practices and supporting capacity building in their application may play an important role.

4.3 Human Rights Impact of Angola's Participation in the EPA

Based on the literature review, the baseline analysis of the human rights situation and the findings of the economic impact analysis, the screening exercise for potential impacts of Angola's accession to the EU-SADC EPA on human rights (see Annex E for details) has shown that impacts on the human rights situation in Angola could accrue in specific sectors (no impact in the EU is expected):

- The impact on the **right to work** is expected to be twofold. First, a limited impact on this right is expected due to minor shifts in employment predicted by the economic analysis (see section 4.1.3.1. for a detailed overview for all the sectors). Second, depending on investment flows, in sectors benefitting from EU employment, additional jobs may be created, positively affecting their right to work. The **right to an adequate standard of living**, being linked, among others, to employment, is also expected to have a mixed limited impact from the accession.
- In case of increased investment, facilitated by the EPA and the SIFA, into sectors that require land as a resource, e.g. agriculture or mining, it is possible that, combined with the existing vulnerabilities related to water pollution or land grabbing for commercial use, there may be an impact on the **right to own property, right to food, right to water, right to health** if the practice of land grabbing is not addressed by the Government of Angola at the legislative and policy level and if the laws are not effectively implemented. Since existing vulnerabilities primarily affect such vulnerable population groups as indigenous peoples, minorities, persons with low income, women and children, their rights may be put under pressure (see detailed analysis below regarding the right to own property and the right to food). However, SIFA provisions proposed by the EU regarding transparency principles under Chapter II (Predictability and Transparency), in particular Article 2.4(2c) on the transparency of the investment framework, extend to issues related to land acquisition and could encourage Angola to address issues with land ownership rights.
- Additionally, the economic analysis reports that accession is likely to lead to a decrease in tariff revenues (up to 1.8% of total government revenues in the ambitious scenario), affecting (already scarce) public funds that matter for protection of the most vulnerable population groups. While the informality rate is rather high and only a small part of the population is covered by social security, it may still have a minor impact on their rights and possibly their access to basic services. In percentage terms, the expected revenue impact is equal to 5.6% of the total budget for education and healthcare combined.

The detailed analysis focuses on the **right to own property** and **the right to food**. Possible impacts on the right to water and right to health both stem from pollution and environmental impact of business activities and are therefore primarily covered under the environmental analysis (section 4.4).

4.3.1 *Right to own property*

The EPA does not explicitly refer to the right to own property, so there is no direct effect of the Agreement on this right. However, accession to the EPA and the SIFA include commitments that might lead to increased investment activities in sectors that require vast land resources, thereby affecting land rights. Next to that, results of the economic analysis have indicated that production in the banana sector (which requires extensive land resources) is expected to be slightly higher as a result of Angola's accession to the EPA than if Angola moved to the GSP general arrangement.

International human rights framework

The right to own property is recognised in several international human rights instruments. Article 17 of the Universal Declaration on Human Rights (UDHR) states: "Everyone has the right to own property, alone as well as in association with others and no one shall be arbitrarily deprived of his or her property". Article 5 of the International Convention on the Elimination of All Forms of Racial Discrimination (ICERD) states: "Everyone has the right to non-discrimination and equality before the law in the enjoyment of the rights to own property alone as well as in association with others and to inherit". Other international human rights conventions that recognise property rights are the Convention on the Elimination of All Forms of Discrimination against Women (CEDAW; Art. 16), the Convention on the Protection of the Rights of All migrant Workers and Members of Their Families (Art. 15) and the Convention Relating to the Status of Refugees. Regional human rights instruments like the EU Charter of Fundamental Rights (Art. 17), the European Convention on Human Rights (Protocol No. 1, Art.1) and the African Charter on Human and Peoples' Rights (Art. 14) also guarantee the right to own property. Obligations of the states regarding the right to own property include an obligation to respect – which means that the state has to protect its citizens against arbitrary expropriation of private property – and a positive obligation to protect the right to own property, that is to adopt the appropriate legislation and protect against violations of land rights by third parties.⁸⁸

Angola has ratified the ICERD, the Banjul Charter, the CEDAW and the 1951 Refugee Convention that guarantee protection of the right to own property and has, therefore, accepted legally binding obligations in relation to this right (see the table on the status of ratifications in annex E).

Current situation

The Constitution of Angola recognises collective and customary land ownership and use. Article 37 states: "The state shall respect and protect the property and any other rights of private individuals, corporate bodies, and local communities, and temporary civil requisition and expropriation for public use shall only be permitted upon prompt payment of just compensation under the terms of the Constitution and the law". The 2004 Land Law (Lei de Terra) also recognises customary land ownership of rural communities and states that expropriation for public use shall only be permitted upon just compensation. The Environmental Law (Lei de Bases do Ambiente) contains provisions that require projects that may have significant negative environmental or social impacts to carry out impact assessments.

However, despite Angola's international commitments and national legal guarantees regarding protection of the right to own property, very few traditional communities in Angola have been able to register their land (Orani and Schermers 2017; FAO 2020), and incidents of rural communities losing their lands to commercial farming in Angola have

⁸⁸ See the discussion on state obligations in relation to the right to own property in Mchangama (2011).

been reported by various organisations.⁸⁹ Amnesty International notes in particular incidents of forced eviction in Cunene, Ombadja and Curoca provinces in 2016, when families were forcibly evicted from their land as part of the government's 2020 Agroindustrial Horizonte project; it is reported that land was expropriated without the free, prior and informed consent (FPIC) of the affected communities, no environmental or social impact assessments had been carried out, and no fair compensation has been provided (Amnesty International 2019). The UN Human Rights Committee stated in 2019 that access to land by some members of ethnic and indigenous communities are negatively impacted by development/business activities by companies.⁹⁰ Through the DCI – Food Security instrument, the EU, in cooperation with international organisations (FAO), supports Angola in strengthening capacity for better land tenure.⁹¹

Potential impact of Angola's participation in the EPA on the right to own property

Due to the already existing vulnerabilities regarding land rights in Angola and reports of an increasing practice of extending business activities at the expense of land eviction from local communities, it is possible that there will be an increased pressure on the enjoyment of the right to own property by Angolan citizens.

As said, the EPA does not contain explicit provisions pertaining to the right to property. However, economic analysis indicates minor increase in output for bananas, production of which requires vast land resources. While in absolute terms this increase is limited, given the pre-existing vulnerabilities described above, the enjoyment of the right to property by affected communities may be disrupted, affecting especially farmers and traditional local communities whose livelihood depends on land. The effect is, however, not expected to be significant. A more pronounced impact is possible from increased investment as a result of accession to the EPA and signing of SIFA which might spread to a more diverse set of agricultural subsectors and mining, among others, creating a broader impact on land rights.

A literature overview of most recent reports related to the impact of business activities on the right to own property in Angola shows that there is a concern about the deterioration of land rights in the country due to the increase in development projects.⁹²

Throughout the consultations, some stakeholders expressed concern that land rights may be affected by growing investment and increase in production in agricultural products as a result of Angola's participation in the EPA. These concerns are based on previous experiences with international companies operating on the territory of Angola (e.g., Amnesty International 2019) and on the knowledge that the current system does not provide sufficient protection of the right to own property for some communities whose livelihood depends on the lands they occupy. In particular, comments were made with respect to the ineffective implementation of the legal requirements regarding the impact assessment of projects that may have major impacts on the life of certain communities and the fact that land without title is considered to be a property of the state (with no exception for pastoralists or traditional communities) and in that case it can be expropriated without just compensation. Historically, also affected by the conflict, most

⁸⁹ See e.g. US Department of State (2021); "Freedom in the World 2020. Angola", Freedom House, <https://freedomhouse.org/country/angola/freedom-world/2020> [accessed 03 July 2021]; "Angola Overview", Amnesty International, www.amnesty.org/en/countries/africa/angola [accessed 12 July 2021].

⁹⁰ United Nations (2019): Concluding observations on the second periodic report of Angola, UN Doc. CCPR/C/AGO/CO/2*.

⁹¹ "Strengthened capacity for better land tenure and natural resources governance in Angola", European Commission, 11 July 2019, https://ec.europa.eu/international-partnerships/projects/strengthened-capacity-better-land-tenure-and-natural-resources-governance-angola_en [accessed 23 June 2021].

⁹² United Nations (2019): Concluding observations on the second periodic report of Angola, UN Doc. CCPR/C/AGO/CO/2*; Cain (2019); "Indigenous peoples in Angola", IWGIA, <https://www.iwgia.org/en/angola.html> [accessed 10 July 2021].

land in Angola is held under customary title and people do not have documents proving their rights to it. Two thirds of Angola's population live in rural areas, and one third of the population depends on subsistence agriculture. Angola was once the fourth largest producer of coffee in the world, while also being active in growing cotton, tobacco, palm oils and citrus fruits (Foley 2007). The diversification of economy by means of increased agricultural production has been put at the core of the government strategy,⁹³ and stakeholders note that it has created setbacks for some of the most vulnerable population groups.

In the context of the accession to the EPA, the effect is not direct and expected to be small – in line also with the quantitative assessment. However, in the framework of diversification of the Angolan economy and taking into account that the EU is the main destination for agricultural goods from ACP partners,⁹⁴ it is possible that the quantitative estimates of the economic effects may be underestimated and the agri-food sector may have a bigger potential for growth than expected, with subsequent effects on sectors that require land.

To sum up, the findings suggest that the accession of Angola to the EPA is not expected to have a significant impact on the right to own property overall. In the context of the Agreement, the right to own property may be indirectly affected via changes in sector output (agriculture). Especially in the context of weak implementation of land rights in Angola, the lack of practice of seeking FPIC as well as the limited implementation of environmental and social impact assessments guaranteed by the law, it is possible that the rights of local communities may be affected. Considering instances mentioned and concerns reported by several stakeholders, accession of Angola to the EPA or the SIFA could contribute to the overall pressure on land rights in some regions in the country and might play a minor role in affecting the right to own property of local communities, if property rights are not properly protected.

In case due diligence is not performed correctly, the impacts of business operations on human rights of local communities might be overlooked. Land eviction without adequate legal remedies may also contribute to food insecurity and undernutrition, indirectly affecting the right to food of populations evicted from their territories (see further analysis in the next section).

In light of the analysis carried out, and bearing in mind that land rights are one of the key vulnerabilities in Angola with respect to the enjoyment of human rights, we recommend the following:

- The Angolan Government should urgently strengthen the right to property in Angola, including via technical assistance support from the EU. The current EU funded project strengthening land tenure mentioned above expires soon.⁹⁵ A similar project aimed specifically at strengthening land rights in Angola related to business activities could be a possibility to flank possible negative impacts. Involvement of civil society, public sensitisation on the land law, fast-track of the land rights recognition processes, strengthening of the technical capacity of the national and local governments in the implementation of the legal framework are crucial for the protection of land rights of rural communities and most vulnerable groups.

⁹³ "Angola seeks to roll back oil dependency o diversify economy through agriculture", Victor Muisyo/AfricaNews, 22 August 2017, <https://www.africanews.com/2017/08/22/angola-seeks-to-roll-back-oil-dependency-to-diversify-economy-through/> [accessed 25 June 2021].

⁹⁴ "Economic Partnerships", European Commission, <https://ec.europa.eu/trade/policy/countries-and-regions/development/economic-partnerships/> [accessed 24 June 2021].

⁹⁵ "Strengthened capacity for better land tenure and natural resources governance in Angola", European Commission, 11 July 2019, https://ec.europa.eu/international-partnerships/projects/strengthened-capacity-better-land-tenure-and-natural-resources-governance-angola_en [accessed 23 June 2021]

- The Government should also ensure that effective consultation processes (FPIC) consistently take place, backed by appropriate environmental and social impact assessments guaranteed by the law. A monitoring body should be established to have oversight over the implementation and provide regular reports of the practice and records possible violations. The reports should be publicly available, involving non-state actors and affected communities.
- The responsibility by the Parties to respect human rights should be included, e.g. in the Preamble. An explicit reference to legitimate tenure and protecting property and land rights in Article 5.6 could be considered.

4.3.2 *Right to adequate food*

The EPA does not explicitly refer to the right to food. However, commitments regarding progressive trade liberalisation and trade facilitation of (agricultural) goods might have an indirect impact on the right to food, including via the importation of food and via land rights. The results of the economic analysis indicate that Angola's accession to the EPA would lead to an increase in trade in several agricultural sub-sectors – mostly imports, but also exports of some food products.

International human rights framework

The right to food is recognised in several international instruments. The UDHR contains provisions related to the right to food in the context of the right to an adequate standard of living. Article 25(1) states that "Everyone has the right to a standard of living adequate for the health of himself and his family, including food, clothing, housing and medical care and necessary social services". The International Covenant on Economic, Social, and Cultural Rights (ICESCR) addresses the right to food in Article 11. The CESCR General Comment No. 12 provides that "the right to an adequate food is realised when every man, woman and child, alone or in community with others, has physical and economic access at all times to an adequate food or means for its procurement". Next to that, the Committee specifies the core content of the right to food: availability of food in a quantity and quality sufficient to satisfy the dietary needs of individuals, free from adverse substances, and acceptable within given culture; accessibility of such food in ways that are sustainable and that do not interfere with the enjoyment of other human rights (General Comment No. 12 para. 8). Obligations of the states with respect to right to food include the adoption of necessary measures for its progressive realisation based on the principle of non-retrospection, without discrimination, while respecting, protecting and fulfilling it, even through international cooperation and assistance (Pinto 2013). Also, the AAAQ (availability, accessibility, acceptability and quality) framework supports the operationalisation of the right to food.

Angola recognises its international obligations with respect to the right to food through ratification of the relevant international instruments. In particular, Angola has ratified the ICESCR and has, therefore, accepted legally binding obligations in relation to the right to food.⁹⁶

Current situation

The Constitution of Angola does not explicitly recognise the right to adequate food. Nonetheless, implicit guarantees are included in Article 77, which covers health and social protection, and in Articles 80 to 82 on the rights of the child, youth, and the elderly. Moreover, the right to food can be derived through broader human rights, e.g. the right to life. Article 30 of the Constitution states that "the state shall respect and protect human life, which is inviolable. Also, as Article 13 of the Constitution states that any approved or

⁹⁶ For details, see Annex E.

ratified international treaties and agreements shall come into force in the Angolan legal system, and the country has ratified the ICESCR, this includes the guarantees regarding the right to food under ICESCR Article 11. But there is no special domestic framework law on the right to food as such.⁹⁷

The national policy framework that contributes to the realisation of the right to food in Angola includes the 2009 National Strategy for Food and Nutrition Security (Estratégia Nacional de Segurança Alimentar e Nutricional de Angola, ENSAN), which is coordinated by several ministries and involves civil society. The Strategy addresses all the dimensions of food security and includes specific objectives on how to achieve it. However, the ENSAN has not entered its implementation stage yet due to institutional limitations and lack of public resources (Pinto 2013; Governo de Angola 2021). The FAO has been working with the Angolan Ministry of Agriculture since 1999; and is currently working on ENSAN II, to cover the period 2022-2030.

According to the 2020 Global Hunger Index, Angola scored 26.8 in the level of hunger, categorised as serious.⁹⁸ The Global Food Security Index ranked Angola as 97th out of 113 countries, highlighting that 24.9% of the population are under the global poverty line, affecting food affordability in the country.⁹⁹ According to the UN Committee on the Rights of the Child, chronic undernutrition of children under 5 years of age increased from 29% in 2007 to 38% in 2016; and malnutrition is associated with 45% of child deaths.¹⁰⁰ The UN World Food Programme states that Angola is a resource rich country that has every opportunity to a more sustainable growth in providing its own food sources. The main issues with the right to food in Angola lie in the limited dietary diversity, poor sanitation and hygiene conditions, as well as frequent droughts.¹⁰¹ Amnesty International (2019) states that the right to food in Angola is also impacted by large-scale commercial projects that require vast land resources. Land acquisitions without prior consultation or compensation has affected the ability of communities from affected areas to produce food for subsistence (e.g. in Gambos, Huila province). Human rights indicators pertaining to the right to food show that Angola faces high levels of malnutrition illustrating the vulnerable situation in the country.

Potential impact of Angola's participation in the EPA on the right to food

The potential impact of the EPA on the right to adequate food is mainly linked to domestic food production and imports of food and – in the second instance – also to land rights.

According to the economic analysis, the removal of tariffs on imports from the EU will lead to significant increases in imports of food products for Angola. For example, total imports (under the full liberalisation scenario) are estimated to increase by 72% (€58 million) for meat and fish, 45% (€46 million) for beverages, 68% (€24 million) for preparations of vegetables, and 19% (€21 million) for milling products; bilateral imports from the EU increase even more, at the expense of imports from other sources (see Table 4 in section 4.1.1). Conversely, the effect on Angola's exports of food products is more limited, and does not relate to an actual increase, at least in the short term (as modelled), but rather the avoidance of a decrease in exports resulting from the loss of EBA preferences.

The impact on the right to food of these changes is twofold. First, for Angolan consumers, access to high quality agricultural produce coming from the EU is expected to increase,

⁹⁷ United Nations Committee on Economic, Social and Cultural Rights (2016) : Concluding observations on the fourth and fifth periodic report of Angola, UN Doc. E/C.12/AGO/CO/4-5.

⁹⁸ The Global Hunger Index (2020). Angola: <https://www.globalhungerindex.org/angola.html>

⁹⁹ Global Food Security Index (2020), Angola: <https://foodsecurityindex.eiu.com/Country/Details#Angola>

¹⁰⁰ UN Committee on the Rights of the Child (2018). Concluding observations on the combined fifth to seventh periodic reports of Angola, UN Doc. CRC/C/AGO/CO/5-7.

¹⁰¹ UN World Food Programme (2020). Country Brief for Angola: https://docs.wfp.org/api/documents/WFP-0000121206/download/?_ga=2.244874821.1935800153.1610981420-31930762.1610981420

which supports the right to food. Second, as food exports will not actually increase, availability of food for Angolan consumption will not be affected.

An indirect impact on the right to food from land rights could stem from investment facilitation under the SIFA and, in the long run, from trade facilitation under the EPA, leading to an increase in larger-scale commercial production for exports that require more land resources. This is of particular relevance for the communities that rely on family agriculture for their subsistence and may lead to challenges regarding the ability to support themselves. Additionally, increased investment in the food supply chain and food conservation triggered by the SIFA may play a positive role in tackling food vulnerability in Angola.

As mentioned above, the literature review points to a severe situation in Angola regarding the right to food. The current situation indicates a high prevalence of hunger, exacerbated by the pandemic.¹⁰²

Throughout the consultations, some stakeholders expressed concern that the right to food of rural and traditional local communities might be put under pressure as a consequence of growing investment and increase in production in agricultural products as linked to land rights. These concerns are based on previous experiences with international companies operating in the territory of Angola and on the knowledge that the current domestic system does not provide sufficient protection of the right to own property for some communities whose livelihood depends on the lands they occupy (see the analysis in the previous section).

Based on the economic analysis, the literature review and stakeholder consultations, the right to food is likely to be impacted positively overall: imports of high-quality EU food products are expected to increase, allowing Angolan consumers access to high-quality food. Lower prices due to increased competition from EU food products entering the market could also result, assuming sufficient competition in the distribution services sector. Conversely, domestic food production is not expected to be diverted by increased exports. While food availability would not be impacted, the situation for domestic producers might marginally deteriorate due to EU competition. The projected increase in imports of EU food would seem to lead to higher levels of food import dependency for Angola. However, because the increases in imports (trade creation) from the EU are mostly the result of trade diversion away from other regions in the world, Angola's overall food import dependency does not increase. So food security is an element that would warrant further investigation. While food dependency can be a concern, it can also help the country diversify the risk of domestic crop failures. Finally, in the context of weak implementation of land rights in Angola, it is possible that the right to food of local communities may be affected less favourably as a result of agricultural investments that might be triggered by the EPA in the longer term and by the SIFA.

In light of the analysis carried out, we recommend the following:

- We recommend the EU and Angola to further look at the agricultural sectors that are promising for Angolan exports and for the EU to support those sectors to become more competitive and thrive, possible via a national competitiveness enhancing programme together with other key international donors and stakeholders.

¹⁰² See UN Committee on the Rights of the Child (2018). Concluding observations on the combined fifth to seventh periodic reports of Angola, UN Doc. CRC/C/AGO/CO/5-7; "Drought forces families to leave their homes in search for food and water in the Cunene province", World Vision, 07 October 2019, <https://www.wvi.org/stories/southern-africa-hunger-emergency-response/drought-forces-families-leave-their-homes-search> [accessed 25 June 2021]; UNICEF (2021); "Acute hunger set to soar in over 20 countries, warn FAO and WFP", FAO, 23 March 2021, <http://www.fao.org/news/story/en/item/1382490/icode/> [accessed 25 June 2021].

- We recommend Angola to look into the issue of food security and for the EU and Angola to work together in EPA implementation to ensure that the Agreement is used as a tool to enhance Angola's food security, reducing the risk of spiking food prices, hunger and adverse economic effects in times when environmental conditions hurt crop production.
- We recommend that the EU engages further in technical assistance programmes it has set up to support Angolan agricultural producers to reach scale and navigate the customs and regulatory paths to export successfully to the EU, for example, linking the Train For Trade programme directly to the Agreement. This recommendation aligns with the one derived from the economic impact analysis and reinforces it from the point of view of enhancing food security.

4.4 Environmental Sustainability of Angola's Participation in the EPA

Angola's accession to the EU-SADC EPA could have various impacts on various environmental areas. These would be triggered through two main impact channels: first, changes in economic activity caused by accession to the EPA could lead to effects on the various impact areas studied. These effects are discussed in most of the following sections (4.4.1 to 4.4.8), impact area by impact area. Second, the provisions in the EPA, particularly in the TSD Chapter, also may create direct legal obligations on Angola with regard to its environmental regime. This potential impact is addressed in section 4.4.9. Because both impact channels primarily affect Angola, the following analysis also concentrates on impacts there.

4.4.1 Impact on climate change

The UN report on Angola's progress towards reaching the sustainable development goals (SDGs) identifies climate action as one of the two areas where Angola is well on its way to achieve the long-term goals defined.¹⁰³ However, USAID identifies climate change as a risk as it is likely to exacerbate many ongoing challenges in Angola, including expanding the range and transmission period for disease vectors, further stress to marine resources and impact on agri-food opportunities.¹⁰⁴ The World Bank flags that natural hazards in the form of flooding, erosion, droughts, and epidemics are expected to become worse as the climate changes. It also mentions that sea level rise poses a major threat to its coastal population, where it is estimated that 50% of Angolans reside.¹⁰⁵ The UN World Food Programme (WFP) warned in March 2021 that hunger is on the rise in Angola, as the country experiences its worst episode of drought in four decades in the south-western provinces.¹⁰⁶

Angola ratified the Paris Agreement on 16 Nov 2020 and submitted its first national communication on 6 Feb 2012. In May 2021, Angola published its first NDC in which it commits to an unconditional reduction of GHG emissions of up to 14% by 2025 as compared to the Business As Usual (BAU) scenario (base year 2015), and an additional 10% conditional reduction. This corresponds to estimated mitigation levels of 15.4 MtCO_{2eq} in 2025 from unconditional measures and a further 11.1 MtCO_{2eq} from conditional measures (Government of Angola 2021). The submission and effective implementation of NDCs is also referred to in the post-Cotonou Agreement where Parties agree to effectively implement the United Nations Framework Convention on Climate Change (UNFCCC) and the Paris Agreement as well as to track progress towards their NDCs and formulation of mid-century, long-term low GHG emission development strategies (Articles 57f).

¹⁰³ SDG dashboards, Angola. Available at <https://dashboards.sdgindex.org/profiles/ago>

¹⁰⁴ USAID, Climate risk in Angola: country risk profile, October 2018, available at https://www.climateindex.org/sites/default/files/asset/document/2018_USAID-CCIS-Project_Climate-Risk-Profile-Angola.pdf

¹⁰⁵ World Bank Climate knowledge portal, Angola country summary, available at <https://climateknowledgeportal.worldbank.org/country/angola>

¹⁰⁶ "Hunger worsens in Angola due to drought", WFP, 26 March 2021, available at <https://www.wfp.org/news/hunger-worsens-angola-due-drought>

Angola's total GHG emissions have increased 8% in 2005-2018, which is the net effect of a decrease in emissions from agriculture (8% decrease) and from land use change (6% decrease, mainly from lower burning of biomass as firewood or charcoal for heating water, cooking and home lighting) and an increase in GHG emissions in all other activities. The highest relative increase occurred in industrial processes (+128%; 1.39 Mt in 2018). The highest absolute increase occurred in energy (+13.77 Mt; +46%).¹⁰⁷ The trend in GHG emissions was curbed in 2015 when total emissions started to decrease. The total decrease in 2015-2018 was 10.4%; with emissions from energy consumption decreasing 16.4%. This decrease is mainly a result of the economic recession and the significant drop in oil prices, but as the decrease in emissions were significantly higher than decrease in GDP, some structural improvements seem to take place. Economic data shows an increase in the services and construction sector increasing and a decrease in the manufacturing sector.¹⁰⁸ A large part of national CO₂ emissions stems from exports, mainly of petroleum products. Whereas total national emissions keep rising, the emissions related to national consumption have been flattened.¹⁰⁹

Recognising the positive correlation between economic diversification in Angola and GHG emission reductions, and recalling the specific mentioning of stimulating economic diversification in the EU-SADC EPA, Angola's accession to the EPA could provide a further positive stimulant. Considering the small anticipated direct effects of the EPA on Angola's production structure in the short to medium terms, the EPA's effect on Angola's GHG emissions is however expected to be limited. A positive effect on GHG emissions could be increased, however, especially when low-carbon technologies and low-carbon economic activities are stimulated. The Parties could facilitate this by further continued dialogue on the removal of obstacles to trade or investment in low-carbon technologies, goods and services, in particular trade in renewable energy goods and – if the EU-SADC EPA was expanded to services and investment – investment in these areas as well as renewable energy related services (see further details below). Angola also identifies increase in renewable energy as one of the two main opportunities for GHG emission reductions; the second one being reforestation.¹¹⁰

The Government of Angola aims to have 70% of energy production from renewable sources by 2025. In the period 2015-2019, Angola's total installed renewable energy capacity increased from 1,017 MW to 2,763 MW, mainly as a result of improved exploitation of hydropower.¹¹¹ The national renewable energy strategy defined renewable energy targets for 2025, with an additional aim to diversify renewable energy production and thus stimulate production other than large scale hydro power. The AfDB identified one of the key needs to achieving these targets to be establishing and institutionalizing supportive regulatory frameworks to bring in credible Independent Power Producers (IPPs). The Angolan Government has undertaken various reforms to improve the investment climate, including the adoption of the renewable energy strategy and new laws regarding procurement and electricity distribution to support IPPs. In addition, the electricity tariff regime has been revised and the energy subsidy system has been reformed. The AfDB is providing further support through its Sustainable Energy Fund for Africa (SEFA) to develop and implement a regulatory and institutional framework that would encourage private

¹⁰⁷ WRI, Climate Watch data, available at <https://www.climatewatchdata.org/countries/AGO>

¹⁰⁸ Lloyds Bank (2021), The economic context of Angola, available at <https://www.lloydsbanktrade.com/en/market-potential/angola/economical-context> [accessed 3 June 2021].

¹⁰⁹ Hannah Ritchie and Max Roser (2020), CO₂ and Greenhouse Gas Emissions, OurWorldInData.org. Available at <https://ourworldindata.org/co2-and-other-greenhouse-gas-emissions>. The Angola CO₂ country profile available at <https://ourworldindata.org/co2/country/angola>. Our World in Data is a collaborative effort between researchers at the University of Oxford and the non-profit organization Global Change Data Lab.

¹¹⁰ Angola's Initial National Communication to the UNFCCC, 2012.

¹¹¹ "Angola: African Development Bank funds \$530 million electricity project to expand renewable energy and regional connectivity", Africanews, 16 March 2021, available at <https://www.africanews.com/2021/03/16/angola-african-development-bank-funds-530-million-electricity-project-to-expand-renewable-energy-and-regional-connectivity/> [accessed 3 June 2021].

renewable energy investment.¹¹² The AfDB also provides financing for a transmission line to facilitate a surplus of more than 1,000 MW of mostly renewable power from the north of Angola to be transmitted to the south of the country which currently mainly relies on diesel generators.¹¹³ The impact of the EPA in this area is expected to be limited, as neither services nor investment nor public procurement are covered. However, the SIFA could support further investment, especially by smaller players in the renewable energy market (where the EU has a strong global standing), by enhancing the transparency and predictability of the country's investment framework.

Reforestation is a key challenge to Angola. The country has had an average annual deforestation rate of about 0.20 to 0.25% in the last decades. Data from Global Forest Watch mentions that just in 2020, the country lost 248 thousand hectares of tree cover, equivalent to 85.9 Mt of CO_{2eq}. Total decrease in 2002-2020 was 5.3% of primary forest, releasing an average of 52.2 Mt per year into the atmosphere.¹¹⁴ The National Biodiversity Strategy and Action Plan (NBSAP) 2007-2012 set a goal to increase the country's protected area but this target has not been achieved (Ministry of Urban Affairs and Environment 2007; National Directorate of Biodiversity 2019) (for more detail see section 4.4.7 below). The NDC published in May 2021 includes a target for reforestation of 227,000 hectares by 2025. The economic modelling predicts a (small) increase in output of the agri-food sector because of accession to the EPA, which could bring a further challenge to achieving the targeted share of protected area or planned contribution from reforestation, and therewith achieving of this part of GHG emission reductions. It is therefore important to ensure that any increase in agri-food production does not lead to further land use change. This could be achieved by improving efficiency of production, facilitated by support to the use of clean production technology. With respect to forestry, the high recent growth in sustainable timber production and its high export potential are seen as an opportunity for environmental preservation, including climate change (see more detail in section 4.4.7 below).

In conclusion, the direct effects of accession to the EU-SADC EPA on Angola's GHG emissions, and climate change in general, are expected to be limited: some positive effects stemming from the EPA's contribution towards diversifying Angola's economy away from oil are noted. On the other hand, potential increases in agri-food production could have a mixed effect on GHG emissions, including through potential land use change (deforestation for agricultural export-oriented production purposes). The economic modelling predicts, however, that such changes as direct effects of the EPA will be limited.

There is attention to address climate change in Angola, but the country could strengthen its regulatory and policy framework. Such strengthening could include setting further specific targets, improve data to further focus its understanding of the challenges and needs, and strengthen implementation of existing targets. With a wide range of needs and lack of resources, Angola could clearly benefit from international support. In future, such cooperation between the EU and Angola could for example be implemented through regular discussions between the Angolan Government and the EU in the framework of the EPA Trade and Development Committee and address:

- the importance of the UNFCCC Paris Agreement and alignment to its objectives, including a commitment to actively report on progress in addressing climate change impacts;
- an explicit recognition of negative impacts of climate change on biodiversity;

¹¹² AfDB (2020), Angola - Angola Renewable Energy Program - Enabling Environment - SEFA Appraisal Report, available at <https://www.afdb.org/en/documents/angola-angola-renewable-energy-program-enabling-environment-sefa-appraisal-report>

¹¹³ See footnote 111.

¹¹⁴ Global Deforestation Rates & Statistics by Country, <https://globalforestwatch.org> [accessed on 4 June 2021].

- a commitment to continued cooperation in the framework of SADC Climate Services Centre to improve expertise on options to address climate change and the interaction between climate change, biodiversity and agricultural production, including formulation of training activities to expand such knowledge to various economic sectors;
- the importance of supporting climate friendly trade products in general, and the role of clean technologies for sustainable agricultural production specifically, with a view on supporting food security, improving biodiversity and providing cleaner energy production; and
- the promotion clean technology in trade relations and agreeing to explore opportunities to provide support to clean technology (and phase out unsustainable production) through measures such as green government procurement, phasing out of environmentally harmful subsidies, or differential tariff structures.

The EU could also consider to provide technical and financial assistance to Angola in line with the above, in particular to support further development of renewable energy and of the expansion of clean technologies for sustainable agriculture, thereby avoiding land use change and ensuring low emission-intense agricultural production.

4.4.2 *Impact on air quality*

Limited information is available on Angola's air quality. UNEP conducted a review in 2015, concluding that Angola had no national air quality legislation or control policy in place and had not defined national ambient air quality standards (UNEP, n.d.). Defining such standards is included in the list of measures defined in the National Environmental Quality Program (Programa Nacional de Qualidade Ambiental, PNQA) that came into force in May 2020. The PNQA also includes plans for adoption of new regulation, adopting an air quality index, as well as improved monitoring (more detail in Annex F).¹¹⁵

International organisations report that air pollution is a moderate challenge in Angola. The WHO Global Health Observatory database shows that the age-standardized mortality rate attributed to household and ambient air pollution in Angola was 118.5 per 100,000 in 2016.¹¹⁶ IndexMundi quotes data from the Global Burden of Disease Study 2017 reporting a steady decrease in the annual mean concentration of fine particulate matter (PM_{2.5}) from 36.45 µg/m³ in 1990 to 32.39 µg/m³ in 2017. Despite the decrease, this significantly exceeds the WHO recommended maximum of 10 µg/m³.¹¹⁷ Consistent datasets on coarse particulate matter (PM₁₀) emissions could not be retrieved, but all data found indicated levels well above the WHO recommended maximum of 20 µg/m³.

Key contributors to poor air quality in Angola include oil and gas exploration, mining, vehicle emissions, and agricultural waste burning.¹¹⁸ A large part of emissions is attributed to exports of oil and gas.

One of the main reasons of poor household air pollution seems to be the high proportion of the population with primary reliance on polluting fuels and technologies for cooking: 52.3% in 2018, according to the World Bank.¹¹⁹ Yet government policies supporting LPG and natural gas have resulted in Angola having one of the highest shares of access to clean cooking in sub-Saharan Africa (IEA 2019). Assuming increased investment and trade

¹¹⁵ See "National Environmental Quality Program in Angola", Legal500.com, 20 July 2020, <https://www.legal500.com/developments/thought-leadership/national-environmental-quality-program-in-angola/> [accessed 15 June 2021]

¹¹⁶ [https://www.who.int/data/gho/data/indicators/indicator-details/GHO/ambient-and-household-air-pollution-attributable-death-rate-\(per-100-000-population-age-standardized\)](https://www.who.int/data/gho/data/indicators/indicator-details/GHO/ambient-and-household-air-pollution-attributable-death-rate-(per-100-000-population-age-standardized)) [accessed 15 June 2021]

¹¹⁷ <https://www.indexmundi.com/facts/angola/indicator/EN.ATM.PM25.MC.M3> [accessed 15 June 2021]

¹¹⁸ IAMAT, <https://www.iamat.org/country/angola/risk/air-pollution> [accessed 15 June 2021]

¹¹⁹ <https://data.worldbank.org/indicator/EG.CFT.ACCS.ZS?locations=AO> [accessed 15 June 2021]

opportunities would lead to an increase in economic prosperity, a higher share of the population could be expected to be able to afford clean fuels for cooking.

The EPA is expected to have a very small, but positive effect on air quality in in Angola, because it fosters the export on non-oil related products toward less polluting products – but as mentioned the direct and short- to medium-term effect is limited; as is the impact on GDP and hence household incomes (and thus the ability to switch to clean fuels for cooking).

To maximise the expected positive effects it is important to pay attention to clean technologies and phasing out unsustainable production. Cooperation between the EU and Angola in the framework of the EU-SADC EPA aimed at improving air quality could:

- Recognise the importance of the National Environmental Quality Program (PNQA) that came into force in May 2020;
- Exchange expertise in development of a National Emission Plan, formulation of air quality legislation and national air quality standards, monitoring of emissions and legislative oversight;
- Promote clean technology in trade relations and agreeing to explore opportunities to provide support to clean technology (and phase out unsustainable production) through measures such as green government procurement, phasing out of environmentally harmful subsidies, or differential tariff structures.

4.4.3 *Impact on use of energy*

Energy use in Angola is growing fast. Average annual growth in energy consumption in the past decade has been more than 15% due to higher living standards, government efforts to expand electricity coverage and an increase in available generation capacity: Total energy supply in the country more than doubled in the period 2005-2018. Whereas in this period the amount of renewable supply increased by 33%, energy production from oil more than quadrupled, reducing the share of renewable supply in total production from 71% in 2005 to 46% in 2018 (IEA 2020), although the share of renewables in electricity generation is higher.

Until 2025, demand is expected to grow further at a substantial rate, with the overall system load reaching 7,200 MW – more than four times the current level.¹²⁰ This growth is closely linked to the country's expected growth in industry, especially in energy-intensive activities such as iron ore and other mining exploration. Energy demand from industry is expected to grow from a current 9% of energy demand to 25% of total consumption by 2025.¹²¹

The main parts of the national regulatory framework are the 2011 National Energy Security Strategy and Policy, the 2015 Government's Power Sector Long-Term Vision and the 2015 Renewable Energy Strategy (AfDB 2020). Targets include an increase in generation capacity to 7.5 GW in 2022 and 9.9 GW by 2025, with about 75% of the increase to come from renewables. This however requires substantial investments, estimated at USD 13.6 billion in the period 2018–2022, increasing to USD 23.1 billion in the period 2022–2025. Plans also include an increase in the national electricity access rate of currently 45% to around 50% by 2022 and 60% by 2025 (AEMP 2019). World Bank data¹²² illustrates that

¹²⁰ This is the expected capacity. The Government strategy document includes an even higher target of 9.9 GW by 2025, as discussed below.

¹²¹ Africa Oil and Power, Power Generation in Angola, <https://www.africaoilandpower.com/2020/01/03/power-generation-in-angola/> [accessed 15 June 2021]

¹²² <https://data.worldbank.org/indicator/EG.ELC.ACCS.ZS?locations=AO> [accessed 15 June 2021]

electricity access rates have steadily increased over the years (more detail is included in Annex F).

Current energy prices are subsidised. Gasoline and diesel prices are the second lowest in Africa after Algeria, and electricity tariffs are below production cost (IEA 2019). The Government's energy strategy mentions opportunities to improve efficiency in electricity consumption and production to be strongly connected to the completion of power sector restructuring. Measures taken to this end include unbundling of the power sector (decree from 2014), assigning responsibilities of market oversight to utility GAMEK, and cutting electricity subsidies by 85% (June 2019). The latter should improve financial viability of utilities and improve the sector's attractiveness to independent power producers (IPPs). Government plans target achieving full cost-reflective tariffs by 2025.¹²³ Various international donors provide support to Angola's power sector restructuring, including the EU who supported the preparation of standard forms of Power Purchase Contracts (PPA) for sales between the single-buyer (PRODEL) and IPPs. These contracts will be extended to IPPs for renewable energy (AfDB 2020). The AfDB is financing an Energy Sector Efficiency and Expansion Program, among others supporting construction of a transmission line and improving utility revenue through installation of prepaid meters. These will be crucial elements in increasing IPP investments. Angola's power sector vision includes attracting up to USD 3 billion of private investments by 2022 and up to USD 9 billion by 2025 (AEMP 2019; AfDB 2020).

Based on the economic analysis, no noticeable direct impact of the EPA on the output of energy-intensive sectors in Angola is expected, nor a change in the economic structure that would impact on energy consumption. As such, the expected related environmental impacts are also expected to be negligible. However, it is important to ensure that strengthened EU-Angola cooperation will be in line with the ongoing restructuring of the sector, supporting energy sector efficiency and the growth in clean energy technologies in the Angolan energy sector. This will be facilitated, as noted above, also by the SIFA but is likely to require flanking measures in terms of promoting investment in renewable energy in Angola among potential EU investors.

4.4.4 Impact on water quality and resources

Angola has significant challenges in water quality and resources, with a relatively low access to drinking water and a large informal market for water supply. Water availability is relatively good, with internal renewable water resources per capita being 4,969 cubic meters per year in 2017 and a low percentage of freshwater withdrawal as a share of total actual renewable water resources (0.48%).¹²⁴ However, the challenge is in ensuring clean drinking water. The main legislation to regulate water in Angola is the National Water Law which was introduced shortly after signing of the peace accords. The Law introduced a water sector reform, acknowledging water as an economic and social good.¹²⁵

Angola was the last country in the SADC region to establish a Water Partnership. With support from UNEP the SADC Water Department developed a roadmap for Integrated Water Resources Management (IWRM) in 2007 and launched the Angolan Water Partnership (Neto and ACADIR-Angola 2009). Also in 2007 the "Water for All Program" was launched to achieve the MDGs for water supply. The plan aimed to ensure drinking water access for 80% of the population with a guaranteed minimum daily intake of 40 litres of water per capita. However, the programme's own assessment in 2015 concluded that only 50.3% of the target population was achieved, that many of the installed systems remain

¹²³ "Country Commercial Guide Angola: Energy", US International Trade Administration, 13 October 2019, <https://www.trade.gov/knowledge-product/angola-energy> [accessed 15 June 2021]

¹²⁴ FAO AQUASTAT data, available at WDI, <https://data.worldbank.org/indicator/ER.H2O.INTR.PC?locations=AO> and <https://data.worldbank.org/indicator/ER.H2O.FWTL.ZS?locations=AO> [accessed 15 June 2021]

¹²⁵ <http://extwprlegs1.fao.org/docs/pdf/ang63753.pdf> [accessed 15 June 2021]

non-functional and that communities still rely on conventional unimproved water sources and the informal market. In Luanda, water selling is the largest sub-sector of the extensive informal economy, involving extractors, transporters and retailers (Cain and Baptista 2020). The UNICEF WASH programme reports that in 2017 44% of the Angolan population did not have access to clean drinking water – an improvement from 59% in the year 2000 but still significantly higher than the global average of 30%.¹²⁶

The PNQA that came into force in May 2020 includes several measures to improve water quality, such as establishing various standards on drinking water quality, collecting information on the sources of water contamination and monitoring of water quality, and promoting compliance with the water quality index (for more detail see Annex F).¹²⁷ No data has been obtained on actual achievement of these measures.

International donor support focuses on addressing water supply challenges and ensuring long-term financial and operational sustainability of the sector. For example the World Bank, the African Development Fund (AFD) and the European Investment Bank (EIB) co-funded the Angola Water Sector Institutional Development Project (WSIDP) that supported institutional reforms, created and strengthened six new water supply utilities, installed new water infrastructure, improved the utilities' financial and operational performance and created a new regulator and a new water resources management institution. The project now focuses on scaling up the infrastructure activities, providing further institutional strengthening and incorporating sanitation activities.¹²⁸

It appears that the main reasons for water pollution are the lack of infrastructure and enforced regulations of treatment of domestic and industrial waste, which is said to be often discharged directly into the rivers and ocean. However, no data sources could be found to support such statements. As mentioned above, the PNQA includes measures to collecting information on the sources of contamination of Angola's main water bodies.

Changes in production volumes and structures caused by trade agreements can significantly impact the levels of water use and water pollution and thereby aggravate existing problems. Although the economic analysis undertaken for this study does not expect such changes to result from Angola's accession to the EPA, it could still be that this is underestimated and the currently vulnerable situation would be further threatened.

In that perspective it is recommended, first, that the Parties recognise the importance of data collection efforts and Angola implements (with EU support) a signalling system that facilitates acting upon changes in water scarcity or water quality. Moreover, strengthened cooperation between the EU and Angola could be used to explore opportunities for enhanced support to cleaner production technologies with lower levels of water use, lower levels of wastewater or higher levels of wastewater treatment. Specific examples could be support to technologies with higher irrigation efficiency, to share knowledge on option for food production to shift to crops with lower water intensity and to ensure that export-oriented commercial farming does not come at the expense of drinking water access for the local population.

With respect to industrial or agricultural activities, the EU and Angola should pursue an active knowledge exchange on wastewater treatment or capacity building to improve the quality of monitoring and inspection. A specific example relates to bananas, one of the main products expected to benefit from Angola's accession to the EPA. Bananas are among the crops that have the highest water footprint, according to the FAO (1986), but good

¹²⁶ <https://data.unicef.org/topic/water-and-sanitation/drinking-water/> [accessed 15 June 2021]

¹²⁷ See footnote 115.

¹²⁸ "Building Water Institutions: Water Supply Services, Regulation and Policy in Angola", World Bank, 08 April 2019, <https://www.worldbank.org/en/results/2019/04/08/building-water-institutions-in-angola> [accessed 15 June 2021]

water management practices can significantly reduce this (FAO 2017). No information has been found on Angola's water footprint of the banana production industry but where relevant attention may be given to improving monitoring of data on water consumption and to sharing knowledge on improved water management opportunities.

4.4.5 *Impact on land use and soil quality*

Challenges with respect to land use and soil quality seem to concentrate mainly on the impacts of land use change on biodiversity and climate change. Angola has a diverse landscape, ranging from tropical rainforests in the north to savannah deserts in the south and eastern parts of the country. A dry coastal strip runs from the northern capital of Luanda to the southern border with Namibia. The internal highlands are prime agricultural land (USAID 2016). In 2017, according to FAO 47.5% of Angola's land was classified as agricultural area and 46.2% as forest area.¹²⁹ Most of Angola's soil (over 76%) is classified as from low-fertility land soil groups. Sandy arenosols cover more than 53% of the country and ferralsols derived from underlying rocks cover approximately 23%. The natural vegetation in these areas is predominantly miombo woodlands (Huntley et al. 2019). As mentioned earlier (section 4.4.1) land-use, land-use change and forestry (LULUCF) activities have strongly impacted GHG emissions, especially the deforestation (lowering the CO₂ absorption capacity) and the related burning of biomass as firewood or charcoal for heating water, cooking and home lighting. This also has a significant impact on Angola's rich biodiversity.

Further analysis has been included in the sections on climate change (section 4.4.1) and biodiversity (section 4.4.7 below) as well as in the case study on biodiversity (Annex B.3).

4.4.6 *Impact on waste and waste management*

Little information is available on waste and waste management in Angola. The World Bank reports that Angola's per capita waste generation rate is 0.46 kg/capita/day which is equal to the average of Sub-Saharan Africa and lower than the world average of 0.74 kg/capita/day (Kaza et al. 2018).

Angola has various regulations on waste, but implementation has been a problem. The 2012 Regulation on Waste Management includes a legal definition of waste, waste characteristics, a list of types of waste, and a categorisation of waste into hazardous and non-hazardous waste. It furthermore sets out requirements for the preparation of waste management plans and registration of hazardous waste (cf. VDA 2012). However, despite these monitoring requirements, no data could be identified on amounts of industrial or hazardous waste. Similarly, in 2012 the Strategic Plan for the Management of Urban Waste was adopted, and in 2014 this led to the establishment of the National Waste Agency. However, implementation of the Strategy is not taking place at local government (municipal) level. In 2014, two further strategic plans were adopted: the Strategic Plan on Construction Waste and the Strategic Plan on Medical Waste. But no detailed data on amounts of waste or landfilling are available (ACCP 2019).

Luanda province has a landfill since 2007. In April 2021, the authorities of the province of Luanda signed contracts with seven companies to improve the management of solid waste in Luanda.¹³⁰ Construction of new landfills in other provinces has been delayed due to the economic crisis, and waste is still deposited in dumps (Maria, Góis, and Leitão 2020) (more details in Annex F).

¹²⁹ http://faostat.fao.org/static/syb/syb_7.pdf

¹³⁰ "Angola: Luanda province entrusts waste management to seven companies", Inês Magoum/Afrik21, 1 April 2021, <https://www.afrik21.africa/en/angola-luanda-province-entrusts-waste-management-to-seven-companies/> [accessed 15 June 2021]

Increases in GDP and welfare often go hand in hand with an increase in the amounts of waste produced. Although the economic analysis expects no tangible increase in GDP as a result of tariff changes associated with Angola's accession to the EPA, it does identify the long-term potential for an increase in GDP from the EPA and the SIFA resulting from increasing competitiveness and economic diversification. However, as these effects would materialise only in the long run, the EPA's impact on waste production in Angola is assessed as negligible.

A positive impact of the EPA on waste management in Angola could arise from the TSD Chapter. In Article 8, the Parties commit to implement their obligations under the MEAs that they have ratified. Angola ratified the Basel Convention on the Control of Transboundary Movements of Hazardous Wastes and their Disposal in 2017 but has not yet provided a national report on the status of implementation and has not issued a definition of hazardous waste in the scope of the Convention, despite the fact that such definition is included in the national legislation. The situation is similar for the Stockholm Convention on Persistent Organic Pollutants: Angola ratified the Convention in 2006, but to date has not published a national report. Angola has also signed, but not yet ratified, the Rotterdam Convention to facilitate informed decision-making with regard to trade in hazardous chemicals, and has also not ratified the Minamata Convention on mercury. UNEP in 2019 also signalled the implementation of these conventions in Angola as a challenge, mentioning that the country's institutions do not have adequate capacity or coordination mechanisms, while partnerships with the private sector remain very weak. To address these challenges, the UNEP launched a three-year Chemicals and Waste Management Programme focused on establishing a sustainable, integrated, and coherent national structure to better manage chemicals. The project established a National Chemicals and Waste Management Coordinating Unit at the Ministry of Environment. Further project goals are to establish public-private partnerships in several areas of waste management, undertake an awareness-raising and education campaign on sound chemicals and waste management, and mainstreaming chemicals and waste management into Angola's development goals.¹³¹

In sum, although accession to the EU-SADC EPA is not expected to lead to substantial increased waste production in the foreseeable future, the TSD provisions in the Agreement create an obligation to effectively implement ratified MEAs, which Angola has not done so far with regard to the Rotterdam and Stockholm Conventions, likely due to capacity constraints. To support implementation, the EU could provide support to Angola in meeting the requirements under these Conventions. In addition, the Government of Angola and the EU could emphasise the importance of ratification of the Rotterdam and Minamata conventions and express their support to the various ongoing activities to improve monitoring of waste and improvement of waste management. The EU and Angola could furthermore agree to ensure that an increase in trade would not result in additional uncontrolled waste production.

4.4.7 Biodiversity impact

Angola is among the countries with the highest biodiversity in Africa. The National Biodiversity Strategy and Action Plan for Angola 2019-2025 (Governo de Angola 2020) indicates that, according to the International Union for Conservation of Nature (IUCN), Angolan biodiversity counts with about 5,000 species of plants in the country, of which 1,260 are endemic. Much of Angola's biodiversity (flora and fauna) lies in the forested area. Angola has not carried out a national forest inventory and therefore statistics on forested land cover are not known. Available estimates range from 19-56% of the national territory (USDA Forest Service 2013). Older official Government statistics provide estimates of 53

¹³¹ "Partnering to Strengthen Chemicals and Waste management in Angola", UNEP, 4 July 2019, <https://www.unep.org/news-and-stories/story/partnering-strengthen-chemicals-and-waste-management-angola> [accessed 15 June 2021]

million hectares of forests corresponding to 43.3% of the total land area (FAO 2009). Angola also has a large planted area, 18% or 2.2 million hectares, of productive forests mainly planted with Eucalyptus and Pinus species.

Deforestation is a major concern, with high impacts on biodiversity and climate change. The Ministry of Environment reports a deforestation rate of about 0.20 to 0.25% (National Directorate of Biodiversity 2019). The primary cause identified for this deforestation is illegal logging by foreign companies and 'slash and burn' subsistence farmers. Various sources report on increases in illegal logging in the Angolan planted forests and large-scale loss of tree cover (for details see Annex F). On the other hand, UNCTAD and the World Bank identify sustainable wood production as a green product with high potential that could be a driver of socioeconomic transformation and environmental preservation in Angola.¹³² The key factors for realising this potential are foreign investments and community forestry projects, but lack of funds and a lack of understanding of sustainable practices are the main challenges.

Angola has been a party to the Convention on Biological Diversity (CBD) since 1994. It adopted the Aichi goals on biodiversity conservation and actively reports on the progress to meeting these goals. In its 6th CBD report, the Government estimates that 30% of its biodiversity measures taken at national level are effective, 60% partially effective and 10% ineffective. In 2018, the Red List of endangered Species of Angola was elaborated (National Directorate of Biodiversity 2019). The NBSAP targeted an update of this list by 2020, but such update to date does not seem available.

While biodiversity in marine and coastal environments are recognised in principle, the formal actions to define protected areas to date do not include these areas, only land areas (National Directorate of Biodiversity 2019). Research published in 2014 concluded that 102 out of 133 identified ecosystem types in marine areas had no protection at all (Holness et al. 2014). The IUCN identifies overfishing as the main cause of bony fish species becoming extinct, with other threats including the degradation of habitats, pollution, climate change and invasive species (Polidoro, Ralph, and Strongin 2016). The report highlights the limited capacity for fisheries surveillance and enforcement in the region, leading to illegal fishing and overfishing that counteracts national and regional management efforts.

Government plans include the creation of a network of marine protected areas and a plan for actual protection, as well as adding two new Marine Ecological or Biological Areas (National Directorate of Biodiversity 2019). The Angolan National Development Plan 2018-2022 highlights fisheries infrastructure as fundamental areas for investment. Protection of marine ecosystems is also explicitly included in the post-Cotonou Agreement, where Parties reaffirm the universal and unified character of the UN Convention on the Law of the Sea (UNCLOS) as the basis for national, regional and global action and cooperation in the marine and maritime sectors. More specifically they also agree to strengthen ocean governance, to promote and improve the protection and restoration of marine ecosystems and the conservation and sustainable management of marine resources, and to promote sustainable fisheries management at national, regional and global levels. UNCTAD agrees with the potential for sustainable fishery, identifying fishing as the second most promising green product in Angola that have the highest potential to be drivers of socioeconomic transformation and environmental preservation in Angola (UNCTAD 2018).

The economic analysis concludes that Angola's accession to the EPA will lead to increased output of the agri-food and fishing sectors – specifically production and export of frozen shrimp and bananas. Although this "increase" rather means that a decrease is avoided

¹³² UNCTAD (2018); also see "Sustainable practices are integral to the success of developing Angola's forestry sector", José Evangelista/World Bank Blogs, 11 January 2017, <https://blogs.worldbank.org/nasikiliza/sustainable-practices-are-integral-to-the-success-of-developing-angolas-forestry-sector> [accessed 15 June 2021]

(that would occur if Angola did not accede to the EPA), considering existing vulnerabilities it is important to avoid any increased deforestation or overexploitation of fishing waters, including in the long term.

It is therefore recommended to use increased cooperation and commitments to sustainable trade to support sustainable development of food production areas and of vulnerable marine areas. To this end, the EU and Angola could ensure effective implementation of the post-Cotonou Agreement such as the promise to support the conservation and sustainable management and use of natural resources, including land, water, forest, biodiversity and ecosystems. The parties should jointly work on promoting the sustainable governance of tenure of land, fisheries and forests, as well as promote sustainable food production and sustainable fishing, for example by information campaigns on sustainable production methods, agreements on knowledge exchange and promotion of sustainable technologies, use of active monitoring systems and promotion of certified production. In the area of forestry, a forest partnership could be considered between the EU and Angola.¹³³

4.4.8 Impact on ecosystem services and protected areas

The analysis of ecosystem services and protected areas in Angola provides a mixed picture. The Yale Environmental Performance Index 2020¹³⁴ ranks Angola 158 out of 181 countries. It shows relatively high ranks for Angola's ecosystem services (94), fisheries (51) and climate change (97), very low ranks for pollution emissions because of the growth in SO₂ (174) and NOX emissions (176), and low ranks for all other categories. The relatively good rank for ecosystem services is mainly due to low wetland losses (rank 53). Wetlands and mangroves have been identified as vulnerable ecosystems in Angola and currently 11 wetlands are identified. Angola's CBD report indicates the plan to ratify the RAMSAR convention to protect wetlands (National Directorate of Biodiversity 2019), but this has not been implemented do date.

Legally protected areas (National Parks and Game Reserves) in Angola were established from the 1930s and occupied 6% of the country's terrestrial area at the time of independence in 1975 (Huntley et al. 2019). During the civil war, these were exposed to serious neglect, poaching and land invasions. By 2011, the protected area system had increased again to 9% of national territory. In 2019, Angola reported to have 12.58% of its national territory as protected areas, which falls short of the target of 15% set in the NBSAP for 2012 (National Directorate of Biodiversity 2019).

Angola's rank for tree cover loss (89) appears relatively good, but Angola's forest area has steadily decreased over the years, as reported above. Much of the loss of forest area has been due to clearing for small-scale crop farming. Other losses have come from the harvesting of charcoal, wood fuel, timber production, and runaway bush fires. Fires have also been a main cause in grassland loss over the year (Mendelsohn 2019). Legislation on the protection and management of forest and wildlife resources has been updated in 2017.¹³⁵ The updated Law applies also to biological diversity and related activities, but does not apply to aquatic biological resources, genetic resources and conservation areas that are governed by special legislation.

An increase in GDP and welfare could lower the pressure on low-efficiency use of natural resources for cooking, heating and lighting. On the other hand, it could threaten wetlands and other protected land areas as a result of the need to expand infrastructure to facilitate

¹³³ Forest partnerships are a pillar of the Green Alliances foreseen under the European Green Deal, comprising a holistic approach to protect, restore and ensure the sustainable use of the world's forests and in particular key tropical forests. More information at <https://ec.europa.eu/newsroom/intpa/items/682194>

¹³⁴ Available at <https://epi.yale.edu/epi-results/2020/country/ago>

¹³⁵ Law No. 6/17 on Forest and Wildlife Basic Legislation. Available at <http://www.fao.org/faolex/results/details/en/c/LEX-FAOC162520/>

increased trade. As Angola's accession to the EPA is however not expected to lead to noticeable changes in GDP in the foreseeable future, its impact on ecosystem services and protected areas is assessed as negligible.

4.4.9 Impact of the EPA TSD Chapter

In the TSD chapter of the EU-SADC EPA, the Parties recognise the value of Multilateral Environmental Agreements (MEAs) as a priority objective of international cooperation (Art. 8(1)). Furthermore, they reaffirm their commitment to implement their obligations in respect of the MEAs that they have ratified (Art. 8(2)). The EPA also states that, although it recognises the Parties' right to regulate, that a "Party shall not derogate from, or persistently fail to effectively enforce, its environmental [...] laws" to "encourage trade or investment by weakening or reducing domestic levels of [...] environmental protection" (Art. 9(3)). The EPA does not, however, require the Parties to ratify any MEAs.

Around 250 MEAs have been agreed that deal with one or more environmental issues. Out of these, the WTO's Committee on Trade and the Environment has identified MEAs that are directly related to trade, as evidenced by the inclusion of provisions to control trade in order to prevent damage to the environment.¹³⁶ The EU and Angola (and other SADC countries) are parties to most of these MEAs. Details on the status or date of ratification of Angola for these MEAs are provided in Annex F. It shows among others:

- Angola has ratified the three conventions relevant to climate change and the two conventions relevant to air pollution;
- In the area of waste and chemicals there is a mixed picture, with two conventions ratified (Basel Convention and Stockholm Convention) and two conventions not ratified (Rotterdam Convention and Minamata Convention);
- A mixed picture also occurs in the area of biodiversity: Angola ratified the very important CBD and two of the three implementing protocols relevant to trade, as well as the Convention on International Trade in Endangered Species of Wild Fauna and Flora (CITES) and UNCLOS. But it did not ratify some of the implementing agreements of the latter.

Given the EPA provision on environmental sustainability in the TSD chapter, Angola would be encouraged to pursue effective implementation of all the MEAs which the country has already ratified. Recognising that especially the effective implementation of conventions in the area of climate change is very high on the EU agenda, options could be explored to provide technical assistance to support Angola in its implementation process.

Although not a legal requirement under the EPA, for reasons of policy coherence membership in the EPA would also encourage Angola's ratification of those trade-related MEAs which it has not yet ratified. EU support in this context could further facilitate such a move, and could be negotiated in a separate bilateral agreement linked to Angola's accession to the EPA. In this context, it should be noted that environmental sustainability and climate change is also one of the six objectives of the new Partnership Agreement between the EU and Members of the Organisation of African, Caribbean and Pacific States (the "post-Cotonou Agreement"), which also includes provisions to address environmental protection and effective conservation, sustainable management of natural resources, and climate change.¹³⁷

¹³⁶ Matrix on trade-related measures pursuant to selected multilateral environmental agreements, WT/CTE/W/160. The matrix is updated from time to time and contains around 20 MEAs; the latest version is WT/CTE/W/160/Rev.9, 19 March 2021.

¹³⁷ Negotiated Agreement text initialled by the EU and OACPS chief negotiators on 15th April 2021. Available at <https://ec.europa.eu/international-partnerships/system/files/negotiated-agreement-text-initialled-by-eu->

4.5 Angola's Administrative Capacity for EPA Implementation

Although the EPA is restricted primarily to trade in goods, the implementation of its various provisions and the obligations that these create for the Parties cover a wide range of technical issues. In line with the structuring of the analysis in the SIA, they cover tariff liberalisation as well as a range of NTMs, including quantitative restrictions, management of TRQs, TBTs (standards and regulations, conformity assessment), implementation of SPS issues, customs and trade facilitation (including rules of origin, valuation, verification, etc.), and trade defence.¹³⁸ A more comprehensive analysis of administrative capacities is presented in Annex G.

4.5.1 Tariffs, quantitative restrictions and TRQs

Angola does not presently have any preferential tariffs in place. Although the 2020 customs tariffs¹³⁹ foresees such preferences for imports from SADC and the members of the AfCFTA (Article 60), these are not yet applicable – Angola has not yet ratified the SADC Trade Protocol, and although it has ratified the AfCFTA, and in principle trade under AfCFTA preferences started in 2021, in practice its implementation has not yet begun.

Nevertheless, with the potential exception of the application of rules of origin (see below) there is no indication that the AGT would face challenges in the application of preferential duties on imports from the EU; the current tariff book already foresees a complex system of tariff exemptions and suspensions, the enforcement of which would appear to be more complex than tariff preferences under the EPA.

There are also no indications that the country would face problems in implementing a tariff reduction schedule with decreasing tariffs over time.

Quantitative restrictions and TRQs are currently not used in Angola. The use of the former is however envisaged in Presidential Decree 23/19, which establishes quantitative import restrictions for a number of products covered in PRODESI from 2022 onwards (see the analysis in section 1.3 of Annex C to the main report). This would require the introduction and operation of a quota management system to ensure that any restrictions are non-discriminatory. Experience in other countries has shown that such quota management (the same applies to the quotas in TRQ systems) can be quite complex. Therefore, administration of any potential quantitative restrictions or quotas that might be introduced is likely to face challenges, at least initially; and would benefit from assistance. At the same time, considering the distortions and inefficiencies associated with any quantitative restrictions, a first-best option would be an agreement between the EU and Angola that no such restrictions will be applied in the future.

To sum up, while no administrative capacity constraints for the operation of EPA tariff preferences or gradual reduction of preferential tariffs are found, the potential implementation of quantitative restrictions or TRQs contemplated by Angolan authorities would likely face challenges due to the lack of experience of the Angolan authorities. Based on economic efficiency considerations, it is recommended that Angola commits as part of its accession to the EPA not to use such instruments.

[oacps-chief-negotiators-20210415_en.pdf](#). The EU and the Government of Angola are both signing parties to this agreement.

¹³⁸ Other areas, such as public procurement or intellectual property rights, could also be covered if Angola agrees with the EU to incorporate these areas in its accession package to the EPA. An assessment of the administrative capacity in these areas has not been undertaken.

¹³⁹ Presidential Legislative Decree 10/19 of 24 November 2019.

4.5.2 SPS and TBT measures

Whereas Angola's regulatory framework addressing SPS issues is relatively well developed and recent, as mentioned in the analysis of non-tariff issues in section 1.3 of Annex C to the main report, enforcement and administration capacity is limited. Examples illustrating the weaknesses in relation to SPS and TBT issues are:¹⁴⁰

- The role of scientific research and education in the implementation of SPS measures is non-existent;
- Procedures for conducting risk assessment, in updating SPS measures, as well as risk assessment units that can determine acceptable levels of protection, are not yet established or defined;
- With respect to pest and disease control, no defined programmes for surveying these areas exist due to human resources and infrastructure constraints, affecting both exports and effective import control;
- The absence of phytosanitary surveys prevents knowledge about and designation of areas free or not of pests and diseases of economic importance, negatively affecting exports;
- Conformity assessment of imports at the border is hampered by inadequately trained and equipped inspectors. The recently established National Institute of Quality Control (Instituto Nacional de Controlo de Qualidade, INACOQ)¹⁴¹ also lacks the capacity to do so. Pest risk assessments are not undertaken;
- In terms of strengthening conformity assessment (both for the domestic market and exports), an Angolan Association of Laboratories (Associação Angolana de Laboratórios) was planned to be established, but does not appear to be functioning;
- Although a number of laboratories offer their services in Angola (e.g. INACOQ/LANCOQ, Bromangol, AmbiÁfrica, Laboratório Central do Ministério da Agricultura, ISQapave), many exporters have to resort to certification services in e.g. South Africa or the destination country, which increases costs and trade times, and sometimes prevents exports altogether.

During the consultations, the Director of INACOQ described the constraints that the only INACOQ laboratory faces and expressed the need to obtain technical assistance. According to the Director, INACOQ needs help in the development of institutional capabilities, training of human resources, technical assistance for the implementation of ISO standards, process auditing, laboratory skills around microbiology, molecular biology and physiology. The laboratory itself also needs deep reforms, such as improving infrastructure, purchasing new equipment, implementing the laboratory network for the rest of the provinces, training staff in certification processes, etc.

In sum, the country's quality infrastructure (in a broad sense, comprising both SPS and TBT matters) is underdeveloped in all respects. It neither allows an effective control of imports, ensuring human, animal and plant safety against imported pests and sub-standard quality products, nor does it provide internationally accredited conformity assessment services that potential exporters of many goods, especially agricultural products, would require to access foreign markets. Challenges exist in all areas: buildings and equipment, technology, accreditation, human resources, and finances.

Considering that quality requirements are a key issue for accessing the EU market (and are getting more demanding still e.g. in the context of the Farm to Fork strategy), and that the Angolan quality infrastructure has in many cases not been able to allow exports, particularly of agricultural products, to the EU under the EBA arrangement, we conclude

¹⁴⁰ The listed gaps regarding SPS issues are largely based on presentations made at the joint WTO/Ministry of Trade workshop "Seminário Nacional – O Acordo Sobre a Aplicação de Medidas Sanitárias e Fitossanitárias da OMC (Acordo SPS)", 11-12 December 2019 in Luanda.

¹⁴¹ INACOQ was created in 2021 to replace the former National Laboratory of Quality Control (LANCOQ)

that addressing these constraints will be an important element in ensuring that Angolan exporters can make use of the preferential access to the EU market under the EPA. We note that already technical assistance under the 11th EDF in this area is planned in the project "Support to safety and quality standards towards a national sustainable and inclusive economic growth in Angola", expected to start in 2022 or early 2023. Such support will be crucial for Angola to expand and diversify exports to the EU under the EPA.

4.5.3 Customs control

One challenge related to customs control in Angola relates to informal cross-border trade and contraband. Stakeholders consulted, both from the public and private sectors, considered that it is "a major problem in Angola, as it upends the supply chain of products, causes disorganisation and promotes tax evasion." The Chamber of Commerce and Industry is presently conducting a diagnostic study on cross-border trade in collaboration with the International Trade Centre.

The EPA foresees extensive cooperation on customs matters, as well as "the necessary support for the SADC EPA States' customs administrations to effectively implement this Agreement" (Art. 41(d)). Administrative assistance shall be provided in line with Article 42(3)). Protocol 2 of the EPA is dedicated to administrative assistance in customs matters and includes details on the scope of support, procedures to request it, and implementation. Furthermore, Article 48 specifically refers to support to the SADC EPA countries' customs administrations, in particular with respect to modern customs techniques (e.g. risk management, post release controls, customs automation), customs valuation, classification and rules of origin, transit, transparency, and implementation of international instruments and standards.

With regard to specific areas where capacity building might be needed, we note that;

- The Angolan customs (AGT) does not presently have any experience in determining whether imports into Angola comply with preferential rules of origin, because at present no preferential trade agreements are in place;
- Risk-based customs control operations are at an infant stage still – this is also relevant for cross-border trade operations;
- Customs automation also is still work in progress (see next section).

Although Angola's customs operations are overall well advanced, accession to the EPA would enable Angola to request support in certain customs issues, in particular for addressing the constraints with respect to determining preferential origin of imports, risk-based operations, and customs automation. Interviewed stakeholders suggested that the EU "could help reduce the level of informal trade by technical assistance for establishing a comprehensive programme for formalising trade based on European experience, and through promoting actions that encourage operators and traders to abide by the rules."

4.5.4 Trade facilitation

Angola's work on trade facilitation issues started relatively late, but has progressed substantially in the lead-up to its acceptance of the WTO TFA (see the analysis in section 1.3 of Annex C to the main report). In terms of institutional structures, only in 2018 the National Trade Facilitation Committee (Comité Nacional da Facilitação do Comércio, CNFC) was created, through Presidential Decree 176/18 of 27 July 2018. The CNFC consists of members appointed by eight ministries, the central bank (Banco Nacional de Angola, BNA), business associations and the Brokers Association (CDOA). According to the Decree establishing the Committee, the CNFC includes the following institutes: Ministry of Industry and Trade, Ministry of Economy and Planning, Ministry of Finance, Ministry of the Interior, Ministry of Transport, Ministry of Health, Ministry of Agriculture and Fisheries, Ministry of Foreign Affairs, National Bank of Angola, Business Associations and the CDOA.

According to the latest CNFC report, of 2020, among the activities carried out by the Committee are the following:

- Implementation of the pilot phase of the Authorized Economic Operator (AEO) programme, whose operation was approved by Presidential Decree No. 293/18 of 03 December 2018. By December 2020, 20 AEOs were certified;
- Publication of Presidential Decree 234/20 of 16 September 2020, which approves the Coordinated Border Management Committee. The implementation and regulation of this Decree is also an essential tool for trade facilitation, cutting red tape for international trade in Angola;
- Publication of Presidential Decree 235/20 of 16 September 2020, which approves fundamental elements and guidelines to be observed in the conclusion of agreements with neighbouring countries for the establishment and operation of One-Stop Border Posts.

One of the main initiatives for the simplification of trade procedures is the implementation of the Single Window of Foreign Trade (Janela Única do Comércio Externo, JUCE), which is currently under development. Its launch, originally foreseen for 2021, was then advanced to March 2020¹⁴² but has not happened to date¹⁴³ – indicating the institutional and technical complexity of such an initiative. For now, international trade operations in Angola remain very costly, whether in terms of time, documents, and costs, and entrepreneurs continue to face bureaucracy of all kinds in export and import operations. For example, an export operation requires the issuance of more than 20 documents to export a product, because of the intervention of many institutions.

Considering the currently high costs of trade and the challenges faced regarding the implementation of the Single Window, assistance from EU customs authorities in the development and operation of Single Windows in the framework of the EPA could provide an important stimulus for new companies to start trading as the complexity and cost of exporting and importing could be reduced.

4.5.5 Trade defence

Although many entrepreneurs in the productive sector have notified the Ministry of Trade of dumping on some imported products, the Government has not been able so far to respond to these complaints because of the lack of a specialised structure to address these issues.

As mentioned, Article 11 of the 2020 Customs Tariff has established basic rules for the application of safeguards and anti-dumping measures by Angola. In 2019, the Ministry of Trade worked on the creation of a Trade Defence Committee, which would be composed of technicians from various ministries and representatives of the private sector, but to date this body has not yet been formally established; likewise, no implementing regulations, in line with WTO requirements, have been prepared. In line with this, the AGT, which would have to implement any antidumping or safeguards measures, has no experience in doing so.

¹⁴² “Angola antecipa adesão a sistema mais simplificado de licenciamento”, Jornal de Angola, 07 February 2020, <https://www.jornaldeangola.ao/ao/noticias/angola-antecipa-adesao-a-sistema-mais-simplificado-de-licenciamento/> [accessed 10 August 2021].

¹⁴³ At a CNFC meeting in August 2020 it was stated that the JUCE would be implemented, but no date for its launch was announced; see “Implementação da Janela Única do Comércio Externo em Angola”, AGT, 18 August 2020, <https://agt.minfin.gov.ao/PortalAGT/#!/sala-de-imprensa/noticias/8034/implementacao-da-janela-unica-do-comercio-externo-em-angola#pergunta-360> [accessed 10 August 2021].

In sum, no administrative capacity for implementing trade defence instruments in line with international (WTO) requirements presently exists, and efforts at establishing trade defence institutions have not yet been successful.

4.5.6 Structures and overall capacity of institutions

A general finding from the institutional analysis in Annex G is that the lack of clearly assigned responsibilities and functions to ministries regarding international trade and trade-related matters, as well as the lack of well-defined collaboration and coordination rules and practices might lead to difficulties in policy formulation, administration and monitoring related to the implementation of the EPA. It is recommended that the Angolan government take measures to clarify responsibilities and functions, as well as establish a framework for collaboration and coordination between relevant ministries; e.g. following the example of the CNFC.

Since 2018, the Government has been implementing reforms in various sectors with the aim of simplifying administrative processes (for more detail, see section 4 of Annex G). These reforms align well with the EPA and SIFA objectives of enhanced governance, transparency and predictability. As part of the negotiations between the EU and Angola, it could be considered to explicitly refer to specific reform measures, as well as foresee cooperation and assistance for further improving reforms in trade related areas, such as in the electronic publication of relevant norms or further measures to improve the electronic single windows already established.

With respect to human resources capacities in the administration, substantial shortages exist. In response, the Government has been implementing a comprehensive staff training programme, the "National Staff Training Plan" (Plano Nacional de Formação de Quadros, PNFAQ). While this is commendable, it does not presently foresee specific training in issues related to trade or international business. For example, the entrepreneurship training focuses on management as well as finance and accounting. Also, no Angolan university offers courses related to the area of international economics or international trade. Although, some senior technicians from MINDCOM have periodically attended WTO training courses, both physically in Geneva and in online format, this has not been sufficient to create sufficient technical capacity in areas related to international trade, and the implementation of trade agreements in particular.

The negotiations about EPA accession would therefore provide a good opportunity to also discuss complementary training programmes – aimed at both public and private sector staff – that are specifically dedicated to trade issues, and which could be supported by the EU. Measures to introduce courses in international trade and economics in at least one Angolan university – e.g. through partnership with an EU university – could also be discussed during the negotiations and agreed in a bilateral side agreement to the EPA.¹⁴⁴ A number of scholarships for public sector staff to participate in such training programmes should be considered.

¹⁴⁴ The potential role of the National School of Commerce, created under Decree No. 25/85 of 17 March 1985, to administer short courses for domestic trade, should also be considered in this context.

5 CONCLUSIONS AND RECOMMENDATIONS

5.1 Conclusions

Overall, the expected impact of Angola's accession to the EU-SADC EPA is assessed as limited but positive in the short term, but substantially larger and positive in the longer term. The longer-term impact of the SIFA is potentially even stronger (and also positive) than the EPA impact. The SIFA and accession to the EPA are clearly complementary. For Angola to fully benefit from the accession to the EPA, assistance by the EU (and/or EU Member States) will be required, as well as a commitment by the Angolan Government to put in place the necessary measures that will enable businesses to enhance their competitiveness and produce not only for the EU export market but also for the domestic and regional markets, and do so in a sustainable and inclusive manner.

This overall conclusion is grounded on the following specific findings and considerations:

Economic impact

A quantitative assessment of the economic impact could be made only for the **short-term effects arising from the tariff changes** associated with Angola's accession to the EPA. This analysis is based on an economic partial equilibrium model. The tariff-only, short-term effects calculated by the model tend to undervalue the gains from the EPA.¹⁴⁵

Nevertheless, the results show a net positive (if limited) impact for Angola: Angola's *exports* as an EPA member are estimated to be higher by €14.3 million (€14.5 million higher to the EU and €0.2 million lower to other markets) than in the counterfactual situation. Although this appears small (0.04% of Angola's total exports), it means that Angola will export (excluding mineral fuels and diamonds) about one quarter more to the EU under the EPA than as a GSP beneficiary country because of additional tariff preferences. The results also show that accession to the EPA will contribute, to a small extent, to export diversification, as non-oil, non-mineral exports will benefit from the preferences.

Angola's *imports* will increase considerably more, between €596 million and €693 million (6.1% to 7.1% of current total imports), depending on the degree of tariff liberalisation granted to imports from the EU. However, with very few exceptions – which can be addressed through Angola's exclusion list – the increased imports from the EU do not compete with domestic production in Angola. Rather, considering that a considerable share of imports from the EU are intermediates used by Angolan companies as inputs, their prices will decline as a results of Angola's tariff cuts, allowing their increased use by Angolan companies, leading to increased productivity and competitiveness.

¹⁴⁵ Some reasons for this are: First, the model cannot capture the impact of the EPA on products which are currently not exported, or are exported in very small quantities – as Angola's current export structure consists of only very few products, the model results do not capture the potential for diversification into new products, even where there is veritable potential to start exporting under the EPA. Second, the model results depend on the baseline trade values, which are unreliable for Angola, and based on anecdotal evidence may be too low. Third, the model does not incorporate indirect (positive) effects of the EPA, such as positive competitiveness effects due to access to cheaper high-quality inputs for Angolan firms, non-tariff measures as well as productive capacity constraints, all of which are also addressed in the context of the EPA. Fourth, the model does not capture any dynamic effects expected to arise from the EPA. These are improvements in the productivity and competitiveness of Angolan businesses stemming from cheaper inputs, increased foreign investment with associated injection of capital, enhanced production processes and technologies, learning and knowledge spill-overs, etc. Such effects will positively influence Angola's trade performance, becoming increasingly important in the longer term. Last but not least, the model does not capture at all the positive effects of technical assistance expected to be available in association with the EPA, nor the impact of the SIFA.

The combined effect from changes in imports and exports is a reduction in Angola's trade balance and *government revenues* (due to foregone import duties on goods imported from the EU), the latter amounting to up to €300 million, equivalent to about 1.8% of the 2019 government budget. However, this reduction in government revenues would be phased in over the transition period, the length of which is to be negotiated, providing the time to take fiscal countermeasures.

Short-term effects of the EPA's provisions covering *non-tariff issues* are also expected to be limited overall, as many of these do not go beyond WTO rules. Some changes in Angola's regulatory and implementation framework for NTMs could however be required, such as a change in the customs fee structure or ratification of the IPPC. These would contribute to a strengthening of the trading environment.

Because of the limited scope of the trade changes in the short term, the short-term impact of the EPA on Angola's *output* and *GDP*, as well as on the *EU's outermost regions* are estimated as negligible. Conversely, accession to the EU-SADC EPA would also develop Angola's trade with other SADC EPA states as a result of the regional preferences clause. Under this clause, Angola would grant the other SADC EPA states the same preferences that it grants to the EU, and would benefit from the same preferences that the SADC EPA states have granted to the EU.

Considering **longer-term effects** associated with Angola's accession to the EPA (as well as the SIFA) provides a more complete impact assessment, and also shows stronger benefits of the two agreements for Angola. Unfortunately, these effects cannot be quantified due to modelling limitations, but they are estimated to be positive and substantially larger than the short-term effects.

In terms of effects on the *investment climate* and *investment*, although neither the EPA nor the SIFA provide for investment liberalisation, their focus on investment facilitation, transparency and predictability of rules are expected to substantially strengthen the investment climate and more broadly the business environment. This in turn is expected to foster private investment, which in turn is expected to enhance productivity and hence the competitiveness of the Angolan economy overall – and ultimately *GDP*. The positive developments are also expected to partially compensate the negative tariff revenue effects through increased collection of domestic taxes.

Longer-term benefits could stem from favourable *rules of origin* in the EPA, which facilitate Angola's insertion into regional value chains. Also, although the EPA does not address African *regional integration* beyond SADC, diagonal cumulation under the EPA rules of origin would in principle allow the coverage of African value chains involving most African countries.

In sum, it is expected that both Angola and the EU gain in economic terms – the EU from an expansion in exports, and Angola from a relative increase in non-oil, non-diamond exports contributing to export diversification, as well as, in the longer-term, from increased competitiveness and the start to export new products. Nevertheless, these potential benefits in Angola require a strategic approach on sectors to focus on, as well as complementary technical assistance.

Social impact

Given the modest short-term economic impacts, social impacts in the short are also expected to be limited, but somewhat stronger, and on balance positive, in the longer term.

Employment effects in export-oriented sectors as well as in retail trade are positive already in the short term, but are limited by the small size of exporting sectors, respectively by

the anticipated concentration of areas where EU imports are marketed in the main cities. In import competing sectors, some jobs could be put at risk, but this risk can be mitigated by a corresponding designation of sensitive and excluded goods by the Angolan Government during the accession negotiations.

The impact on *women* depends on the specific sector and type of economic activity in which women are engaged; as there is no clear pattern with regard to the employment of women in benefitting sectors or those that could come under stress because of the EPA, there is no indication that the EPA's impact on women would differ from the overall employment effects.

The impact on *informality* is also expected to be limited, but the analysis has been hampered by the lack of robust and reliable data. There are indications that Angolan exporting companies primarily rely on formal employment, and as such the EPA would, at least in the short to medium term, have no impact on informal employment in these sectors. Effects in other sectors, including retail trade are less straightforward as, e.g. informal businesses could be affected by stronger competition from imports and larger, formal businesses. The regulatory framework (e.g., implementation of ILO Convention No. 188 on work in fishing) may support the move towards formal jobs, but this would clearly be supported by policy measures to encourage the formalisation of businesses.

The estimated effects of Angola's accession to EPA for *consumers* are positive, with an overall increase in availability and diversity of imported EU goods, including food and household products. Moreover, given an expected import growth in intermediate and capital goods, there is potential for better-quality and safe products to be manufactured in Angola, including for the domestic market. Impacts for *welfare* and *poverty* levels also seem to be positive, although they may be limited.

With respect to *labour rights and working conditions*, the conclusions are as follows:

- The analysis of types of work carried out by children in Angola, as well as places (e.g., family farms, informal markets) suggests that the EPA will have no short-term effects for *child labour*, as the work happens in segments of the Angolan economy that are not expected to be impacted by the EPA. In the longer term, there could be indirect positive effects, including job creation and income generation for adult household members which may decrease the need for child labour. To ensure that these positive effects occur, Government actions are needed, as recommended below. In addition, by acceding to the EPA and/or signing the SIFA Angola will reconfirm its commitment to implement the ratified ILO fundamental conventions, including those related to elimination of child labour.
- Accession to the EPA is not expected to impact trade in most sectors where *forced labour* has been reported. There is thus no direct link between the Agreement and forced labour in these sectors. However, there may be indirect impacts and additional ways to address the problem of violation of labour standards and working conditions in exporting sectors in Angola going beyond extraction of minerals. For example, the planned introduction of a compulsory due diligence mechanism in exports to the EU, as well as the encouragement of application of internationally recognised sustainability certification schemes, e.g., in agriculture, should help to decrease the scale of the problem.
- Given the anticipated limited impact of the EPA on Angola's labour market and the lack of a specialised TSD Committee under the EPA as a default forum to discuss the respect for labour standards, accession to the EPA is not likely to bring about a change in the situation of *trade unions* or, more broadly, freedom of association in Angola. The Parties may still raise those issues at the Trade and Development Committee meetings, but based on the actual practice so far this does not seem to be very likely. On the other

hand, the EU text proposal for the SIFA includes provisions on the respect for ILO core labour standards as well as annual meetings of the Committee on Investment Facilitation and dialogue with civil society, which would have a positive effect.

- Similar to freedom of association, impacts on *non-discrimination at work* are expected to be limited.

With regard to *civil society participation*, any effects for Angola will depend on the text of the EPA and the implementation practice at the time of accession. Therefore, any prospects for civil society participation in the dialogue about the EPA will depend on whether progress will be achieved in establishing the relevant structures and practice between the EU and SADC EPA states by the time of Angola's accession. In this context, we note the EU's proposal in the SIFA for an annual dialogue with civil society held back-to-back with meetings of the Committee on Investment Facilitation.

A review of the current practice in Angola with respect to *CSR* suggests that foreign investment by companies whose headquarters follow CSR practices promote them also in subsidiaries. Also, an increasing global application of CSR/RBC practices and adherence to sustainability certification schemes in certain sectors, including agriculture, is likely to require adherence of Angolan companies, in particular those intending to export to the EU, to CSR practices and schemes. With Angolan exports to the EU expected to be higher under the EPA than under the GSP, CSR practices and their contribution to sustainable development will be fostered. Moreover, if the EU text proposal is followed, the SIFA will include commitments to internationally recognised instruments in CSR/RBC and due diligence guidance in supply chains encouraging the application of CSR/RBC practices in Angola.

Impact on the human rights situation

Based on a screening and scoping analysis undertaken, the potential effects of the EPA on the enjoyment of human rights in Angola are, overall, limited; and no effects are expected in the EU. This is not surprising in view of the limited economic and social impacts. A more detailed analysis was undertaken with regard to the potential impact on the right to own property and the right to adequate food in Angola.

The analysis suggests that the accession of Angola to the EPA is not expected to have a significant impact on the *right to own property* overall. Indirect effects may however occur via changes in sector output in agriculture. Especially in the context of weak implementation of land rights in Angola, the lack of practice of seeking FPIC as well as the limited implementation of environmental and social impact assessments guaranteed by the law, it is possible that the rights of local communities may be affected. Considering instances mentioned and concerns reported by several stakeholders, it cannot be excluded that the EPA or the SIFA contribute to the overall pressure on land rights in some regions in the country and might play a minor role in affecting the right to own property of local communities. This calls for mitigating measures, as recommended below.

The *right to food* is likely to be impacted positively overall: imports of high-quality EU food products are expected to increase, allowing Angolan consumers access to high-quality food. Lower prices due to increased competition from EU food products entering the market could also result, assuming sufficient competition in the distribution services sector. Conversely, domestic food production is not expected to be diverted by increased exports. However, in the context of weak implementation of land rights in Angola, it is possible that the right to food of local communities may be affected less favourably as a result of agricultural investments that might be triggered by the EPA in the longer term and by the SIFA.

Environmental impact

Similar to the other impact dimensions, the environmental impact of Angola's accession is expected to be limited. For example, anticipated effects on *ecosystems services, energy consumption, water availability and quality, air quality, and biodiversity* are marginal or negligible.

The direct effects on Angola's GHG emissions, and *climate change* in general, are also expected to be limited: some positive effects would stem from the EPA's contribution towards diversifying Angola's economy away from oil, but potential increases in agri-food production could have a mixed effect on GHG emissions, including through potential land use change (deforestation for agricultural export-oriented production purposes). The economic modelling predicts, however, that such changes will be limited.

Given the EPA provisions on environmental sustainability in the *TSD chapter*, Angola would be encouraged to pursue effective implementation of all the MEAs which the country has already ratified. In addition, although not a legal requirement under the EPA, for reasons of policy coherence membership in the EPA would also encourage Angola's ratification of those trade-related MEAs which it has not yet ratified.

Although the environmental impact of the EPA and SIFA are estimated to be limited, considering existing vulnerabilities a number of recommendations are proposed on the following two sections, aimed at ensuring that any negative environmental effects that might be caused by the agreements are avoided or mitigated.

Administrative capacity for EPA implementation

Based on the analysis undertaken, some areas, such as the implementation of tariff preferences or a number of other elements of customs operations would pose no implementation challenges. However, in a number of other areas, capacity constraints have been identified. These include the following ones:

Although Angola's *customs operations* are overall well advanced, capacity constraints appear to exist with respect to origin verification (as Angola does not, so far, operate any preferential trade arrangements), risk-based operations, and customs automation. Also, challenges have been faced in the implementation of the electronic Single Window for trade. In addition, no administrative capacity for implementing trade defence instruments in line with international (WTO) requirements presently exists, and efforts at establishing trade defence institutions have not yet been successful.

The country's *quality infrastructure* (comprising both SPS and TBT matters) is underdeveloped in all respects. It neither allows an effective control of imports, ensuring human, animal and plant safety against imported pests and sub-standard quality products, nor does it provide internationally accredited conformity assessment services that potential exporters of many goods, especially agricultural products, would require to access foreign markets. Challenges exist in all areas: buildings and equipment, technology, accreditation, human resources, and finances.

Accession to the EPA will provide an important catalyst for EU support to Angola in relation to enhancements of these elements of the trade regulatory framework and its implementation.

5.2 Recommendations for Negotiations

The scope of negotiations on Angola's accession to the EPA is relatively limited. Nevertheless, a number of issues require careful consideration and addressing in the negotiation process. We recommend the following:

- The Angolan government should carefully consider which goods to exclude from its market access offer, and for which goods to request transition periods for tariff reductions. Government revenue considerations and limiting import competition for key domestic sectors should guide these considerations.
- Considering the absence of any implementation experience with quotas and TRQs in Angola, as well as economic efficiency considerations, it is recommended that as part of its accession package to the EPA Angola follows the example of most other SADC EPA states and commits not to use such instruments.
- Angola and the EU should discuss priority areas for technical assistance and support already during the accession negotiations. Suggested priorities for assistance that have been derived from the SIA analysis are mentioned in the next section.
- To highlight the importance of environmental issues, considering the European Green Deal and the need for EU trade policy to align with it, Angola and the EU should ensure effective implementation of the post-Cotonou Agreement, which includes referrals to the relevant MEAs. The Parties should jointly work on TSD matters and use existing tools (i.e. the EPA Trade and Development Committee, the upcoming EPA review and monitoring process) to avoid or mitigate potential negative environmental effects stemming from the EPA. They should also support climate friendly trade products in general, and the role of clean technologies for sustainable agricultural production specifically, with a view on improving biodiversity and providing cleaner energy production. The Parties should continue cooperation on trade-related environmental matters, promote clean technology in trade relations, and explore opportunities to provide support to clean technology (and phase out unsustainable production).

With respect to the SIFA negotiations:

- We note that in the EU's text proposal a relatively high number of articles and provisions qualify obligations of the Parties by providing that these apply "the extent practicable". Considering that the potential benefits of the SIFA only materialise if the provisions are actually implemented, the use of soft provisions in the SIFA should be minimised as much as possible. This may require that the EU agrees to binding commitments for technical assistance to ensure the "practicability" of certain measures mentioned in the SIFA.
- Angola and the EU should aim at including strong enforceable provisions on investment and sustainable development, as currently foreseen in the EU text proposal for Chapter V.
- The responsibility by the Parties to respect human rights should be included, e.g. in the Preamble. An explicit reference to legitimate tenure and protecting property and land rights in Article 5.6 could be considered. While the recognition of land rights is primarily a state responsibility, clear land rights and their respect is beneficial not only to local communities but also to sustainable businesses.

5.3 Recommendations for Support and Flanking Measures, including Technical Assistance

To ensure that the potential benefits offered by the EPA and the SIFA are actually reaped, and that the potential challenges and costs are minimised, the following recommendations primarily directed at the Angolan Government are proposed:

- To mitigate the government revenue effects, the Angolan Government should, during the transition period in which tariffs are gradually reduced, *develop and implement fiscal measures* aimed at increasing other revenues, thereby compensating lower

import duty collection. The EU should be prepared to provide technical support for this, including through twinning arrangements between the AGT and revenue authorities in EU Member States.

- To benefit from *regional integration* opportunities provided under the EPA, the Angolan Government should prepare a specific strategy and prioritise specific value chains that can be developed within the context of Angola's trade with SADC countries.
- To maximise the longer-term benefits from *export-driven employment generation*, complementary policy measures are needed: These include a need for investment in vocational training, notably for young people to develop skills required for new job profiles and the new organisation of work, e.g., involving a more frequent use of machinery.
- The positive contribution of the EPA on the *creation of formal businesses and jobs* would be facilitated if the Angolan Government takes steps to improve the business environment, notably procedures related to setting up and running a formal business and encouraging formal employment with written contracts, social security contributions and the observance of health and safety at work requirements. In addition, the Government should take steps such as supporting creation of cooperatives and developing the trade infrastructure to enable access to markets and facilitating access to finance for small-scale food producers to help them to sustain their livelihoods.
- The above-mentioned Government measures would also help to ensure that the EPA contributes to the reduction of *child labour* in Angola. In parallel, we recommend awareness raising campaigns directed at adults (to understand the negative consequences of child labour) and facilitated access to school and social assistance for children from poor families. Similar support, including assistance in meeting relevant product standards, will be needed to avoid potential negative impacts for small farms and poor families, e.g., being pushed out from the local or domestic market by imports or respectively, larger, or formal undertakings. The Angolan Government and enforcement agencies should also enhance efforts to address trafficking in persons, forced labour, hazardous child labour and other illegal activities, and address poverty and other reasons of child labour, as outlined above. EU technical assistance should support these actions.
- The Angolan Government should urgently strengthen the right to property, specifically *land rights related to business activities*: The involvement of civil society, public sensitisation on the land law, fast-tracking of the land rights recognition processes, strengthening of the technical capacity of the national and local governments in the implementation of the legal framework are all crucial for the protection of land rights of rural communities and most vulnerable groups. The Government should also ensure that effective consultation processes (FPIC) consistently take place, backed by appropriate environmental and social impact assessments guaranteed by the law. A monitoring body should be established to have oversight over the implementation and provide regular reports of the practice and records possible violations. The reports should be publicly available, involving non-state actors and affected communities. The EU should continue to provide assistance on these matters.
- The EU and Angola should ensure that the EPA is used as a tool to enhance Angola's *food security*, reducing the risk of spiking food prices, hunger and adverse economic effects in times when environmental conditions hurt crop production.

Areas where Angola would benefit from **technical assistance** by the EU and EU Member States have been identified throughout this report. Such support should address administrative capacity constraints likely to affect the implementation of the EPA and the

SIFA, as well as broader productive capacity constraints. Examples of the former include support for the upgrading of the quality infrastructure, customs matters (e.g. risk assessment, origin verification, or related to the operation and the mutual recognition of AEO programmes) or trade defence instruments, while the latter would comprise assistance for private sector associations and businesses in upgrading their operations. As indicated above, it would be preferable if the EU and Angola could address technical assistance needs already as part of the EPA accession and SIFA negotiations, and agree on the broad lines of support. Based on the analysis undertaken, the following areas of technical assistance are recommended as priorities:

- Support should be provided to address the identified constraints faced with respect to *customs management*, including origin verification, risk-based operations, customs automation, and the implementation of the electronic single window for trade. Interviewed stakeholders also suggested that the EU "could help reduce the level of informal trade by technical assistance for establishing a comprehensive programme for formalising trade based on European experience, and through promoting actions that encourage operators and traders to abide by the rules."
- Considering that quality requirements are a key issue for accessing the EU market (and are getting more demanding still e.g. in the context of the Farm to Fork strategy), EU support in overcoming the constraints in Angola's *quality infrastructure* – covering SPS issues and TBTs – is an important element to ensure that Angolan exporters can make use of the preferential access to the EU market under the EPA. Already, technical assistance in this area is provided, but such support will need to continue for Angola to expand and diversify exports to the EU under the EPA.
- More broadly, the provision of *trade training programmes* – aimed at both public and private sector staff – should be considered, as well as support to introduce courses in international trade and economics in at least one Angolan university, e.g. through partnership with an EU university. A number of scholarships for public sector staff to participate in such course should be considered.
- To ensure that violations of labour rights are addressed and are not used as an illegitimate competitive advantage in the context of EU-Angola trade relations, better monitoring by *labour inspection* and trade unions is needed. The EU could provide financial and technical assistance to inspection services, e.g. to support the hiring of additional inspectors to bring them to the overall number recommended by the ILO, to train them, and to equip them. More broadly, EU technical assistance implemented in cooperation with the ILO could support the development of domestic dialogue between the Government and social partners on matters related to *respect for labour standards and working conditions*.
- EU technical assistance promoting the use of *CSR/RBC practices* and supporting capacity building in their application is also considered important.
- To complement commitments on reducing the environmental footprint of trade under the EPA, the EU should provide technical and financial assistance to Angola, in particular to support further development of renewable energy and of the expansion of clean technologies for sustainable agriculture and fishing, thereby ensuring effective water management, avoiding threats to biodiversity loss and land use change, and ensuring low emission-intense agricultural production and fishery. In addition, support towards Angola's ratification of the remaining trade-related MEAs and in the effective implementation could be considered.

Finally, a general recommendation relates to public-private dialogue: to create a common understanding on the EPA, the Angolan Government should make an effort to engage into dialogue with social partners and other civil society organisations on the reform process

and accession to the EPA. Moreover, the EU should continue providing technical assistance to further develop capacity of civil society in Angola, and the EU civil society, including the EESC, should involve Angolan counterparts in a dialogue on trade, sustainable development and the EPA.

The EU and its Member States already have a strong track record in providing trade related assistance to Angola. However, further targeted support in the context of Angola's accession to the EPA – provided both to companies and private sector organisations, and the public sector – to overcome the identified constraints and complement support programmes implemented by the Government would help ensure that the benefits of the EPA for Angola's competitiveness are maximised. Specifically, support to Angolan agricultural producers would be helpful to reach scale and navigate the customs and regulatory paths to export successfully to the EU; at the same time, it would contribute to enhanced food security.

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ANNEXES

ANNEX A: CONSULTATIONS REPORT

This annex describes the consultation activities undertaken as part of the Sustainability Impact assessment (SIA) in support of trade negotiations with Angola for EU-SADC EPA accession (section 1), as well as summarises the responses received (section 2).

1 SUMMARY OF CONSULTATION STRATEGY AND ACTIVITIES

1.1 Consultation objectives, stakeholders and tools

The main **objectives** of the consultations undertaken to support the evaluation were:

- To inform stakeholders about the conduct of the SIA and its findings and recommendations, allowing stakeholders to provide their inputs to the study and their views about Angola's accession to the EU-SADC EPA;
- To contribute to the identification of possible economic, social, environmental and human rights impacts of the EPA;
- To contribute to the identification of sectors and groups which might benefit or be negatively affected as a result of the implementation of the EPA in Angola;
- To analyse the reasons for such potential effects; and
- To contribute to the identification and the conduct of the case studies.

The key **stakeholders** identified were the following:

- Business representatives – both business associations, such as chambers of commerce or sectoral organisations, and individual companies;
- Social partners (employer associations and worker organisations/trade unions);
- Non-governmental organisations (NGOs) and civil society representatives – including consumer organisations –, covering the economic, social, environmental, and human rights issues;
- (Academic) experts, as well as those working on trade and development issues in general;
- International organisations that could provide important inputs and angles, such as *inter alia* the ILO and UN, including relevant monitoring bodies, WTO, UNCTAD, ITC, UN Global Compact and others;
- Representatives of public administration (government, legislatures, and authorities/agencies);
- Representatives of EU institutions and EU Member States;
- Vulnerable groups (e.g. women, youth, indigenous people, migrant workers and marginalised groups) that might be affected locally by Angola's accession to the EPA and run the risk of being excluded from the consultations.

A database of more than 1,000 stakeholders (about 500 each in the EU and Angola, as well as selected stakeholders in the southern African region) was maintained during the study period; these stakeholders were kept informed, via email newsletters, about the progress of the study, and invited to contribute their views at various stages (during the survey, before and after the workshop in Angola, as well as to provide comments and feedback to the draft versions of the inception and final reports).

The consultation **activities** were grouped into four consultation “pillars”, characterised by different target groups and channels used:

- Pillar 1: Targeted consultation activities, in particular a national workshop in Luanda, an online survey, and interviews and meetings with stakeholders in Angola, the EU and

SADC. Due to the covid-19 pandemic, the workshop was held in hybrid form, and most interviews were held virtually;

- Pillar 2: Two meetings with EU civil society (civil society dialogue, CSD, meetings) to present and discuss the draft inception and final reports;
- Pillar 3: Meetings with EU institutions and European Commission Services; and
- Pillar 4: Digital engagement with stakeholders and interested persons in general, through website (<http://angola.fta-evaluation.eu>) and electronic communication channels (email newsletters and twitter).

1.2 Participation of stakeholders and documentation of consultation activities

1.2.1 Civil Society Dialogue Meetings

In each CSD meeting organised for the evaluation, a wide range of EU civil society organisations (representing NGOs, business organisations, trade unions and employer organisations, the European Economic and Social Committee, EESC, and others) participated.

Meeting reports for the CSD meetings are provided in attachment A. They are also published on DG TRADE's CSD webpages.¹

1.2.2 Targeted consultation activities – workshop and stakeholder contributions

Obtaining stakeholder views through targeted consultation activities proved challenging; not only as a result of disruptions for travel and the negative consequences for holding physical meetings, but also due to relatively limited interest by EU stakeholders, low levels of awareness and understanding of the EPA among Angolan stakeholders, as well as, generally, a high level of consultation fatigue among stakeholders. The online survey attracted only 13 responses, of which nine were partial only; a quantitative analysis of responses therefore has not been possible. Among EU organisations, several (including export oriented business organisations and civil society organisations) stated that Angola was not a priority for them or that they did not expect much impact from the EPA (as this would merely continue to provide the level of preferences for Angola currently enjoyed under the EBA). Among Angolan stakeholders, often scheduled appointments were repeatedly postponed or cancelled due to other (arguably more important) responsibilities.

As a result of the foregoing, the target number of interviews and individual stakeholder contributions has not been fully reached at the stage of the draft final report: of the 70 targeted ones, 52 (representing some 40 organisations) have been reached, as follows:

- Stakeholders in Angola: 33 (vs. a target of 40), of which 13 (target: 20) representing MSME views and 12 (target: 10) representing views of stakeholders in agriculture;
- Stakeholders in the EU: 7 (vs. a target of 20);
- Regional stakeholders: 12 (vs. a target of 10).

Consultations are however still ongoing, including on the contents of the draft final report, so that the targets can therefore still be achieved. The list of contributors is provided in annex.

The workshop in Angola, held on 21 and 22 July 2021, was attended by more than 80 participants (of which about half physically, and half virtually) from 50 organisations, covered government and public sector entities; business associations, cooperatives and individual businesses; trade unions, academia, civil society organisations; representatives of the EU business community in Angola; representatives of EU Member State embassies, and the EU Delegation. The workshop also featured a broad set of panellists representing the different sectors of public sector and civil society. The report for the workshop in Angola

¹ <https://trade.ec.europa.eu/dialogue/index.cfm>. The presentation held and report for the first CSD meeting, held on 22 April 2021, are available here: <https://trade.ec.europa.eu/dialogue/meetdetails.cfm?meet=11588>

is provided in attachment B. It is also available (in English and Portuguese) from the SIA website.²

1.2.3 Website use and newsletters

Website use has also been comparatively limited, the English version has had about 500 visitors, and the Portuguese one about 250, mostly visiting the pages related to the workshop (220).

Newsletters were sent to about 300 stakeholders each in the EU and in Angola, at various points in the study process, i.e. at the time of the draft inception report publication, launch of the survey, and towards the end of the survey period. In addition, mailings were sent (in addition to direct invitations) to Angolan stakeholders to inform them about the workshop.

1.3 Consideration of stakeholder views in the evaluation

Contributions received from stakeholders – regardless of the channel through which these were provided – have been incorporated, where appropriate, into the main SIA report.

2 SUMMARY OF STAKEHOLDER CONTRIBUTIONS AND VIEWS

Based on the responses of the (mostly Angolan and regional) stakeholders that provided inputs and views for the SIA, two main observations can be drawn. First, compared to other FTAs, views about Angola's accession to the EU-SADC EPA were very positive. No consulted stakeholder rejected the EPA overall, and the vast majority thought that the EPA impact on balance would be positive for Angola. Second, the level of awareness for and knowledge about trade issues and the EPA in particular is very limited. As such, the positive views expressed were often not grounded in an analysis or backed up by evidence. Also, few inputs on technical aspects of the EPA and potential impacts for Angola could be obtained, even from stakeholders involved in trade.

In interviews for this study, stakeholders were of the view that companies based in Angola that already export are likely to gain more from accession to the EPA than those which do not export yet. They also thought that in general imports from the EU to Angola will not represent a threat, including for local employment, as goods produced in the EU and Angola respectively are different. Only a few products, such as fish or furniture should be excluded from import liberalisation to support local production in Angola. Others were of the view that in the long term, competing against EU imports may be even healthy for Angolan companies, as this will require from them investing in better product development, and will support creativity. However, in the short term, import liberalisation should be carefully planned in order not to "kill" the local production with an overly rapid market opening, as the Angolan companies may not be prepared for that step. Moreover, according to stakeholders, imports from the EU or partnerships between the EU and Angolan companies could have positive effects in terms of access to machinery and technology supporting development and diversification of the Angolan economy.

Angolan Government representatives expressed concern about the potential revenue implications of acceding to the EPA.

Regarding employment creation, respondents thought that investment by the EU companies may help in that context, including investment in the already existing enterprises. This should improve the quality and the scale of their operation and generate jobs. Regarding impacts related to exports to the EU, notably of agricultural products, respondents noted a risk related to land use in the situation of an unresolved problem with

² Available from <http://angola.fta-evaluation.eu/en/consultations-2/workshops-in-angola>.

the land ownership. They believed the exporting companies may claim right to land on the expense of local communities.

EU stakeholders based in the EU were mostly indifferent regarding Angola's accession to the EPA. Conversely, EU stakeholders based in Angola (both representing EU business interests and EU Member States) considered the EPA and the SIFA to provide an excellent opportunity for developing bilateral EU-Angola trade and investment.

ANNEX: LIST OF STAKEHOLDERS PROVIDING VIEWS ON ANGOLA'S ACCESSION TO THE EU-SADC EPA

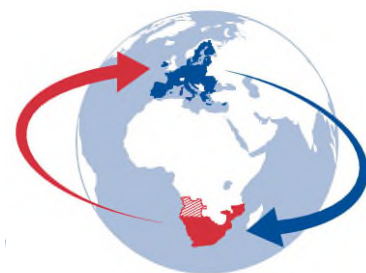
Acção para o Desenvolvimento Rural e Ambiente (ADRA) (several interviewees)
African Development Bank (AfDB)
Afrobarometer/Ovilongwa Consulting
Agro-Líder
Associação Agrícola Comercial Indústria da Huíla (AAPCIL)/Huíla Industry Commercial Agricultural Association
Associação das Industrias de Bebidas de Angola (AIBA)/Association of Beverage Industries of Angola
Associação do Café e Palmar Angola (CAFANG)/Coffee and Palmar Angola Association
Associação dos Transportadores Rodoviários de Mercadorias de Angola (ATROMA)
Associação Industrial de Angola (AIA)/Angolan Industrial Association
Câmara de Comércio e Indústria de Angola (CCIA)/Chamber of Commerce and Industry of Angola
Câmara dos Despachantes de Angola (CDOA)/Angola Dispatchers Chamber
Centro de investigação económica da universidade Lusíada de Angola (Cinvestec)
Comunidade de Empresas Exportadores e Internacionalizadas de Angola (CEEIA)/Association of Exporting Companies (several interviewees)
Confederação das Associações de Camponeses e Cooperativas Agro-pecuárias (UNACA)
Council of African Youth Activists (CAYA)
EESC
Embassy of Belgium in Angola
Embassy of Portugal in Angola
EU Delegation Angola (several interviewees)
EU Delegation Botswana
EU Delegation South Africa
European Association of Dairy Trade
European Commission (several interviewees)
Federação das Mulheres Empreendedoras de Angola (FMEA)/Federation of Women Entrepreneurs of Angola (several interviewees)
Instituto de Desenvolvimento Florestal (IDF)
Instituto Nacional de Apoio às Indústrias de Pesca e Investigação Tecnológica (INAIP)
Instituto Nacional de Apoio às Micro, Pequenas e Médias Empresas (INAPEM)
Instituto Nacional de Controlo de Qualidade da Indústria e Comércio (INACOQ)
Instituto Superior Politécnico de Tecnologias e Ciências (ISPTEC) (several interviewees)
Ministério da Economia e Planeamento/Ministry of Economy and Planning (several interviewees)
Ministério da Indústria e Comércio/Ministry of Industry and Commerce (several interviewees)
Observatório Político Social de Angola (OPSA)
Promove Comércio
SADC - Directorate of Finance, Investment and Customs
SADC - Directorate of Industry, Development and Trade
SADC Business Council
SADC Secretariat - SADC EPA Unit
Secretariado Nacional da SADC
Sindicato dos Trabalhadores dos Transportes Marítimos, Portuários, Ferroviários e Afins de Luanda
UNCTAD (several interviewees)
UNDP (several interviewees)
UNICEF
Universidade Agostinho Neto (UAN)
Universidade Católica de Angola (UCAN) (several interviewees)
Universidade José Eduardo dos Santos (UJES) & MaxMel
Zona Económica Especial

ATTACHMENTS

Attachment A: CSD Meeting Reports

Sustainability impact assessment (SIA) in support of trade negotiations with Angola for EU-SADC EPA accession

(TRADE 2020/C1/C01, Contract No. SI2.839678)



Presentation of draft inception report

Civil Society Dialogue meeting
22 April 2021

Consortium led by



bkp ECONOMIC ADVISORS

Structure of presentation

1. Study context
2. Analytical approaches and methodology
3. Consultations
4. Results of preliminary impact screening
 - Overall impact screening: Economic / social, labour & gender / environment & climate change / human rights
 - Proposed case/sector studies
5. Study schedule/time plan

1. Study context

Economic context

■ **Angolan economy:**

- Extremely high dependency on oil and diamond exports: 95.3% of exports mineral fuels, 3.6% diamonds (2019) - only 1.1% (USD 458 million) for all other merchandise exports
⇒ high vulnerability, need for economic and export diversification
⇒ requires investment: **Investment Facilitation Agreement**
- Least developed country, expected graduation 02/2024 (postponed from 02/2021)
⇒ graduation from EBA in 02/2027 – into GSP (general arrangement) or GSP+; loss of some preferences
⇒ To keep preferences: **accession to EU-SADC EPA**

■ **Regional context:**

- EU main trading partner; regional dominance of South Africa
- Angola not part of SADC Trade Protocol
- Severe recession due to covid-19

Negotiation context

■ EU-SADC EPA:

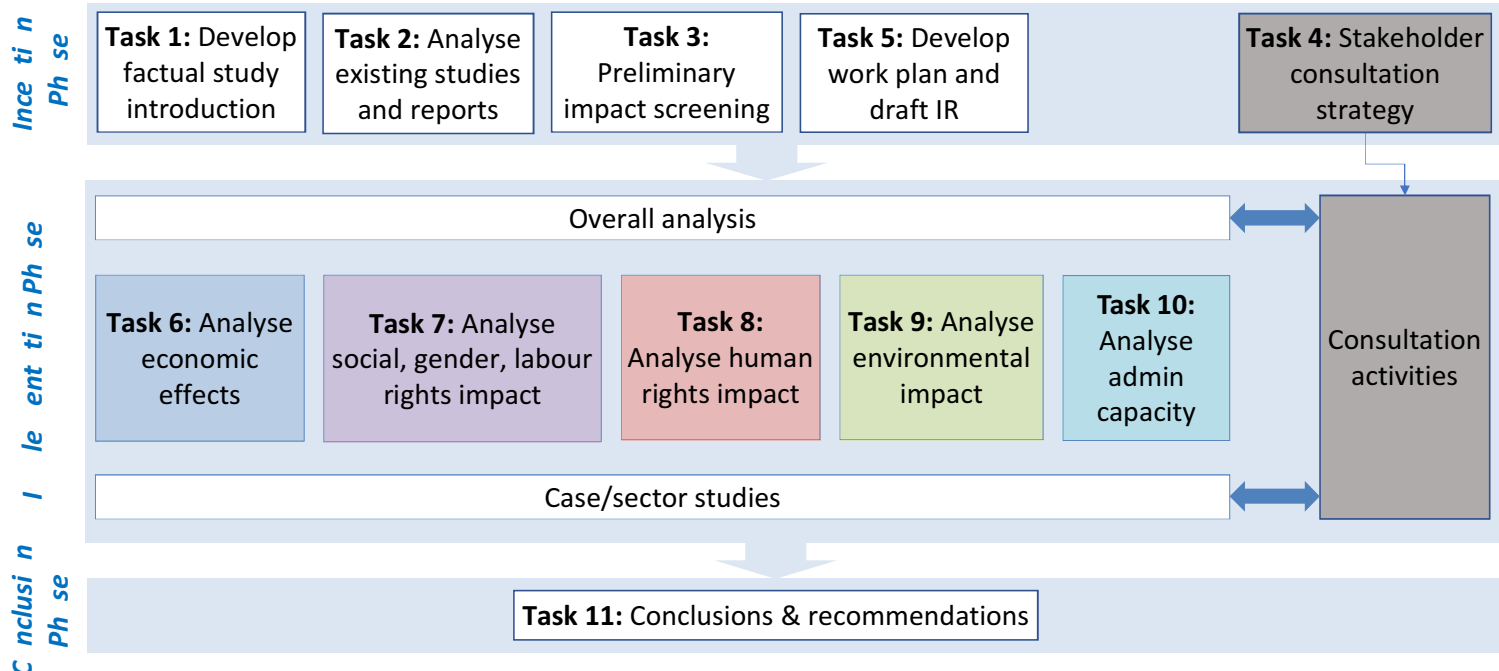
- Signed 2016 between EU and Botswana, Eswatini, Lesotho, Namibia and South Africa (SACU members) and Mozambique
- Currently only trade in goods: EU offers DFQF access since start; SADC EPA countries gradual elimination of most tariffs (SACU 84.9% DFQF + 12.9% partial lib.; MOZ less)
- Accession of Angola explicitly foreseen (Article 119(3))

■ Negotiations

- Angola's request to accede to the EPA in Feb 2020; negotiations yet to start
 - "Negotiations concerning the terms of accession should be conducted on the basis of this [EPA] Agreement, taking into account the specific situation of Angola"
 - Mostly Angola's market access offer
- Complementary: Investment Facilitation Agreement negotiations
 - Rules on transparency and good administrative practices related to investment, cooperation on investment issues, focus on investment contribution to sustainable development
 - **not** covered: investment liberalisation, investment protection, investor-state dispute settlement

2. Analytical approaches and methodology

Overview of approach (tasks as per ToR)



7

Economic analysis (Task 6) - overview

- A. Descriptive analysis of trade & investment flows**
 - Goods trade: review of recent trends & forecasts / export potential
 - Services trade & investment: more qualitative (lack of bilateral sectoral data) – also potential effect of IFA
- B. Economic impact analysis:** Based on Commission PE modelling results:
 - Impact on trade & government revenues (border taxes)
- C. Review of regulatory measures affecting bilateral trade**
 - Qualitative analysis – comparison of EPA provisions and AO existing situation
- D. Analysis of possible impact on governance and business environment (in AO)**
 - Same as C
- E. Impact on regional integration**
 - SADC and AfCFTA (AO ratified 04 Nov 20) – based on PE modelling + qualitative analysis
- F. Impact on EU outermost regions**
 - Matching analysis based on OR exports (at product level)

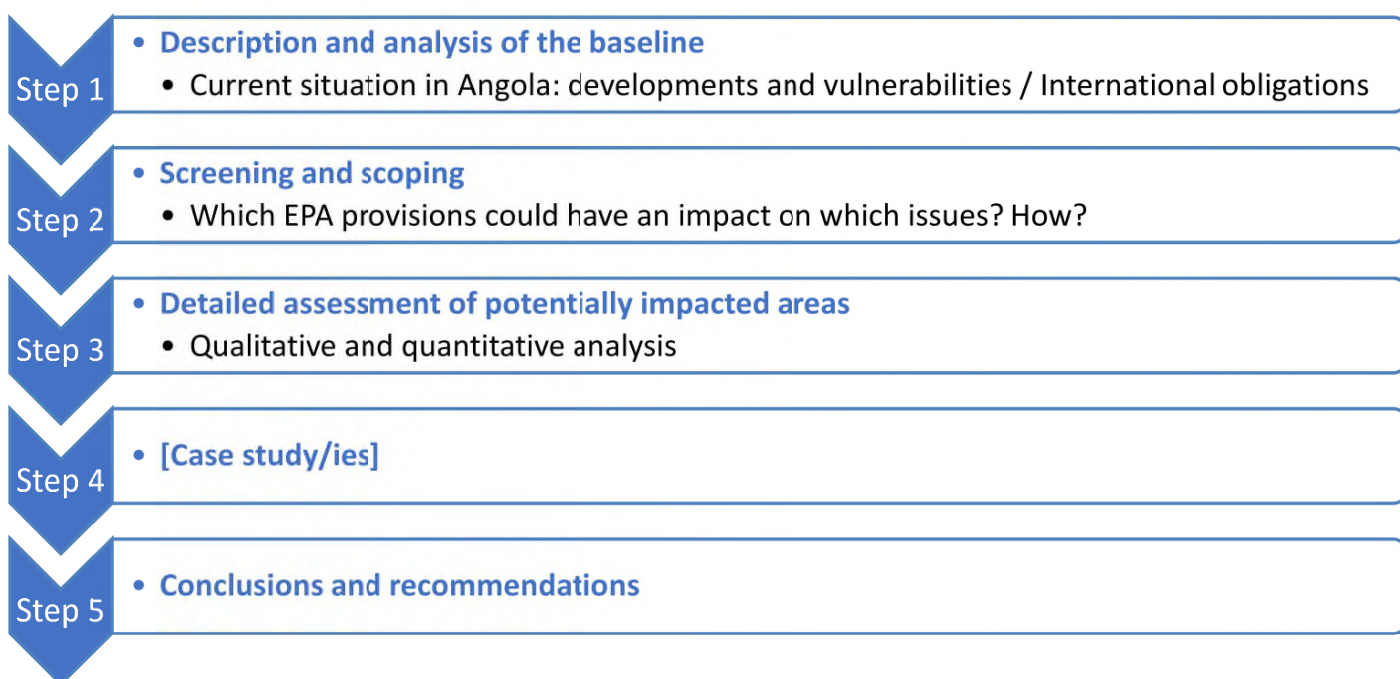
8

Economic analysis – the partial equilibrium model

- Model estimates trade impact of tariff liberalisation associated with Angola's accession to the EU-SADC EPA by comparing 2019 trade in baseline with three liberalisation scenarios:
 - Baseline: Angola: 2020 MFN tariffs on imports from EU; EU: GSP general arrangement
 - Liberalisation scenario 1: Angola and EU apply zero duty for all products (maximum lib.)
 - Liberalisation scenarios 2 & 3: EU applies zero duty; Angola excludes some products (182 in scenario 2, 98 in scenario 1)
- Products: at HS 6-digit level
- 3 regions: Angola, EU, rest of world

9

General approach to social, human rights & environmental analysis (Tasks 7-9)



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Social analysis (Task 7)

Step 1 - Description and analysis of the baseline (the current situation in Angola)

- Analysis of the current situation in areas related to social aspects (e.g. employment or poverty) and labour rights.
- Observed trends (use of indicators), influencing factors, progress achieved, challenges ahead, and planned actions.

Step 2 - Identification and analysis of impacts related to the legal text of the EPA (provisions)

- Analysis of the EPA text to identify potential social and labour-related impacts (direct and indirect ones).
- Example of TSD chapter, with commitments related e.g. to implementation of ratified ILO conventions, non-lowering of labour protection levels, poverty eradication and cooperation on trade aspects of labour policies.
- Analysis of available measures, e.g. technical and financial assistance related to EPA implementation.

Step 3 - Social and gender impact analysis of Angola's accession to the agreement

- Estimation of employment effects, building on the economic analysis and potential to generate trade and investment.
- Effects for poverty and working conditions, estimated based on analysis of employment generation across sectors.
- Respect for labour standards assessed based on TSD provisions and other parts, e.g., women's economic empowerment.

Step 4 – In-depth analysis in case study/ies (see below)

Step 5 – Conclusions and policy recommendations

- Proposals for policy responses and other measures aiming to strengthen positive and mitigate negative impacts of Angola's accession to the EU-SADC EPA.

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Human rights analysis (Task 8)

Step 1 – Human rights baseline

Overview of international human rights obligations - key implementation issues – concise current human rights situation >> focus on specific vulnerable population groups

Step 2 – Screening and scoping

- Whether/how human rights are expected to be affected if Angola joins the EU-SADC EPA?
- Which trade measures? Which specific human rights? >> Define indicators & information sources, refine list of stakeholders for detailed analysis

Step 3 – Detailed assessment (qualitative and quantitative)

- Define framework of applicable entitlements and duties related to the selected human rights; scan national legislation for protection mechanisms (legal framework and implementation practice); substantiate the potential impact (economic model & secondary resources) >> focus on specific vulnerable population groups

Step 4 – Case study/ies (see below)

Step 5 – Conclusions and policy recommendations

How can positive impacts be strengthened / potential negative impacts mitigated? >> focus on vulnerable groups

Cross-cutting issue – stakeholder consultations

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Environmental analysis (Task 9)

Step 1 - Environmental baseline

Current situation in 8 environmental dimensions >> focus on areas of environmental stress & vulnerability, legal obligations (MEAs and national policies), conditions influencing situation and uptake of policies

Step 2 - Screening and scoping

- Whether/how will environment be affected when Angola joins the EU-SADC EPA?
- Which trade measures may impact the environment and how? >> Define indicators & information sources
- How may the agreement be able to support environmental protection?

Step 3 - In-depth analysis

- Scale effects: changes in env. pressure or env. protection options as a result of trade-induced economic growth
- Composition/structural effects: changes economic/social structure impacting production/consumption patterns
- Technique effects: changes in processes or production methods as a result of accession to the EPA

Step 4 - Case study/ies (see below)

Step 5 – Conclusions and policy recommendations

How can potential negative environmental impacts (for EU and Angolan stakeholders) of Angola joining the EU-SADC EPA be addressed or potential positive environmental impacts be strengthened.

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Administrative capacity analysis (Task 10)

- **Objective:** assess AO administrative capacity to negotiate and **implement** the EPA
- **Approach:**
 1. Identify government bodies and institutions involved in management and implementation of trade agreements (customs & trade facilitation, tariffs & market access, SPS, TBT, RoO, trade defence) – key institutions identified
 2. Identification of administrative capacity constraints in these institutions and their underlying explanations;
 3. Assess consequences for EPA implementation and recommendations, including for technical assistance.

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Case & sector study selection

- **4 case studies** (sector-based or topical)
- **Conditions/criteria for selection:**
 - At least one case study related to **agriculture** sector
 - Priorities: impact on **MSMEs** and/or disadvantaged population groups
 - Importance of sector/issues AND anticipated impact of accession to EPA (economic or non-economic)
 - Importance as seen by stakeholders/negotiators
 - Coverage of different types of impact (economic + non-economic)
- **Case study methodologies**
 - Depend on specific case study

3. Consultations

Consultations

- **Preparation: stakeholder mapping & consultations strategy: Annex C**
 - Stakeholders: 85 Angola, >400 EU
- **Pillar 1: Targeted consultations – priority**
 - Workshop in Luanda: planned in hybrid form + virtual workshop (draft final report)
 - Interviews and meetings (personal/virtual/written): EU (20), AO (40), SADC (10)
 - Online survey: EUSurvey
- **Pillar 2: Consultations with EU institutions**
 - Meetings with Commission (ISG, bilateral)
 - Interviews with/presentations to EP, EESC, EU MS
- **Pillar 3: CSD meetings** (draft inception, draft final)
- **Pillar 4: Website and electronic communication**
 - <http://angola.fta-evaluation.eu/en/> - Twitter: @BKPEconAdvisors – Email newsletters

4. Results of preliminary impact screening

Economic impact screening

- **Economy-wide impacts** (from EU-SADC EPA impact assessment 2016)
 - **Trade:** exports from SADC EPA countries to EU: +0.91%; total SADC EPA exports: +0.13%; total SADC EPA imports: +0.14%
 - **GDP** in SADC EPA: +0.03% (from +0.01% in ZAR & MOZ to +1.18% for “rest of SACU”)
 - **Tariff revenues** SADC EPA: -0.59% (from -1.5% (MOZ) to +1.84% (“rest of SACU”))⇒ economy-wide impacts from Angola’s accession likely small (also considering AO economic structure)
 - **Sector impacts** (from EU-SADC EPA impact assessment 2016)
 - SADC-EPA country **exports** by sector: mostly small, except: red meat (+15.3%), sugar (+13.7%), beverages & tobacco (+9.8%), fisheries (+2.0%), and fruits and vegetables (+1.5%)
 - **Output:** changes caused by the EPA of up to 0.5%; changes in particular in export sectors
- ⇒
- Focus of economic analysis in SIA:**
- on **sectoral effects** rather than macroeconomic effects; and
 - across sectors focus on potential impacts in **export oriented sectors**.

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Social, gender, and labour rights impact screening

- Expected impacts for employment are likely to be limited and will depend on the ability to generate additional trade and investment flows (dependencies with TBT and SPS).
 - Potential job opportunities for youth and women (support for education & skills development)
- Potential for new business opportunities, including for MSMEs (youth and women).
- Potential for a limited poverty reduction (depending on job creation and income levels).
- Possible limited, positive impacts related to implementation of TSD chapter (upholding levels of protection, implementation of ILO fundamental conventions, ILO reporting).
 - Cooperation opportunities and poss. technical assistance (e.g., Trade for Decent Work project)
- Potential for improved enforcement of labour laws and working conditions thanks to technical assistance and cooperation on labour inspection services.

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Human rights impact screening

- Ratification record of core human rights treaties: 7 out of 9 (CPED & ICMW)

CAT	ICCPR	CPED	CEDAW	ICERD	ICESCR	ICMW	CRC	CRPD
✓	✓	S	✓	✓	✓	✗	✓	✓

- Current human rights situation is vulnerable, a.o. discrimination, labour rights violations, child labour, high malnutrition rate, adverse impacts of extractive industry on the R to health, R to water & R to food, lack of consultation to seek FPIC
- Main impacts from the accession could accrue from increased trade & investment in specific sectors WRT R to water, R to health, R to own property, R to food
- SIA will further assess the impact of accession on human rights in a detailed analysis of R to own property & R to food

CAT: Convention against Torture and Other Cruel Inhuman or Degrading Treatment or Punishment; ICCPR: International Covenant on Civil and Political Rights; CPED: International Convention for the Protection of All Persons from Enforced Disappearance; CEDAW: Convention on the Elimination of All Forms of Discrimination against Women; ICERD: International Convention on the Elimination of All Forms of Racial Discrimination; ICESCR: International Covenant on Economic, Social and Cultural Rights; ICMW: International Convention on the Protection of the Rights of All Migrant Workers and Members of their Families; CRC: Convention on the Rights of the Child; CRPD: Convention on the Rights of Persons with Disabilities

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Environmental impact screening

- Absolute levels of expected environmental impacts are likely relatively low
- However, current situation for several environmental issues is quite vulnerable, a.o. for water quality and resources, climate change and threats to biodiversity
- Therefore care needs to be taken that increased trade would not aggravate these existing vulnerabilities
- Mixed picture on ratification of most relevant MEAs >>
- SIA will furthermore assess how TSD provisions could:
 - encourage ratification of MEAs
 - encourage effective implementation of MEAs
 - improve the monitoring of environmental issues

Biodiversity	✓✓✓✓✓
	✗✗✗✗✗✗
Air pollution	✓
Climate Change	✓✓✓
Waste & chemicals	✓✓
	✗✗

of MEAs ratified that are relevant to trade; MEAs as selected by WTO's Committee on Trade and the Environment

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Proposed sector & case studies

	Case study topic and reasons for selection (tentative)
Sector Case Studies	Impact of Angola's Accession to the EPA on the Fishery Sector <ul style="list-style-type: none"> • Largest non-oil, non-diamond exports from AO to EU (50% of total fish exports to EU) • Fish exports would face EU tariffs under standard GSP (sensitive products) • Importance of SPS and logistics issues
	Impact of Angola's Accession to the EPA on Agrifood Value Chains <ul style="list-style-type: none"> • High export potential, including for value added products (prepared foodstuffs, beverages) • Sensitive/excluded products under GSP, importance of SPS and logistics issues
Thematic Studies	Impact of Angola's accession to the EPA on biodiversity and deforestation <ul style="list-style-type: none"> • High level of biodiversity in Angola, but condition of stress due to overexploitation • Potential for EPA to support positive action to address biodiversity loss and deforestation
	Impact of Angola's Accession to the EPA on Child Labour and Children's Rights <ul style="list-style-type: none"> • Current vulnerability & incidence of child labour • Assess impact on occurrence of child labour and respect for children's rights, in particular in areas and sectors likely to be involved in trade with the EU, including e.g. agricultural value chains

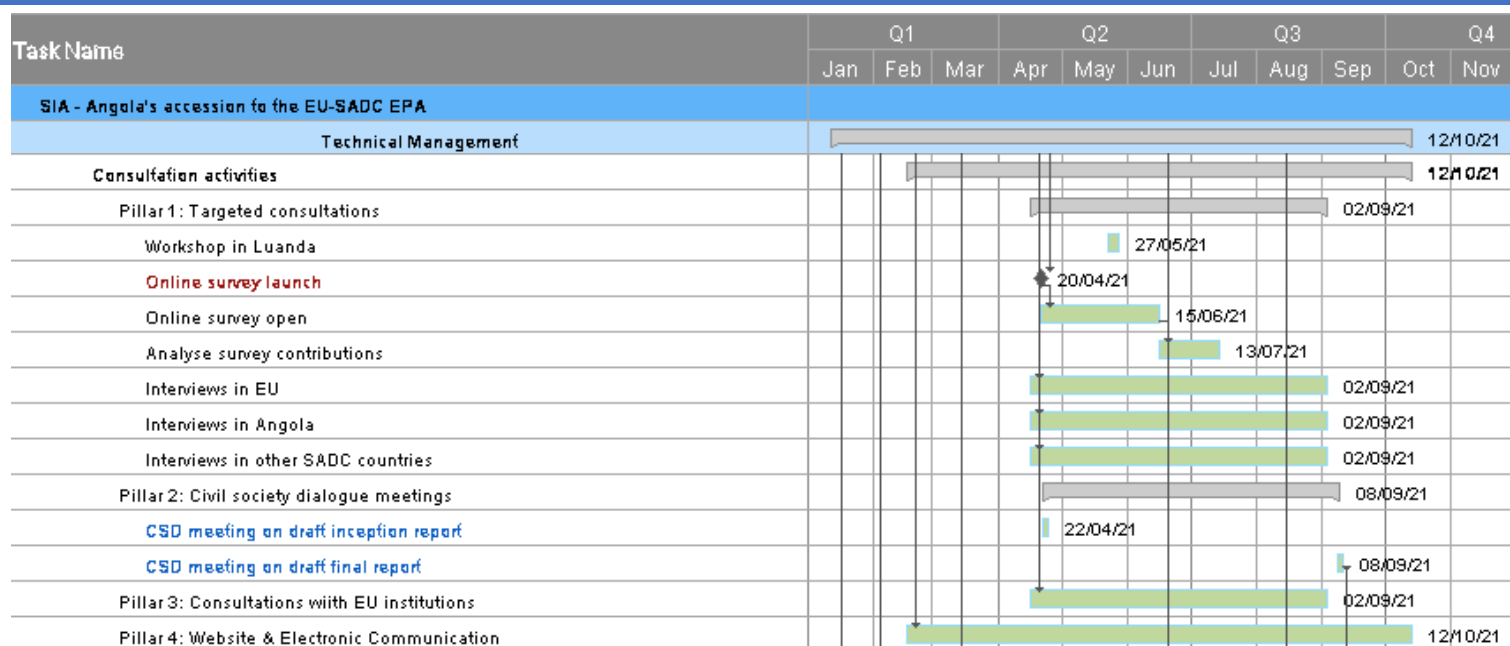
Study work plan

Key milestones

- Kick-off meeting: 12 January 2021
- **Draft inception report:** **12 March 2021**
 - ISG meeting: 15 April 2021
 - CSD meeting: 22 April 2021
- **Final inception report:** **Early May 2021**
- **Workshop in Luanda:** **Early June 2021**
- **Online survey:** **21 April 2021 – 15 June 2021**
- **Draft final report:** **10 August 2021**
 - ISG meeting: Early September 2021
 - CSD meeting: Early September 2021
 - Presentations of findings: 2nd half of September 2021
- **Final report:** **12 October 2021**

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Study work plan – consultations

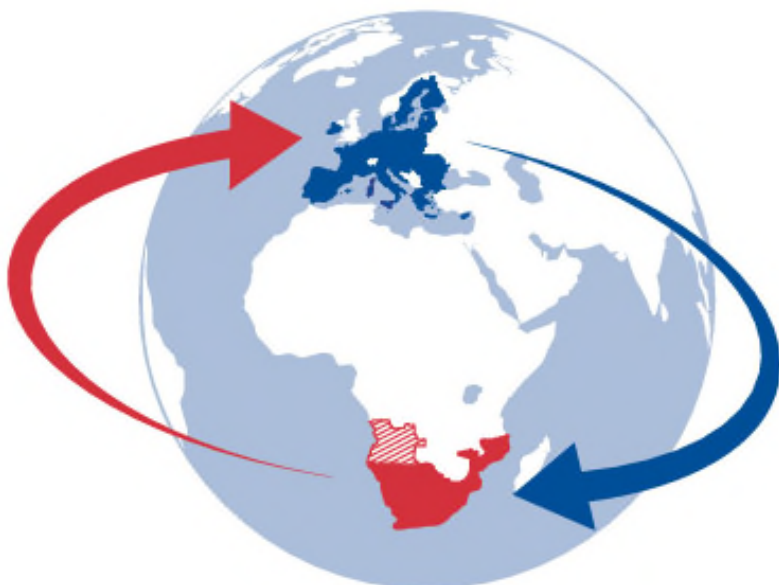


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Study work plan – analysis

Task Name	Q1			Q2			Q3			Q4	
	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov
Task6: Analyse economic impact									10/09/21		
Task7: Analyse social, gender and labour rights impact									10/09/21		
Task8: Analyse human rights impact									10/09/21		
Task9: Analyse environmental impact									10/09/21		
Task10: Analyse administrative capacity									10/09/21		
Sector and case studies									10/09/21		
Selection of case studies											
4 case studies									10/09/21		
Draft study chapters											
Draft chapters											
Review meeting: ISG											
C. Conclusion Phase											
Task11: Provide conclusions and recommendations											
Draft Final Report											
Review meeting: ISG											
Presentations of findings: INTA, EESC, GoA, EU MS, SADC EPA states											
Revise Draft Final Report											
Final Report											

Sustainability Impact Assessment: Angola's Accession to the EU-SADC EPA



<http://angola.fta-evaluation.eu>



sia@bkp-advisors.com



[@BKPEconAdvisors](https://twitter.com/BKPEconAdvisors)

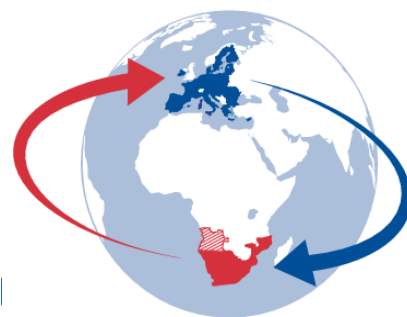
Attachment B: Workshop Report (English Version)



Sustainability impact assessment in support of EU negotiations with Angola for EU-SADC EPA accession

Workshop for stakeholders in Angola

Palmeiras Suite Hotel, Luanda, and Zoom, 21 & 22 July 2021



Workshop report

BACKGROUND AND SUMMARY

In February 2020, Angola requested accession to the Economic Partnership Agreement between the European Union and six countries from the Southern African Development Community (EU-SADC EPA). This requires negotiations about the conditions for accession, notably the degree of opening Angola's market for imports from the EU. Accession negotiations are expected to be launched in 2021 and be completed within one year. At the same time, the EU and Angola are also negotiating bilaterally a Sustainable Investment Facilitation Agreement (SIFA).

As an element of good regulatory practice, the European Commission Directorate-General for Trade has commissioned a sustainability impact assessment (SIA) to assess and indicate how Angola's accession to the EU-SADC EPA and the SIFA under negotiation can contribute best to enhance the competitiveness of Angolan businesses and contribute to the country's economic diversification. The SIA findings and recommendations will feed into the negotiations, helping negotiators to optimise the policy choices.¹

As part of the consultations held within the SIA, a workshop for Angolan stakeholders was organised on 21 and 22 July 2021; due to the restrictions imposed in response to the covid-19 pandemic, the workshop was held in a hybrid form, allowing participants to join through the internet.

The purpose of the workshop was to have an open discussion and exchange of ideas with a diverse set of stakeholders – including business, trade unions, and other civil society organisations, international organisations with presence in Angola, and academics and think tanks – about the potential effects of Angola's accession to the SADC EPA and the SIFA: what are the effects on trade, the economy, social, labour and human rights issues, and the environment – and how can the EPA and SIFA be leveraged to enhance the competitiveness of Angola's businesses and economic diversification?

The workshop took place over two consecutive mornings, with the first day dedicated to an overall discussion of stakeholder views as well as the potential economic impact of the EPA on Angola, and the second day focusing on the potential institutional, environmental, social and human rights implications (the workshop agenda is provided in annex A). The workshop took place in both Portuguese and English, with simultaneous interpretation. In total, more than 80 participants from 50 organisations attended (the list of represented organisations is provided in annex B).

There was a general consensus among the panellists and participants that the two agreements (the EPA and SIFA) would help to enhance the investment and trade climate of Angola, thereby contributing to attracting FDI and generating economic/trade opportunities. The provisions of the agreements would simultaneously provide an impetus for the Government and concerned parties to address entrenched problems related to

¹ Angola would accede to the EPA on the basis of the existing Agreement text. Therefore, the range of policy choices will be rather limited, while still potentially important for Angola's economy.

Funded by:



Project funded by the European Union. The views expressed in this document do not represent the views of the European Commission or the Government of Angola.

Organised by:



BKP ECONOMIC ADVISORS GMBH
JUTASTRASSE 14. 80636 MUNICH. ALEMANIA
E-MAIL: FTA-EVALUATION@BKP-ADVISORS.COM
WWW.BKP-ADVISORS.COM

governance, economy, environment, and social and human rights issues. Some of the salient points discussed throughout the two-day workshop encompassed the need to:

- acquire key disaggregated data in order to empirically track the EPA effects (notably regarding social and environmental effects, but also production and other economic indicators);
- provide support, over and above the EPA accession and conclusion of the SIFA, for Angola's economic diversification and transition from a longstanding oil-dependent economic model;
- ensure balanced negotiations which coherently reflect Angola's reality, interests and benefits;
- revise and align Angola's National Development Plan with new dynamics and aspirations that will emanate from the EPA's accession, and the obligations it will be subjected to comply with;
- reinforce synergies among relevant ministries, public and private entities, and other stakeholders like academics, to debate ideas, converge visions and concert actions to drive overall sustainable socioeconomic growth under the EPA;
- strategically capitalise on Angola's exports, bidding on those with the most comparative advantage, to strengthen Angola's competitiveness on the EU market;
- build capacity at cross-cutting levels, including institutional, legal, human resource, technology, etc., to ease and monitor the implementation of the EPA;
- seek financial and technical assistance from the EU to consolidate Angola's capabilities of implementing the EPA, as well as to help Angola to comply with the EPA provisions' obligations; and
- ensure that the profits and other forms of advantages that will be generated from the EPA trickle down to benefit the most vulnerable segments of society, including women and children (by eliminating child labour).

The presentations made at the workshop are available from the SIA study website.²

DAY 1 – SOCIETAL VIEWS AND ECONOMIC IMPACT

1. Opening Session

Jeannette Seppen, Ambassador of the European Union in Angola, provided a brief backdrop of Angola's trading history, as well as future developments such as its potential graduation from its current Least Developed Country (LDC) status to a middle-income one in 2024. She pointed out that the opening of Angola's market and the ensuing economic reforms would improve the business environment of the country and attract substantial investment. In this context, in 2020, the country requested to accede to the EU-SADC EPA. This step would help to expedite the diversification of Angola's economy and boost its trade activities. While negotiations to discuss the main parameters of Angola's accession to the EU market and its degree of market openness for trade activities with the EU are yet to begin, she reminded that:

- EU's cooperation programme with Angola rests on three major pillars, notably (i) economic diversification and resilience; (ii) rule of law; and (iii) human development;
- The SIA seeks to explore the economic, environmental, human rights and social impacts of the EPA;
- The SIA will indicate to what extent the EPA will help to enhance the competitiveness of Angola's business arena, with a special focus on micro, small and medium-sized enterprises;

² See <http://angola.fta-evaluation.eu/en/consultations-2/workshops-in-angola>

To conclude, she encouraged all participants to make use of the workshop to interact and provide substantial inputs which would contribute greatly to the negotiation process.

Milton Perménio dos Santos Reis, Secretary of State for Planning, Ministry of Economy and Planning, began with a brief overview of the EU-SADC EPA, a free trade agreement signed in 2016 for the gradual elimination of trade barriers between the EU and the participating SADC countries. As Angola is committed to regional and continental integration, such as in the African Union context and the African Continental Free Trade Area (AfCFTA), the EPA accession would help to widen Angola's scope of partnership with both the EU and SADC members, and drive strategic trade collaboration. He also underlined that the EPA would positively contribute to:

- The diversification of Angola's economy and exports;
- The creation of new job opportunities; and
- A boost in competitiveness among companies, which is conducive to an evolving business landscape.

He added that the accession criteria will require a certain level of opening of Angola's market to EU exports, as well as compliance with provisions stipulated in the EU-SADC EPA. Given the importance of the negotiations that will lead to Angola's accession to the EPA, and the obligations that would have to be fulfilled thereafter, he invited all participants to use the workshop as a platform to discuss ways in which the EPA could propel the development and competitiveness of Angolan enterprises, and what/how barriers could be overcome.

2. Introductory session

Dr Derk Bienen, the study team leader, provided an introduction to the negotiations about Angola's accession to the EU-SADC EPA as well as the SIA study.³

Context: The EU-SADC EPA and negotiations about Angola's accession and the SIFA

The EPA has been implemented since 2016 (except for Mozambique, for which application started in 2018). It covers primarily trade in goods but not trade in services or investment. The EU offers duty-free quota-free access to the EPA SADC members for all goods except arms and ammunition. Only for imports from South Africa, the EU retains some limitations to certain sensitive products. The SADC EPA countries also offer preferential access to imports from the EU, with varying degrees of coverage.

There are various reasons why Angola seeks EPA accession and the separate SIFA with the EU:

- Transition from LDC to middle-income status: As an LDC poised to graduate to middle-income status in 2024, Angola would lose some of its preferential access to the EU market under the current Everything But Arms (EBA) arrangement in 2027, when it would become a GSP or GSP+ country. Accession to the EPA would help avoid this and keep the current duty-free quota-free market access to the EU for all goods (except arms and ammunition).
- Diversification of the economy: Angola currently is highly dependent on oil (and diamond) exports: all other goods combined account for only 1%-2% of exports. This dependency entails a high vulnerability on external shocks, primarily on the global oil price. To diversify exports and the economy, (private) investment is needed. Both the EPA and the SIFA would help in this by improving the investment climate through more predictability and transparency. In addition, the EPA could

³ Full presentations available at: <http://angola.fta-evaluation.eu/en/consultations-2/workshops-in-angola>

increase the competitiveness of Angolan business through lowering import duties for inputs needed in the production process.

The negotiations on Angola's accession to the EU-SADC EPA will be conducted based on the existing EPA text, taking into account the specific situation in Angola. The negotiations will mostly be about the opening of Angola's market for EU imports, while the EU would offer duty-free, quota-free access (as under the current EBA). In addition, certain EPA protocols might be covered in the negotiations, such as geographical indications.

The SIFA would address transparency and good administrative practices related to investment, cooperation on investment issues, with a focus on investment contribution to sustainable development. The SIFA would not cover investment liberalisation, investment protection, and investor-state dispute settlement, nor would it replace any existing bilateral investment agreements between Angola and EU Members.

Introduction to the SIA study and the workshop

The SIA aims at identifying the benefits and risks that may derive from Angola's accession to the EPA (as well as the SIFA), and at formulating recommendations to increase Angola's benefits as well as mitigate any potential negative impacts. This includes the identification of areas of support and assistance that can be provided by the EU. The SIA also aims at raising awareness for the EPA and what it may entail for Angola's economy and people, and to give stakeholders a voice in the process through comprehensive consultations, including an online survey, interviews, and the present workshop.

While commissioned by the European Commission, the SIA is an independent study by a group of researchers who are mandated to provide a balanced assessment of the anticipated effects of the EPA for Angola, based on a participatory and inclusive approach entailing consultations with a diverse set of stakeholders in Angola, the EU, and other concerned countries. Transparency of the SIA is achieved by the publication of all reports produced in the study process.

In terms of the methodology, the SIA aims at identifying the impact of the EPA (and SIFA) only, i.e. it tries to distinguish it from the influence of any other factors that have an impact on Angola's economy and development. Methodologically, it does that by comparing two future situations: one, in which Angola has acceded to the EU-SADC EPA, with another one, in which Angola becomes a GSP beneficiary country.

The analysis focusses on Angola (and not the EU) because, first, effects of trade agreement are always stronger in the smaller economy and, second, because the policy changes in Angola (i.e. the opening of the market for imports from the EU) are also stronger than in the EU, which would largely continue to grant Angola the same treatment as presently.

Regarding the scope of the analysis, the study considers five impact areas:

- Economic impacts – e.g. on trade and wider economy;
- Social impacts – e.g. on employment, poverty, women, informal sector;
- Environment impacts – e.g. climate change, biodiversity, water availability and quality;
- Human Rights impacts – e.g. the right to a decent standard of living, right to work; and
- administrative capacity – i.e. Angola's capacity to implement the obligations under the EPA.

The impact of the EPA and SIFA on Angola will come about through two causal chains. The first one is the economic impact channel: trade liberalisation under the EPA will lead to changes in trade flows, which in turns leads to changes in production and output, both at

sector level and for the overall economy (gross domestic product, GDP). The economic changes also have implications on wages and employment, on the environment, etc. The second impact channel is the regulatory one: The EPA and SIFA provisions may require certain changes in domestic regulation, or the implementation of domestic regulations, directly affecting the economic, social, labour, gender, human rights or environmental situation.

The SIA comprises an overall analysis and four case studies: two are on sectors (fishery, and agri-food value chains), and the other two are thematic (effects on biodiversity, and child labour).

3. Societal views on Angola's potential accession to the EU-SADC EPA

The second session focussed on a presentation and discussion of the views of broad societal groups – organised labour, business, and academia – on Angola's accession to the EPA and Angola-EU economic relations more generally.

The intervention of **Bernardo Miranda, Secretary General of the Union of Maritime, Port, Rail and Related Transport Workers of Luanda, and a member of the National Union of Workers of Angola (UNTA-CS)**, addressed the following main points:

- As a first-class global player, the EU fosters a holistic approach to the way it cooperates with developing countries, looking at cross-cutting sectors and spheres;
- Angola is too reliant on oil and diamond exports, and current times compel diversification;
- The EPA will act as a catalyst in boosting Angola's economy and subsequently help to attract key FDI;
- The Angola's workers union welcomes the EPA as it promotes transparency, efficiency and labour rights;
- The obligations of the EPA will require more transparency across business operations at state level;
- Either directly or indirectly, the EPA will address certain issues advocated by the workers' union, such as unemployment issues, closure of companies, working conditions, and so on.

Some of the main points of the intervention **by Francisca Fortes, representative of the Federation of Women Entrepreneurs of Angola (FMEA)**, were the following ones:

- The FMEA started with 200 associate members, which expanded to 4,000 across 18 provinces in Angola. It seeks to promote women entrepreneurs and redress forms of gendered hindrances;
- Angola's EPA accession would unlock various opportunities for Angolan exports to the EU market;
- It would help increase the competitiveness of female-led enterprises, most of which are MSMEs, on the EU market. But for this to effectively happen, women must have access to diverse forms of support;
- Many of the female entrepreneurs are in fact heads of households and the main providers for their families. Supporting them would mean upholding families and communities;
- The SIFA will also have positive effects on women-led businesses.

Dr **Francisco Esteves, Polytechnic Institute of Technologies and Science (Instituto Superior Politécnico de Tecnologias e Ciências, ISPTEC)**, provided a perspective from academia. He began by laying out a brief historical background of Angola's economy:

- Angola's dependence on oil and diamond exports characterised much of the period after the independence from Portugal over 45 years ago;

- In an attempt to shift the economic model, Angola adopted socialism in the 80s. Consequentially, industries were nationalized and agricultural cooperatives were set up;
- Post-socialism, Angola adopted a market economy system but failed to build a strong production sector, as well as competitiveness in the private sector. Instead, state intervention remained prominent.

With regard to the EPA and the SIFA and their effects, Dr Esteves noted that:

- The EPA will provide advantages for Angola's private sector and thus help to reduce the dominance of the state in the economy;
- The advantages of Angola's accession to the EPA will outweigh the disadvantages. However, the opening of the market and economy diversification will face multi-layered hurdles such as production capacity;
- Acceding to the EPA will in itself restore Angola's image as a destination for FDI, as well as help to eliminate various forms of post-war issues. But this needs to be complemented with reforms: Angola must diversify and consolidate its economy; focus on industrialization; build production capacity; import capital equipment; and enhance its business environment;
- Having oil reserves, Angola should produce a wide spectrum of value added oil products rather than import them. The petrochemical industry should be developed;
- Agricultural exports to the EU should be harnessed in alignment with the EU's policies and standards. To do this, ways to increase the quality of Angola's agricultural produce need to be identified and put in practice, so as to match the EU's product standards, and eventually compete on the EU market;
- One issue that should be addressed in the EPA is the liberalisation of movement of persons/labour;
- In sum, the EPA has more advantages than disadvantages.

Following the panellists' interventions, a number of **participant questions and comments** were discussed.

The **Chair of the National Association of Coffee and Cocoa Producers in Angola**, noting that coffee is an important sector in the country, commented that the reliance on oil was not sustainable and that the diversification of Angola's economy was quintessential to redressing the country's longstanding economic issues. Accession to the EPA could help in this regard, but only if some basic problems of the agricultural sector were addressed, including the organisation of production and the lack of education and training of workers. These would need to be addressed in order to enhance product quality and be able to export to the EU. He called for EU funding for diversification, which should be targeted on sectors with export potential, suggesting coffee, cocoa, tropical fruits, and palm oil. To develop these sectors, he advocated strategic planning, investment and targeted forms of capacity building for entrepreneurs and staff training to propel quality production.

The **Ambassador of Portugal to Angola** noted that competitiveness intrinsically results from market liberalization. For Angola, it would be crucial that the diversification be executed strategically by (i) selecting the best agricultural produce, such as coffee or pineapple, for long-term export projects, which would eventually build an Angolan brand; (ii) identifying the most suitable markets, regional or international, for certain exports; and (iii) investing in key sectors and enterprises. He affirmed that the EU would provide support to Angola in this endeavour.

The study team leader added that the EPA in itself would not trigger the development of specific sectors. Rather the Agreement would continue the level playing field where all exports from Angola to the EU would benefit from duty-free/quota free access. To be really beneficial, the EPA would need to be complemented by other measures to promote economic development, including improving supply-side capacity (including for specific

sectors) and the removal of barriers for production and trade in Angola. Although such measures would not be part and parcel of the EPA or the SIFA, they could and should be developed in connection with them, and be supported e.g. by technical and financial assistance by the EU and its Member States. Technology transfer and innovation associated with more investment from the EU and other foreign investors triggered by the SIFA would also help increase the competitiveness of Angolan businesses.

A participant from **academia** asked what role academia could play amid the paradigm shift that Angola is yet to experience, what barriers academics could face in exposing their ideas and recommendations to the Government, and what were the view of academics present on the benefits of the EPA and on the petrochemical industry? In response, Dr Esteves underscored that academics were often excluded from key dialogues with the Government, and recommended that this should be reverted. He also suggested increased investment in academic research to enhance research capacity.

A representative of the **Ministry of Industry and Trade** remarked that according to some studies there was an imbalance between the positive and negative effects of Angola joining the EPA, with the latter being more considerable. He suggested that the SIA explore the potential effects of Angola not acceding to the EPA.

Dr Esteves responded to the question about the possible outcomes of Angola not joining the EPA by referring to the country's trade balance. He explained that, in any case, Angola's trade balance will continue to be in deficit whether it joins the EPA or not. However, the ramifications of not joining would entail a perpetual reliance on oil exports, with the oil sector operating in isolation of the rest of the economy, and a monopoly of certain services and companies. On the other hand, positive effects would encapsulate a diversified economy, access to new markets, and economic growth. Furthermore, in the long-run, thanks to the EPA, Angola could reinvent its agro-industry sector with added-value products, and achieve a healthier business environment.

He also recommended the formulation of policies that would support Angola's trade activities – not only to diversify its economy at large, but also the oil sector, by building links between the oil sector and the rest of the economy. An example was to exploit the paint and plastic industry. The petrochemical industry, as a capital-intensive sector, was promising, but had not yet been exploited. He pointed out that the agroindustry is a strategic trade sector that may at least improve Angola's trade balance.

The study team leader furthermore added that, methodologically, the SIA would always compare the future situations of Angola with and without acceding to the EPA. In terms of the balance between costs and benefits, a problem consisted in the fact that many of the costs are short-term and easy to quantify, thereby featuring prominently in study results. Conversely, the benefits are more long-term and difficult to quantify (such as improvements in the business environment, gains in productivity and competitiveness etc.), and therefore more difficult to present in studies. This could lead to the impression that costs outweighed benefits, although this would not be the case in the long run. Finally, he also cautioned that the EPA impacts should not be over-interpreted: Angola's economic performance depends on many factors, of which the decision to accede to the EPA or not is only one.

The Director of the **Center for Economic Research at the Universidade Lusíada de Angola (Cinvestec)** requested information on the sources used for the SIA, as e.g. data on the share of non-oil, non-diamond exports presented was different from data reported by the central bank (BNA). The study team responded that AGT data had been used, but also noted that limited data availability and reliability were serious issues for the study, especially regarding non-trade statistics.

The Secretary of State for Planning, **Ministry of Economy and Planning** concluded the session by commenting that the Government is more than ever committed to shifting economic model and diversify away from oil, e.g. by developing agrifood value chains, such as coffee or cotton. He also highlighted that:

- The Government is working on initiatives, such as PRODESI or “Made in Angola”, to expand and diversify exports. These strategies also include elements to reduce the import of goods that can be produced domestically;
- Specifically with regard to the EPA, it should be clear to all that this has advantages. For example, it will avoid the shock for Angola from LDC graduation by maintaining its duty free/quota free access to the EU market. The access to external markets gives an impetus to companies to diversify their range of products; in this context, he suggested that FTAs with other trading partners should also be negotiated;
- In consensus with comments made by participants that Angola needs to diversify its oil sector and develop the petrochemical industry, he reassured that this is on the Government’s agenda; for example, a refinery is being built;
- The Government is also committed to enhancing human resource capabilities through targeted training programmes. The EU has promised to offer some form of assistance in this vein.

In conclusion, he invited the participants to share their ideas and make recommendations that could help the Government to improve upon its national trade strategy and initiatives, as well as to find pragmatic solutions to potential negative impacts and barriers that may arise as Angola joins the EPA.

4. Economic impacts of Angola’s accession to the EPA – initial findings

The last session of the first workshop day was devoted to a discussion of the potential economic impacts that Angola’s accession to the EU-SADC EPA could have for the country. The session started with a presentation of the preliminary findings by the study team.⁴

Preliminary findings of the SIA

The analysis distinguishes different types of economic impact, including impacts on trade as a result of liberalization under the EPA; impacts on the wider economy in Angola, and impacts on regional integration.

Impacts on Trade. Based on partial equilibrium model simulations run by the European Commission’s DG TRADE, with the EPA, Angola’s total exports would be higher by €21 M than without the EPA. This amounts to 0.1% of overall exports, which is low because of the predominance of oil exports, which are not affected by the EPA; excluding mineral fuels and diamonds, Angola will export almost one third more to the EU than as a GSP beneficiary because of additional tariff preferences. The simulated increase is also likely to be underestimated for a number of reasons: First, the model cannot capture trade diversification. If there are no exports of a product in the baseline, by definition the model will predict no exports under the EPA. Second, the model only captures the tariff’s aspects of the EPA, but not non-tariff issues or technical assistance and support provided. Third, the perspective is short-term – dynamic effects stemming from technological transfer, increased EU funding and FDI in Angola, which would have spill-over effects and boost productivity, are not reflected in the results. And lastly, the results depend on the trade values in the baseline. The source taken for the simulations were EU import data – but Angolan export data reported by the AGT or BNA are sometimes quite different.

Exports from the EU to Angola are estimated to increase markedly more, by between €1.15 to €1.3 billion (i.e. an increase of 45-52%), depending on the specific scenario, considering

⁴ Full presentation available at: <http://angola.fta-evaluation.eu/en/consultations-2/workshops-in-angola>

different ranges of excluded products. Looking at total imports by Angola from the world, an increase of up to €693 M (7.1% of baseline imports) is expected, which is composed of the increase in imports from the EU by €1.3 billion and a decrease from the rest of world. As a result of the limited export increase and the higher import increase, Angola's bilateral trade deficit with the EU will widen.

The *impact of the EPA on the Angolan economy* as derived from the modelling results (i.e. covering the tariff changes only) is limited: output in exporting sectors will increase only slightly; conversely, increased competition from EU imports with domestic production is also expected to be no issue except for very few sectors, because the types of products imported from the EU are not produced in Angola. To the extent that these products are used as inputs for domestic production, Angolan businesses will benefit from the EPA through lower prices and hence increased productivity and competitiveness. For the few import competing sectors (as identified in PRODESI), these could be excluded from liberalisation.

In addition to the tariff-only effects captured in the model, the implementation of the SIFA is expected to result in more investment, including FDI, leading to technology transfer, enhanced productivity and increased competitiveness. It is also expected that under the EPA, the EU and its Member States will provide more assistance to productive sectors in Angola, which would help to bolster its competitiveness and productivity. As a result of these factors, in the long-run, more positive impacts on Angola's GDP are expected, although these cannot be quantified.

A sizeable negative impact on government revenues of up to €300M (or 13.9% of border taxes) is expected. This estimate does not include, however, positive indirect effects of the EPA stemming from the increase in collection of domestic taxes.

The effect of Angola's accession to the EPA on *regional integration* is unclear from the model estimates, as the model does not distinguish African markets. However, because of more generous rules of origin under the EPA, regional value chains could be promoted, insofar as Angola would be able to export to the EU, whilst using inputs from other SADC countries, and still benefit from EU preferences. The fact that Angola is not a member of the SADC Trade Protocol has not been considered in the study, but may have a degree of effect on its regional trade dynamics and integration after acceding the EPA.

Societal views – panellist interventions

A panel consisting of business representatives and academia provided comments and complementary views on the potential economic effects of Angola's accession to the EU-SADC EPA.

According to **Danilo Ventura, Secretary General of the Community of Exporting and Internationalized Enterprises of Angola (CEEIA)**, CEEIA views the EPA as a trade revolution between Africa and the EU, which will engender diverse forms of benefits beyond those of the Lomé Convention, the EBA and other trade agreements that already exist between the two continents. The main points of his presentation were:

- Some of the figures presented by the study team might be affected by covid-19 and other recent developments, which would need to be taken into consideration in the interpretation of the data;
- As negotiations unfold, the focus should be on how to mitigate conflict of interests and boost benefits;
- The diversification of Angola's economy and products will be conducive to its success;

- In line with the national development plan, the Government needs to identify and address barriers faced by the business community during the EPA transition period, and jointly find practical solutions;
- The Angolan business community needs to build capacity to compete on international markets;
- Without the EPA, some Angolan companies are already exporting agricultural products abroad. This is testimony that there is demand for Angolan products on foreign markets;
- Sustainable development should incorporate the social and institutional aspects for long-term benefits.

Dr Heitor Carvalho of the Economic Research Center of the Lusíada University of Angola (Cinvestec) cautioned that:

- Based on the sharp 30% decline in Angola's nominal GDP in 2020 and -9% in first semester of 2021, Angola might not graduate from LDC status to middle-income status by 2024;
- Diamond and oil exports dropped radically by 22% in 2020 and 18% in the first quarter of 2021. Oil production has also fallen considerably, and according to forecasts, Angola's oil would be depleted by 2032, but in reality, this may happen in 2030;
- Accession to the EPA would negatively affect the trade balance.

To curb this negative outlook, his suggestions were:

- Investment was needed and could be facilitated by the SIFA;
- Administrative barriers to imports of inputs should be eliminated as they hinder local producers' competitiveness;
- To allow national industries time to adapt to changes like the elimination of customs duties in the EPA scenario, a gradual reduction of tariffs should be negotiated with the EU – with such a gradual approach the EPA would have positive effects as Angolan companies would enhance their competitiveness;
- A selective approach to economic rules is crucial as not all EU norms can be adapted to Angola's reality. Emphasis should be put on feasibility and compatibility;
- To improve Angola's domestic production, the EU should provide substantial support to activities and infrastructures; and
- The fight against corruption at cross-cutting levels should be enhanced.

He concluded by stating that the EPA itself was not too important for Angola's development, but that rather its combination with the SIFA was crucial, because Angola needs to improve its investment climate, which would benefit in particular smaller investors.

Pedro Bequengue, Member of the Angolan Brokers' Association (Câmara dos Despachantes Oficiais de Angola, CDOA) commented that:

- The EPA would facilitate trade between Angola and the EU. In this regard, the EPA's purpose to facilitate trade was essential;
- EPA negotiations should consider products that could benefit from tariff cuts or duties collection;
- Barriers to imports, especially inputs, should be eliminated to enable local companies to compete and flourish;
- Whilst an increase in trade activities between EU and Angola was expected, trade associations should work in a concerted effort to boost Angola's trade position, opportunities and benefits.

José Severino, President of the Industrial Association of Angola (Associação Industrial de Angola, AIA), reflected on the competition between EU exports and China's

exports to Angola, and suggested that the EU should focus on those exports to Angola where it has a comparative advantage, rather than compete with Chinese and other Asian exporters more broadly. The outcome would be more beneficial for both the EU and Angola. Other recommendations entailed:

- Address costly intermediations that amplify Angola's cost of production such as time and administrative costs involved in customs clearance on Angola's imports from the EU;
- Tackle the 14% VAT on Angola's imports of industrial machinery and equipment, especially in light of currency depreciation, in the same way that VAT on agricultural equipment was removed;
- From a more general perspective, cost transfers, including from VAT, onto consumers must be taken into account;
- Resume Angola's position as a gas exporter;
- Promote and support Angola's exports to the region (not only to the EU given a high level of competition on the EU market);
- Introduce or strengthen application of trade facilitation and business support measures (the latter including e.g., access to credits);
- Import foreign knowledge and expertise by attracting experienced international trade experts to settle in Angola and help the country to strengthen its capacity as a player on global markets;
- Address tax evasion in order to establish a lawful trade arena that benefits Angola;
- Request support from the EU to enhance Angola's sea control capacity and address losses at sea;
- Attract European banks to set up branches in Angola in view of providing structural investment;
- Ease visa application processes and conditions for investors and tourists;
- EU support to Angola's energy industry would enhance production capacity and competitiveness;
- The EU-Angola cooperation must be holistic with underlying social and environmental dimensions.

In conclusion, he considered that the reciprocal approach under the EPA (where both parties open up their markets) would be fair, and would also lead to increased competitiveness of Angola's businesses. Conversely, the prohibition of certain imports, as foreseen under PRODESI, would lead to a loss of competitiveness.

Participant questions and comments

A representative of the **Ministry of Industry and Trade** asked what the appropriate timeframe would be for the liberalisation of sensitive products. Heitor Carvalho responded that technical discussions with stakeholders had not yet covered any set time for liberalisation, although this would have to be debated during the negotiations.

The study team leader added that the scenarios in the SIA analysis were based on the impacts resulting at the end of the transition period of Angola joining the EPA. In practice, there would normally be 2 or 3 groups of products: for some, the least sensitive ones (such as inputs needed by domestic producers not produced domestically nor providing sizeable duty revenues), tariffs could be eliminated upon accession; for sensitive products, transition periods would be necessary in order to gradually phase out tariffs; and the most sensitive products would be excluded from liberalisation altogether. Under the EPA, the SADC parties have negotiated different categories of products with different gradual reduction schedules, reaching up to ten years.

A participant from the **private sector** enquired about the possibility of having a dedicated unit at EU level which would overlook and expedite the implementation of the EPA.

In response to Heitor Carvalho's doubts about Angola's graduation from LDC status, the Secretary of State for Planning, **Ministry of Economy and Planning** explained that the UN moratorium had been granted until February 2024, and that multilateral organisations were already considering Angola as a middle-income country; as such, the Government would do everything to avoid another moratorium. The commitment to graduation was also independent from the country's successful diversification away from the oil sector, although the Government was working with stakeholders to realise this goal as well.

DAY 2 – INSTITUTIONAL, SOCIAL, HUMAN RIGHTS, AND ENVIRONMENTAL IMPACTS OF ANGOLA'S ACCESSION TO THE EU-SADC EPA

1. Institutional Issues Related to Angola's Accession to the EPA: Implementation Capacity and Assistance Needs

Preliminary findings of the SIA

The study team's lead institutional expert, Manuel Alberto, presented the ways in which the SIA analysis was conducted to assess Angola's institutional/ administrative capacities of implementing the EPA.⁵ The analysis is still in its early stages, but is nevertheless highly important for the implementation of the EPA. For example, as Angola reduces its tariffs for EU imports, it has to ensure that only imports from the EU benefit from these preferences (but not imports from other suppliers). Without effective border institutions, traders could easily undermine the system through origin fraud, i.e. by claiming that goods come from the EU, when they do not. On the export side, having accredited and reliable institutions which certify export products, could expedite trade processes.

Contributions by panellists

Amaya Olivares of the EU Delegation in Angola provided a brief overview of the long-standing bilateral relationship between Angola and the EU, and steps that have led Angola to request accession to the EU-SADC EPA. She then gave a few examples of the forms of assistance that EU is already channelling to Angola:

- Institutional capacity building through the Train4Trade project, implemented by UNCTAD, to assist in terms of trade facilitation, entrepreneurship, etc.
- Support to the informal sector by assisting the creation of agricultural value chains, for instance;
- Assistance for vocational training and educational programmes in diverse fields;
- Fostering partnership with the Angolan authorities and institutions.

From the EU's perspective, Angola's accession to the EPA, the SIFA and technical assistance constitute a single package.

She stressed that the SIFA with Angola would constitute a milestone as it would be the first investment facilitation agreement that the EU is negotiating with Africa. From the SIFA, many opportunities would unfold, notably an improvement of Angola's business/ investment climate through increased transparency and predictability.

Likewise, the EPA would help to strengthen Angola's position as a trading partner. Ms Olivares stated that the EU is aware of the challenges that Angola may face under the EPA. Thus, there was no doubt that the EU would extend technical support to help Angola achieve its objectives under the EPA and beyond. In fact the current support programme covers a number of support areas, such as economic diversification; building resilience against climate change; enhancing the business environment; moving towards a circular

⁵ Full presentations available at: <http://angola.fta-evaluation.eu/en/consultations-2/workshops-in-angola>

economy; strengthening the rule of law; and human development building and strengthening human resource capabilities. Other priority areas for EU support are engagement with the private sector; digitalisation and technologies to expedite public services, especially in times of a pandemic; and women's integration in the economy and at cross-cutting levels.

While all of these areas of support would contribute to a smooth implementation of the EPA, she called for the Government to consider which areas are most needed in view of the EPA. Through dialogue between the Government and the EU these would then become part of the agreement negotiated.

Ms Olivares concluded by expressing her hope for deepened collaboration between the EU and Angola, especially in the face of new developments that will emanate from the two agreements.

The presentation of **Terêncio António, Ministry of Industry and Trade**, started with a review of the nexus between the EPA-related issues and Angola's National Development Plan. He informed that technical meetings at ministerial level were being organized to probe various aspects of the EPA and their potential impacts on Angola's institutional capacities. Concerning the timeframe for tariff liberalisation, he noted that further discussions and a better understanding were still required. At the level of the Ministry of Industry and Trade, in partnership with UNCTAD, a vulnerability impact study had been commissioned to a private entity. Preliminary findings from that study had indicated that the EPA would entail considerable disadvantages for Angola. He also noted that some of the SIA findings presented at the workshop showed some disadvantages for Angola.

On a positive note, he welcomed the changes and benefits that would stem from the two agreements. He emphasized the need to consolidate strategies and institutional approaches to successfully implement the agreements. This required joint analysis involving all relevant government bodies, as well as a roadmap as the basis for EPA accession negotiations.

In terms of administrative and institutional issues, he highlighted that EU Member States were much further developed than Angola. Accordingly, comprehensive capacity building support would be needed. While this would need to be determined based on an in-depth study, the suggested areas for building national capacity could encompass the following ones:

- Implementation of rules of origin, in particular origin verification and detection of origin fraud
- Implementation of trade defence instruments (anti-dumping, anti-subsidies) – noting that a national trade defence committee was in the process of being established;
- Accreditation of national laboratories for product certification – although this is part of the Train4Trade project, the training conducted so far had not been sufficient;
- Systems for traceability of national products aimed for export to the EU market,
- Strategic reforms at cross-cutting levels to ease EPA implementation.

Plenary discussion

Following the panellists' interventions, a number of **participant questions and comments** were discussed.

One participant from the **private sector** underscored the need to dismantle business barriers at the domestic level to attract FDI, as well as foreigners to open businesses in Angola itself. Such domestic policies would be required in any way, but would be supported by the EPA and the SIFA.

A participant from **ISPTEC** asked whether academics were invited to join discussions in the framework of technical studies. Terêncio António of the **Ministry of Industry and Trade** responded that the assessments conveyed in the framework of Angola's negotiations on the AfCFTA involved academics who contributed richly. They were also solicited, alongside other stakeholders, to contribute to the vulnerability impact assessment mentioned earlier, as well as the SIA. He also shared that the creation of a multi-sectoral group, which would consist of multiple ministries, the private sector, civil society, academics and national experts, was in the making. Another **participant from the private sector** also emphasised the need to enhance engagement with private stakeholders, associations, and brokers in particular who master trade procedures and dynamics.

A commentator from **Cinvestec** raised concerns about ongoing problems in the field of product certification, such as delays in testing, which effectively prevents exports. He asked to what extent the system would be effectively operational by the time of Angola's accession to the EPA. A representative from the **Ministry of Industry and Trade** responded that there actually is a functional national laboratory for analysis and quality control, but added that while progress is being made with regard to the quality and speed of service delivery, there is still room for improvement.

A **number of participants** highlighted the need for institutional capacity building in relation to the implementation of trade agreements and trade facilitation in general. Amaya Olivares of the **EU Delegation** stated that Angola must enhance its capacity at cross cutting levels. She underlined the 3-year progressive period that will ensure Angola's graduation to a middle-income status in 2024, and said that the before- and after-graduation phases will provide extensive time for Angola to implement necessary reforms in parallel with and in support of the EPA implementation. She repeated that the EU is ready to provide assistance.

UNCTAD's National Coordinator for the Train4Trade project added information about the project. He explained that the capacity building training comprises multiple components including policy investment, trade diplomacy, logistics and transport, amongst others. He also informed that an online training has also been set up on trade facilitation. Finally, he noted that UNCTAD always solicits academics to contribute to its study analyses, which is highly helpful.

2. Impact on Environmental Sustainability & Natural Resources

Preliminary findings of the SIA

The second session started with a presentation by the SIA study team leader.⁶ He cautioned that the analysis of the environmental sustainability of Angola's accession to the EPA and the SIFA should not be mistaken as an environmental audit in Angola, rather a focused analysis of potential positive and negative effects which the implementation of the two agreements could have in the country. The analysis covers eight different impact areas: Greenhouse gas emissions and climate change; air quality; use of energy; water quality and resources; land use and soil quality; waste and waste management; biodiversity; and ecosystem services and protected areas.

Some of the preliminary findings are:

- For 3 out of the 8 impact areas, Angola's current vulnerability is high: water quality & resources, climate change and threats to biodiversity. This means that even small potential negative impacts of the EPA in these areas should be avoided or mitigated;

⁶ Full presentation available at: <http://angola.fta-evaluation.eu/en/consultations-2/workshops-in-angola>

- Angola has developed a laudable legislative and regulatory environmental framework, but the implementation capacity is limited;
- Angola has ratified 8 out of 19 international (trade-relevant) conventions on environmental issues. As it has failed to comply with the regular reporting requirements, it may face new pressures to do so under the EPA. Although the EPA does not require that Angola ratifies additional international agreements, as a matter of policy coherence, Angola may be encouraged to do so;
- As the overall economic effects are expected to be limited, so are the environmental impacts that are caused by economic changes;
- A small potential increase in outputs/exports of agri-food and fishery is expected – in response it is important to ensure that such increase does not result in further increased deforestation or overexploitation of fishing waters;
- The diversification of Angola's economy supported by the EPA is expected to contribute to lower oil production. This may positively alleviate Angola's carbon footprint linked to oil exploitation;
- The EPA could provide opportunities for greener production, such as in green forestry and sustainable fishing.

Panellist contribution

Clinton Matias of the Council of African Youth Activists (CAYA) noted that in Angola, being a developing country, agriculture remains one of the largest sectors, mostly for domestic consumption, while fishing provides a livelihood for many. From an economic perspective, he believed that a boost in trade activities in Angola under the EPA could give an impetus to artisanal production, agricultural activities, infrastructural improvement, purchasing power, etc. Conversely, the EPA could have detrimental effects on the environment, and worsen entrenched problems such as deforestation, if the corresponding national legislation was not respected.

He noted, however, that Angola's existing environmental legislation is good. Angola might thus be able to deal with the potential environmental threats that could arise from the increased economic activity, including in the forestry, fishery and agricultural sectors, that could be triggered by the EPA. He explained that that the legislation already stresses:

- The restoration of environmental damages and use of non-pollutants;
- A requisite environmental license for large-scale non-social production projects, which is also a term for accessing loans;
- The environmental license is only provided after an environmental assessment has been conducted by an accredited environmental consulting firm by the Ministry of Environment and Agriculture;
- One of the major aspects of the assessment is waste management;
- Numerous environmental policies are in place to oversee agricultural production, forestry, fisheries, and even oil exploitation.

According to Clinton Matias, the EPA would propel Angola to enhance its capacities and human resources, and adopt a more sustainable development model. He concluded by stating that any trade agreement contemplated by the Government should be tailored to Angola's reality.

Plenary discussion

Following the panellist's intervention, **participant questions and comments** were discussed.

One **participant from the private, agricultural sector** commented on the severity of deforestation in Angola, particularly linked to charcoal production, which despite environmental legislation in place is inadequately controlled. She also underscored the adverse effects of global climate change which are already being felt in Angola. Her

question was how the EPA would provide a framework and a form of knowledge transfer to tackle such kind of ecological disasters. **Clinton Matias** replied that Angola already had comprehensive environmental legislation in place, but that indeed implementation capacity was limited, negatively impacting enforcement. He suggested that Angola should first understand its current environmental situation, including weaknesses and risks prior to entering into EPA accession negotiations, in order to develop needs for assistance to be provided under the EPA in relation to environmental risks.

3. Social and human rights impact of Angola's accession to the EPA

Preliminary findings of the SIA

The analysis and preliminary findings regarding the **social impact** of Angola's accession to the EPA were presented by the lead social expert in the SIA study team.⁷ She began by outlining the methodology used for the analysis, which entailed a preliminary study of the current situation in Angola in areas of labour market, e.g. the labour participation rate, rate and unemployment statistics, to name a few. She explained that these data were crucial to analyse the effects of job creations as a result of increased trade and investment in the wake of the trade agreements implementation. The current situation can be summarised as follows:

- Informal jobs account for over 70% of total employment - The effects of the trade agreements could trigger more formal jobs;
- Poverty level is at 40% - The creation of jobs and potential rise in income could alleviate poverty;
- Labour standards – Angola has ratified all 8 fundamental ILO conventions – the EPA does not generate an obligation to ratify additional conventions;
- Child labour - 20% of children between the age of 5 to 17 years work in Angola. Thanks to new developments and benefits from increased trade and investment, child labour rate might potentially decrease;

With regard to the potential effects of the EPA, preliminary findings are:

- As the economic effects of the EPA are expected to be limited, the social effects will also be limited;
- The extent of trade dynamics will depend on Angola's production capacity, which in itself relies on the level of skills and knowledge of workers as they engage in new production dynamics and jobs;
- An increase of EU imports to Angola, but also more domestic production of varied, safer and quality goods might benefit consumers;
- Increased exports from Angola to the EU of agricultural products produced by farmers from rural areas may generate more income and alleviate poverty rate in these areas;
- The EPA stipulates certain obligations such as compliance with already ratified conventions. Angola could thus face pressure to more effectively implement ILO conventions on labour standards, including child labour abolition.

To complement the general social and human rights impacts analysis, a case study on child labour and children's rights in Angola will be prepared as part of the SIA. The presenter encouraged participants to provide additional information and disaggregated data to help consolidate the SIA analyses, as well as the potential outcomes and recommendations.

⁷ Full presentation available at: <http://angola.fta-evaluation.eu/en/consultations-2/workshops-in-angola>

Preliminary SIA findings regarding the EPA's **potential effects on the human rights situation** in Angola were presented by the SIA study team leader.⁸ The main points raised were:

- Whilst ratifying new conventions is not required under the EPA, those that have been must be implemented. In this context, it is noted that Angola has ratified 7 out of 9 fundamental human rights conventions;
- Channelled through the economic impact of the EPA, and overall mixed minor impact on the enjoyment of human rights in Angola is expected;
- Based on a screening of the EPA's effects on particular human rights, the four human rights which might see a possible impact are the right to water and to health (associated with potential effects on pollution and hence addressed as part of the environmental analysis), the right to own property, and the right to food.

Contributions by panellists

Carlos Pacatolo, Managing Partner of Ovulongwa Consulting and representative of AfroBarometer, referring to statistics that depict Angola's current social situation, started his intervention by informing that the country's social indicators were not positive in terms of unemployment rate; informal jobs; and high poverty rate at 54% (88% in rural areas and 35% in urban areas). These problems further intersect and exacerbate other issues of malnutrition, deprivation of rights and citizenship, low education, etc. which are accentuated in rural areas. Based on the 2019 AfroBarometer study, it was found that the level of deprivation was at a staggering average of 35%.

To mitigate any potential negative social impacts from the EPA, as well as to capitalize on the positive ones, he stressed the importance of implementing certain measures. These include the following ones:

- Accelerate the diversification of the economy and boost the competitiveness of key economic sectors with comparative advantages to compete strategically on the EU market;
- Ensure that profits from increased trade and investment dynamics trickle down to reach the poorest;
- Enhance human resource capabilities to engage in new economic developments, e.g. being able to take jobs with an increasing level of mechanisation in agriculture;
- Promote women empowerment at cross-cutting levels;
- Encourage the creation of formal jobs rather than informal ones;
- Consolidate institutional capacity and enforce laws to combat deforestation, overfishing and illegal fishing, and other unsustainable and harmful practices and to enhance respect for labour standards, e.g. elimination of child labour;
- Enhance maritime control capacities.

According to **Filomena Oliveira, Vice President of the Angolan Association of Advertising and Marketing Companies (AAEPM)**, the benefits of Angola joining the EU-SADC EPA must be shared fairly across the parties, as well as within Angola. Noting that more than half of all Angolans living in poverty, an equitable distribution of the EPA's benefits was essential. She also emphasized the need to engage Angolan academics – who have an in-depth knowledge of real challenges faced by Angolans – in the process to ensure that Angolans' interests are expressed.

In terms of the potential risks emanating from the EPA in terms of human rights and social issues in Angola, she noted that child labour is still heavily exploited in the country, including in the production of goods for export; likewise, products benefitting from corrupt and illegal practices are being exported, including to Europe. Therefore, it would have to

⁸ Full presentation available at: <http://angola.fta-evaluation.eu/en/consultations-2/workshops-in-angola>

be ensured that under the EPA any increase of exports of products made under such situations would be avoided. At the same time, the EPA would need to take into account conceptual differences between the parties driven by the local context. For example, the EU might have a broader definition than Angola of what constitutes child labour.

For the accession negotiations, she recommended that:

- The specific context of Angola be considered, i.e. it is a highly dependent developing country from the southern hemisphere with a colonial background;
- Angola must create its own identity, independent of/undefined by Eastern or Western hegemony;
- Support must be sought from the EU in terms of financing, including zero-interest loans;
- Angolan exports should be protected from sudden loss of contracts to other more competitive markets (such as an incident whereby the EU shifted citrus fruit export from South Africa to MERCOSUR, which entailed repercussions for the SA producers).

On a concluding note, Filomena Oliveira stated that if the two agreements are based on equal gains, they could be a revolutionary leap for Angola at cross-cutting levels, with clear social benefits.

Plenary discussion

A participant commented on the range of challenges faced by farmers such as restricted access to credit and high cost of production, e.g. due to expensive fertilizers and other agricultural inputs, which then make end products like canned tomatoes very costly. He asked **to what extent would Angola's agricultural exports realistically compete on the EU market**. Filomena Oliveira pointed out that a key problem is the lack of collaboration at the ministerial level: ministries and agencies work in silos, often on overlapping issues, rather than coordinating capabilities and actions. Her conclusions and recommendations were:

- There is a clear need to enhance agricultural production capacities and human resources;
- Farmers should integrate multipurpose cooperatives at cross-cutting levels of production to ensure that resources benefit communities at large;
- The accountability of the legal system needs to be enhanced to protect the rights and interests of local farmers;
- Contracts with farmers should be concluded in advance for specific crops, prior to production;
- Incomes need to be raised for agricultural workers who work in extreme conditions with poor equipment;
- Cooperative and development banks, even foreign ones, should be encouraged to establish branches in Angola to resolve the financial barriers faced by farmers, businesses and workers in the agricultural sector; and
- The roadmap for agricultural development must be implemented

These measures would need to be taken independently of the EPA accession, if the latter was to be beneficial for Angola's agricultural sector.

A representative of the **Ministry of Industry and Trade** asked how EPA accession could encourage national authorities to address human rights issues in Angola. The SIA team's social expert stated that the EU would not introduce any new standards based on its own understanding of labour rights for e.g. child labour, or compel the ratification of other conventions. Rather, labour standards and the definition of child labour would be considered in light of the existing ILO/UN conventions which Angola has already ratified.

What the EU is interested in is Angola's level of adherence to and implementation of measures stipulated in conventions it has already ratified. She reminded that Angola had ratified two ILO fundamental conventions related to child labour (No. 138 and 182), which encapsulates its commitment to progressively eliminate child labour.

The study team leader welcomed the critical views and stated that, with regard to human rights issues, including child labour, EU consumers have certain expectations on the ethics of products they consume. In addition, both the EU and more and more EU countries are considering or introducing supply chain laws to ensure that companies in the EU or those outsourcing production facilities/ supply from abroad, comply with certain labour and environmental standards throughout the whole supply chain. With these expectations and developments taking place independently of the EPA, Angolan exporters will need to ensure compliance with these standards with or without the EPA. However, the EPA is providing Angola with a chance to engage in dialogues on manifold issues, rather than being on the recipient end.

4. Closing Session

The study team leader indicated that the SIA study was as at the stage of leading consultations with targeted associations and stakeholders. He reiterated the invitation to participants to convey their views via email or through the website <http://angola.fta-evaluation.eu>, as well as to complete the online survey by 15 August 2021.⁹ He informed that the workshop report would be published in September 2021.

To conclude, he thanked all panellists and participants for their vital contributions, the organising team who made the hybrid workshop possible, as well as the interpreters and the moderator.

⁹ <https://ec.europa.eu/eusurvey/runner/AngolaSIA?surveylanguage=PT>.

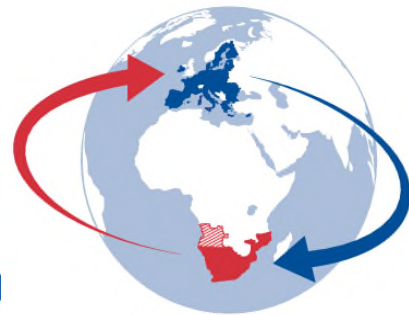
Annex A: Workshop agenda



Sustainability impact assessment in support of EU negotiations
with Angola for EU-SADC EPA accession

Workshop for stakeholders in Angola

Palmeiras Suite Hotel, Luanda, and Zoom, 21 & 22 July 2021



Agenda

21 July 2021

Time	Activity
9:00 – 9:30	<i>Registration and Welcome</i>
9:30 – 9:50	Opening statements <u>Opening statements</u> <ul style="list-style-type: none"> • Jeannette Seppen, Ambassador, Delegation of the European Union to Angola • Milton Perménio dos Santos Reis, Secretary of State for Planning, Ministry of Economy and Planning – MEP <p>Moderation (all sessions): Manuel Alberto, study team</p>
9:50 – 10:20	Introduction <u>Context: The EU-SADC EPA, and negotiations about Angola's accession</u> <ul style="list-style-type: none"> • Study team leader <u>Introduction to the SIA and the workshop</u> <ul style="list-style-type: none"> • Study team leader • Q&A
10:20 – 11:30	Angola's potential accession to the EU-SADC EPA: societal views <ul style="list-style-type: none"> • Presentations by panellists: <ul style="list-style-type: none"> ◦ Vicente Francisco Soares, Presidente do Conselho de Direcção, Câmara de Comércio e Indústria de Angola – CCIA ◦ Bernardo Miranda, Secretário Geral, Sindicato dos Trabalhadores dos Transportes Marítimos, Portuários, Ferroviários e Afins de Luanda, e União Nacional de Trabalhadores de Angola – UNTA-CS ◦ Francisca Fortes, Federação das Mulheres Empreendedoras de Angola – FMEA ◦ Francisco Esteves, Instituto Superior Politécnico de Tecnologias e Ciências – ISPTEC • Q&A and plenary discussion
11:30 – 11:40	<i>Coffee Break</i>

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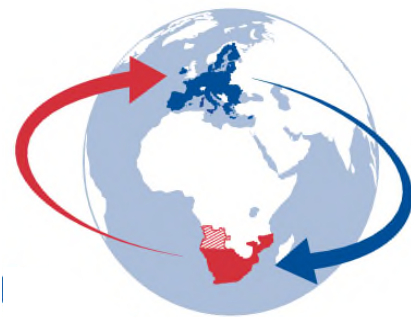
BKP ECONOMIC ADVISORS GMBH
JUTASTRASSE 14. 80636 MUNICH. ALEMANIA
E-MAIL: FTA-EVALUATION@BKP-ADVISORS.COM
WWW.BKP-ADVISORS.COM



**Sustainability impact assessment in support of EU negotiations
with Angola for EU-SADC EPA accession**

Workshop for stakeholders in Angola

Palmeiras Suite Hotel, Luanda, and Zoom, 21 & 22 July 2021



11:40 – 12:55 Economic impacts of Angola's accession to the EPA – initial findings

- Presentation by study team
- Comments
 - José Severino, Presidente, Associação Industrial de Angola – AIA
 - Danilo Ventura, Secretario Geral, Comunidade de Empresas Exportadores e Internacionalizadas de Angola – CEEIA
 - Heitor Carvalho, Centro de Investigação Económica da Universidade Lusíada de Angola – Cinvestec
- Q&A and plenary discussion

12:55 – 13:00 Wrap-up of day 1 & outlook to day 2

- Study team

22 July 2021

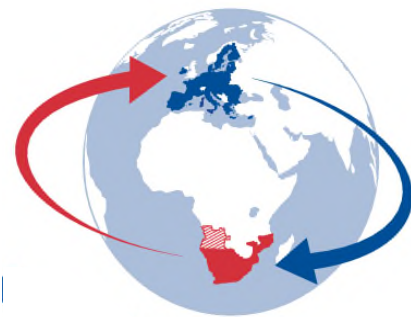
Time	Activity
9:00 – 9:30	<i>Registration and Welcome</i>
9:30 – 9:35	Overview of workshop day 2 <ul style="list-style-type: none"> • Study team leader Moderation (all sessions): Manuel Alberto, study team
9:35 – 10:20	Implementation capacity and assistance needs <ul style="list-style-type: none"> • Presentation by study team • Comments <ul style="list-style-type: none"> ◦ António Pombal, Director, Direcção Nacional para Integração, Cooperação e Negocios Internacionais Ministério da Economia e Planeamento – MEP ◦ Isabel Emerson, Delegação da União Europeia em Angola ◦ Câmara dos Despachantes Oficiais de Angola – CDOA [tbc] • Q&A and plenary discussion
10:20 – 11:10	Impact on Environmental Sustainability & Natural Resources <ul style="list-style-type: none"> • Presentation by study team • Comments <ul style="list-style-type: none"> ◦ Clinton Matias, Council of African Youth Activists – CAYA • Q&A and plenary discussion
11:10 – 11:25	<i>Coffee Break</i>



**Sustainability impact assessment in support of EU negotiations
with Angola for EU-SADC EPA accession**

Workshop for stakeholders in Angola

Palmeiras Suite Hotel, Luanda, and Zoom, 21 & 22 July 2021



11:25 – 12:55 Social and human rights impacts of Angola's accession to the EPA

- Presentations by study team
- Comments:
 - Instituto Nacional de Defesa do Consumidor – INADEC [tbc]
 - Carlos Pacatolo, Afrobarometer, e Gerente, Ovilongwa Consulting
 - Filomena Oliveira, Vice Presidente, Associação Angolana das Empresas de Publicidade e Marketing - AAEPM
- Q&A and plenary discussion

12:55 – 13:00 Closing Remarks and Way Forward

- Study team

Annex B: Organisations present at the workshop

- Afrobarometer/Ovilongwa Consulting
- Associação Angolana das Empresas de Publicidade e Marketing (AAEPM)/Angolan Association of Public Relations and Marketing Enterprises
- Associação de Empresas de Comercio e Distribuição Moderna de Angola (ECODIMA)/Association of Modern Trading and Distribution Companies of Angola
- Associação do Café e Palmar de Angola (CAFANG)/Coffee and Palm Association of Angola
- Associação Industrial de Angola (AIA)/Angolan Industrial Association
- Associação Justiça, Paz e Democracia (AJPD)
- Außenhandelskammer Angola/German-Angolan Chamber of Commerce
- Banco de Desenvolvimento de Angola (BDA)/Angolan Development Bank
- Banco Nacional de Angola/Central bank of Angola
- Câmara de Comércio e Indústria de Angola (CCIA)/Chamber of Commerce and Industry of Angola
- Câmara dos Despachantes de Angola (CDOA)/Association of Brokers of Angola
- Catola P.- Agro-Pecuaria e Comércio (Su), LDA
- Centro de investigação economica da Universidade Lusitana de Angola (Cinvestec)
- CESO Consultancy - Angola
- Cimenfort Ind, Lda
- Clube de Empresários França-Angola (CEFA)
- Comité Nacional da SADC
- Comunidade de Empresas Exportadores e Internacionalizadas de Angola (CEEIA)/Association of Exporting Companies of Angola
- Confederação das Associações de Camponeses e Cooperativas Agro-Pecuárias (UNACA)
- Council of African Youth Activists (CAYA)
- Embassy of Belgium in Angola
- Embassy of France in Angola
- Embassy of Germany in Angola
- Embassy of Italy in Angola
- Embassy of Poland in Angola
- Embassy of Romania in Angola
- Embassy of Spain in Angola
- Embassy of Sweden in Angola
- Embassy of The Netherlands in Angola
- EU Delegation to Angola
- Facilidade de Diálogo UE-Angola/EU-Angola Dialogue Facility
- Federação das Mulheres Empreendedoras de Angola (FMEA)/Federation of Women Entrepreneurs of Angola
- Instituto Superior Politecnico da Huila (ISPH)/Universidade Mandume Ya Ndemufayo (UMN)
- Instituto Superior Politécnico de Tecnologias e Ciências (ISPTEC)
- International Economics Consulting (IEC)
- Kinamakiesse
- Ministério da Economia e Planeamento/Ministry of Economy and Planning
- Ministério da Indústria e Comércio/Ministry of Industry and Commerce
- Ministério das Relações Exteriores/Ministry of Foreign Affairs
- SADC Secretariat
- Secretariado Nacional da SADC
- Sindicato dos Trabalhadores dos Transportes Marítimos, Portuários, Ferroviários e Afins de Luanda
- United Nations Conference on Trade and Development (UNCTAD)
- United Nations Development Programme (UNDP)
- Universidade Kimpa Vita
- Universidade Metodista de Angola (UMA)

- Universidade Catolica de Angola (UCAN)
- Waridu
- World Bank

Annex B: Case studies

Annex B.1: Case study – Impact of Angola’s Accession to the EPA on the Fishery Sector

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Abbreviations

AFAP	Projecto de Apoio a Pesca Artesanal e Aquicultura
AfDB	African Development Bank
AGT	Administração Geral Tributária
APASIL	Associação de Pesca Artesanal, Semi-industrial e Industrial de Luanda
BNA	Banco Nacional de Angola
EBA	Everything But Arms
EEZ	Exclusive Economic Zone
EPA	Economic Partnership Agreement
EU	European Union
FTA	Free Trade Agreement
GDP	Gross Domestic Product
GSP	Generalised Scheme of Preferences
ICCAT	International Commission for the Conservation of Atlantic Tunas
IFAD	International Fund for Agriculture Development
INIPM	Instituto Nacional de Investigação Pesqueira e Marinha
MFN	Most-Favoured Nation
MINAGRIP	Ministério da Agricultura e Pescas
PE	Partial Equilibrium
PND	Plano Nacional de Desenvolvimento
PRODESI	Programa de Apoio à Produção, à Diversificação das Exportações e Substituição de Importações
SADC	Southern African Development Community
SFPA	Sustainable Fisheries Partnership Agreement
SIFA	Sustainable Investment Facilitation Agreement
TAC	Total Admissible Catch
USD	United States Dollar

1 INTRODUCTION

The impact of Angola's accession to the EU-SADC Economic Partnership Agreement (EPA) – as well as the Sustainable Investment Facilitation Agreement (SIFA) being negotiated between Angola and the EU – on the country's fishery sector has been selected as a case study because the fishery exports in recent years (2017-2019) constituted the largest product group among Angola's non-oil, non-diamond exports to the EU (except machinery exports, which are primarily re-exports), with an average value of USD 26.3 million (or 15.1% of Angola's USD 174.0 million average non-oil, non-diamond exports to the EU). Also, exposure of the sector to the EU market is high: about 50% of total fishery exports are destined to the EU, compared to an average of 16.4% for Angola's total non-oil, non-diamond exports.

In addition to this economic importance, the sector is also considered as a priority in Angola's policy documents, such as PRODESI,¹ and it presents a number of sustainable development issues, including problems of overfishing, potential social impacts stemming from the current sector structure where 85% of production is for domestic consumption, and the number of jobs it provides, especially in the artisanal fishing sub-sector, is high (UNCTAD 2018).

In addition to this obvious importance of the sector, accession to the EPA has the potential to have an important (positive) impact on the sector's exports because it will avoid the loss of duty-free market access currently enjoyed, which would be a consequence of the country's graduation from the Everything But Arms (EBA) arrangement into the general arrangement of the Generalised Scheme of Preferences (GSP).² In addition, SPS and logistics issues (due to the perishability of the most fishery products) play an important role in ensuring that exports to the EU can take place.

The analysis presented in the case study is based on various sources of information. First, existing studies³ and data have been consulted. The economic impact analysis first uses the partial equilibrium modelling undertaken by the European Commission, complemented with further analysis based on provisions in the EPA regarding non-tariff measures relevant for trade in fishery products. These sources have been complemented with inputs from stakeholders, i.e. the Ministry of Agriculture and Fisheries, fishing companies, fish importers in the EU (mostly Spain, the main destination of Angola's fish exports), artisanal fishermen and their organisations, and fishery experts.

Section 2 presents a brief description of the fishery sector in Angola, including current trade with the EU. Section 3 then provides the actual impact analysis, distinguishing between the estimated economic effects arising from EPA accession and the SIFA, and the environmental and social effects that might follow from the economic effects. Section 0 concludes and provides recommendations.

¹ See <https://www.prodesi.ao/fileiras/pescas>

² Product in HS chapter 03 (fish and crustaceans, molluscs etc.) are listed as sensitive products and thus the GSP general arrangement only offers partial tariff liberalisation. In contrast, under the GSP+, most fish exports can enter the EU duty-free. Under the European Commission's proposal of July 2021 for a new GSP regulation that would come into force in 2023, the GSP general arrangement would no longer provide any preferences for fishery products. The GSP+ arrangement would continue to provide zero-duty access for fishery products, but the conditions for GSP+ participation would be stricter than under the current regime. See the Commission's proposal at <https://trade.ec.europa.eu/doclib/press/index.cfm?id=2303>.

³ This includes a comprehensive sector study prepared under the ACOM project (Negroni and Serangeli 2017), sector plans developed previously, such as the *programas dirigidos* for exports of farmed tilapia and crustaceans (Ministério das Pescas 2016a; 2016b), and a recent study prepared in the context of PRODESI (PRODESI 2020).

2 CURRENT SITUATION OF THE FISHERY SECTOR IN ANGOLA

2.1 Performance

2.1.1 Production and employment

The importance of the fishery sector’s contribution to the Angolan economy has slightly decreased in recent years, from 2.3% in 2014 to 2.1% in 2019 and 2020 (INE 2021).⁴ In terms of the overall output in volume, the available data shows that in 2017 the total production was 532,014 tons (45.2% for industrial fishing, 11% semi-industrial fishing, 39.1% artisanal maritime fishing, 4.4% artisanal continental fishing and 0.3% aquaculture)⁵ and in 2018, 451,210 tons (47.1% for industrial fishing, 8.4% semi-industrial fishing, 38% artisanal maritime fishing, 6.1% artisanal continental fishing and 0.4% aquaculture) (Table 1).

The sector faces a serious problem of overfishing. For example, in 2017 excess fishing amounted to 213,014 tons, 66.7% above the allowed quota of 319,232 tons; in 2018, this somewhat reduced to 132,210 tons of overfishing, still 41.3% over the quota. In addition, illegal, unreported and unregulated (IUU) fishing is estimated to be 10% to 15% of the official declared output. Fish stock assessments “show that species important for food security and exports are fully exploited or overexploited (horse mackerel and sardinella) or showing reductions in overall biomass (demersal species)” (World Bank 2019, 35). In addition, regional stock assessments by the International Commission for the Conservation of Atlantic Tunas (ICCAT) indicate that certain tuna species (bigeye tuna and yellowfin tuna) are overfished.

Overall domestic production is not sufficient to meet demand, and accordingly fish imports—especially of horse mackerel, salted cod, frozen tilapia, and dried and canned fish are sizable (World Bank 2019, 33).

Table 1: Fish catch in Angola by activity, 2017-18 (tonnes)

Type of Fishing	2017		2018	
	Tonnes	Percent of total	Tonnes	Percent of total
Industrial maritime fishing	240,629	45.2	212,833	47.2
Semi-industrial maritime fishing	58,674	11.0	37,740	8.4
Artisanal maritime fishing	207,771	39.1	171,506	38.0
Artisanal continental (freshwater) fishing	23,601	4.4	27,378	6.1
Aquaculture	1,339	0.3	1,753	0.4
Total	532,014	100	451,210	100
Tons Allowed	319,232		319,230	
Overfishing (tons)	212,782		131,980	
% Overfishing	66.7%		41.3%	

Source: PRODESI (2020, 24).

The five consecutive years of recession in Angola have also affected the fishery sector. According to the national accounts published by the National Institute of Statistics, in 2019 the sector faced a real negative growth of 14.8%, and the 2020 recession influenced by the covid-19 pandemic caused a further contraction of 5.2%. Nevertheless, growth was a positive 38.3% in the last quarter of 2020, showing a signal of recovery.

⁴ The World Bank estimated a share of 3.5% and considers that “National accounts downplay the larger role of the fisheries sector in the economy” (2019, 33).

⁵ The Angolan fisheries law distinguishes between industrial fishing (vessels above 20m in length; semi-industrial fishing (vessels above 14m and up to 20m in length); and artisanal fishing (vessels less than 14m in length).

The current situation and prospects for the three main subsectors – maritime fishing, freshwater fishing, and aquaculture – vary quite substantially.

The number of companies that operate in the industrial and semi-industrial **maritime fishing** sub-sectors is about 270, and in artisanal fishing 7,860. The combined estimated employment in the maritime fishing sector is about 250,000 jobs.⁶ In the shrimps and prawns sub-sector, based on the annual maximum catch permits in the last few years (25 vessels, each with up to 60 persons of crew), a total employment of up to 1,500 persons is estimated.

Angola has a relatively long maritime coast (1,600 km) and a large exclusive economic zone (EEZ) of almost 0.5 million km², as well as benefits from areas of high biological productivity, resulting in important fisheries resources, both pelagic and demersal, sitting between two large marine ecosystems and benefits from ocean upwellings, “owing to the Benguela current system in the south—one of the most productive ecosystems in the world—and the Guinea current system in the north” (World Bank 2019, 34).

Due to overfishing, growth potential in this fishery sub-sector is limited, and there is a risk of reduction of diversity. Similar as for other countries in the region, IUU fishing is also reported to be significant, including by large foreign-owned vessels fishing in Angola’s exclusive zone.⁷ Most cases of IUU fishing by foreign vessels are not detected by the authorities because of the extended coastline and lack of both technical and human resources (see Pramod 2020).

Continental (freshwater) fishing is mostly done by small-scale, traditional fishing operations. Local fishermen lack appropriate inputs, boats and other equipment; and a value chain that would enable them to increase production, conserve and process the catch, and bring it to market, does not currently exist. Accordingly, almost all of the current production is for local consumption, although there are some unrecorded exports to neighbouring countries such as the DR Congo. Most of the fishermen do this type of fishing in part-time in combination with other activities such as agriculture and hunting.

According to the PRODESI sector study (PRODESI 2020), the potential for growth and expansion is large, taking into account the abundant hydric resources in the country: Five important international rivers pass through the Angolan territory, covering 13 out of 18 provinces (Zaire/Congo River, Cunene River, Cuvelai River, Okavango River and Zambeze River). Even in the remaining five provinces there are small rivers that are suitable for fishing. Nevertheless, substantial investment and technical support are needed in order for the fishermen to increase the level of production and gradually modernise their traditional way of fishing. If they have access to appropriate training, a steady supply of fishing equipment and other inputs, development of logistic that will allow proper conservation of the fish and control of its quality, continental fishing could grow and develop steadily throughout the country. At the same time, this would, at least in the medium term, be primarily geared at meeting domestic demand rather than export.

Aquaculture (both maritime and freshwater) is in an early stage of development: it currently accounts for less than 1% of the total catch (Table 1 above). Regarding employment, in 2019, 66 aquaculture enterprises provided around 800 jobs (on average, it is estimated that each enterprise had 12 employees). At the same time, the Government considers it as an activity that merits support because it constitutes one of solutions to

⁶ PRODESI (2020, 14). Other estimates mention about 100,000 artisanal fishermen in the fishery sector (UNCTAD 2018), respectively “150,000 people [...] in fishing, gathering, processing, and selling” (World Bank 2019). According to FAO, in 2016, the sector employed 125,442 persons, out of whom 8% (i.e., 20,000) were women; see FAO (2018): Fishery and Aquaculture Country Profiles - The Republic of Angola, <http://www.fao.org/fishery/facp/ago/en>

⁷ See e.g. Kaysser and Adal (2020); “Transshipment Portal Shows Carrier Vessels Loitering in Waters off West Africa”, Jerome Michelet/Global Fishing Watch, 09 November 2020, <https://globalfishingwatch.org/news-views/transshipment-off-west-africa/> [accessed 23 July 2021].

meet the ever increasing demand for fish in the internal market, and the country has environmental attributes and human resources to advance a strong aquaculture industry. Currently there are about 15 small scale enterprises that produce tilapia in eight provinces, including Luanda. The cultivators need technical assistance in order to increase their knowledge and further develop the activity. With regard to maritime aquaculture, Angola has assessed the feasibility of production methods and developed investment plans (that are pending private financing), as well as constructed (with support from Korea) in 2016–2017 a training facility in Ramiros; the World Bank considers that the potential for maritime aquaculture, including for shrimps, is strong, if constraints in terms of lack of (private) investment and access to finance can be overcome (World Bank 2019). Some shrimp breeding, both for the Angolan market and exports, apparently also takes place in aquaculture farms.⁸

The predominant means of fish conservation in Angola currently is salting. This requires large amounts of **salt** as an important input. At present, the local production of salt is not able to meet demand, so the country imports salt not only for human consumption but also for industrial purposes. There are about 20 enterprises that produce salt, and Benguela province is responsible for almost 70% of the total production. One of the biggest producers is Salina Calombolo. The company is responsible for almost 80% (on average 50,000 tons per year) of iodized salt in Angola and employs about 1,000 employees.⁹

2.1.2 Trade

Data on Angola’s fish exports vary substantially depending on the source. Data from the central bank (Banco Nacional de Angola, BNA) show a clearly positive growth trend in the value of exports over the period 2012 to 2020, increasing more than threefold over the period, from USD 25.6 million to USD 87.8 million. Conversely, data reported by the customs authority (Administração Geral Tributária, AGT) report a strong increase until 2018, reaching a peak of USD 90 million, followed by a sharp drop in 2019 and 2020, to USD 50 million (Figure 1).

Figure 1: Angolan fishery exports (HS chapter 03) by destination region, 2016–20 (USD '000 and % of total)

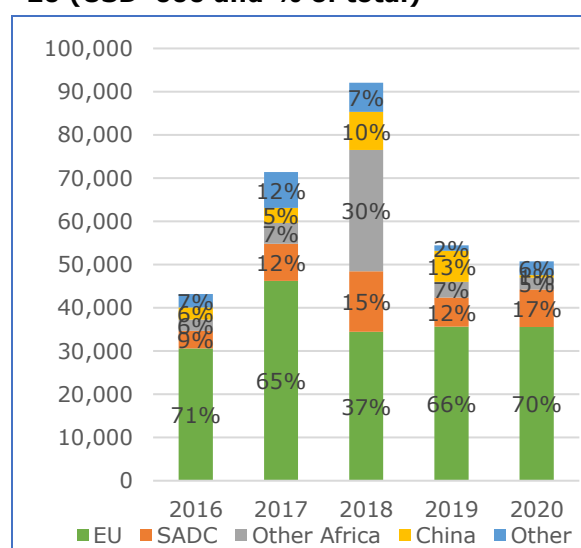
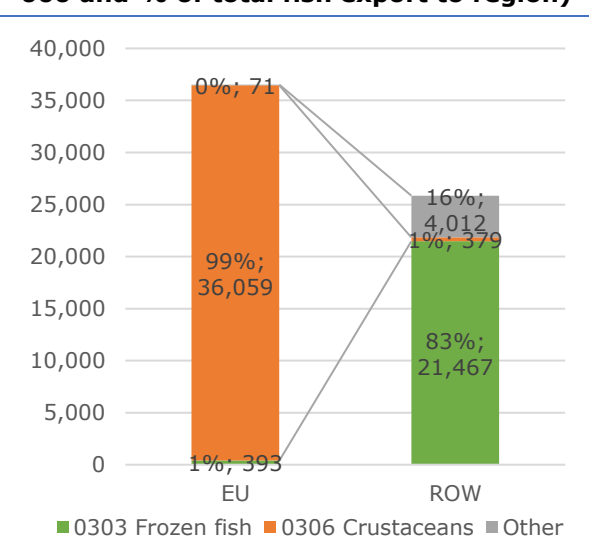


Figure 2: Composition of Angolan fishery exports by destination, av. 2016–20 (USD '000 and % of total fish export to region)



Source: Own calculations based on AGT data.¹⁰

⁸ „A criação e fornecimento sustentável de peixe tilapia e camarão para mercados locais de Angola e mercados e internacionais”, Ventura Industrial Group, <https://pt.venturaindustrialgroup.com/aquaculture-fish-farm>
⁹ <https://grupoaderitoareias.com/salinas-calombolo/> [accessed on 15 July 2021].

¹⁰ Note, as mentioned, that export statistics published by the BNA deviate substantially from AGT data for some years. Most notably, the BNA reports fish export values of USD 49.6 million in 2017 (much lower than AGT’s

The main export destination of Angolan fishery exports is the EU (mainly Spain, followed by Portugal); it accounted for more than 60% of total fishery exports over the period 2016 to 2020. SADC is the only other region with stable exports (about 12% of the total), while exports to other markets, including China, have been very volatile (Figure 1).

Angola's two main fish export products are crustaceans (accounting on average for about USD 36 million over the period 2016 to 2020, 58% of total fish exports) and frozen fish (USD 22 million; 35%). It is important to note that the composition of Angola's fish exports to the EU is totally different from its exports to other markets (Figure 2): virtually all fish exports to the EU are crustaceans (mostly shrimps and prawns); and at the same time these products are hardly exported to other markets at all. Conversely, frozen fish and other fish products are important exports to other markets, but not at all to the EU.

Trade in fishery products with the EU¹¹

The further analysis of Angola's trade in fishery products with the EU is based on EUROSTAT data – this again differs from Angolan sources, although in terms of the trends (if not in values) AGT and EUROSTAT data are roughly comparable.¹²

The value of Angola's fishery exports to the EU increased until 2017, reaching €24.2 million, but since fell to about €20 million in 2019 and 2020. At the same time, EU fishery exports constantly declined since 2014, from €32.3 million to €5.7 million in 2020 (Figure 3).

Figure 3: EU fishery trade (HS chapter 03) with Angola, 2014-20 (EUR '000)

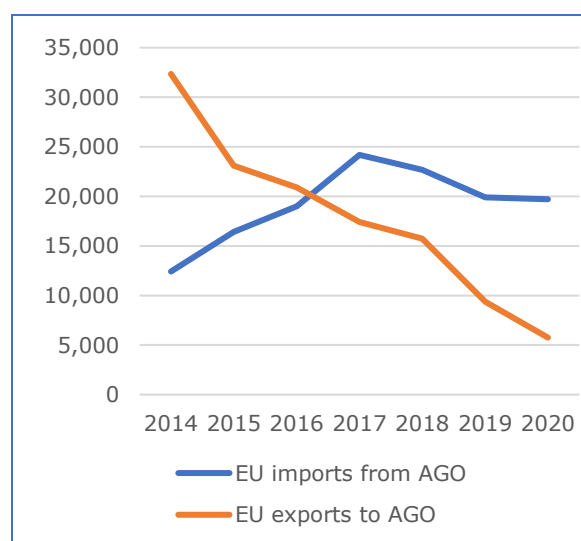
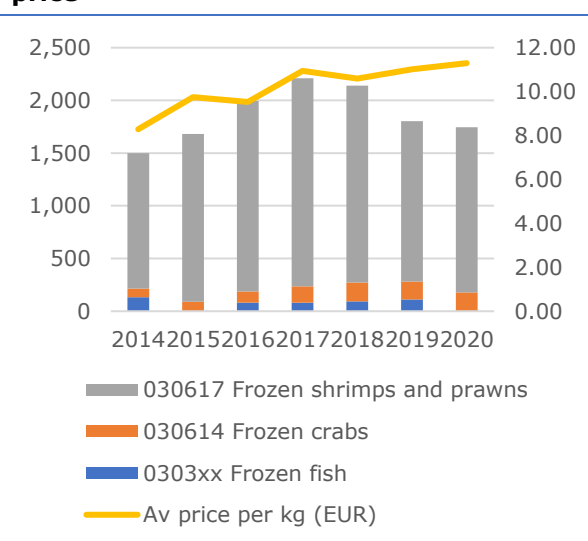


Figure 4: EU fishery imports from Angola by product, 2014-20 (tonnes), and av. price



Source: Own calculations based on Eurostat COMEXT data.

In terms of Angola's fishery export volumes, these evolved roughly in line with values – although performing slightly better as a result of increasing average prices: across all fishery exports, the average price per kg increased almost steadily from €8.29 in 2014 to €11.29 in 2020 (Figure 4). Exports of frozen shrimps and prawns reached almost 2,000 tonnes in 2017, but dropped to less than 1,600 tonnes in 2019 and 2020, while exports of

USD 71.4 million), USD 85.3 million for 2018 (lower than AGT's USD 92.1 million), and USD 87.8 million for 2020 (much higher than AGT's USD 50.8 million).

¹¹ In line with the forward-looking perspective of this analysis, "EU" data reported here refer to the EU27, i.e. do not include the United Kingdom.

¹² Both sources state that Angola's fishery exports to the EU reached a peak in 2017 and declined thereafter, but stabilised in 2019-2020. Values reported by AGT are higher, however: USD 46.2 million in 2017 (compared to €24.2 million reported by EUROSTAT), and USD 35.6 million in 2020 (compared to €19.7 million reported by EUROSTAT).

frozen crabs increased from 81 tonnes in 2014 to about 180 tonnes in 2018 to 2020.

These volumes account for only a fraction of the EU's total imports of shrimps, prawns and crabs (from outside the EU), as Table 2 shows. For shrimps and prawns, this was between 0.4% and 0.5% any year in the period 2014 to 2020; for crabs, it increased from 0.8% in 2014 to 1.8% in 2020 (although this high percentage in 2020 is mostly an effect of the contraction in total imports in response to covid-19, which has however not affected EU crab import from Angola).

Table 2: EU imports of frozen crustaceans and Angola's share in extra-EU imports, 2014-2020 (volumes in tonnes, and %)

	2014	2015	2016	2017	2018	2019	2020
030614 Frozen crabs							
Angola	81	90	105	156	180	172	179
Extra-EU27	9,734	9,780	10,819	12,274	11,315	13,526	10,159
Share Angola	0.8%	0.9%	1.0%	1.3%	1.6%	1.3%	1.8%
030617 Frozen shrimps and prawns							
Angola	1,284	1,592	1,808	1,974	1,870	1,521	1,567
Extra-EU27	382,237	378,482	384,069	400,201	408,531	396,689	396,246
Share Angola	0.3%	0.4%	0.5%	0.5%	0.5%	0.4%	0.4%

Source: Own calculations based on Eurostat COMEXT data.

These low market shares in the EU mean that there would be potential for expansion. However, any increase in catch and exports would need to respect the maximum catch limits which are set yearly by the Angolan Government in order to ensure the sustainability of the sector (also see next section). As Table 3 shows, while there is scope to increase crab exports (with a fill rate of about 15% of the catch limits, the scope for increase is still large) this is hardly the case for shrimps and prawns, where exports to the EU already account for about 80% of the maximum catch limit. Any sizable increase in exports would therefore have to come from aquaculture operations.

Table 3: EU imports of frozen crabs, shrimps and prawns from Angola vs Angolan catch limits, 2014-2020 (volumes in tonnes)

	HS	2014	2015	2018	2019	2020
Exports to EU		1365	1682	2049	1694	1746
Frozen crabs, even smoked, whether in shell or not, incl. crabs in shell, cooked by steaming or by boiling in water (excl. "Paralithodes camchaticus", "Chionoecetes spp.", "Callinectes sapidus" and "Cancer pagurus")	03061490	81	90	180	172	179
Frozen deepwater rose shrimps "Parapenaeus longirostris", even smoked, whether in shell or not, incl. shrimps in shell, cooked by steaming or by boiling in water	03061791	489	972	520	347	272
Frozen shrimps and prawns, even smoked, whether in shell or not, incl. shrimps and prawns in shell, cooked by steaming or by boiling in water (excl. "Pandalidae", "Crangon", deepwater rose shrimps "Parapenaeus longirostris" and "Penaeus")	03061799	795	619	1349	1174	1295
Maximum catch limits (TAC)		3152	3990	3190	3190	3190
Prawn (camarao P. longirostris)	03061791	1200	1200	1200	1200	1200
Striped red shrimp (aristeus vairdens)	03061799	700	700	700	700	700
Deep sea crabs (caranguejo de profundidade)	03061490	1200	2000	1200	1200	1200
Coastal prawns (gamba costeira)	03061799	52	90	90	90	90
Utilisation rates (export volume/catch limit)						
Crabs	03061490	6.8%	4.5%	15.0%	14.4%	14.9%
Shrimps and prawns	030617	65.8%	80.0%	94.0%	76.5%	78.7%

Source: Own calculations based on Eurostat COMEXT data and Presidential Decrees on Fisheries Management.¹³

¹³ Decretos Presidenciais 15/14 of 10 January 2014; 28/15 of 13 January 2015; 13/18 of 22 January 2018; 93/19 of 25 March 2019; 130/20 of 11 May 2020. Presidential decrees for 2016 and 2017 could not be obtained.

Another constraint for Angolan fishery exports to the EU at present is the lack of a national certification body. In the consultations, a fishery association mentioned that it is difficult for their members to export to the EU due to the lack of export certificate. In most cases, the fish they catch is informally exported through neighbouring Namibia, which has a certification body, and it is exported to the EU as a Namibian product.

2.2 Sector Policies and Development Projects

2.2.1 Fishery regulation, policies and agreements

The main legal basis for the sector is the 2004 fisheries law (Lei Dos Recursos Biológicos Aquáticos (nova Lei Das Pescas), Lei nº 6-A/04). Under this, the Government commits to a sustainable use of aquatic resources, which maybe most importantly is implemented through annual presidential decrees that set fishery management measures for the year, including determining the maximum catch limits (total admissible catch, TAC) and technical measures such as closure periods and areas, minimum sizes, and characteristics of fishing gear.

In terms of international agreements, Angola ratified the United Nations Convention on the Law of the Sea (UNCLOS) in 1996, but is not a party to the 1995 Agreement for the Implementation of the UNCLOS Provisions relating to the Conservation and Management of Straddling Fish Stocks and Highly Migratory Fish Stocks. In 2016, Angola ratified the ILO Convention No. 188 on work in fishing, which applies to all fishers and all fishing vessels operating in commercial finishing, although there appear to be some implementation issues (see section 3.3 below).

In terms of bilateral relations in the sector, the EU and Angola negotiated a fisheries agreement in 1987 (signed in early 1989), with protocols on fishing rights for EU vessels being agreed every two years.¹⁴ The last such protocol, which “gave EU trawlers access to Angolan shrimp and other demersal resources, and gave access to tuna seiners and surface longliners” and also covered two licences for experimental pelagic fishing,¹⁵ expired in August 2004, following Angola’s decision to strengthen the domestic fishery sector. Accordingly, through Council Regulation 1185/2006 of 24 July 2006 the EU denounced the agreement.¹⁶ Since then, Angola has not had a fisheries agreement with the EU under which EU vessels could operate in the country’s waters (unless under direct authorisations,¹⁷ which according to Article 32 of the Angolan Fisheries Law are granted to foreign vessels only if in a joint venture with Angolans). Specifically, it does not have a Sustainable Fisheries Partnership Agreement (SFPA), as other African countries do, such as Cabo Verde, Guinea-Bissau, Mauritania, Morocco, the Seychelles, or Mauritius.¹⁸

¹⁴ [https://eur-lex.europa.eu/LexUriServ/LexUriServ.do?uri=CELEX:21987A0919\(02\):EN:HTML](https://eur-lex.europa.eu/LexUriServ/LexUriServ.do?uri=CELEX:21987A0919(02):EN:HTML)

¹⁵ “Fisheries control and Angola: two key items on the EU Fisheries Council agenda”, CTA Agritrade, 07 November 2004, <https://agritrade.cta.int/Fisheries/Topics/ACP-EU-relations-FPAs/Fisheries-control-and-Angola-two-key-items-on-the-EU-Fisheries-Council-agenda.html> [accessed on 17 July 2021].

¹⁶ <https://eur-lex.europa.eu/LexUriServ/LexUriServ.do?uri=OJ:L:2006:214:0010:0011:EN:PDF>

¹⁷ Regulation (EU) 2017/2403 on the Sustainable Management of External Fishing Fleets (SMEFF) covers all possible types of fishing external to the EU’s waters, whether it takes place within the framework of an SFPA or a RFMO, under direct authorisation, or in unregulated high seas areas. See Regulation (EU) 2017/2403 of the European Parliament and of the Council of 12 December 2017 on the sustainable management of external fishing fleets, and repealing Council Regulation (EC) No 1006/2008. OJ L 347, 28.12.2017, p. 81–104.

¹⁸ Agreements with a protocol are in place with Cabo Verde, Cote d’Ivoire, Gabon, Gambia, Guinea Bissau, Mauritania, Mauritius, Morocco, Sao Tome e Principe, Senegal, and the Seychelles. Dormant agreements (without protocol) are in place with Equatorial Guinea, Liberia, Madagascar, and Mozambique. See https://ec.europa.eu/oceans-and-fisheries/fisheries/international-agreements/sustainable-fisheries-partnership-agreements-sfpas_en [accessed on 15 July 2021]. Note that Angola has recently expressed interest in a new SFPA with the EU, although at present it is not certain if and when this would be concluded.

2.2.2 Sector Development Measures and Projects

The Government is committed to supporting the sector. This is embedded in Angola’s National Development Plan (Plano Nacional de Desenvolvimento, PND) as well as in the 2018–2022 Fisheries Management Plan (Plano de Ordenamento de Pescas e Aquicultura). The current main development policies and projects for the fishing sector in Angola are set in PRODESI, where the whole value chain and the main types of fishing are covered, i.e. aquaculture, continental and maritime fishing, and also the production of the salt. Support is based on a number of analyses. A recent value chain study (PRODESI 2020) identified the main weakness and challenges of the sector and provides in-depth analysis and overview of the fishing activities in the country. Previously, the EU-funded ACOM programme produced a market access study for Angolan fishing products, which analysed demand and supply, the tariff regime of the sector and the needs for investment for the industry to increase exports (Negroni and Serangeli 2017).

Over the years, a number of specific support projects for the sector were implemented. In 2015, a project to support artisanal and aquaculture fishing (Projecto de Apoio a Pesca Artesanal e Aquicultura, AFAP) was set up by the then Ministry of Fisheries of Angola and the International Fund for Agriculture Development (IFAD). The project aims at improving the household incomes of people whose livelihood depends on fishing, as well as to give guidance on how to use the natural resources responsibly and in a sustainable way. The Project is co-funded by the Angolan Government and IFAD and is being implemented in four provinces (Bengo, Cuanza Norte, Luanda and Malanje); it is expected to benefit directly 15,200 people.¹⁹ The project supports 18 aquaculture projects; and a study on Spatial Planning on the Potential Areas for Aquaculture Development in Malanje, Cuanza Norte and Bengo Provinces Angola was published in 2018 by the AFAP.

Norway, by means of the Institute of Marine Research, has supported the fishery sector in Angola through financial and institutional technical assistance to the Ministry of Fisheries. One example of the assistance is a fishery sector development project implemented in 2005–2007 a NOK 9 million project, which aimed at capacity development.²⁰ In 2018, the Angolan Minister of Fisheries requested Norwegian support to help the country to draw up concrete strategies for the sustainable exploitation of the Angolan sea, working on the drafting of a national strategic plan for the sea, which would guide the exploration and management of marine resources in Angola, with a view to ensuring its sustainability.²¹

The African Development Bank (AfDB) has also supported the sector through the Fisheries Sector Support Project, a USD 35 million initiative implemented from 2014 to 2021.²² The project seeks to encourage the private sector into the fisheries business and to reduce post-harvest losses as well as improve the quality of fish products, thus increasing the contribution of the fishery sector to the GDP. It covers several components, supporting Fishery Monitoring, Control and Management (capacity building, installation of devices) as well as Fishery Infrastructure Development (feeder roads and fishing centers) – it does not have, however, a dedicated focus on export development or industrial fishing.

2.3 Institutional Framework

In 2020, the Angolan Government merged the Ministry of Fisheries and Sea with the Ministry of Agriculture and Forests, forming in this way the **Ministry of Agriculture and Fisheries** (Ministério da Agricultura e Pescas, MINAGRIP) that is now responsible of formulating the policy for the sector of fishery and regulates it. The Secretary of State for

¹⁹ <https://www.afapangola.com/> [accessed on 15 July 2021].

²⁰ <https://www.norad.no/en/toolspublications/publications/2009/review-of-the-norwegian-assistance-to-the-fishery-sector-in-angola/> July 15, 2021)

²¹ “Angola, Norway work on strategic plan for sustainable sea exploration”, Xinhua, 21 March 2018, http://www.xinhuanet.com/english/2018-03/21/c_137053466.htm [accessed on 15 July 2021].

²² <https://www.afdb.org/en/documents/angola-fisheries-sector-support-project-ipr-december-2020>

Fisheries coordinates the sector within the Ministry, assisting the Minister. Inside the Ministry, of the five National Directorates three deal directly with the sector: the National Directorate for Fisheries and Aquaculture, the National Directorate for Infrastructure, and the National Directorate for Maritime Affairs.²³

Another key institution in the sector is the **National Institute for Marine and Fishery Research** (Instituto Nacional de Investigação Pesqueira e Marinha – INIPM) that carries out investigations and exploration of the marine resources in the country. INIPM also conducts the annual stock assessments and provides recommendations that feed into the establishment of catch limits. To support the development of the small-scale fishery industry and aquaculture, the Government established the **Support Fund for the Development of the Fishery Industry and Aquaculture** (Fundo de Apoio ao Desenvolvimento da Indústria Pesqueira e da Aquicultura).

There is also an **Academy of Fisheries and Maritime Sciences** (Academia de Pescas e Ciências do Mar), a higher education institution located in the province of Namibe. The Academy aims at training key human resources for the development of the sector. It has three faculties: the faculty of fishery and navigation, the faculty of fish processing and the faculty of aquatic resources exploration. The Academy was built with the support of Poland and started operating in 2017 with 500 students.²⁴

Within the private sector, several regional associations represent the interests of fishermen and businesses. The **Fisheries Association of Namibe** (Associação de Pescas do Namibe) is one of the most known and active association in the sector. The Association was created in January 1995 and has 52 members (businesses). The province of Namibe has a long history in fishing, especially the municipality of Tombwa. Fishers from the provinces of Benguela, Cabinda, Cuanza Sul, and Luanda are represented by the **Artisanal, Semi-Industrial and Industrial Fishing Association of Luanda** (Associação de Pesca Artesanal, Semi-industrial e Industrial de Luanda, APASIL). In the rest of the country, usually each coastal community has a cooperative or association of local fishermen, but these have little power to influence the sector nationwide.

Trade unions are also active in the sector, such as the **Fisheries and Derivatives Workers Union** (Sindicato dos Trabalhadores das Pescas e Derivados).

2.4 Summary

The key **strength** of the sector is the fact that the institutional framework is clear and well developed, and the country has a long history in fishing.

The high exploitation of several marine species currently being exported (to the EU), the insufficiency of technical and operational capacity to tackle the problem of IUU fishing and prevent foreign vessels from fishing in the EEZ without authorization, the low development status of aquaculture (both for domestic and export markets), weak export logistics, and limited processing and cold storage facilities which lead to high post-harvest losses are some of the sector's main **weaknesses**, in addition to limited investment activity, the lack of national certification body for exports, and the lack of reliable data.

As for the **threat**, overfishing represents a real problem that can affect negatively the sustainability of marine resources with dire consequences not only on the sea ecosystem but also on the livelihood of tens of thousands of fishermen and food security of the coastal populations. The regular supply of electricity of good quality and at affordable prices is an important element for the sector development, particularly for processing and storage

²³ Decreto Presidencial nº 177/20 of 23 June 2020.

²⁴ "Inaugurada Academia de Pescas no Namibe", Afonso Mizalague/Visamar, 15 August 2017, <http://visamarangola.co.ao/noticias/inaugurada-academia-de-pescas-no-namibe/> [accessed on 16 July 2021].

facilities for export products, although this a structural problem that affects all businesses in Angola.

The political impetus for the diversification of the economy is one of the **opportunities** for the development of the sector, since in PRODESI the whole value chain of the fishery and aquaculture has been selected as one of the priority areas both for export promotion (shrimps, crabs, tuna) and import substitution (horse mackerel and other fish products). The legal framework for the sector is solid, and the Government has a genuine interest in its sustainable exploitation. The Academy of Fishery and Maritime Sciences also constitutes an opportunity for further development of the sector since it will train and provide capable human resources that will work in the whole value chain of the fishery.

The next section analyses if, to what extent and how Angola's accession to the EU-SADC EPA as well as the SIFA can build on the sector's strength and help turn opportunities into realities, while ameliorating weaknesses and averting threats.

3 POTENTIAL IMPACT OF ANGOLA'S ACCESSION TO THE EPA ON THE FISHERY SECTOR

3.1 Economic Impact

The EPA would have impacts on the Angolan fishing sector in the short and longer term, which need to be considered separately.

Short-term effects

In the short term, the main effect stems for the tariff changes introduced by the Agreement. For Angolan fish exporters, the EPA helps avoid that EU tariffs on fish imported from Angola increase when Angola exits the EBA. This is shown in Table 4 for those fishery products that have been actually exported in recent years. Both under the current EBA and the EPA, all of these products can enter the EU market duty-free. If Angola did not accede to the EPA, it would trade either under the GSP general arrangement (as has been assumed for the partial equilibrium, PE, analysis), or under the GSP+ arrangement. The latter provides more preferences but is conditional upon Angola's successful application to the arrangement and also upon the effective implementation of a number of international environmental, labour, human rights and governance conventions.

Table 4: Overview of EU tariffs on fishery products imported from Angola

	Av import value 2018-20 (€ '000)	EBA/EPA tariff	GSP+ tariff	GSP tariff	MFN tariff
03061799 Frozen shrimps and prawns, even smoked, whether in shell or not, incl. shrimps and prawns in shell, cooked by steaming or by boiling in water (excl. "Pandalidae", "Crangon", deepwater rose shrimps "Parapenaeus longirostris" and "Penaeus")	17,062	0.0%	3.6%	4.2%	12.0%
03061791 Frozen deepwater rose shrimps "Parapenaeus longirostris", even smoked, whether in shell or not, incl. shrimps in shell, cooked by steaming or by boiling in water	2,120	0.0%	3.6%	4.2%	12.0%
03061490 Frozen crabs, even smoked, whether in shell or not, incl. crabs in shell, cooked by steaming or by boiling in water (excl. "Paralithodes camchaticus", "Chionoecetes spp.", "Callinectes sapidus" and "Cancer pagurus")	1,342	0.0%	0.0%	2.6%	7.5%
03035700 Frozen swordfish "Xiphias gladius"	182	0.0%	0.0%	4.0%	7.5%
03038190 Frozen dogfish and other sharks (excl. picked dogfish "Squalus acanthias", catsharks "Scyliorhinus spp.", porbeagle shark "Lamna nasus" and blue shark "Prionace glauca")	22	0.0%	0.0%	2.8%	8.0%

03034290 Frozen yellowfin tunas "Thunnus albacares" (excl. for industrial manufacture of products of 1604)	23	0.0%	0.0%	18.5%	22.0%
03038140 Frozen blue shark "Prionace glauca"	9	0.0%	0.0%	2.8%	8.0%
03039200 Frozen shark fins	8	0.0%	0.0%	2.8%	8.0%

Source: Own calculations based on EUROSTAT COMEXT database (import values) and EU TARIC database (tariffs).

In any case, from the perspective of Angola's current fishery exports, which are largely concentrated on prawns and shrimps, the difference between the two GSP arrangements is fairly limited. Under both, Angolan prawns and shrimps would face similar import tariffs in the EU (3.6% under the GSP+, and 4.2% under the GSP general arrangement. This still constitutes a sizeable preference when compared to the EU's most favoured nation (MFN) tariffs on those products (12%), but it should be kept in mind that key competitors of Angola for those products mostly trade under FTAs or the GSP. In other words, Angolan shrimp and prawn exporters would lose their cost advantage if the country does not accede to the EPA.

Other Angolan fishery exports to the EU are currently very limited. For them, a negative effect of not acceding the EPA could be avoided if Angola applied for and joined the GSP+ after the expiry of the EBA, as that allow to continue duty-free exports to the EU of those products. Under the GSP general arrangement, the competitive advantage currently enjoyed over main competitors would be lost – which would negatively affect any attempt of diversifying fishery exports away from shrimps and prawns.

The PE modelling analysis confirms these considerations (Table 5). The analysis starts with Angola's actual fishery exports to the EU in 2019 (total of €19.9 million), and then calculates the effect of Angola's move from the current EBA regime to the GSP general arrangement: given the tariff increases that this moves involves, total fishery exports to the EU would decrease to €14.2 million. This is the "baseline" for the further analysis, as it would reflect the default situation that would result if Angola did not accede to the EPA.

Then, acceding to the EPA will mean that the EU reinstates duty-free tariff treatment on Angola's fishery exports, and accordingly the total exports would increase again by €5.7 million (or 39.7%), back to the €19.9 million currently exported.

Table 5: Impact of EPA tariff changes on Angola's fishery exports to the EU

Product HS code and description		Actual 2019 (€ '000)	Baseline: GSP (€ '000)	Change GSP-> EPA (€ '000)	Change GSP->EPA (%)	EPA (€ '000)
030617	Frozen shrimps and prawns	18,035	12,763	5,272	41.3%	18,035
030614	Frozen crabs	1,314	1,077	237	22.0%	1,314
030357	Frozen swordfish	434	327	107	32.7%	434
030342	Frozen yellowfin tuna	62	32	29	91.6%	62
030392	Frozen shark fins	25	20	5	22.2%	25
030381	Frozen dogfish & other sharks	18	15	3	20.9%	18
Total fishery exports		19,887	14,234	5,653	39.7%	19,887

Source: Own calculations based on DG TRADE modelling.

With respect to the impact of the potential impact of the EPA on Angola's imports of fishery products, triggered by the liberalisation of Angola's tariffs on imports from the EU, the PE model compares the current situation (baseline) with different liberalisation scenarios (see the main report): under full liberalisation, all tariffs would be reduced to zero; and under the two sensitivity scenarios, certain sensitive products would be excluded. In the fishery sector, this would apply to sardines/sardinellas and horse mackerels, which are both specifically listed among the PRODESI product, and they are assumed to be excluded from the liberalisation in both sensitivity scenarios 1 and 2 (so for the fishery sector, these two scenarios are identical).

Table 6 summarises the calculated impacts, which are relatively limited in absolute terms. Also, because sardines/sardinellas and horse mackerels are hardly imported from the EU, the differences in impact between the full liberalisation and sensitivity scenarios are minimal. As can be seen, as a result of the EPA accession, Angola’s imports of fish and crustaceans are estimated to almost triple from €9.3 million in the baseline (8.2% of total imports of these products) to €27 million (21.0% of the total imports of these products). Similarly, imports of fish preparations would almost triple from €3.0 million (10% of total imports of these products) to €8.8 million (27.9% of total fish preparation imports). Conversely, imports from the rest of the world would decline, from €104.9 million to €101.4 million for fish and crustaceans, and from €26.4 million to €22.8 million for fish preparations. Total imports of fish and crustaceans would thus increase by 12%, and total imports of fish preparations by 8%.

Table 6: Impact of EPA tariff changes on Angola’s fishery imports

	Baseline			Full liberalisation			Sensitivity 1 & 2		
	EU	ROW	Total	EU	ROW	Total	EU	ROW	Total
Angola's imports (€ million)									
Fish & crustaceans (HS ch. 03)	9.3	104.9	114.3	27.0	101.4	128.4	27.0	101.4	128.4
Fish preparations (ex HS ch. 16)	3.0	26.4	29.4	8.8	22.8	31.7	8.8	22.8	31.7
EU share in total imports									
Fish & crustaceans (HS ch. 03)			8.2%			21.0%			21.0%
Fish preparations (ex HS ch. 16)			10.1%			27.9%			27.9%
Changes compared to baseline									
Fish & crustaceans (HS ch. 03)									
EUR '000				17,647	-3,502	14,145	17,633	-3,501	14,132
%				189%	-3%	12%	189%	-3%	12%
Fish preparations (ex HS ch. 16)									
EUR '000				5,874	-3,599	2,274	5,874	-3,599	2,274
%				198%	-14%	8%	198%	-14%	8%

Source: Own calculations based on DG TRADE modelling; for details see Table 7 in annex.

Considering that Angola’s current fishery production is not able to meet demand and that expansion of domestic (maritime) wild catch for domestic consumption is difficult to increase given the already grave problems with overfishing, the increase in fishery imports has to be assessed as positive in terms of increasing the availability of fish for consumption, which constitutes an improvement of food security. At the same time, the longer term impact for the further development of a domestic fishing industry – notably aquaculture aimed at providing fish for domestic consumption – also needs to be considered; this is addressed next.

Longer-term effects

In the longer term, the EPA, as well as the SIFA could help overcome some of the constraints that the sector currently faces, as analysed above. In particular, one of the identified core issues, i.e. the lack of investment capital to implement projects in the sector, is expected to be addressed by the improved governance, transparency and predictability the two agreements are expected to bring about, and which also are expected to lead to more investment activity.²⁵ Considering that investment projects – such as aquaculture farms and processing plants – in the fishing sector tend to be of a comparatively small scale (when compared e.g. to mining or oil projects), these are expected to benefit in particular from governance improvements.

Presently, foreign investments are allowed in the fishing sector but only in industrial fishing, and provided they are carried out in partnerships with Angolan firms. Also, given that no SFPA is in place between the EU and Angola, for EU investors such joint-venture investment in industrial fishing is the only option.²⁶ For the Government, these partnerships

²⁵ See section 4.1.3.2 of the main report as well as section 1.2.2 in annex C to the main report.

²⁶ For other sub-sectors, such as aquaculture, this constraint does not apply.

have a key role to play in the (i) mobilisation of financial resources for the acquisition and maintenance of machinery, (ii) recruitment of specialised technical expertise to handle machinery and (iii) transfer of know-how to Angolans. It is possible with the EPA and SIFA, investors from EU decide to invest in the sector of aquaculture either with partnership with local enterprises that are already operating in the sector but lack financial and technical resources to further expand the business. Taking into account the EU's engagement in sustainable and environmentally friendly business practices, the aquaculture sector is indeed such sector that can easily be done in sustainable way specially using friendly technology from Europe.

3.2 Environmental impact

Given the small share of the fishing sector in overall economic activities the short term environmental effects of Angola *not* joining the EPA would be small in environmental areas such as waste, chemicals, air quality and climate change. For other environmental areas the potential reduction of export opportunities could result in small positive effects, such as for biodiversity in marine life. However, as identified above, if Angola would not be joining the EPA it would lose potential opportunities to improve sustainability of the fishing sector, which could have a much more significant impact to the same environmental areas.

In its 6th national report on biodiversity in Angola the National Directorate of Biodiversity identifies illegal fishing among one of the largest threats to biodiversity in Angola (National Directorate of Biodiversity 2019). The IUCN identifies overfishing as the main cause of a large number of bony fish species to be threatened with extinction in marine waters from Mauritania to Angola.²⁷ The 6th national report on biodiversity and the 2018–2022 Fisheries Management Plan identify sustainable fishing as the way forward to ensure that the impact of fishery on stocks, species and ecosystems are within safe ecological limits. UNCTAD identifies sustainable fishery, identifying fishing as the second most promising green product in Angola with the highest potential to be a driver of socioeconomic transformation and environmental preservation in Angola (UNCTAD 2018). UNCTAD identifies opportunities in, among others, aquaculture production, expansion of the supply chain and establishment of cold chains that could have synergies with other food products. As mentioned in the economic analysis, European investors and European green fishing technologies could support developing such green fishing opportunities in Angola, supported by improved governance, transparency and predictability of government policy.

Another longer term benefit of Angola's accession to the EPA would be that it would require Angola's increased attention for ratification and successful implementation of Multilateral Environmental Agreements (MEAs) that are related to trade. Improving the understanding of environmental challenges addressed by these MEAs as well as increasing the basis for strengthened cooperation in addressing these challenges could provide important support to the sustainability of the fishing sector. For example, climate change is already impacting the amount of stock availability and therewith fishing harvest.²⁸ MEAs such as the Paris Agreement require annual reporting on the country's situation with respect to climate change, identification of options for adaptation and mitigation and their financing needs. Increased understanding of the risks at stake and the opportunities to address such risks as well as using that information to increase international cooperation to address these risks can provide valuable opportunities to Angola.

Another prominent example to support the fishing sector would be improved international cooperation and knowledge exchange on protection of marine ecosystems. This is among others included in the new Partnership Agreement between the European Union and

²⁷ IUCN (2016). *The IUCN Red list of threatened species - Red list of marine bony fishes of the Eastern Central Atlantic*.

²⁸ See for example "Rapid Warming is decimating the fishing industry in Angola, a country with low carbon emissions", SVI, 27 November 2019, <http://en.sustainablevalueinvestors.com/2019/11/27/rapid-warming-is-decimating-the-fishing-industry-in-angola-a-country-with-low-carbon-emissions/>

members of the Organisation of African, Caribbean and Pacific States, also-called the post-Cotonou agreement. In this agreement that was also signed by Angola, parties reaffirm the universal and unified character of the UN Convention on the Law of the Sea as the basis for national, regional and global action and cooperation in the marine and maritime sectors. More specifically they also agree to strengthen ocean governance, to promote and improve the protection and restoration of marine ecosystems and the conservation and sustainable management of marine resources, and to promote sustainable fisheries management at national, regional and global levels.

3.3 Social and human rights impact

The economic analysis shows that the strongest trade effects are expected for shrimps and prawns. As catch limits for shrimps and prawns in maritime fishing are used up to 80% (for crabs up to 15%), the increase in exports and production and the related job creation would therefore need to come also from aquaculture farms, which, as mentioned above, requires additional investment. It is not possible to estimate the number of jobs in aquaculture related to shrimp breeding given that farms focus on both, fish, and shrimp. Moreover, as we didn’t manage to identify data regarding the quantity of shrimps produced at farms, it is not possible to quantify at this stage the potential **employment** increase related to exports in frozen shrimps to the EU from this part of the sector, at least in the short-term. On the other hand, it is plausible to assume that thanks to Angola’s accession to the EPA, the current jobs in shrimp and prawn fishing would be preserved, while in the situation of a move from EBA to GSP, accompanied by a potential fall in exports by 28%, a corresponding number of jobs may be put at risk unless exports could be diverted to other markets or jobs moved to other segments of the sector.

Regarding **women**, they are mostly involved in the inland sector,²⁹ artisanal fishing and fish processing (salting and smoking) (IFAD 2014). Given that these segments of the sector are different from those expected to benefit from the accession to EPA (commercial maritime fishing and exports of frozen shrimps), at least in the short-term, no direct substantial impacts for women employment in the sector is expected. However, as examples of other coastal countries show, fish processing for exports may offer employment opportunities for women, in particular, if the fishing sector is able to meet sanitary and phytosanitary standards in the access to the EU market and expand the volume of exported products or diversify its offer beyond products exported until now. In such a case, women could benefit from employment generation in processing plants (UNCTAD 2013; 2014).

Export opportunities in the fisheries sector are also likely to influence (although to a limited extent), the **income** situation in coastal provinces. The fisheries sector is linked to ports in the same provinces which display high poverty levels, i.e., Benguela and Cuanza Sul, and in addition in Luanda and Namibe. In this context, it is to note that also the nature of created jobs (if formal or not) may matter for poverty reduction as formal jobs may be related to higher wages and overall better working conditions, in a situation where incomes in agriculture and fishing are the lowest in the Angolan economy and on average represent a quarter of a wage in the mining sector, which is on the other extreme of the scale (INE 2019).

There is very little information available which would suggest **job characteristics** (formal and **informal employment**) in companies which may be involved in exports of shrimps and prawns to the EU and generate additional employment. In *aquaculture*, covering both, fish and shrimps, there are 15 large companies and 51 of a smaller size, most of them informal (PRODESI 2020). The latter would suggest an informal nature of jobs as well, while the likelihood of formal jobs may be higher in larger formal companies involved in

²⁹ FAO (2018): Fishery and Aquaculture Country Profiles - The Republic of Angola, <http://www.fao.org/fishery/facp/ago/en>

international trade given a need for them to comply with SPS standards, be on a list of companies approved for exports to the EU, have (at least potentially) a higher exposure to inspections and consider (again, at least potentially) labour-related aspects in the context of image and customer expectations.

In *maritime* fisheries, PRODESI's fish value chain study suggests an informal character of enterprises (vessels) (PRODESI 2020), which in turn would suggest an informal nature of jobs. However, the 2004 Law on Fisheries requires them to obtain licences for operation in certain areas and catch limits, observe health and safety at work conditions and buy insurance policies, including against accidents at work. The latter would not imply automatically that jobs will be formal but may nevertheless suggest better working conditions. Moreover, as indicated above, Angola in 2016 ratified the ILO Convention No. 188 on work in fishing. It requires that a written work agreement is signed by every fisher and vessel owner (or a Party employing the fisher) and outlines working conditions, which need to be observed. Implementation of this Convention by Angola and its observance by vessel owners, including those catching shrimps, prawns, and crabs, would mean that all jobs in the commercial maritime fishing should be formal. In the report published in 2021, the ILO Committee of Experts noted that the General Labour Law in Angola is not fully in conformity with the Convention yet and should be aligned with it. One of the provisions that will need a change provides for an exception from the written contract if the voyage is estimated to be up to 21 days. The Committee observed that there should be no exceptions from the rule on a written form of the work agreement and that this right of fishers should be respected in all cases irrespective of the duration of the voyage.³⁰ To sum up, there are gaps in the application of the Convention by Angola and there is a need to align the existing legislation and practice with it. However, there is a trend to formalise jobs in industrial maritime fishing. Therefore, if jobs in that sector are preserved or created as a result of Angola's accession to the EPA and increased exports to the EU, there will be an expectation that they are formal from the beginning or that the Government takes steps to ensure it as soon as possible. Policy dialogue between the EU and Angola in the framework of EPA implementation could provide an opportunity to monitor progress in this respect.

Insufficient information regarding working conditions in enterprises likely to participate in trade with the EU makes it difficult to estimate the impact which the accession to EPA may have for **working conditions**, including in maritime fishing and fish processing sector. It is possible that working conditions may be better in large, formal enterprises involved in international trade than in the rest of the economy; however, this is not automatic. Hence, workers may benefit from better working conditions thanks to the accession to EPA, however, the scale of that impact may be limited, at least in the short-term.

While Angola's accession to the EPA is not likely to bring about a change in the situation of **trade unions**, or – more broadly – freedom of association in the country, EU technical assistance implemented in cooperation with the ILO could support development of domestic dialogue between the Government and social partners on matters related to respect for labour standards and working conditions. In this context, it is to note that trade unions are present in the sector, and seem to be active, advocating respect for workers' rights. For example, in 2018 and 2020, trade union representing workers in the fisheries sector (Sindicato dos Trabalhadores das Pescas e Derivados) raised the issue of working conditions akin to modern slavery in a company owned by Chinese investors in the province of Benguela.³¹

³⁰ CEACR (2021), *Addendum to the 2020 CEACR Report*: https://www.ilo.org/wcmsp5/groups/public/---ed_norm/---relconf/documents/meetingdocument/wcms_771042.pdf

³¹ "Sindicato angolano acusa empresa chinesa de escravatura moderna", VOA, June 2020, <https://www.voaportugues.com/a/sindicato-angolano-acusa-empresa-chinesa-de-escravatura-moderna/5482185.html>

4 CONCLUSIONS AND RECOMMENDATIONS

The impact of Angola’s accession to the EPA on the country’s fishery sector has been selected as a case study due to the fact that fishery exports in recent years constituted the largest product group among Angola’s non-oil, non-diamond exports to the EU, with an average value of USD 26.3 million. Exposure of the sector to the EU market is high: about 50% of total fishery exports are destined to the EU, compared to an average of 16.4% for Angola’s total non-oil, non-diamond exports. And the fishery export sector would be particularly affected if Angola would not accede to the EPA, as all alternatives (GSP or GSP+) would imply EU tariffs on Angola’s main fishery export to the EU, shrimps and prawns.

Accession to the EPA would not only help avoid negative impacts on the fishery export sector, but would also enhance food security by increasing the availability of imported fishery products that cannot be produced domestically (at least in the short- to medium term) due to the underdeveloped state of the sector and already grave overfishing problems.

In the longer term, the EPA as well as the SIFA are expected to help attract investment in the sector due to increases in governance, predictability and transparency in Angola’s investment regime. Other threats and weakness identified in the sector can also be ameliorated in the context of the EPA. Technical support and joint ventures between Angolan entrepreneurs and EU investors can help to develop fishery sub-sectors such as maritime and freshwater aquaculture, which are currently still in an infant stage. This would also comprise the establishment of a functioning national certification body for fish exports, for which Angolan authorities need technical assistance.

Finally, considering the EPA’s anticipated impact on Angolan fishery exports and the EU’s commitment to a sustainable exploration of marine resources, during the accession negotiations discussions should be held on the availability of assistance to mitigate the overfishing phenomenon by collecting better data informing the setting of TACs and by better controlling the sea to avoid the unauthorised foreign vessels to fish in Angolan waters.

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ANNEX

Table 7: Angola’s fishery imports under PE model scenarios (€ '000)

	Baseline			Full liberalisation			Sensitivity 1 & 2		
	EUR	ROW	Total	EUR	ROW	Total	EUR	ROW	Total
030111 Fish; live, ornamental, freshwater	2		2	3		3	3		3
030211 Fish; fresh or chilled, trout	0		0	1		1	1		1
030214 Fish; fresh or chilled, Atlantic salmon	724	302	1,026	1,018	99	1,117	1,018	99	1,117
030219 Fish; fresh or chilled, salmonidae, n.e.c.	53		53	59		59	59		59
030223 Fish; fresh or chilled, sole	1		1	2		2	2		2
030224 Fish; fresh or chilled, turbot	6		6	7		7	7		7
030232 Fish; fresh or chilled, yellowfin tunas	1		1	2		2	2		2
030235 Fish; fresh or chilled, bluefin tunas	20		20	74		74	74		74
030239 Fish; fresh or chilled, tuna, n.e.c.	4		4	11		11	11		11
030243 Fish; fresh or chilled, sardines	5		5	18		18	5		5
030245 Fish; fresh or chilled, jack & horse mackerel	0	1,341	1,341	2	1,339	1,341	0	1,341	1,341
030251 Fish; fresh or chilled, cod	417		417	474		474	474		474
030253 Fish; fresh or chilled, coalfish		225	225		225	225		225	225
030254 Fish; fresh or chilled, hake	1	51	52	5	48	53	5	48	53
030259 Fish; fresh or chilled, n.e.c.		111	111		111	111		111	111
030271 Fish; fresh or chilled, tilapias		367	367		367	367		367	367
030284 Fish; fresh or chilled, seabass	75		75	85		85	85		85
030285 Fish; fresh or chilled, seabream	76	7	83	92	2	93	92	2	93
030289 Fish; fresh or chilled, n.e.c.	7		7	7		7	7		7
030291 Fish; fresh or chilled, livers, roes and milt	5		5	12		12	12		12
03031x Fish; frozen, salmonidae	70	157	227	113	127	241	113	127	241
030323 Fish; frozen, tilapias	27	3,300	3,327	114	3,229	3,343	114	3,229	3,343
030324 Fish; frozen, catfish	2	416	418	7	412	419	7	412	419
030329 Fish; frozen, Nile perch	31	53	83	65	26	92	65	26	92
03033x Fish; frozen, flat fish	17	182	199	44	166	210	44	166	210
030349 Fish; frozen, tuna, n.e.c.	2	4	6	6	3	9	6	3	9
030353 Fish; frozen, sardines	34		34	38		38	38		38
030354 Fish; frozen, mackerel	38	13	51	104	8	112	104	8	112
030355 Fish; frozen, jack and horse mackerel	88	77,923	78,011	377	77,687	78,064	377	77,687	78,064
030359 Fish; frozen, n.e.c.		100	100		100	100		100	100
030363 Fish; frozen, cod	1,012	82	1,095	2,579	49	2,628	2,579	49	2,628
030365 Fish; frozen, coalfish	4	17	21	10	12	22	10	12	22
030366 Fish; frozen, hake	187	3,620	3,807	723	3,250	3,973	723	3,250	3,973
030367 Fish; frozen, Alaska pollack	23		23	26		26	26		26
030369 Fish; frozen, Bregmacerotidae etc.	13	339	352	52	307	359	52	307	359
030381 Fish; frozen, dogfish and other sharks	2		2	2		2	2		2
030382 Fish; frozen, rays and skates	2		2	2		2	2		2
030384 Fish; frozen, seabass	9		9	11		11	11		11
030389 Fish; frozen, n.e.c.	149	4,540	4,689	591	4,180	4,771	591	4,180	4,771
030391 Fish; frozen, livers, roes and milt	6		6	15		15	15		15
030399 Fish; frozen, fish fins (not shark fins)	3		3	3		3	3		3
030431 Fish fillets; fresh or chilled, tilapias		15	15		15	15		15	15
030432 Fish fillets; fresh or chilled, catfish	25	165	191	164	132	296	164	132	296
030439 Fish fillets; fresh or chilled, carp	30	49	79	153	30	183	153	30	183
030441 Fish fillets; fresh or chilled, salmon, Pacific	0	11	11	2	10	12	2	10	12
030444 Fish fillets; fresh or chilled, Bregmacerotidae etc.	0	6	6	0	6	6	0	6	6
030449 Fish fillets; fresh or chilled, n.e.c.		6	6		6	6		6	6
030459 Fish meat; excluding fillets	6		6	21		21	21		21
030461 Fish fillets; frozen, tilapias		32	32		32	32		32	32
030462 Fish fillets; frozen, catfish	16	191	207	98	139	236	98	139	236
030463 Fish fillets; frozen, Nile Perch	6		6	9		9	9		9
030469 Fish fillets; frozen, carp	0		0	0		0	0		0
030471 Fish fillets; frozen, cod	25		25	38		38	38		38
030474 Fish fillets; frozen, hake	180	271	451	522	96	618	522	96	618
030475 Fish fillets; frozen, Alaska pollack	8	143	151	54	113	167	54	113	167
030479 Fish fillets; frozen, Bregmacerotidae etc.	10		10	16		16	16		16
030481 Fish fillets; frozen, salmon, Pacific	20	17	37	47	5	52	47	5	52
030487 Fish fillets; frozen, tunas	1		1	1		1	1		1
030489 Fish fillets; frozen, of fish n.e.c.	6	4	10	13	1	14	13	1	14
03049x Fish meat, excluding fillets	304	167	471	460	74	534	460	74	534
03053x Fish fillets; dried, salted or in brine	1	1,192	1,193	4	1,192	1,196	4	1,192	1,196
03054x Fish; smoked	40	8	48	58	1	59	58	1	59
03055x Fish; dried	3,587	2,950	6,537	12,926	1,758	14,684	12,926	1,758	14,684
03056x Fish; salted or in brine, not dried or smoked	536	6,061	6,596	2,190	5,889	8,079	2,190	5,889	8,079
03057x Fish; edible offal, fish heads etc.	60	7	67	163	3	166	163	3	166
03061x Crustaceans; frozen, except shrimps & prawns	54	14	68	74	7	81	74	7	81
030616 Crustaceans; frozen, cold-water shrimps & prawns	121		121	264		264	264		264
030617 Crustaceans; frozen, shrimps and prawns	602	423	1,025	1,782	154	1,935	1,782	154	1,935
03063x Crustaceans; live, fresh or chilled	52	0	52	111	0	111	111	0	111
03069x Crustaceans; smoked	29	0	29	70	0	70	70	0	70
0307 Molluscs	484	45	529	975	15	990	975	15	990
030890 Aquatic invertebrates n.e.c.	3		3	4		4	4		4
Total fishery	9,325	104,927	114,253	26,973	101,425	128,398	26,958	101,426	128,385
160300 Extracts and juices; of meat, fish or crustaceans	1	45	47	5	43	47	5	43	47
160411 Fish preparations; salmon	1	13	14	4	11	15	4	11	15
160413 Fish preparations; sardines, sardinella...	421	16,276	16,697	1,715	15,447	17,163	1,715	15,447	17,163
160414 Fish preparations; tunas, skipjack...	1,632	7,264	8,896	4,787	4,956	9,743	4,787	4,956	9,743
160415 Fish preparations; mackerel	58	656	714	205	537	741	205	537	741
160419 Fish preparations; other fish	79	1,404	1,483	299	1,238	1,537	299	1,238	1,537
160420 Fish preparations; fish minced or in forms n.e.c.	305	713	1,018	1,026	558	1,584	1,026	558	1,584
160432 Fish preparations; caviar substitutes	4		4	4		4	4		4
16051x-16054x Crustacean preparations	180	10	190	332	4	337	332	4	337
16055x Mollusc preparations	50	10	60	63	7	70	63	7	70
160569 Aquatic invertebrates; n.e.c.	2		2	3		3	3		3
Total fish preparations	2,964	26,412	29,376	8,838	22,813	31,650	8,838	22,813	31,650

Source: Own calculations based on DG Trade modelling

Annex B.2: Case study – Impact of Angola’s Accession to the EPA on Agri-food Exports

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Abbreviations

ADRA	Acção para o Desenvolvimento Rural e Ambiente
AGT	Administração Geral Tributária
AIBA	Associação das Indústrias de Bebida de Angola
AOA	Angolan Kwanzas
EBA	Everything But Arms
EPA	Economic Partnership Agreement
EU	European Union
FTA	Free Trade Agreement
GDP	Gross Domestic Product
GSP	Generalised Scheme of Preferences
HS	Harmonised System
MFN	Most-Favoured Nation
PE	Partial Equilibrium
PRODESI	Programa de Apoio à Produção, à Diversificação das Exportações e Substituição de Importações
SADC	Southern African Development Community
SIA	Sustainability Impact Assessment
SIFA	Sustainable Investment Facilitation Agreement
SPS	Sanitary and Phyto-Sanitary
UNACA	Confederação das Associações de Camponeses e Cooperativas Agro-pecuárias de Angola
UNCTAD	United Nations Conference on Trade and Development
USD	United States Dollar

1 INTRODUCTION

This sector case study analyses the contribution which Angola's accession to the EU-SADC Economic Partnership Agreement (EPA) could have for the development of exports by the Angolan agricultural sector, in particular agri-food value chains. This topic was selected as a case study because observers and stakeholders consulted during the early stages of the sustainability impact assessment (SIA), as well as a number of studies noted the vast potential of this sector in Angola, which presently remains largely untapped. In this sense, although current exports of agricultural products to the EU are limited – over the period 2018-2020, only fruit (HS chapter 08), coffee (HS chapter 09), and food residues (HS chapter 23 – essentially brans) had average export values above USD 1 million per year, according to data of the Angolan customs (Administração Geral Tributária, AGT) – the potential for expansion appears high, including in value added products such as prepared foodstuffs (fruits) or beverages. Like fishery products (covered in a separate case study), agricultural products tend to be among the exports where the EPA is expected to have a strong impact, as these are also typically sensitive or excluded products in the GSP, and carry relatively high most-favoured nation (MFN) tariffs in the EU; also similar to fishery products, sanitary and phytosanitary (SPS) issues and logistics are important.

The focus of this case study is on those agri-food sectors that have an export potential, at least in the longer term, as identified in previous studies and policy documents, such as the Programme to Support Production, Export Diversification and Import Substitution (Programa de Apoio à Produção, à Diversificação das Exportações e Substituição de Importações – PRODESI)¹ or a recent export diversification study (BKP Development Research & Consulting 2019); the annex provides more detail on the identification of these sectors and value chains. They are:

- Beverages;
- Honey;
- Coffee;
- Vegetables and vegetable preparations;
- Fruits and fruit preparations; and
- Oilseeds and vegetable oils.

Other agricultural sub-sectors, such as cereals, sugar, and livestock products, are not covered in this case study in detail, although an overview of their performance is also provided, in particular as they are important for domestic food security and could benefit from an improved investment climate brought about by the EPA provisions aimed at enhanced governance and transparency, as well as the Sustainable Investment Facilitation Agreement (SIFA).

The analysis presented in this case study is based on various sources of information. First, existing studies and data have been consulted. The economic impact analysis uses the partial equilibrium modelling undertaken by the European Commission, complemented with further analysis based on provisions in the EPA regarding non-tariff measures relevant for trade in agri-food products. These sources have been complemented with inputs from stakeholders, i.e. the Ministry of Agriculture and Fisheries, farming companies and individuals, agri-food importers in the EU, artisanal farmers and their organisations, and experts.

Section 2 presents a brief description of the agri-food sector in Angola, including current trade with the EU. Section 3 then provides the actual impact analysis.

¹ PRODESI was officially approved by Presidential Decree No. 169/18 of 20 July 2018 and has developed several studies examining export potential. For more information, see <https://www.prodesi.ao>.

2 CURRENT SITUATION OF THE AGRI-FOOD SECTOR IN ANGOLA

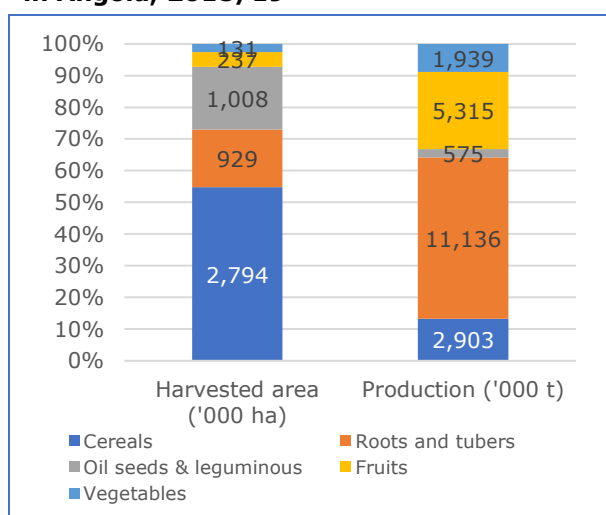
2.1 Performance

The agriculture sector in Angola represents about 6% of gross domestic product (GDP) and employs more than 4.8 million people, i.e. 51.3% of the total economically active population of the country (Ministério da Agricultura e Pescas 2020). The vast majority of farming in the country (90%) is undertaken in the form of household or family (mostly subsistence) farming, whereas the commercial farming accounts for the remaining 10%. In addition, out of 55 million hectares available for farming, only 5.7 million hectares were actually cultivated in 2018/2019,² representing about 10% of the available land. This shows that the sector has a great large for growth and development.

According to data from the National Statistical Institute, after a contraction of 2% in 2018, the sector’s real growth improved in 2019, with a modest positive growth of 0.8%, and reached 4.4% in 2020 and 4.9% in the first quarter of 2021.

The most cultivated food crop in the country is maize, which is grown on about 50% of the total cultivated land area; oil seeds and beans, and roots and tubers each account for about 20% of the cultivated areas, whereas fruits and vegetables together account for the remaining 7%. In terms of production volume, roots and tubers (mostly cassava) dominate (11.1 million tonnes; 51% of total output), followed by fruits (mostly bananas), cereals, vegetables, and oil seeds and beans (Figure 1). In most of these crops – as well as other agri-food products, including coffee, sugar, honey, poultry, beef and dairy farming, and beverages – the current level of production is not sufficient to meet domestic demand, and as a result, Angola’s imports of agri-food products in Angola, including from the EU, are significant. This also means that sizeable exports of agricultural products are expected to be achieved only in the longer term.

Figure 1: Food crop cultivation and output in Angola, 2018/19



Source: Ministério da Agricultura e Florestas (2019)

In the following sections, we provide an overview of output in various agri-food subsectors as well as current trade patterns.

2.1.1 Production

2.1.1.1 Sub-sectors with export potential

2.1.1.1.1 Fruits

According to the Ministry of Agriculture, Angola’s total production of fruits in 2018/2019 was 5.3 million tonnes, harvested on a total area of 236,841 ha, with an average productivity of 22,441 kg/ha (Ministério da Agricultura e Florestas 2019). Bananas are the dominant fruit crop, accounting for 76% of output, followed by pineapples (574,155 tonnes; 10% of total fruit production), citrus fruits (415,146 tonnes), mango (236,690 tonnes) and avocado (51,910 tonnes) (Table 1). About 60% of Angola’s fruit production

² <https://www.prodesi.ao/fileiras/agricultura>

comes from five provinces – Benguela, Cuanza Sul, Uíge, Bengo and Cabinda – all of which also have higher productivity than the rest of the country, of up to 30,309 kg/ha (in Cuanza Sul).

One third of the fruit sector output was from commercial farms, with that share being slightly higher for bananas; but the differences across crops being limited – except for avocados, which are predominantly grown in small-scale family farms. There is thus overall no different specialisation pattern between commercial and family farms.

Table 1: Fruit production in Angola, 2018/2019

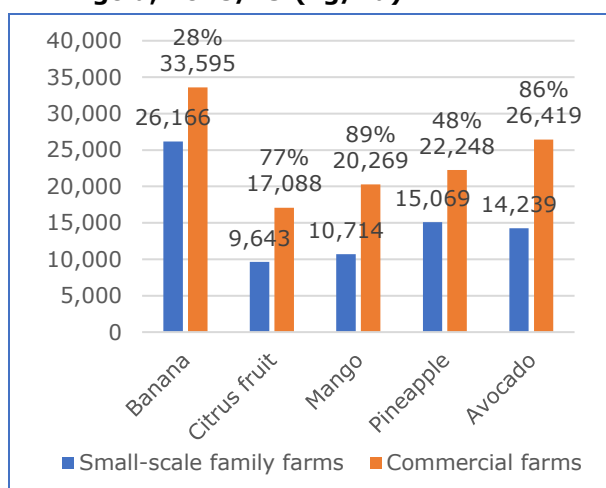
	Harvested area (ha)				Production (t)			
	Small-scale family farms	Commercial farms	Total	Share commercial	Small-scale family farms	Commercial farms	Total	Share commercial
Fruits	176,187	60,654	236,841	25.6%	3,524,913	1,789,947	5,314,860	33.7%
Banana	99,957	42,312	142,269	29.7%	2,615,502	1,421,457	4,036,959	35.2%
Citrus fruit	31,843	6,325	38,168	16.6%	307,065	108,081	415,146	26.0%
Mango	14,648	3,935	18,583	21.2%	156,933	79,757	236,690	33.7%
Pineapple	26,470	7,879	34,349	22.9%	398,866	175,289	574,155	30.5%
Avocado	3,269	203	3,472	5.8%	46,547	5,363	51,910	10.3%

Source: Own calculations based on Ministério da Agricultura e Florestas (2019)

There is however a difference in the productivity of commercial and family farms as measured in yield per hectare (Figure 2): commercial farms are between 28% (bananas) and 89% (mangos) more productive than family farms. Nevertheless, the productivity differential is not what appears to limit exports – as the only fruits that are exported in sizeable quantities (see section 2.1.2) are bananas, where the productivity differential is smallest among all fruit crops. Thus, the barrier to export would seem to come either from limits in productivity faced by both commercial and small scale firms, or other factors unrelated to production (such as logistics, quality infrastructure, etc., as addressed further below).³

Given the dominance of banana production among fruit crops, Table 2 provides more information about Angola in comparative perspective. Although the country is the world's eighth largest producer by output, average yield is at the lower end of the range of the largest producers, and production is predominantly for domestic consumption – only 0.13% of the production is exported; this is a similar pattern as for India, China, Indonesia or Brazil. Conversely, the Latin American countries produce primarily (or completely) for export; in terms of the calculated export price, Angola is close to the average.

Figure 2: Productivity differences between commercial and family farms, fruit crops in Angola, 2018/19 (kg/ha)



Note: Percentages indicate the difference in productivity between commercial and small-scale family farms

Source: Own calculations based on Ministério da Agricultura e Florestas (2019)

³ Also see Van den Broek et al. (2019) for a further analysis of the sector specifically in the Lobito corridor.

Table 2: Banana production and exports, 15 largest producers worldwide, 2019

	Production ('000 t)	Yield (t/ha)	Export Quantity ('000 t)	Share of production exported*	Export Value (USD M)	Price (USD/t)
India	30,460	35.2	174	0.57%	75.9	436.7
China	11,998	33.4	28	0.23%	28.8	1027.1
Indonesia	7,281	55.1	18	0.25%	9.6	532.3
Brazil	6,813	14.8	79	1.16%	24.3	307.4
Ecuador	6,583	35.9	6,668	101.28%	3,185.5	477.8
Philippines	6,050	32.5	2,420	40.00%	1,953.3	807.1
Guatemala	4,342	48.1	2,586	59.56%	845.3	326.9
Angola	4,037	24.9	5	0.13%	2.9	538.3
Tanzania	3,407	11.3	5	0.14%	0.3	67.5
Colombia	2,914	27.6	1,896	65.06%	870.7	459.2
Costa Rica	2,437	56.5	2,382	97.74%	998.3	419.1
Mexico	2,227	29.1	572	25.69%	279.8	488.9
Viet Nam	2,194	16.4	291	13.27%	175.2	602.1
Rwanda	1,851	7.3	0	0.01%	0.2	905.3

* Because production and export data come from different sources, the calculated share of production exported can exceed 100%.

Source: FAOSTAT.

2.1.1.1.2 Vegetables, roots and tubers, oil seeds

According to the Ministry of Agriculture (Ministério da Agricultura e Florestas 2019), in 2018/19 the production of cassava was by far the most important in the country, amounting to 9 million tonnes (65.9% of total vegetable output), followed by sweet potato (12.3%), onions (4.3%) and tomatoes (4.1%) (Table 3). In terms of harvested area, cassava, beans and peanuts account for the largest areas.

The share of commercialisation in the vegetable sector is lower than in fruits: overall, 8.4% of the harvested area and 10.5% of vegetable production comes from commercial farms. For few crops, the share is above 20% in output: potatoes (47.7%), soy beans (32.4%), tomatoes (26.7%) and cabbage (24.5%).

Almost all current production is for the domestic market, with demand in the country being high in some cases and domestic production still being insufficient to meet it; at the same time, there could be niches for export, as is discussed further below.

Table 3: Vegetable production in Angola, 2018/2019

	Harvested area ('000 ha)				Production ('000 t)				
	Small-scale family farms	Commercial farms	Total	Share commercial	Small-scale family farms	Commercial farms	Total	Share commercial	Share of total
Cassava	665	33	698	4.7%	8,420	581	9,000	6.5%	65.9%
Sweet potato	157	12	169	7.1%	1,536	145	1,680	8.6%	12.3%
Onion	29	6	35	17.6%	484	107	590	18.0%	4.3%
Tomato	23	8	31	25.4%	411	149	561	26.7%	4.1%
Potato	41	21	62	33.8%	238	217	455	47.7%	3.3%
Bean	598	54	652	8.3%	288	38	326	11.6%	2.4%
Cabbage	17	5	22	23.4%	222	72	294	24.5%	2.2%
Peanut	306	14	320	4.5%	200	11	212	5.4%	1.6%
Carrot	8	1	10	15.1%	113	25	139	18.4%	1.0%
Soy bean	24	12	36	32.4%	25	12	37	32.4%	0.3%
Garlic	4	0	4	0.0%	11	0	11	0.0%	0.1%
Other vegetables	22	7	28	24.0%	275	70	345	20.3%	2.5%
Total	1,894	174	2,068	8.4%	12,222	1,427	13,650	10.5%	100.0%

Source: Own calculations based on Ministério da Agricultura e Florestas (2019)

2.1.1.1.3 Coffee

Since the civil war, coffee production in Angola has been very limited, in particular when compared to the pre-war levels, and also when compared to global production. Internationally, coffee production by some other producers has increased dramatically since Angola's disappearance as a notable exporter on the world market in the 1970s – notably Brazil and Asian producers, in particular Indonesia and Vietnam. Angola today only acts as a niche producer. Whereas total coffee production in Angola up to 1975 was around 200,000 tonnes per year, on a harvested area of 500,000 ha, this was eliminated almost completely during the civil war and has since only slowly recovered to less than 14,000 tonnes in 2018/2019 (Ministério da Agricultura e Florestas 2019).

Angola primarily produces Robusta in the Northern parts of the country (Uíge and Cuanza Norte), and some Arabica in the Centre (Cuanza Sul, Bié, Benguela and Huambo). Coffee production in Angola is dispersed across many smallholder farmers, and few commercial farms, most of which are also small. In 2012, about 25,000 smallholder farms with an average size of 1.6 ha, and about 500 commercial farms with an average size of 20 ha existed (Instituto do Fomento Empresarial 2013). Since then, however, some rehabilitation of farms has taken place and the number of producers, including commercial farms, may have increased. The main producers and exporters are Angonabeiro, Griangol, Cafangol, Café Gabela, Café Cazengo, Fazenda Vissolela, Novaprocafe

There is significant potential to increase production both by expanding the area harvested and increasing productivity. According to the Programa Dirigido for the sector, the former could be expanded more than ten-fold from the current 52,200 ha to 670,000 ha, and yield from 340 kg/ha to about 900 kg/ha (Ministério da Agricultura e Florestas 2016).

2.1.1.1.4 Honey

Providing an accurate summary of beekeeping in Angola is hampered by statistical issues. According to official data, Angola's production of honey in 2018/2019 was about 20.5 tonnes (Ministério da Agricultura e Florestas 2019). Huambo is the province with the highest production accounting for 60%, followed by Moxico with 17%, Bié and Malanje accounted for 6% each. However, estimates of honey production vary vastly: According to FAOSTAT, 2019 production of honey in Angola amounted to 23,428 tonnes (i.e. more than one thousand times to the official data), whereas estimates by a joint working group between the Ministry of Trade and UNCTAD in 2018 were of about 90 tonnes of artisanal honey production per year, produced by almost 100,000 beekeepers,⁴ with potential to reach 200 tonnes (Ministério Do Comércio and UNCTAD 2018). Anecdotal information reported in the media would seem to support this output estimate.⁵ Domestic demand was also estimated to be about 90 tonnes per year by the Ministry of Trade and UNCTAD, meaning that export potential would exist if output can be expanded.

Production is mostly by small farmers/bee-keepers, organised in cooperatives. For example, the Cooperativa Agro-Pecuária, Pesca e Apicultura (Coapa) owns four factories that process honey in Moxico, Kuando Kubango, Bié and Luanda and is the best-known and largest producer. In addition, many traditional producers operate in several provinces.

2.1.1.1.5 Beverages

The beverage sector has grown rapidly since the start of the millennium; its share in Angola's industrial value-added has increased from 32% in 2001 to 57% in 2016 (UCAN-

⁴ <https://news.un.org/pt/story/2020/11/1731932>. Note that this would mean an average output per bee-keeper of less than 1 kg per year.

⁵ According to a 2016 report, the start in 2014 of some industrial production, particularly in Moxico, led to an expansion in production from 20 tonnes in 2014 to 70 tonnes in 2016; see "A indústria do mel nas contas nacionais", Jornal de Angola, 8 July 2016, http://jornaldeangola.sapo.ao/reportagem/a_industria_do_mel_nas_contas_nacionais.

CEIC 2017), making the sector by far the largest industrial sector of the country. In terms of actual production, data provided by different sources vary considerably. For example, according to the Beverage Industries Association of Angola (Associação das Indústrias de Bebida de Angola, AIBA), the annual production of beverages up to 2019 was about 3.4 billion litres per year.⁶ This estimate is about 50% higher than data reported by the Ministry of Industry (UCAN-CEIC 2017), according to which production has been around 2 billion litres in recent years, although increasing at an average annual rate of 5.5% over the period 2013 to 2016.

Employment in the beverage sector is estimated at 14,000 direct employees and 45,000 indirect ones.⁷

AIBA stated in 2016 that domestic production is sufficient to meet domestic demand. The country has more than 40 beverage companies and, among beer, water and soft drinks, wines and spirits producers.⁸ Grupo Castel – which is active in more than 20 African countries – is the largest brewery in the country, with brands such as Cuca, Nocal, Eka, or N’gola, but is also an important soft drinks producer, holding Angolan licences e.g. for Coca Cola or Schweppes; the company has 13 plants in Angola.⁹ Refriango is the largest water, soft drinks and juice producer, and also produces wine and other alcoholic beverages.¹⁰ Total installed capacity of the beverage sector is between 3.4 and 5 billion litres per year (depending on the source), significantly above total domestic demand of about 3 billion litres, allowing exports.

Most recently, however, according to Refriango, the production of beverages has fallen to 1.2 billion litres/year (35% of installed capacity), with annual turnover of more than AOA 450 billion (about €600 million) due to covid-19, the increased unfair competition, excessive bureaucracy in the process of importing raw materials and the high tax burden on exports of domestic products. Because of these problems, the sector has been incurring losses in the most recent years, and a number of producers have had to close down, including Nocal, Eka, and Sumol+Compal.¹¹

2.1.1.2 Sub-sectors targeting the domestic market

2.1.1.2.1 Grains/cereals

Cereals production in Angola is largely restricted to maize production, with other crops playing a limited role. Maize is the only grain that is produced in the entire country, with the biggest producers being the provinces of Huambo, Cuanza Sul, Bié, Benguela and Huila, which together account for more than 80% of the total production. The total production in the agriculture 2018/2019 year was 2.9 million tonnes (81% on family farms and 19% on commercial farms) (Table 4). Production of other crops is largely insignificant by comparison, none exceeding 37 thousand tonnes.

⁶ “Concorrência desleal retrai mercado de bebidas”, Quinto Bumba/Angop, 26 June 2021, <https://www.angop.ao/noticias/economia/concorrenca-desleal-retrai-mercado-de-bebidas/> [accessed on 05 August 2021].

⁷ Ibid.

⁸ Almost all of these are members of AIBA, which states that it has more than 44 associated members covering the whole range of table water, juices and nectars, soft drinks, beers, ciders, wines, spirits and packaging; see https://www.aiba-ao.org/quem_somos.php [accessed on 05 August 2021].

⁹ <https://grupocastelangola.com/> [accessed on 05 August 2021].

¹⁰ <http://refriango.com/en/> [accessed on 05 August 2021].

¹¹ “Concorrência desleal retrai mercado de bebidas”, Quinto Bumba/Angop, 26 June 2021, <https://www.angop.ao/noticias/economia/concorrenca-desleal-retrai-mercado-de-bebidas/> [accessed on 05 August 2021].

Table 4: Cereals production in Angola, 2018/2019

	Harvested area ('000 ha)				Production ('000 t)			
	Small-scale family farms	Commercial farms	Total	Share commercial	Small-scale family farms	Commercial farms	Total	Share commercial
Cereals	2,588	206	2,794	7.4%	2,357	546	2,903	18.8%
Maize	2,312	199	2,511	7.9%	2,280	539	2,819	19.1%
Millet	151	4	155	2.4%	36	2	37	4.6%
Sorghum	114	1	115	0.5%	32	0	32	1.2%
Rice	5	3	8	32.2%	5	5	10	49.7%
Wheat	5	0	6	5.4%	4	0	4	4.1%

Source: Own calculations based on Ministério da Agricultura e Florestas (2019)

With the exception of some rice farms, commercial farms play a rather limited role in cereals production, i.e. the vast majority of grains are produced through low-yield traditional farming practices on small-scale family farms. Accordingly, the differential in productivity in the cereals sector is more pronounced than for fruit or vegetables, with commercial farms being between twice to three times as productive as family farms (Figure 3). This also means that output and productivity of the sector could be increased significantly through more investment in commercial farms; this would not aim at export creation but rather increasing output for domestic consumption, thereby reducing import dependency and increasing food security.

2.1.1.2.2 Sugar

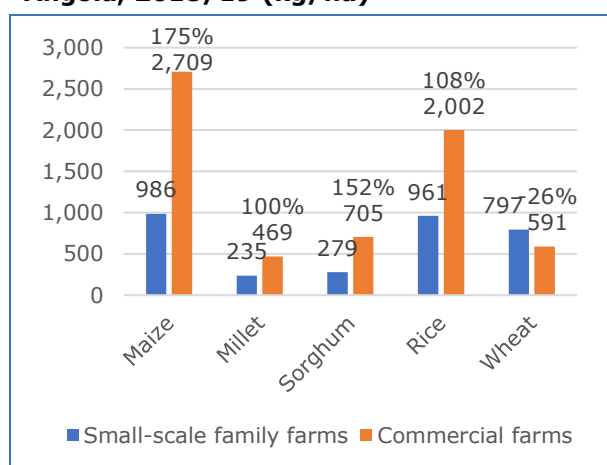
Production of sugar started effectively in 2015 and has increased substantially since then, from 25,000 tonnes (UCAN-CEIC 2017, 94) to 110,000 tonnes in 2019.¹² This is, however, still vastly insufficient to meet domestic demand, estimated at 430,000 tonnes. Exports are therefore not expected in the foreseeable future.

Companhia de Bioenergia de Angola (Biocom), located in Malanje province employing about 2,800 workers, is the only Angolan company to produce and market sugar from sugar cane processing. The company presently grows most of the sugar cane, on an area of about 25,000 ha, which makes it by far the largest commercial farming business in Angola (UCAN-CEIC 2017, 92). Biocom has the capacity to mill 2.2 million tonnes of sugarcane to produce 256,000 tonnes of sugar (under the Kapanda brand) and 33,000 m³ of ethanol, plus 235 GWh of electricity per year. Production of sugar in 2021 is forecasted to be 120,000 tonnes, 18,000 m³ of ethanol, and 63 GWh of electricity.¹³

2.1.1.2.3 Meat, Eggs and Milk

The total production of **meat** in 2018/19 was 137,201 tonnes (Table 5), 50% in the north of the country, 29% in the centre and 21% in the south. In term of possessing, Carnes

Figure 3: Productivity differences between commercial and family farms, cereals, Angola, 2018/19 (kg/ha)



Note: Percentages indicate the difference in productivity between commercial and small-scale family farms

Source: Own calculations based on Ministério da Agricultura e Florestas (2019)

¹² "Biocom Produz 110 Mil toneladas de Açúcar", <https://www.biocom-angola.com/pt-br/biocom-produz-110-mil-toneladas-de-acucar> [accessed on 04 August 2021].

¹³ "Biocom vai produzir 120 mil toneladas de açúcar este ano", Francisco Curihingana/ Jornal de Angola, 07 May 2021, <https://www.jornaldeangola.ao/ao/noticias/biocom-vai-produzir-120-mil-toneladas-de-acucar-este-ano/> [accessed on 04 August 2021].

Valinho¹⁴ is the only meat processing unit of pork and poultry in Angola and is located in the province of Luanda. Pork is imported frozen and transformed in-country because of the lack of national swine with the characteristics required by the industrial sector.

Table 5: Meat production in Angola, 2018/2019

Type of Meat	Tonnes	%
Goat	81,037	59.1
Poultry	28,185	20.5
Beef	23,006	16.8
Pork	4,973	3.6
Total	137,201	100.0

Source: Ministério da Agricultura e Florestas (2019)

As for the **eggs**, the total production was 1.1 billion units in 2018/19, 72.4% in the north, 24.9% in the centre and 2.7% in the south. And the total production of **milk** was 2.98 million litres, 29.4% in the north, 54.2% in the centre and 16.4% in the south.

2.1.2 Trade

2.1.2.1 Imports

Angola's imports of agricultural goods in the period 2016 to 2020 reached a high in 2017, at almost USD 3.6 billion but since declined to just above USD 2 billion (Table 6). Imports are quite varied, with import of basic foods – meat, cereals, fats and oils, and flours – being the largest groups. In line with the economic recession, imports of higher priced products, such as meat, have declined comparatively more, while staple foods such as cereals increased.

Table 6: Angola's imports of agricultural goods (HS 01-02; 04-24) from the world, 2016-2020 (USD '000)

	2016	2017	2018	2019	2020		Av 2018-20	% of total
02 Meat and edible meat offal	424.2	679.2	716.3	419.0	291.4		475.6	18.0%
10 Cereals	276.5	286.9	410.6	415.4	492.2		439.4	16.6%
15 Animal or vegetable fats and oils	298.3	500.9	390.5	357.3	307.0		351.6	13.3%
11 Products of the milling industry; r	439.2	487.6	342.1	262.2	206.4		270.2	10.2%
17 Sugars and sugar confectionery	210.5	328.9	223.5	222.8	121.4		189.2	7.2%
04 Dairy produce; birds' eggs; natur	169.9	235.2	221.7	211.1	114.3		182.3	6.9%
19 Preparations of cereals, flour, sta	179.8	252.8	231.0	170.1	97.2		166.1	6.3%
22 Beverages, spirits and vinegar	125.6	169.5	157.0	126.0	95.9		126.3	4.8%
16 Meat, fish or crustaceans, mollus	127.8	149.5	149.3	111.8	80.3		113.8	4.3%
21 Miscellaneous edible preparations	101.6	146.9	124.8	84.9	56.7		88.8	3.4%
07 Vegetables and certain roots and	79.6	127.3	99.4	65.0	48.8		71.1	2.7%
20 Preparations of vegetables, fruit,	53.9	61.4	57.2	36.0	27.9		40.4	1.5%
23 Food industries, residues and was	18.9	25.7	28.1	22.3	18.9		23.1	0.9%
24 Tobacco and manufactured tobac	18.8	27.1	19.1	18.2	17.2		18.1	0.7%
08 Fruit and nuts, edible; peel of citr	24.1	30.6	25.6	18.6	9.3		17.8	0.7%
05 Animal originated products; not e	10.3	20.7	25.9	15.6	6.3		15.9	0.6%
18 Cocoa and cocoa preparations	15.5	21.4	20.4	13.2	7.1		13.6	0.5%
12 Oil seeds and oleaginous fruits; n	10.0	13.6	16.6	13.2	10.4		13.4	0.5%
09 Coffee, tea, mate and spices	11.1	14.9	18.0	14.5	5.8		12.8	0.5%
01 Animals; live	6.5	6.6	7.3	4.8	9.4		7.2	0.3%
13 Lac; gums, resins and other vege	3.6	4.6	8.6	5.1	3.1		5.6	0.2%
06 Trees and other plants, live; bulb	2.5	2.9	2.2	2.1	1.0		1.7	0.1%
14 Vegetable plaiting materials; veg	0.0	0.0	0.0	0.0	0.1		0.0	0.0%
Total	2,608.0	3,594.3	3,295.1	2,609.1	2,028.0		2,644.1	100.0%

Source: Own calculations based on AGT data.

Angola's agricultural imports from the EU overall roughly followed the same trend – reaching a peak (of just above USD 1 billion) in 2017, and declining since, to USD 570 million in 2020, but the drop since 2017 has been even steeper for imports from the EU (Table 7). This can be explained with the fact that imports from the EU tend to be higher

¹⁴ <https://valinho.co.ao/#madeAngola> [accessed on 05 August 2021].

priced than on average, and during the economic crises demand for such products is more affected than that for lower priced goods. Except for cereals, most of Angola's agricultural imports from the EU have decreased in recent years. As such, cereals have become the most important category, ahead of dairy products, eggs and honey, and fats and oils.

Table 7: Angola's imports of agricultural goods (HS 01-02; 04-24) from the EU, 2016-2020 (USD '000)

		2016	2017	2018	2019	2020		Av 2018-20	% of total
04	Dairy produce; birds' eggs; natur	126.3	151.4	134.7	130.7	85.4		116.9	15.0%
15	Animal or vegetable fats and oils	97.9	186.7	141.5	101.1	72.2		104.9	13.4%
10	Cereals	6.5	6.7	75.6	104.9	113.3		97.9	12.5%
11	Products of the milling industry; r	237.9	196.7	115.8	93.7	63.1		90.8	11.6%
02	Meat and edible meat offal	62.6	91.4	100.7	56.4	49.4		68.8	8.8%
22	Beverages, spirits and vinegar	76.0	89.2	77.8	64.2	42.1		61.4	7.9%
21	Miscellaneous edible preparations	69.7	83.9	86.2	51.3	29.0		55.5	7.1%
16	Meat, fish or crustaceans, mollus	74.8	72.1	74.1	50.7	39.9		54.9	7.0%
19	Preparations of cereals, flour, sta	56.1	64.5	52.7	39.1	23.6		38.5	4.9%
20	Preparations of vegetables, fruit,	38.6	37.8	36.0	22.6	14.6		24.4	3.1%
17	Sugars and sugar confectionery	16.8	17.2	26.6	11.9	3.6		14.0	1.8%
23	Food industries, residues and was	12.0	16.3	17.5	12.6	9.3		13.2	1.7%
07	Vegetables and certain roots and	12.2	13.1	15.5	6.0	5.2		8.9	1.1%
09	Coffee, tea, mate and spices	5.4	8.6	9.6	5.6	4.2		6.5	0.8%
18	Cocoa and cocoa preparations	7.7	9.1	8.2	6.4	3.9		6.1	0.8%
08	Fruit and nuts, edible; peel of citr	7.2	11.0	7.4	5.9	2.2		5.2	0.7%
12	Oil seeds and oleaginous fruits; n	4.9	4.5	7.1	3.1	4.4		4.9	0.6%
13	Lac; gums, resins and other vege	2.7	3.8	5.8	3.6	2.1		3.8	0.5%
01	Animals; live	2.1	1.9	2.7	1.5	0.5		1.5	0.2%
05	Animal originated products; not e	0.1	0.4	3.4	0.8	0.2		1.5	0.2%
06	Trees and other plants, live; bulb	1.0	1.3	0.8	0.8	0.4		0.7	0.1%
24	Tobacco and manufactured tobac	1.3	2.9	0.2	0.2	1.0		0.5	0.1%
14	Vegetable plaiting materials; veg	0.0	0.0	0.0	0.0	0.0		0.0	0.0%
Total		919.7	1,070.6	1,000.0	773.2	569.8		781.0	100.0%

Source: Own calculations based on AGT data.

2.1.2.2 Exports

Because Angola's production of agri-food products is generally limited and in many cases insufficient to meet domestic demand, as shown above, its exports are very limited (Table 8): Only four categories – beverages, products of the milling industry, food waste, and sugars and sugar confectionary – reached average export values of USD 5 million per year in the last three years, and account for more than three quarters of total agri-food exports.¹⁵ However, the performance over time shows very different trends across products. Thus, exports of beverages have substantially declined over the past five years, from USD 56 million to USD 12.5 million. Conversely, exports of fruits and vegetables have shown positive trends. For many product groups, exports have been very volatile over the five-year period; however, this is a common pattern when absolute export values are small, as this indicates a high share of ad hoc, one-off exports rather than consistent export operations over time.

¹⁵ As with other trade data, export data for Angola's agricultural exports are inconsistent across source, including official Angola sources. Thus, export values reported by the National Bank of Angola (Banco Nacional de Angola, BNA) only report exports for beverages and coffee, which differ considerably from the ones reported by the customs authority AGT. BNA reported data (in USD million) are as follows:

	2017	2018	2019	2020
Beverages	21.01	24.51	22.22	33.22
Coffee	1.34	2.05	2.34	3.84

Table 8: Angola's exports of agricultural goods (HS 01-02; 04-24) to the world, 2016-2020 (USD '000)

		2016	2017	2018	2019	2020		Av 2018-20	% of total
22	Beverages, spirits and vinegar	56,036	54,419	22,204	23,962	12,547		19,571	35.5%
11	Products of the milling industry; r	4,700	1,243	6,966	20,189	2,452		9,869	17.9%
23	Food industries, residues and was	7,186	7,865	9,544	5,926	4,608		6,693	12.1%
17	Sugars and sugar confectionery	2,318	14,699	5,620	8,076	4,129		5,942	10.8%
08	Fruit and nuts, edible; peel of citr	87	326	788	3,435	2,971		2,398	4.3%
09	Coffee, tea, mate and spices	1,235	1,724	1,348	2,084	1,854		1,762	3.2%
07	Vegetables and certain roots and	797	697	528	2,883	1,190		1,534	2.8%
20	Preparations of vegetables, fruit,	3,023	1,963	1,538	1,391	1,259		1,396	2.5%
16	Meat, fish or crustaceans, mollus	2,144	1,987	1,790	1,507	597		1,298	2.4%
15	Animal or vegetable fats and oils	2,463	1,850	1,492	1,678	277		1,149	2.1%
10	Cereals	738	22	393	1,908	306		869	1.6%
04	Dairy produce; birds' eggs; natur	359	102	287	1,541	697		842	1.5%
19	Preparations of cereals, flour, sta	490	206	794	1,255	176		742	1.3%
24	Tobacco and manufactured tobac	237	217	136	613	336		362	0.7%
02	Meat and edible meat offal	86	113	133	319	356		269	0.5%
21	Miscellaneous edible preparations	356	42	65	153	323		181	0.3%
01	Animals; live	17	363	320	110	108		179	0.3%
18	Cocoa and cocoa preparations	104	139	15	52	43		37	0.1%
12	Oil seeds and oleaginous fruits; n	28	67	19	67	16		34	0.1%
05	Animal originated products; not e	1	22	25	24	13		21	0.0%
14	Vegetable plaiting materials; veg	13		27	3	0		10	0.0%
13	Lac; gums, resins and other vege	564	87	15	1			5	0.0%
06	Trees and other plants, live; bulb	1	0	1	2	1		1	0.0%
Total		82,983	88,154	54,048	77,179	34,260		55,162	100.0%

Source: Own calculations based on AGT data.

Angola's agri-food exports to the EU are shown in Table 9.¹⁶ Exports increased steadily from USD 1.3 million in 2016 to USD 5.8 million in 2019 but then dropped sharply in 2020 to USD 4.5 million, most probably due to covid-19 effects. Exports are however very concentrated: Only three product categories, coffee, fruits and food waste, account for 85% of total exports. Again the performance across products is uneven: exports of coffee and fruit have shown an increasing trend, while others have declined.

¹⁶ Mirror data (i.e. imports by the EU from Angola) reported by EUROSTAT again differ substantially from Angolan data (see Table 15 in Annex B). According to these, the EU's agricultural imports from Angola were consistently higher in recent years than the exports reported by the AGT: in 2018, EUROSTAT reports imports of EUR 5.3 million (compared to USD 4.0 million reported by AGT), in 2019 EUR 11.4 million (compared to USD 5.8 million), and in 2020 EUR 7.1 million (compared to USD 4.5 million). Whereas data for coffee roughly match, the EU reports higher imports for bananas as well as, in 2019, EUR 3.8 million worth of imports in undenatured ethyl alcohol, not reported by the AGT at all. It cannot be excluded that this latter import is based on a reporting or statistical error, as the EU reported no imports of undenatured alcohol from Angola in any year over the period 2011 to 2020, except the sizable import in 2019. Stakeholders could neither confirm or refute whether such imports actually took place.

Table 9: Angola's exports of agricultural goods (HS 01-02; 04-24) to the EU, 2016-2020 (USD '000)

	2016	2017	2018	2019	2020		Av 2018-20	% of total
09 Coffee, tea, mate and spices	817	595	752	1,776	1,556		1,361	28.7%
23 Food industries, residues and waste	0	824	2,070	1,801	175		1,349	28.5%
08 Fruit and nuts, edible; peel of citrus	21	232	738	1,136	2,068		1,314	27.7%
22 Beverages, spirits and vinegar	318	99	199	124	81		135	2.8%
24 Tobacco and manufactured tobacco	6	2	1	296	98		132	2.8%
11 Products of the milling industry; rice	3	98	49	290	44		128	2.7%
07 Vegetables and certain roots and tubers	21	35	38	54	164		85	1.8%
02 Meat and edible meat offal	28	22	23	76	87		62	1.3%
16 Meat, fish or crustaceans, molluscs	3	9	11	112	48		57	1.2%
19 Preparations of cereals, flour, starch	7	23	23	42	44		36	0.8%
20 Preparations of vegetables, fruit, fruit	15	6	7	16	29		17	0.4%
15 Animal or vegetable fats and oils	14	8	8	20	23		17	0.4%
04 Dairy produce; birds' eggs; natural	17	18	12	8	26		15	0.3%
21 Miscellaneous edible preparations	5	7	6	10	18		11	0.2%
17 Sugars and sugar confectionery	2	2	4	8	4		5	0.1%
10 Cereals	3	3	2	5	6		5	0.1%
14 Vegetable plaiting materials; vegetable			8	0			3	0.1%
01 Animals; live	4	5	3	1	3		2	0.0%
12 Oil seeds and oleaginous fruits; non	26	29	2	2	2		2	0.0%
06 Trees and other plants, live; bulbs	0		1	0	0		0	0.0%
05 Animal originated products; not elsewhere	0		0	0	0		0	0.0%
18 Cocoa and cocoa preparations	3	1	0	0	0		0	0.0%
13 Lac; gums, resins and other vegetable	17						0	0.0%
Total	1,331	2,018	3,959	5,776	4,476		4,737	100.0%

Source: Own calculations based on AGT data.

The high degree of export concentration not only holds at the HS chapter level but also at the individual product (HS 6-digit) level: the five most important products account for four fifths of total agri-food exports to the EU (Table 10): Wheat brans, bananas, green coffee, coffee husks, and plantains. Of these, wheat brans are exported only because of the business model of Angola's large flour mills to import wheat, mill it, and export the brans.

Table 10: Angola's exports of agricultural goods to the EU: top 15 products, 2016-2020 (USD '000)

	2016	2017	2018	2019	2020		Av 2018-20	% of total
230230 Wheat brans	0	824	2,070	1,801	175		1,349	28.4%
080390 Bananas, fresh or dried			196	1,025	1,861		1,027	21.6%
090111 Coffee; not roasted	752	592	624	1,264	742		877	18.4%
090190 Coffee; husks and skins	45	1	118	447	701		422	8.9%
080320 Plantains, fresh or dried	9	204	413				138	2.9%
240220 Cigarettes	1		1	283	98		127	2.7%
220300 Beer; made from malt	185	1	170	78	45		98	2.1%
110710 Malt; not roasted				266	0		89	1.9%
080720 Papaws (papayas), fresh	1	0	26	25	85		45	0.9%
081090 Other fruits, fresh	0	1	34	21	58		38	0.8%
080450 Guavas, mangoes and mangosteens	0	12	46	36	20		34	0.7%
090121 Coffee; roasted	19				93		31	0.7%
070190 Potatoes, fresh or chilled	2	12	14	17	60		31	0.6%
110620 Flour of sago or of roots 0714	0	93	43	13	22		26	0.5%
190190 Food preparations of flour...	1	10	17	33	27		26	0.5%
Others	316	268	238	466	488		397	8.4%
Total	1,331	2,019	4,010	5,776	4,476		4,754	100%

Source: Own calculations based on AGT data.

Comparing exports of agricultural goods with imports, the former are dwarfed by the latter. There is no single HS chapter where Angola has a trade surplus, either in relation to the world or bilaterally with the EU. Even for some of Angola's top 15 agri-food export commodities imports exceed exports (Table 11): for malt, roasted coffee, flour preparations and beer, the average "deficit" in trade with the EU exceeded USD 1 million per year over the past three years.

Table 11: Angola's top 15 agricultural export products to the EU - balances, 2018-2020 (USD '000)

	2018			2019			2020			Av 2018-20		
	Exp.	Imp.	Balance	Exp.	Imp.	Balance	Exp.	Imp.	Balance	Exp.	Imp.	Balance
070190 Potatoes, fresh or chilled	14	399	-384	17	52	-34	60	264	-204	31	238	-208
080320 Plantains, fresh or dried	413	3	411		0	0		0	0	138	1	137
080390 Bananas, fresh or dried	196	1	195	1,025	0	1,025	1,861	112	1,749	1,027	38	990
080450 Guavas, mangoes and ma	46	128	-82	36	49	-12	20	8	12	34	62	-27
080720 Papaws (papayas), fresh	26	17	8	25	4	21	85	4	81	45	8	37
081090 Fruits n.e.c. in heading no.	34	214	-180	21	90	-69	58	46	12	38	116	-79
090111 Coffee; not roasted	624	330	294	1,264	127	1,137	742	181	562	877	213	664
090121 Coffee; roasted		3,399	-3,399		2,568	-2,568	93	2,363	-2,270	31	2,777	-2,746
090190 Coffee; husks and skins; c	118	953	-836	447	237	210	701	140	561	422	443	-22
110620 Flour of sago or of roots O	43	16	26	13	16	-3	22	18	5	26	17	9
110710 Malt; not roasted		37,305	-37,305	266	43,357	-43,091	0	34,715	-34,715	89	38,459	-38,370
190190 Food preparations of flour,	17	3,637	-3,620	33	2,513	-2,480	27	1,774	-1,747	26	2,641	-2,616
220300 Beer; made from malt	170	2,975	-2,805	78	539	-461	45	361	-316	98	1,292	-1,194
230230 Wheat brans	2,070	56	2,014	1,801	0	1,801	175	1	174	1,349	19	1,329
240220 Cigarettes	1	103	-102	283	5	277	98	717	-619	127	275	-148

Source: Own calculations based on AGT data.

This brief analysis of the trade performance of Angola's agri-food sector shows the weak competitive state.

2.2 Institutional Framework

The Government bodies in charge of regulating or developing the agri-food sector are the Ministry of Agriculture and Fishery (for agricultural products and production of animals) and the Ministry of Industry and Trade (for processed food and beverages). Within the Ministry of Agriculture and Fishery, the National Directorate for Agriculture and Livestock is the entity responsible for setting, promoting and controlling the implementation of policies and strategies related to development of the sector.¹⁷ Within the Ministry of Industry of Trade, the National Directorate for Industry is responsible for implementing the policies related with the manufacturing, and the National Directorate for Rural Trade Development is responsible for promoting a nationwide network that is able to ensure the distribution of agricultural production.¹⁸

Among non-state actors, the nationwide Confederation of the Associations of Farmers and Agricultural and Livestock Cooperatives (Confederação das Associações de Camponeses e Cooperativas Agro-pecuárias de Angola, UNACA) was established in 1990. It organises its associates in order to benefit from the support from the Government, civil society and international organizations. Among UNACA's members are 2,083 cooperatives and 8,508 farmer associations¹⁹, with a combined number of 993,501 members in the entire country.²⁰

Another key civil society organization in the sector is Action for Rural Development and the Environment (Acção para o Desenvolvimento Rural e Ambiente, ADRA), which "seeks to contribute to democratic and sustainable rural development, socially and environmentally just, and to the process of national reconciliation and peace in Angola."²¹ ADRA was established in 1990 and has supported rural communities in 808 villages of seven provinces of Angola (Luanda, Malanje, Huambo, Benguela, Namibe, Huíla and Cunene). The total number of families supported so far is about 140,000. Currently, ADRA has the following projects:²² Support to the Development and Strengthening of Cooperatives in Huambo (funded by BP Angola); Agricultural Production Support, also in Huambo (funded by

¹⁷ Decreto Presidencial nº 176/20 (3 Junho 2020): Estatuto Orgânico do Ministério da Agricultura e Pescas

¹⁸ Decreto Presidencial nº 157/20 (3 Junho 2020): Estatuto Orgânico do Ministério da Indústria e Comércio

¹⁹ "UNACA defende criação de cooperativas para comercialização de produtos", ANGOP, 05 February 2021, <https://www.angop.ao/noticias/economia/unaca-defende-criacao-de-cooperativas-para-comercializacao-de-produtos/> [accessed 06 August 2021].

²⁰ <https://www.portalocplp.org/organizacoes/unaca> [accessed 06 August 2021].

²¹ Quem Somos | ADRA (adra-angola.org) [accessed 09 August 2021].

²² <https://www.adra-angola.org/noticias-adra-2/projectos> [accessed 09 August 2021].

ESSO/Bloco 15); Productive Inclusion in Huila (Funded by FAS – Fundo de Apoio Social); Young Farmers Support in Huambo (funded by the French Embassy in Angola).

The beverage sector is well organized. The Beverage Industries Association of Angola (Associação das Indústrias de Bebida de Angola, AIBA) has 44 associated firm members. The association has the mission “to be the body that represents the national beverage industry, defending its interests and rights to a single voice, working alongside the Executive to fill the main constraints on its competitiveness.”²³

2.3 Sector Development Policies and Projects

The main Government policies and projects for the development of the agri-food sector are set in the Medium-Term Development Plan of the Agrarian Sector: 2018–2022 (Plano de Desenvolvimento de Médio Prazo do Sector Agrário: 2018–2022). The main objectives are to:

- increase the production to meet the internal demand and for export;
- support the sustainable development of family and commercial agriculture;
- improve the productive capacity of the sector and its infrastructures; and
- provide training to the human resources of the sector and retain them.

To reach these objectives, a number specific programs were launched such as: Family Production Promotion Program, Commercial Production Promotion Program, Program for Animal Promotion and Production of Meat, Eggs and Milk; Nutrition and National Food Security Program; Agrarian Land Management Program; Program for Construction and Rehabilitation of Agricultural Infrastructure and Conservation; Agrarian Research and Technological Development Program.

Most agri-food products are also listed in PRODESI as priority for imports substitution and exports promotion.²⁴ The Government, through the Ministry of Economy and Planning, the entity responsible for the coordination and management of PRODESI, is supporting and urging local investors and producers to produce products such as rice, maize, wheat, sorghum, soya, beans, peanut, potatoes, cassava, tomato, onions, carrot, coffee, sugar cane, honey and animal production for meat (cattle, goat, pigs, poultry).

In recent years Government, with the technical support of Israel, invested heavily in agro-industrial and livestock projects located in localities of Longa (Cuando Cubango), Camaiangala (Moxico), Manquete (Cunene), Cuimba (Zaire), Camacupa (Bié) e Sanza Pombo (Uíge) but with no tangible results, being criticized by some experts.²⁵ Other projects such as that of Quimí²⁶ (Bengo) and Waku Kungo (Cuanza Sul) are producing but not to the full capacity.

2.4 SWOT Analysis

The biggest **strength** of the agri-food sector in Angola consists in its large potential for further growth and development. This is based on a number of favourable conditions that the country has: vast arable land that is currently underexploited (currently out of 55 million hectares only 5 million are being used), and that would not require deforestation due to the fact that a large part of this area used to be agricultural land in the past and only needs to be reactivated; a large young population that with appropriate training can work in this labour-intensive sector; and many rivers that can be used for irrigation

²³ [AIBA | QUEM SOMOS \(aiba-ao.org\)](http://aiba-ao.org) [accessed 06 August 2021].

²⁴ <https://www.prodesi.ao/fileiras/agricultura> [accessed on 06 August 2021].

²⁵ “ADRA pede fim do investimento público em projectos agrícolas”, Jornal de Angola, 01 January 2019, <https://www.jornaldeangola.ao/ao/noticias/detalhes.php?id=420198> [accessed on 06 August 2021].

²⁶ “Projecto Agrícola da Quimí dobra produção de ovos”, Diniz Kapapelo/ Portal de Angola, 09 May 2020, <https://www.portaldeangola.com/2020/05/09/projecto-agricola-da-quiminha-dobra-producao-de-ovos/> [accessed on 06 August 2021].

systems. The legislative framework is also comparatively well developed (see section 1.3.4 in Annex C to the main report).

But to convert these latent strengths into actual ones, a number of **weaknesses** need to be addressed. These include the lack of technical assistance and training for family farmers across the country that still use traditional technics to farm and depend on the rain for the crops to grow has resulted in low yields.

Also, the absence of adequate transport infrastructure such as paved roads that would allow the transportation of products to market, the lack of a logistics system with appropriate storage and packing equipment for the different crops produce, and the lack of electricity in rural areas constitute key weaknesses for the distribution of agri-food products domestically and for export.

The quality infrastructure is also underdeveloped. Although some institutional changes have taken place most recently, shortcomings comprise, legal, institutional, procedural and technical issues in all areas related to the export of agri-food products: For example, the administration and enforcement of laws and initiatives on human, animal and plant health has been hampered by human and financial capacity constraints. Importantly, Angola is not yet a party to the IPPC, and while accession is in process it has progressed slowly; Angola has also not yet ratified the Rotterdam Convention on Pesticides, and does not participate in SADC regional SPS coordination activities. In addition to these regulatory and administrative issues, a key impediment for Angolan agri-food producers is their limited capacity to meet product safety, quality and technical requirements in export markets – and the EU, motivated by the protection of consumers and the need to address climate change and related issues, is particularly demanding and further tightening requirements in the context of e.g. the Farm to Fork strategy. This challenge stems both from capacity limitations of farms and businesses in producing according to requirements and weaknesses in the quality infrastructure, particularly in relation to conformity assessment.

Despite the fact that the majority of agricultural products in the country come from small scale family farmers, that usually do not make use of intensive chemical fertilizers, there are also no officially established organic farming and fair trade initiatives in the country. For that, Angola needs an institution that can certify organic agricultural products and register all farmers that produce following the principle of organic farming throughout the country. Angola is not a member of the African Organic Network, a continental organisation called AfroNET, with a goal of “developing a unique organic agriculture sector based on the principles of ecology, health, fairness and care to guarantee food security, food sovereignty and sustainable development.”²⁷

As for the **threats** in the agriculture, the drought in the south of the country and the widespread lack of irrigation systems despite the abundant rivers can affect negatively the sector. Also, the absence of linkages between agriculture and the food processing sector also prevents value addition, contributing to the concentration of primary production and exports. For example, for the beverage industry almost all raw materials are imported, as local producers of fruits cannot match the requirements, in terms of consistency and quality of supply, of local juice producers. This lack of integration represents a real threat for development of the sector. The shortage of agricultural machinery and equipment – only 28% of the soil cultivated in the 2018/2019 agricultural year was cultivated with the aid of animal or mechanical traction equipment – make it difficult to increase productivity and develop the sector. As PRODESI recognises, the manual planting and soil preparation limit the increase in the production of cereals and legumes in Angola.²⁸

²⁷ <https://www.afroNET.bio/about> [accessed on 06 August 2021].

²⁸ <https://www.prodesi.ao/fileiras/agricultura> [accessed on 09 August 2021].

Overcoming the weaknesses and addressing the threats requires a formidable effort, in which the EPA and the SIFA can only constitute elements in a broader approach. Nevertheless, the EPA and the SIFA represent an **opportunity** for the Angolan agri-food sector to become more competitive and increase exports to the EU market, a very competitive market that will force the Angolan producers to produce in competitive way in order to be able to trade in this market. In addition, Angola's growing population also constitutes an opportunity for the sector to increase the production in order to satisfy the internal demand as well. With the SIFA in place it is possible that some EU agri-food producers come to invest in Angola or form partnerships with local producers, creating opportunities for further development of the sector.

3 POTENTIAL IMPACT OF ANGOLA'S ACCESSION TO THE EPA ON THE AGRI-FOOD SECTOR

3.1 Effects of EPA Tariff Preferences Compared to the GSP

The tariff preferences granted under the EPA have different effects on those products which are already being exported and those that could be exported to the EU in the future.

For the first group, **products that are currently exported by Angola**, the EPA helps avoid that these exports to the EU will drop in the future. EU tariffs on imports from Angola increase when Angola exits the EBA: Both under the current EBA and the EPA, all of these products can enter the EU market duty-free. If Angola did not accede to the EPA, it would trade either under the GSP general arrangement (as has been assumed for the partial equilibrium, PE, analysis), or under the GSP+ arrangement. Both provide a less preferential tariff regime, covering fewer agri-food goods exported from Angola. Whereas the GSP+ is more generous than the GSP general arrangement (offering zero duty access to the EU market for most agricultural products; see below), it is conditional upon Angola's successful application to the GSP+ arrangement and also upon the effective implementation of a number of international environmental, labour, human rights and governance conventions.

The PE modelling analysis calculates the effects of acceding to the EPA for Angola's current agricultural exports to the EU (Table 12). The analysis starts with Angola's actual exports to the EU in 2019 (total of €11.4 million), and then calculates the effect of Angola's move from the current EBA regime to the GSP general arrangement: given the tariff increases that this move involves, total agri-food exports to the EU would decrease to €3.6 million: for ethyl alcohol, bananas, wheat brans and malt the GSP tariffs would lead to substantial declines in exports to the EU. This is the "baseline" for the further analysis, as it would reflect the default situation that would result if Angola did not accede to the EPA.

Then, acceding to the EPA will mean that the EU reinstates duty-free tariff treatment on Angola's agri-food exports, and accordingly the total exports would increase again by €7.8 million, back to the €11.4 million currently exported.

The results also show that a number of Angola's current agricultural export commodities would not be affected by the loss of Angola's EBA status (and accordingly, also not by accession to the EPA or not). These include e.g. green coffee, tropical fruits, and beverages, for which the EU's GSP tariffs are also zero. But for bananas and other products, the cost of not acceding to the EPA would be high.

Table 12: Impact of EPA tariff changes on Angola's agri-food exports to the EU (current exported products) (€ '000)

		Actual exports 2019 (under EBA)	Baseline: calculated exports under GSP	Calculated change in exports due to change from GSP to EPA	Calculated exports under EPA
	Product				
220710	Undenatured ethyl alcohol; of an alcoholic strength by v	3,841	6	3,836	3,843
230230	Bran, sharps and other residues; of wheat, whether or	3,237	1,123	2,114	3,237
080390	Fruit, edible; bananas, other than plantains, fresh or dri	2,646	962	1,684	2,646
090111	Coffee; not roasted or decaffeinated	1,111	1,111	0	1,111
110710	Malt; not roasted	171	1	170	171
080720	Fruit, edible; papaws (papayas), fresh	97	97	0	97
080450	Fruit, edible; guavas, mangoes and mangosteens, fresh	92	92	0	92
220300	Beer; made from malt	89	89	0	89
081090	Fruit, edible; fruits n.e.c. in heading no. 0801 to 0810, f	39	30	9	39
220850	Gin and geneva	26	26	0	26
110620	Flour, meal and powder; of sago or of roots or tubers o	4	3	1	4
080430	Fruit, edible; pineapples, fresh or dried	4	4	1	4
220190	Waters; other than mineral and aerated, (not containi	3	3	0	3
220429	Wine; still, in containers holding more than 10 litres	3	1	2	3
120242	Ground-nuts; other than seed, not roasted or otherwise	2	2	0	2
200899	Fruit, nuts and other edible parts of plants; prepared or	1	0	0	1
Total		11,367	3,551	7,818	11,368

Source: Own calculations based on DG TRADE modelling (see Table 16 in Annex B for full results).

For the second group of products, i.e. **agri-food products that are not currently exported from Angola to the EU** (or only in very limited quantities) the tariff preferences which the EPA provides over and above the GSP constitute a necessary but not sufficient condition for successfully exporting to the EU.

Table 13 shows the minimum, simple average and maximum ad valorem tariffs for agricultural goods imported into the EU, aggregated to the HS Chapter level. Thus, the simple average tariff on imports from GSP (general arrangement) countries, across all agricultural goods, is 6.6%, ranging from zero (chapters 10, cereals, and 14, vegetables n.e.c.) to more than 10% (chapters 16, meat and fish preparations; 20, fruit and vegetable preparations; and 24, tobacco products); for individual products, tariffs reach up to 52.4%. These are the duties that Angolan agricultural exports to the EU would face after graduation from the EBA status without acceding to the EPA. If Angola instead successfully applied to the GSP+, market access conditions on agricultural goods would be substantially more preferential, as most ad valorem tariffs would be zero; however, specific duties would continue to be applied for a number of tariff lines. Acceding to the EPA would avoid this.

The bottom line is that the EPA will continue to offer Angola the same tariff preferences as the current EBA (i.e. zero). This tariff preference has so far not been sufficient to generate exports of agricultural products other than the few commodities which are already exported. The reason for this is that other constraints to export, such as non-tariff issues – economic infrastructure, SPS, supply side constraints, etc. as discussed above and in the main report – constitute the binding constraints. However, the EPA tariff preferences nevertheless play an important (although not sufficient) role, also considering that many competitors of Angola with respect to exporting agri-food products (including a number of Latin American countries, Vietnam, EPA countries) export to the EU under FTAs and hence also pay no duties. In other words, accession to the EPA helps Angola to maintain a level playing field with these competitors; without the EPA, Angola will face a tariff disadvantage compared to these competitors, making it even harder to export to the EU.

But to successfully generate more exports, tariff preferences are not sufficient, as Angola's current experience under the EBA has shown. The EPA and the SIFA would thus have to help Angola overcome the other bottlenecks preventing exports even with the presence of duty-free access to the EU. This is assessed in the next section.

Table 13: EU ad valorem tariffs on agricultural goods: MFN, GSP and GSP+

HS Ch.	MFN			GSP - General arrangement			GSP+		
	Min AV	Av AV	Max AV	Min AV	Av AV	Max AV	Min AV	Av AV	Max AV
01	0.0	1.5	11.5	0.0	0.8	8.0	0.0	0.0	0.0
02	0.0	5.9	15.4	0.0	1.8	10.7	0.0	0.0	0.0
04	0.0	5.3	17.3	0.0	1.9	4.2	0.0	0.0	0.0
05	0.0	0.3	5.1	0.0	0.1	1.6	0.0	0.0	0.0
06	0.0	6.5	12.0	0.0	3.4	8.5	0.0	0.0	0.0
07	0.0	9.4	15.2	0.0	6.2	11.7	0.0	0.0	0.0
08	0.0	8.2	20.8	0.0	4.4	16.5	0.0	0.0	0.0
09	0.0	3.6	12.5	0.0	1.3	8.0	0.0	0.0	0.0
10	0.0	3.8	12.8	0.0	0.0	0.0	0.0	0.0	0.0
11	7.7	11.7	19.2	4.2	8.1	15.7	0.0	0.0	0.0
12	0.0	1.7	8.3	0.0	0.5	4.8	0.0	0.0	0.0
13	0.0	3.3	19.2	0.0	1.8	13.4	0.0	0.0	0.0
14	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
15	0.0	7.2	16.0	0.0	3.9	11.2	0.0	0.0	0.0
16	0.0	18.5	26.0	0.0	11.5	21.5	0.0	0.0	0.0
17	8.0	11.4	13.4	8.0	8.7	9.3	0.0	2.7	8.0
18	0.0	5.6	9.6	0.0	2.7	6.1	0.0	0.0	0.0
19	8.5	10.7	12.8	0.0	1.5	2.9	0.0	0.0	0.0
20	0.0	17.7	33.6	0.0	12.4	28.5	0.0	0.0	0.0
21	0.0	8.9	17.3	0.0	5.2	12.1	0.0	0.0	0.0
22	0.0	2.8	32.0	0.0	1.1	6.1	0.0	0.0	0.0
23	0.0	1.3	12.0	0.0	0.4	4.2	0.0	0.0	0.0
24	10.0	21.0	74.9	0.0	12.6	52.4	0.0	0.0	0.0
Total	0.0	10.3	74.9	0.0	6.6	52.4	0.0	0.0	8.0

Note: Data shown in table only consider tariff lines with pure ad valorem tariffs.

Source: Own calculations based on EU tariffs in October 2021 (CIRCABC TARIC and quota data and information)

3.2 Other effects of the EPA and SIFA on agri-food exports

As is discussed in the main report, accession to the EPA would not only result in tariff preferences for Angola. Non-tariff issues, improvements in governance, as well as the role of EU support also need to be considered, and the SIFA could also substantially enhance the investment climate in the country.

The two agreements' role in addressing key identified constraints for increasing and diversifying agri-food exports from Angola – productive capacity, infrastructure constraints, and SPS issues – is assessed as follows.

Effect on addressing limitations in productive capacity in agri-food value chains

As noted, low productivity and productive capacity in terms of producing at scale and with consistent quality are problems affecting in particular small scale family production. This affects the whole agri-food value chains as downstream value-added production depends on the supply of inputs. Increasing production in commercial farms would help address this problem. But presently, lack of domestic investment capital and a reluctance by foreign investors are impeding this expansion.

In the longer term, the EPA, as well as the SIFA could help overcome these constraints. The lack of investment capital to implement projects in the sector is expected to be addressed by the improved governance, transparency and predictability the two agreements are expected to bring about, and which also are expected to lead to more investment activity.²⁹ Considering that investment projects in the agri-food sector tend to be of a comparatively small scale (when compared e.g. to mining or oil projects), these are expected to benefit in particular from governance improvements.

Increased investment from the EU is also expected to inject technology and production processes, including sustainable production practices, thereby contributing to the

²⁹ See section 4.1.3.2 of the main report as well as section 1.2.2 in annex C to the main report.

modernisation of the agriculture sector. Since the EU is a major world market for organic products, the EPA and the SIFA can play a big role for the official development of organic farming in Angola and the establishment of fair trade initiatives helping the farmers to increase their income taking into account that organic products have price premiums in the market.

Effect on addressing limitations in critical infrastructure for agri-food value chains

As mentioned above, to develop and expand, the agri-food sector in Angola needs adequate transport infrastructure to bring products to market, a functioning logistics system with appropriate storage, cooling and packing equipment, and a reliable supply of electricity and water in rural areas.

These constraints would be addressed by the EPA and the SIFA only indirectly, through the improvements in the investment climate. Complementary cooperation between the EU (and its Members) and Angola, and technical assistance to overcome these challenges could be provided in the framework of the EPA, including technical assistance facilities agreed as part of the EPA accession negotiations.

Effect on addressing SPS limitations

Another challenge for developing exports of Angolan agri-food exports to the EU is the weak state of the SPS infrastructure in the country. This is expected to be strengthened as a result of the EPA.

First, in terms of regulatory and administrative issues related to SPS measures, upon accession to the EPA, Angola would likely have to ratify the IPPC – although this is already in process, progress has been slow and the EU could provide assistance in the process.

In addition, technical and financial support by the EU and its Member States both for the development of the quality infrastructure, and to agri-food businesses, is expected to be made available. Technical assistance under the 11th EDF in this area is already planned in the project “Support to safety and quality standards towards a national sustainable and inclusive economic growth in Angola”.³⁰ Such continued support will be crucial for Angola to expand and diversify exports to the EU under the EPA.

The transparency provisions foreseen in the EPA’s SPS chapter (as well as in the TBT chapter) would, if the proper domestic mechanisms for onward information sharing with domestic businesses are in place, help Angola’s export oriented businesses to adapt to changing requirements in the EU on time. To ensure that this happens, EU support to establish such a mechanism might be required. In addition, assistance to Angolan agri-food businesses in meeting changed/tightened import requirements in the EU should be considered.

In sum, the production of agri-food products in Angola has a large potential for further development, expansion and growth of the sector. Although the current level of exports of agri-food products to the EU is low, it is expected that the exports of this sector will be affected positively by the EPA and the SIFA. First, the EPA will avoid a contraction of exports that would occur if Angola moved from the current EBA to the EU GSP, offering more limited market access preferences. Second, in the longer term the two agreements can contribute to an increase in Angolan agri-food exports to the EU in comparison to current export levels. But to realise this, complementary support to the sector needs to be provided in

³⁰ This project is expected to start in 2022 or early 2023 last three years.

line with the objectives and outcome of the EPA accession negotiations and EU Angola SIFA.

Since the sector is labour intensive, employing some 50% of the economically active population of Angola, a further development and expansion of the agri-food sector would affect positively the livelihood of the rural population and reduce poverty. EU technical and financial assistance provided in association with the EPA should be targeted specifically to overcome the challenges that hinder the development of the agri-food sector, with direct involvement of local communities and municipalities, and not only the central government.

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ANNEX A: IDENTIFICATION OF AGRI-FOOD SUB-SECTORS AND VALUE CHAINS WITH EXPORT POTENTIAL

PRODESI lists the following products in the agricultural sector:³¹

- Cereals: rice, maize, wheat and sorghum;
- Oilseeds, such as soybeans, cashew nuts, sunflower and palm oil;
- Roots and tubers: potato, sweet potato and cassava;
- Vegetables, such as onion, garlic, carrot, pepper, tomato, cabbage, ginger, lettuce, or cucumber;
- Coffee;
- Sugar cane;
- Honey;
- Meat production: Beef, pork, poultry, goats;
- Dairy; and
- Forestry.

However, the fact that certain products are listed in PRODESI does not necessarily mean that these products have export potential, because PRODESI also includes those products that are found to have import substitution potential, i.e. that could be produced with the domestic market in mind.

A recent export diversification study (BKP Development Research & Consulting 2019) thus complemented PRODESI by focussing specifically on the export potential of 30 Angolan goods and services sectors, among which 11 agricultural sub-sectors and value chains. This study found at least “medium” export potential for six sub-sectors (Table 14):

- Beverages;
- Honey;
- Coffee;
- Vegetables and vegetable preparations;
- Fruits and fruit preparations; and
- Oilseeds and vegetable oils.

For livestock products (including meat and dairy), as well as cereals and sugar, no or only limited export potential was identified.

³¹ “PRODESI products”, <https://www.prodesi.ao/fileiras/agricultura#>

Table 14: Export potential of agricultural sub-sectors according to 2019 Export Diversification Study

Criteria	A. Supply-side							B. Demand-side		Overall export potential	C. Potential for investment attraction and benefitting from current production	Export potential time horizon
	1. Potential for export competitiveness				2. Potential to overcome key constraints			3. Level and stability of regional/ international demand	4. Market access barriers			
Sector	Export performance	RCA	Production/ ouptut	Score	Key constraints	Measures to solve key constraints	Score					
12 Alcoholic and non-alcoholic beverages	high	6	high	2.00	medium	high	1.50	medium	medium	1.38	high	short-term
05 Honey	low	3	medium	0.67	medium	high	1.50	medium	medium	1.04	medium	medium-term
08 Coffee	medium	2	medium	0.67	high	medium	0.50	high	medium	1.04	medium	medium-term
06 Vegetables and veg. preparations	medium	4	medium	1.00	high	medium	0.50	medium	medium	0.88	medium	medium-term
07 Fruits and fruit preparations (a)	low	4	medium	0.67	high	medium	0.50	medium	medium	0.79	medium	medium-term
10 Oilseeds and vegetable oil (b)	low	2	medium	0.33	high	medium	0.50	medium	medium	0.71	medium	medium-term
02 Poultry products	low	3	low	0.33	medium	medium	1.00	medium	high	0.58	medium	long-term
09 Cereals and cereal products (a)	low	4	low	0.33	high	low	0.00	medium	medium	0.58	low	medium-term
11 Sugar and confectionary (b)	low	2	medium	0.33	medium	medium	1.00	medium	high	0.58	medium	long-term
04 Milk and dairy products (b)	low	2	low	0.00	high	medium	0.50	medium	high	0.38	medium	long-term
01 Meat and meat products	low	1	low	0.00	high	low	0.00	medium	high	0.25	medium	long-term

Notes: (a) Scores for export performance have been adjusted based on sector profile information (statistics driven by re-exports rather than genuine domestic sector performance). (b) Scores for export performance and RCA have been adjusted based on sector profile information (statistics driven by re-exports rather than genuine domestic sector performance).

Source: Extracted from BKP Development Research (2019).

ANNEX B: TABLES

Table 15: EU imports of agricultural goods from Angola, 2018-2020 (EUR '000)

Product	2018	2019	2020	Av 2018-20	Share in total
080390 Fresh or dried bananas (excl. plantains)	2,079.0	2,646.5	3,631.0	2,785.5	35.2%
230230 Bran, sharps and other residues of wheat, whe	2,153.4	3,237.1	701.4	2,030.6	25.6%
220710 Undenatured ethyl alcohol, of actual alcoholic s	0.0	3,840.8	0.0	1,280.3	16.2%
090111 Coffee (excl. roasted and decaffeinated)	679.3	1,110.7	1,746.6	1,178.9	14.9%
080720 Fresh pawpaws "papayas"	51.5	96.5	358.9	169.0	2.1%
110710 Malt (excl. roasted)	0.0	170.9	223.9	131.6	1.7%
220300 Beer made from malt	125.3	89.0	65.2	93.2	1.2%
080450 Fresh or dried guavas, mangoes and mangoste	90.7	92.3	52.1	78.4	1.0%
081090 Fresh tamarinds, cashew apples, jackfruit, lych	43.0	38.7	85.3	55.7	0.7%
090121 Roasted coffee (excl. decaffeinated)	0.0	0.1	124.1	41.4	0.5%
110620 Flour, meal and powder of sago or of roots or t	29.4	4.4	14.6	16.1	0.2%
220110 Mineral waters and aerated waters, not contain	34.9	0.0	0.1	11.7	0.1%
220850 Gin and Geneva	0.0	26.0	0.1	8.7	0.1%
080430 Fresh or dried pineapples	6.0	4.2	7.2	5.8	0.1%
220720 Denatured ethyl alcohol and other spirits of an	15.3	0.0	0.0	5.1	0.1%
080550 Fresh or dried lemons "Citrus limon, Citrus lim	8.5	0.0	0.0	2.8	0.0%
220190 Ordinary natural water, not containing added s	0.8	3.0	4.1	2.6	0.0%
071490 Arrowroot, salep, Jerusalem artichokes and sin	0.0	0.0	6.7	2.2	0.0%
090210 Green tea in immediate packings of <= 3 kg	6.4	0.0	0.0	2.1	0.0%
080290 Nuts, fresh or dried, whether or not shelled or	0.0	0.0	5.3	1.8	0.0%
220421 Wine of fresh grapes, incl. fortified wines, and	1.2	0.2	3.0	1.5	0.0%
080719 Fresh melons (excl. watermelons)	0.0	0.0	4.5	1.5	0.0%
121190 Plants, parts of plants, incl. seeds and fruits, us	0.2	0.0	4.0	1.4	0.0%
120242 Groundnuts, shelled, whether or not broken (e	0.0	1.5	2.5	1.3	0.0%
220820 Spirits obtained by distilling grape wine or grap	0.0	0.0	3.2	1.1	0.0%
220429 Wine of fresh grapes, incl. fortified wines, and	0.0	2.8	0.0	0.9	0.0%
220410 Sparkling wine of fresh grapes	0.0	0.0	2.2	0.7	0.0%
090220 Green tea in immediate packings of > 3 kg	1.5	0.2	0.0	0.6	0.0%
081340 Dried peaches, pears, papaws "papayas", tama	0.0	0.0	1.3	0.4	0.0%
070999 Fresh or chilled vegetables n.e.s.	1.3	0.0	0.0	0.4	0.0%
060319 Fresh cut flowers and buds, of a kind suitable f	0.8	0.3	0.0	0.4	0.0%
110100 Wheat or meslin flour	0.9	0.1	0.0	0.3	0.0%
080310 Fresh or dried plantains	0.9	0.0	0.0	0.3	0.0%
080440 Fresh or dried avocados	0.4	0.0	0.5	0.3	0.0%
220830 Whiskies	0.2	0.1	0.5	0.3	0.0%
220210 Waters, incl. mineral and aerated, with added s	0.6	0.0	0.0	0.2	0.0%
210610 Protein concentrates and textured protein subs	0.0	0.0	0.6	0.2	0.0%
200899 Fruit and other edible parts of plants, prepared	0.0	0.6	0.0	0.2	0.0%
210390 Preparations for sauces and prepared sauces;	0.0	0.3	0.1	0.2	0.0%
210420 Food preparations consisting of finely homoger	0.0	0.0	0.5	0.2	0.0%
050100 Human hair, unworked, whether or not washed	0.4	0.0	0.0	0.1	0.0%
210120 Extracts, essences and concentrates, of tea or	0.4	0.0	0.0	0.1	0.0%
170230 Glucose in solid form and glucose syrup, not co	0.3	0.0	0.0	0.1	0.0%
060311 Fresh cut roses and buds, of a kind suitable for	0.3	0.0	0.0	0.1	0.0%
090230 Black fermented tea and partly fermented tea,	0.3	0.0	0.0	0.1	0.0%
090240 Black fermented tea and partly fermented tea,	0.3	0.0	0.0	0.1	0.0%
200190 Vegetables, fruit, nuts and other edible parts o	0.0	0.0	0.2	0.1	0.0%
190110 Food preparations for infant use, put up for ret	0.0	0.2	0.0	0.1	0.0%
080610 Fresh grapes	0.0	0.2	0.0	0.1	0.0%
110313 Groats and meal of maize "corn"	0.1	0.0	0.0	0.1	0.0%
110630 Flour, meal and powder of produce of chapter	0.0	0.0	0.1	0.0	0.0%
210690 Food preparations, n.e.s.	0.0	0.0	0.1	0.0	0.0%
190490 Cereals (excl. maize [corn]) in grain or flake fo	0.0	0.1	0.0	0.0	0.0%
071390 Dried, shelled leguminous vegetables, whether	0.1	0.0	0.0	0.0	0.0%
120991 Vegetable seeds, for sowing	0.0	0.0	0.1	0.0	0.0%
220870 Liqueurs and cordials	0.0	0.0	0.1	0.0	0.0%
070820 Fresh or chilled beans "Vigna spp., Phaseolus s	0.1	0.0	0.0	0.0	0.0%
110814 Manioc starch	0.0	0.0	0.0	0.0	0.0%
110220 Maize "corn" flour	0.0	0.0	0.0	0.0	0.0%
190190 Malt extract; food preparations of flour, groats,	0.0	0.0	0.0	0.0	0.0%
070960 Fresh or chilled fruits of the genus Capsicum or	0.0	0.0	0.0	0.0	0.0%
220860 Vodka	0.0	0.0	0.0	0.0	0.0%
170199 Cane or beet sugar and chemically pure sucros	0.0	0.0	0.0	0.0	0.0%
170290 Sugars in solid form, incl. invert sugar and che	0.0	0.0	0.0	0.0	0.0%
090122 Roasted, decaffeinated coffee	0.0	0.0	0.0	0.0	0.0%
Total	5,333.8	11,366.8	7,050.3	7,917.0	100.0%

Source: Own calculations based on EUROSTAT data.

Table 16: Impact of EPA tariff changes on EU imports of agricultural goods from Angola – PE results (EUR '000)

Product code	AGO exports, by product and destination (EUR '000)									Change in AGO exports under EPA compared to GSP, by product and destination		
	EU			ROW			World			EUR million		
	2019act	GSP	EPA	2019act	GSP	EPA	2019act	GSP	EPA	EU	ROW	World
220710	3,840.8	6.2	3,842.7				3,841	6	3,843	3,836	0	3,836
230230	3,237.1	1,122.8	3,237.1	4,365	4,474	4,365	7,602	5,596	7,602	2,114	-109	2,005
080390	2,646.5	962.4	2,646.2	58	63	58	2,704	1,025	2,704	1,684	-5	1,679
090111	1,110.7	1,110.7	1,110.7	296	296	296	1,407	1,407	1,407	0	0	0
110710	170.9	0.8	170.9				171	1	171	170	0	170
080720	96.5	96.5	96.5				97	97	97	0	0	0
080450	92.3	92.3	92.3	11	11	11	103	103	103	0	0	0
220300	89.0	89.0	89.0	4,220	4,220	4,220	4,309	4,309	4,309	0	0	0
081090	38.7	29.5	38.7				39	30	39	9	0	9
220850	26.0	26.0	26.0				26	26	26	0	0	0
110620	4.4	3.5	4.4				4	3	4	1	0	1
080430	4.2	3.5	4.2	2	2	2	6	6	6	1	0	1
220190	3.0	3.0	3.0	174	174	174	177	177	177	0	0	0
220429	2.8	1.2	2.8	530	530	530	533	531	533	2	0	1
120242	1.5	1.5	1.5				2	2	2	0	0	0
200899	0.6	0.2	0.6	18	18	18	19	19	19	0	0	0
210390	0.3	0.3	0.3	14	14	14	14	14	14	0	0	0
060319	0.3	0.2	0.3				0	0	0	0	0	0
220421	0.2	0.2	0.2	811	811	811	812	811	812	0	0	0
090220	0.2	0.2	0.2	22	22	22	22	22	22	0	0	0
190110	0.2	0.2	0.2	3	3	3	3	3	3	0	0	0
080610	0.2	0.1	0.2	2	2	2	2	2	2	0	0	0
190490	0.1	0.0	0.1	8	8	8	8	8	8	0	0	0
090121	0.1	0.1	0.1	19	19	19	20	20	20	0	0	0
110100	0.1	0.0	0.1	3,324	3,322	3,322	3,324	3,322	3,322	0	0	0
220830	0.1	0.1	0.1	2,115	2,115	2,115	2,115	2,115	2,115	0	0	0
070960	0.0	0.0	0.0	2	2	2	2	2	2	0	0	0
220410	0.0	0.0	0.0	671	671	671	671	671	671	0	0	0
220110	0.0	0.0	0.0	52	52	52	52	52	52	0	0	0
170199	0.0	0.0	0.0	3,643	3,643	3,643	3,643	3,643	3,643	0	0	0
220870	0.0	0.0	0.0				0	0	0	0	0	0
220820	0.0	0.0	0.0	17	17	17	17	17	17	0	0	0
Others	0.0	0.0	0.0	23,019	23,018	23,018	23,019	23,018	23,018	0	0	0
Total	11,367	3,551	11,368	43,395	43,505	43,391	54,761	47,056	54,759	7,818	-114	7,704

Source: Own calculations based on DG TRADE modelling.

Annex B.3: Case study – Impact of Angola’s Accession to the EPA on Biodiversity and Deforestation

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1 INTRODUCTION

This case study looks at biodiversity and deforestation in Angola, focusing on those areas where Angola’s accession to the EU-SADC EPA can support positive action to address biodiversity loss and deforestation.

Angola is one of the countries with the highest biodiversity in Africa, including its tropical forest resources. However, decades of civil war have threatened biodiversity conservation and led to inconsistent data keeping on biodiversity and the impacts of deforestation in the country. Most of Angola’s natural resources are over-exploited and not formally protected. Climate change not only poses a threat to biodiversity but is also exacerbated by deforestation.

With political stability in the country improving, there have been positive developments. Some programmes have been put in place to protect biodiversity and forest resources. However, a lack of resources and funding has limited management and administration of these programmes. Lower oil revenues have placed a strain on domestic public finances, and the effects of the covid-19 pandemic have restrained this even further.

1.1 Biodiversity and trade

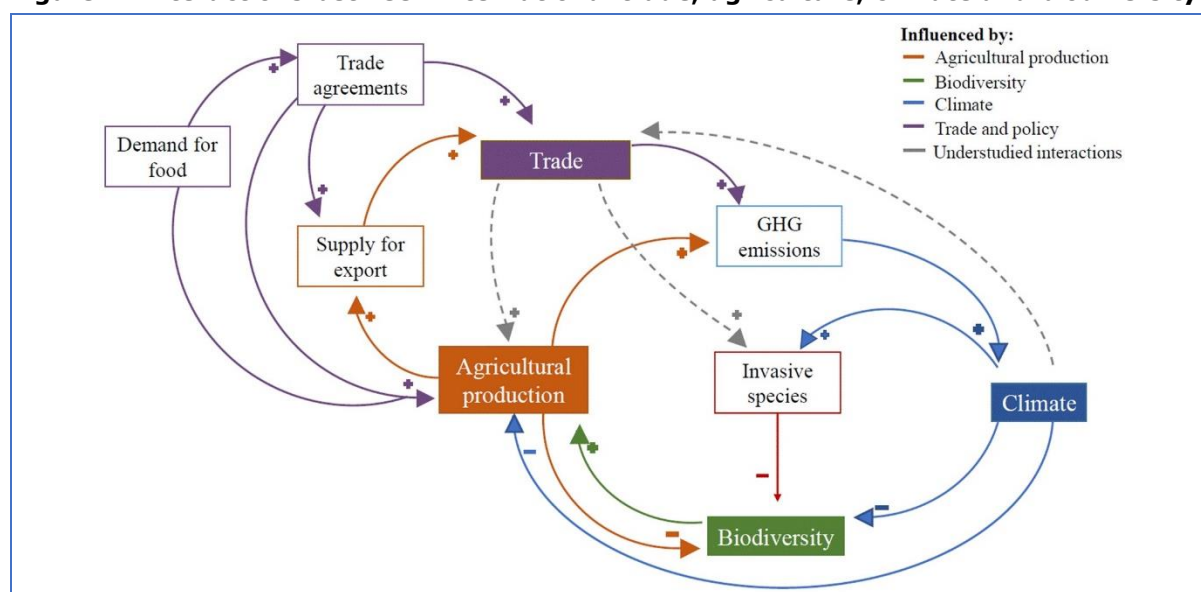
International trade agreements can positively influence biodiversity in Angola by providing a basis for stronger enforcement of biodiversity-related provisions and playing a role in supporting the government tackle conservation challenges. At the same time, the increase

in international trade triggered by trade agreements can also result in the depletion of natural capital if not subject to limitations and monitoring.

In 2011, the European Commission adopted the EU 2020 Biodiversity Strategy, which sought to enhance the contribution of trade policy to conserving biodiversity and to address potential negative impacts of trade (cf. Bellora et al. 2020). In the successor, the EU Biodiversity Strategy 2030,¹ the EU commits to better assessing the potential impact of trade agreements on biodiversity through SIAs and ex-post evaluations, and to better enforce biodiversity-related provisions in trade agreements by including biodiversity goals in the trade and sustainable development (TSD) chapters.² Such an approach could positively affect the status of biodiversity resources in Angola, providing a platform by which to enable the government to trade with international partners that have sustainability standards in place.

An interesting environment-agriculture-trade framework has been developed by the Bartlett School of Environment and the University College London (Ortiz et al. 2021). It looks at the interactions, trade-offs and synergies between the environment, agriculture, climate change and international trade, and highlights the important role of biodiversity within this system. It uses a systems approach to present a conceptual framework outlining the complex and interacting suite of variables that combine to drive biodiversity impacts, that is applicable to Angola. This framework is provided in Figure 1 to show key interactions between trade and biodiversity, and key influencing factors.

Figure 1: Interactions between international trade, agriculture, climate and biodiversity



Source: Ortiz et al. (2021).

¹ Communication from the Commission to the European Parliament, the Council, the European Economic and Social Committee and the Committee of the Regions. EU Biodiversity Strategy for 2030. Bringing nature back into our lives, COM/2020/380 final, 20 May 2020.

² During the development of this case study and the entire research project a new methodology for assessing the impacts of trade agreements on biodiversity and ecosystems was developed in a study project for the European Commission (IEEP et al, 2021). At the time when the main SIA analysis was undertaken, the new methodology had not yet been published and for that reason not used. However, a comparison between methodologies leads to the conclusion that there are no significant differences in the research steps and therewith conclusions likely would not have been different. A main influencing factor to that similarity is the lack of data to analyse environmental developments and impacts in Angola, resulting in a focus on qualitative analysis and strongly limiting opportunities for quantitative analysis.

1.2 The climate change context

Angola is extremely vulnerable to climate change impacts such as drought and floods, particularly in the southern regions. United Nations Framework Convention on Climate Change (UNFCCC) IPCC scenarios have projected an increase of mean annual temperature in the region by 1.2°C to 3.2°C by the 2060s, and 1.7°C to 5.1°C by the 2090s (IPCC 2007). In addition, projections of mean annual rainfall averaged over the country from different models indicate a wide range of changes in precipitation for the country.³ Over the next 50 to 100 years, climate models predict that impacts on Angola will include increased temperatures, more extreme weather events, an expansion of arid and semi-arid regions, seasonal shifts in rainfall, localized floods, increased wildfires, sea level rise, increased rainfall in the northern parts of the country, changes in river flows and changes in sea and lake temperatures.⁴

Angola ratified the UNFCCC in April 2016, having submitted its INDC in 2015. In May 2021 Angola published its first NDC.⁵ The country’s National Adaptation Programme of Action (NAPA), submitted in 2011, identifies the following sectors as most affected by climate change: agriculture and food security; forest and biodiversity; fisheries; water resources; human health; infrastructures; coastal zones; energy.⁶ The main climate change forum for Angola is the National Committee on Climate Change and Biodiversity, which was created in 2012 under the then Ministry of Environment. The Committee has a number of responsibilities that include: harmonizing programs and policies and creating the necessary conditions for the implementation of a National Climate Change Plan.⁷ In 2017, Angola defined its National Strategy for Mitigation and Adaptation to Climate Change 2020-2035. This Strategy updated the earlier version from 2008 and according to the NDC is currently being revised. Angola also adopted a National Afforestation and Reforestation Strategy (2010), and the long term development strategy Angola 2025 (Ministério do Planeamento 2007) also addresses climate change issues and their relation to forestry and biodiversity.

The Angola NDC provides the country’s contribution to global efforts to reduce greenhouse gas (GHG) emissions and adaptation to climate change. It plans to reduce GHG emissions up to 14% unconditionally by 2025 as compared to the Business As Usual (BAU) scenario (base year 2015). This corresponds to an estimated mitigation level of 15.4 MtCO_{2e} in 2025. In addition, it is expected that through a conditional mitigation scenario Angola could reduce an additional 10% below BAU emission levels by 2025, which corresponds to an additional mitigation level of 11.1 MtCO_{2e} in 2025. The NDC indicates the priorities for climate change mitigation to be reduction of fugitive emissions in industry (42% of targeted unconditional reductions) and increase in renewable energy (28%). Of the estimated total costs of USD 44 billion to achieve all mitigation and adaptation targets the costs to achieve industry targets would by far be the largest (nearly 84% of the total). Angola’s NDC also includes proposed actions for climate change adaptation, with priority sectors being agriculture and fisheries, coastal zones, water resources, human health, forests, ecosystems and biodiversity and infrastructure. Interestingly the INDC also defined land use as a separate priority area but this is no longer included in the NDC. Total costs for adaptation measures are estimated to be USD 76.16 million for the unconditional measures and another USD 67.83 million for the conditional measures. The overall costs of

³ Republic of Angola: Draft Intended Nationally Determined Contribution (INDC), November 2015. [https://www4.unfccc.int/sites/submissions/INDC/Published Documents/Angola/1/INDC Angola deposito.pdf](https://www4.unfccc.int/sites/submissions/INDC/Published%20Documents/Angola/1/INDC%20Angola%20deposito.pdf)

⁴ Ibid.

⁵ Government of Angola, Nationally determined contribution of Angola, May 2021. Available at <https://www4.unfccc.int/sites/ndcstaging/PublishedDocuments/Angola%20First/NDC%20Angola.pdf>.

⁶ Republic of Angola: National Adaptation Programme of Action under the United Nations Framework Convention on Climate Change (UNFCCC), 2011, <https://www4.unfccc.int/sites/NAPC/CountryDocuments/Parties/ago01.pdf>

⁷ Angola. World Bank Climate Change Knowledge Portal, <https://climateknowledgeportal.worldbank.org/country/angola> [accessed on 28 May 2021].

implementing both the unconditional and conditional adaptation actions amount, according to the INDC, to around USD 1 billion across sectors up to 2030.

Specifically for forestry, Angola in the INDC had committed to increase carbon sequestration from the forestry sector to 5 million tons of CO₂e per year by 2030, with an indicated required budget of more than USD 500 million. This target was planned to be achieved primarily by initiating large scale afforestation/reforestation activities focused on degraded forest lands and mangrove habitats that have a strong potential for mitigation purposes. Five years later, however those views have changed. The NDC includes a target for reforestation of 227,000 hectares by 2025 under the unconditional scenario and 416,000 hectares by 2025 under the conditional scenario. This would reduce GHG emissions by 2025 respectively with 1016 kton CO₂e and 1525 kton CO₂e. While these expected results are considerably lower than the expectations in the INDC, the budget estimates are considerably higher: 416 million USD in the unconditional scenario and 624 million USD in the conditional scenario.

The required financing needs for Angola to achieve its climate change targets are high. There could be an important role for the EPA to play in facilitating blended finance solutions, possibly using available carbon market frameworks, to attract required financing for forestry and biodiversity related activities as under Angola's NDC.

2 BIODIVERSITY IN ANGOLA

About 50% of Angola's population lives in rural areas where biodiversity drives most activities, including agriculture, livestock, fisheries, subsistence farming and hunting.⁸ The country has a varied climate between humid tropical in the North and dry to desert tropical in the Centre and South. Angola is spread across various biomes including the Namibe Desert in the southwest, the Kwanza Basin with its forests and open savannahs, the Okavango Basin and Zambezi in the Southeast and the rain forest in the Zaire Basin in the north and northeast.⁹

The National Biodiversity Strategy and Action Plan for Angola (NBSAP) 2019-2025,¹⁰ which has succeeded the earlier Biodiversity Strategy adopted in 2007 (Ministry of Urban Affairs and Environment 2007) indicates that, according to the International Union for Conservation of Nature (IUCN) Angolan biodiversity is one of the most important in the African continent with about 5,000 species of plants in the country, of which 1,260 are endemic. There is also a wide diversity of mammals (275 species registered) and birds (872 species registered) in the country. Angola also has a coastal area of 1,650km, with the marine environment of shallow and intertidal waters having the richest species diversity (including fish and phytoplankton) (Kuedikuenda and Xavier 2009). Angola's rich biodiversity is due to a combination of a number of factors including the vast size of the country, its inter-tropical geographical position and the variation in altitude.

One of the most comprehensive synthesis, a collaboration between Angolan scientists with over 40 colleagues from seven countries (Huntley et al. 2019), recommends three approaches for conserving biodiversity. The first approach is that a programme of work is needed across the various issues related to biodiversity, which ties into national and regional biodiversity strategies for Angola. The second approach emphasises the need for a socio-ecological systems approach for biodiversity instead of viewing it in a silo, which sits well within the environment-agriculture-trade framework summarised in section 1.1

⁸ National Biodiversity Strategy and Action Plan (2019-2025), Presidential Decree no. 26/20 of 06 February 2020.

⁹ Ibid.

¹⁰ Ibid.

above. The third approach is to ensure that local capacities, including of the Angolan youth, are strengthened by providing opportunities to build biodiversity-related skill-sets.

2.1 Legal and policy framework

Article 39 of the 2010 Constitution of Angola¹¹ provides the basis for environmental policy in Angola. It is supported and complemented by the following laws, policies and regional and international agreements:

- Environmental Framework Law, Law 5/98;
- National Biodiversity Strategy and Action Plan on Biodiversity, NBSAP (2019-2025);
- The United Nations Aichi-2020 goals on the Conservation of the National Biodiversity Strategy and Action Plan (2019-2025);
- National Forest Policy, Wild Fauna and Conservation Areas;
- National Strategy for Combating Poverty, for Food and Nutrition Security;
- Aquatic Biological Resources Law, Land on Lands, Water Law, Law on Territory Planning and Urbanism, Law on Environmental Protection associations;
- SADC Protocol on Wildlife and its Strategy for Combating Poaching and Law Enforcement;
- SADC Protocol on Shared Fisheries;
- SADC Protocol on Forestry;
- SADC Protocol on Shared Watercourse Systems;
- International conventions of which Angola is a state party: the Convention on Biological Diversity (CBD), the Convention on the Conservation of Migratory Species of Wild Animals (CMS), and the Convention on International Trade in Endangered Species (CITES). The accession process is ongoing for the Ramsar Convention on Wetlands of International Importance and the Agreement on the Conservation of African-Eurasian Migratory Waterbirds (AEWA);
- Angola is also a member of the High Ambition Coalition for Nature and People, committing to protect 30% of world’s land and ocean by 2030.¹²

The primary policy document that forms the backbone of biodiversity conversation in Angola is the National Biodiversity Strategy and Action Plan (2019-2025). It has four pillars:

- Environmental Sustainability: Use of biological resources to meet the needs of the current population without jeopardizing future generations;
- Social Integration: Promotion of participation of local communities in decision-making on the management of biodiversity resources;
- Economic Development: Promotion of economic profitability of forests, flora and fauna, as well as conservation areas, so as to contribute to the diversification of revenue sources for the state; and
- Institutional Cooperation: Integration of decision-making of stakeholders in the management of natural resources at all levels, both at the central and local levels.

The National Biodiversity Strategy outlines 12 goals, which include reducing pressure on biodiversity and its restoration by involving local communities, strengthening of biodiversity legislation and its implementation in line with international and SADC agreements, improving the network of conservation areas, building up the capacity of institutions to manage and conserve biodiversity, and mobilizing resources for biodiversity conservation.

The Biodiversity Strategy was developed around an ecosystem services framework and is mainstreamed within the National Development Plan (2018-2022), the SADC Law

¹¹ English version available at <http://extwprlegs1.fao.org/docs/pdf/ang72591ENG.pdf>

¹² <https://www.hacfornatureandpeople.org>

Enforcement and Anti-Poaching Strategy (which is embedded in the Protocol on Wildlife Conservation and Law Enforcement) and the National Policy on Forests, Wild Fauna and Conservation Areas. The Strategy also states that it is aligned with the objectives of Sustainable Development, particularly in the areas of:

- Biodiversity governance;
- Subsistence based on biodiversity;
- Biodiversity for economic development;
- Biodiversity management systems;
- Biodiversity and climate change;
- Biodiversity and other development initiatives such as energy and mining.

The Biodiversity Strategy is also aligned with the Aichi Biodiversity Targets and Sustainable Development Goals set by the CBD. The Aichi Biodiversity Targets are a set of 20 Targets grouped into five Strategic Goals that were to be achieved by 2020.¹³ Having ratified the CBD in 1998 Angola has committed itself to implementation of the Aichi targets. Joining the EU-SADC EPA would also require such implementation as Article 8 of the Agreement mentions that Parties reaffirm their rights and their commitment to implement their obligations in respect of MEAs that they have ratified. This is all the more important since Angola's accession to the EPA is expected to result in an increase of output of the agri-food and fishing sectors. Increased cooperation to support sustainable production methods could be used to ensure that such increase in production does not result in increased deforestation or overexploitation of fishing waters (see more details later in this case study). The 6th National Report on Biodiversity in Angola and the Achievement of the Aichi Biodiversity Targets (National Directorate of Biodiversity 2019) provides an assessment of the country's performance towards achieving the goals and suggests new actions to be undertaken. The report indicates that the measures taken at national level to achieve the Aichi goals are estimated at 60% as partially effective, 30% as effective and 10% as ineffective. Six Aichi Goals have been met, with Angola being on the right track to achieve another twelve Goals, and the remaining two Goals needing further efforts. Reported progress includes an increase in the protected land areas to 12.58% of the national surface area, the creation of marine protected areas, and the elaboration of the Red List of Species of Angola. In addition, the Government reports that integration of biodiversity issues into sector level development and poverty reduction programmes is underway. Examples provided in the National Report on Biodiversity however are small programmes identified or implemented, which does not yet indicate a structural inclusion. Also the NDC published two years after the National Report on Biodiversity lists planned mitigation measures to address biodiversity but does not include reports of achieved actions. The challenges in biodiversity conservation listed in the report include a deforestation rate of 0.2% to 0.25%, leading to the loss of natural habitats. It is estimated that an average of about 106 thousand hectares of natural forests and 370 hectares of plantations are lost annually in Angola. Other pressures on biodiversity include illegal exploitation of natural resources, introduction of new exotic species, hunting and trafficking of animals, animal conflict, illegal fishing and oil spills. Whilst local communities have been increasingly engaged by governmental and nongovernmental institutions to plan a role in preserving national biodiversity, further efforts need to be made to build local skills sets and knowledge in the area.

2.2 Institutional framework

The Ministry of Culture, Tourism and Environment (Ministério da Cultura, Turismo e Ambiente, MCTA) is the executive body that prepares and coordinates biodiversity conservation and management policies. The Multi-Sectoral Commission for the Environment (CMA), coordinated by the MCTA, integrates various governmental institutions and the Environment Protection Associations. It is the body that oversees the

¹³ <https://www.cbd.int/nbsap/about/latest/#ao> [accessed on 28 May 2021].

implementation of the National Biodiversity Strategy and reports to Government on the degree of compliance with agreed measures (Government of Angola 2014).¹⁴ The National Institute of Biodiversity and Conservation Areas (Instituto Nacional da Biodiversidade e Áreas de Conservação, INBAC) is responsible for implementing the biodiversity and conservation area policies. The Forest Development Institute (Instituto de Desenvolvimento Florestal, IDF) and the National Forest Bureau, both under the Ministry of Agriculture and Fisheries (Ministério da Agricultura e Pescas, MINAGRIP), draft the implementation of forest resource management policies. Other Angolan ministries that influence biodiversity conservation and environmental management are the Ministry of Energy and Water (MINEA) and the Ministry of Mineral Resources, Petroleum and Gas (MIREMPET).

The Faculty of Sciences at Agostinho Neto University, the Tropical Ecology Centre and the Maiombe network are some of the key the non-governmental environment organizations and other public and private institutions that contribute to biodiversity conservation in Angola.

The Intergovernmental Biodiversity Coalition was launched in January 2021 at the One Planet Summit 2021. The coalition aims to protect at least 30% of the world's land and oceans by 2030 - a UN campaign that aims to unite world leaders on turning 30% of the earth into protected areas by 2030. There are currently 14 African countries in the coalition, including Angola.

2.3 Protected areas network

Legally protected areas (National Parks and Game Reserves) in Angola were established from the 1930s and occupied 6% (or totalling 75,267 km²) of the country’s terrestrial area at the time of independence in 1975 (Huntley et al. 2019). During the civil war, these were exposed to serious neglect, poaching and land invasions threatening the rich biodiversity. In early 2011, the protected area system increased to over 115,000 km² of national territory. Angola currently (as reported in the NBSAP 2019) has nine National Parks, a Regional Park and four Integral or partial Reserves, with a total area of conservation areas of 156,910 km², representing 12.58% of the surface of the national territory. Figure 2 below shows their location in Angola.

The CBD had set forth a target for countries to reach 17% protected areas of national territory by 2020.¹⁵ The expectation was for national governments to fund this expansion and thereafter effectively manage the protected areas. The new Angolan Government leadership in 2017 brought a fresh perspective and approach to conserving and extending the country’s protected areas network (Ministério do Ambiente 2018). However, limited budgets, weak technical capacity and poorly trained human resources impeded reaching the CBD target (Huntley 2017): As mentioned above, by 2019 Angola had increased its protected land areas to 12.58% of the National surface area from 6.6% (National Directorate of Biodiversity 2019).

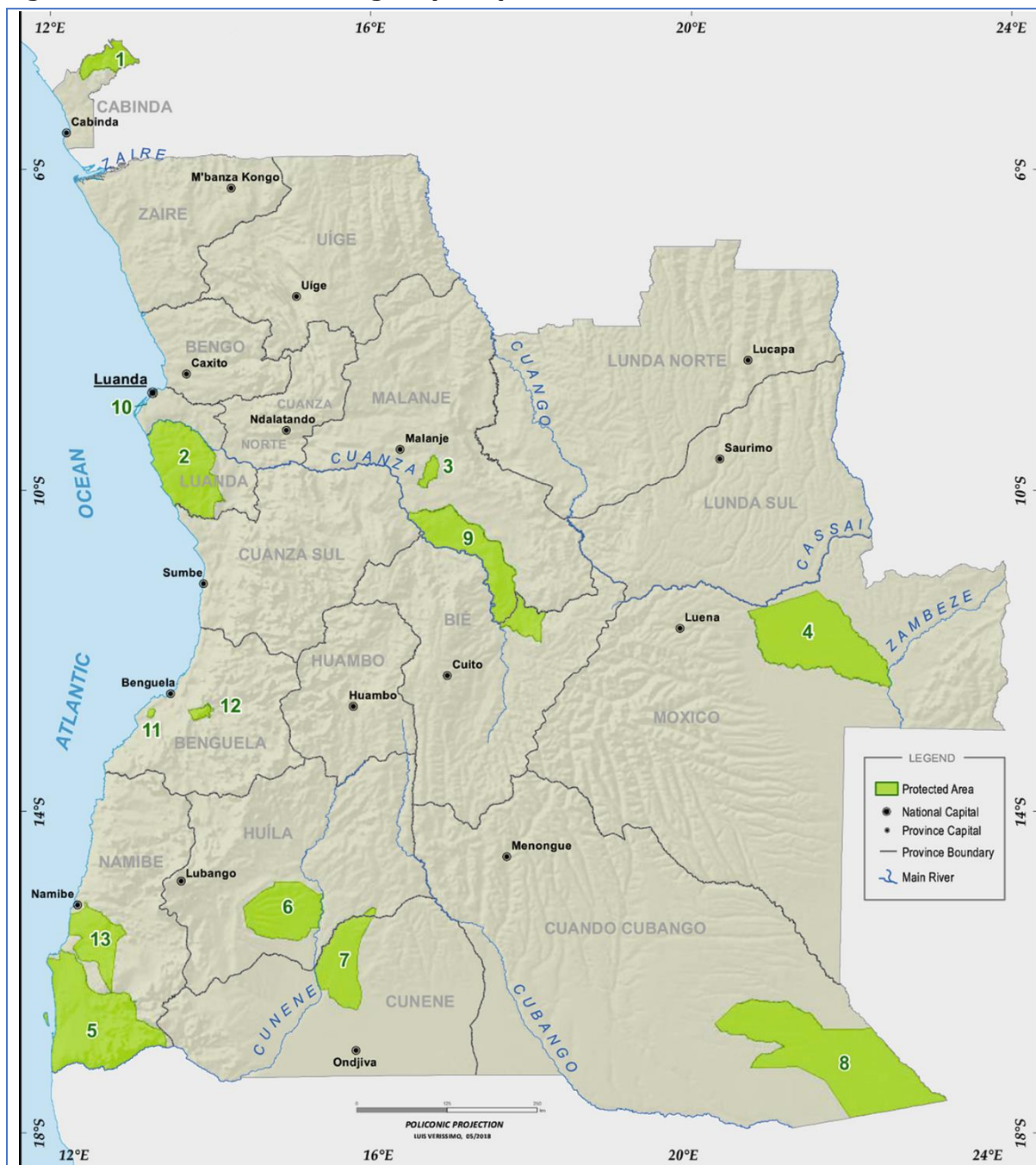
The 2002 IUCN Red List Global Assessment Report indicates that about 75% of animals and plants in Angola are listed as vulnerable, endangered, critically endangered or for which no data is available.¹⁶ As reported in the NBSAP, the Red List of Species of Angola includes three extinct species, twenty-nine endangered species, one hundred vulnerable species and eighteen invasive species. National Objective 3.3 of the NBSAP targeted an update of this list by 2020, but such update does not seem available.

¹⁴ No information could be obtained indicating if the Commission has ever been convened.

¹⁵ CBD (2010). Strategic plan for biodiversity 2011–2020 and the Aichi targets. Secretariat for the Convention on Biodiversity, Montreal.

¹⁶ 2002 IUCN Red List of Threatened Species.

Figure 2: Protected Areas of Angola (2018)



Note: 1 Maiombe 2 Quiçama 3 Cangandala 4 Cameia 5 Iona 6 Bicular 7 Mupa 8 Luengue-Luiana 9 Luando 11 Chimalavera 12 Búfalo 13 Namibe. Mavinga is not indicated on this map due to incomplete details regarding its boundaries in its gazettment.

Source: GoA (Government of Angola) (2018) Plano Estratégico para o Sistema de Áreas de Conservação de Angola (PESAC). Ministry of Environment, Luanda

2.4 Main threats to biodiversity

According to the CBD, the primary cause of biodiversity decline is the loss and degradation of habitats mainly caused by human pressure.¹⁷ For example, unsustainable fishing practices have led to the overexploitation of some species, rapid unplanned urbanisation along the coastal areas and offshore oil production threatens biodiversity resources in marine areas including mangroves, poaching of wildlife and overdevelopment of tourism

¹⁷ <https://www.cbd.int/countries/profile/?country=ao#facts> [accessed on 29 May 2021].

accelerates the misuse of natural resources. The high levels of poverty and unemployment in the population, the poor environmental awareness, the presence of invasive species, the human-wildlife conflict and scarce human, technical and financial resources are other challenges faced by the Angolan Government in conserving the country’s biodiversity.

The 5th National Report on Biodiversity in Angola, which assessed the national biodiversity strategy and action plan for 2007-2012, indicates that the main threats to biodiversity can be classified into two categories: direct and indirect threats. Direct threats include deforestation (see section 3.2 below) due to agriculture, uncontrolled cutting of trees for charcoal and other purposes, poaching of wildlife and mining (Government of Angola 2014). Indirect threats identified by the report include the lack of undertaking activities aimed for forest management such as the inventory and planning of forests, as well as the poverty that affects much of the rural population, unemployment, and the weakness in the implementation of specific legislation in force. The agriculture, petroleum, mining and fisheries sectors in Angola are identified in the 5th National Report to each contribute to biodiversity loss. Since the publication of the 5th National Report, no new assessment seems to have been made on the main threats to biodiversity. But as the 6th National Report addresses the same threats it is assumed that these are still the guiding principles of the biodiversity strategy; this indicates a lack of monitoring, reporting and enforcement, and ultimately a governance challenge. More detail on this is included in later sections in this report.

Subsistence farming in the agricultural sector provides 85% of the rural population with their livelihood. Smallholder agriculture represents 90% of the total area under cultivation, while the remaining 10% is used for commercial agriculture.¹⁸ Subsistence activities are often not sustainable, and include the burning of land in order to prepare it for farming. This process has a negative impact on the biodiversity of those areas. In addition, the lack of crop rotation practices means that farmers leave farmed land after 2-3 years and move to other areas. There are several examples, such as the Mayombe Forest, where this agricultural approach has eroded soil and increased pressure on biodiversity resources.

Since 2017, the Ministry of Agriculture has begun to put in place measures to encourage more sustainable agricultural practices, including the introduction of agroforestry, silviculture and other methods that are aimed at sustainable agricultural production, soil conservation and fertility. An agricultural mechanisation programme is also being implemented, along with an ongoing awareness-raising programme in coordination with the Ministry of Environment and Provincial Governments. To protect existing agricultural biodiversity, 33,000 varieties cultivated locally have been collected from 65% of the country’s municipalities, and kept ex-situ. In order to protect those varieties, Decree Nr 92/04, of December 14 1992, prohibits the import, entrance, use, and eventual production of genetically-modified organisms (GMO) (Kuedikuenda and Xavier 2009). However, the success of these measures has been limited, and there is a need to increase food production under competitive and lucrative conditions to ensure food security in the country.¹⁹ Improving sustainability of agricultural production can also be an important means to limiting and reducing environmental impact of food production, and in the light of Angola’s accession to the EU-SADC EPA is especially important as this is likely to result in an increase of Angolan food exports. In this it is important to find a proper balance between improved efficiency of production, food security, and the values of the local population. Article 16 of the EPA provides provisions to this end, including the recognition of traditional knowledge and intellectual property rights.

¹⁸ Republic of Angola: National Adaptation Programme of Action under the United Nations Framework Convention on Climate Change (UNFCCC), 2011, <https://www4.unfccc.int/sites/NAPC/CountryDocuments/Parties/ago01.pdf> and Kuedikuenda/Xavier (2009).

¹⁹ Republic of Angola: National Adaptation Programme of Action under the United Nations Framework Convention on Climate Change (UNFCCC), 2011, <https://www4.unfccc.int/sites/NAPC/CountryDocuments/Parties/ago01.pdf>

The **petroleum sector** is the most important economic sector in Angola. Angola is the second-largest oil producer in Sub-Saharan Africa behind Nigeria. Activities undertaken in order to produce this resource put pressure on (mainly) marine and (to a smaller extent) land biodiversity. Activities in the **mining sector** through the opening of quarries or open-cast mines can also lead to biodiversity loss. These areas once mined are eroded and contaminated, and cannot be used for agricultural purposes. Angola is among the world's top producers of rough diamonds, and most of Angola's diamond deposits remain largely untapped. In 2009, Angola accounted for about 11% of the world's total diamond production by volume and for about 13% by value.²⁰

The Angolan coastline is 1,650 km long and supports a high primary production of marine resources. In the **fisheries sector** (see the separate case study on the sector), outdated fishing practices and methods, the decrease of mangrove areas, invasive species, industrial pollution and absence of marine conservation areas are contributing factors to the declining biodiversity (Kuedikuenda and Xavier 2009). In addition, according to the NBSAP illegal fishing has contributed to the increasing scarcity of marine resources. Over-fishing of both marine and freshwater resources threatens existing species. According to 2004 figures from the FAO, the reduced fisheries potential is estimated to be about 360,000 t/yr, comprising 285,000 t of small pelagic species like horse mackerel and sardinellas and 55,000 t of various demersal species, including 7,000 t of deepwater shrimps.²¹ No official statistics could be found on overfishing but researchers identified that foreign legal and illegal fleets generated around half of the total removals from Angolan waters. They also identify that Angola has rather large room for improvement in management strategies as data are scarce and fisheries monitoring is poor to non-existent in some areas.²² Pramod (2020) identifies that Angolan at-sea presence for fisheries control is insufficient and not proportionate to the annual benchmarks of the Monitoring Control and Surveillance.²³

The Eastern Central Atlantic Red List of Threatened Species published by IUCN in 2017 provides the first complete assessment of the conservation status of 1,288 bony fish species (a group which comprises the vast majority of fish species) in marine waters from Mauritania to Angola.²⁴ According to the report, 37 of the assessed species – many of them important food sources – are threatened with extinction and 14 near threatened. Other threats to those species include the degradation of habitats, pollution, climate change and invasive species. The report highlights the severely limited capacity for fisheries surveillance and enforcement in the region, leading to illegal fishing and overfishing that counteracts national and regional management efforts – in many countries illegal catches represent over 40% of the reported legal catch.

A study published in the journal Nature Conservation in December 2020 on the **illegal bush-meat trade** highlights this threat to biodiversity. The study documents a variety of wildlife and bush-meat trade that includes rare and endangered species between the cities of Lubango and Uíge. The species hunted included snakes, rodents, duikers, antelopes, bush pigs, small carnivores and bird species.²⁵ The Ministry of Environment recently stated

²⁰ International Minerals Statistics and Information, <https://www.usgs.gov/centers/nmic/international-minerals-statistics-and-information> [accessed on 1 June 2021].

²¹ FAO Fishery Country Profile – Angola, http://www.fao.org/fishery/countrysector/naso_angola/en [accessed on 9 June 2021].

²² Dyhia Belhabib and Esther Divovich (2015), Rich fisheries and poor data: a catch reconstruction for Angola, 1950-2010. Available at <http://www.seaaroundus.org/doc/publications/chapters/2015/Belhabib-and-Divovich-Angola.pdf>

²³ Pramod, G, (2020), Angola – Country Report. In: Global Evaluation of Fisheries Monitoring Control and Surveillance in 84 countries, IUU Risk Intelligence – Policy Report No.1. Available at <https://iuriskintelligence.com/wp-content/uploads/2020/05/Angola-country-Report-Global-Fisheries-MCS-Report-2020.pdf>

²⁴ IUCN (2016). The IUCN Red list of threatened species - Red list of marine bony fishes of the Eastern Central Atlantic.

²⁵ See "Angola: Biodiversity under threat from rampant illegal bush-meat trade", The Standard, <https://www.thestandard.co.zw/2020/04/17/angola-biodiversity-threat-rampant-illegal-bush-meat-trade/> [accessed on 2 June 2021].

that commercial poaching one of its biggest challenges, indicating that at least two thousand wild animals are killed each year by poachers throughout the national territory.²⁶

Although several decrees and regulations provide for mandatory public consultations, environmental auditing and other measures to protect biodiversity, it is unclear whether these laws are effectively enforced, with appropriate monitoring and control. The CBD indicates that Angola has not yet established a system to review and monitor biodiversity or a set of indicators for this purpose.²⁷

3 FORESTRY SECTOR IN ANGOLA

Much of Angola’s biodiversity (flora and fauna) lies in the forested area, which comprises three main sub-categories: forests, wildlife and inland fisheries (FAO 2020a). Available estimates of forested land cover in Angola are highly variable, ranging from 19% to 56% of the national territory (USDA Forest Service 2013). According to official statistics, Angola has approximately 53 million hectares of forests, corresponding to 43.3% of the country’s total land area (cf. FAO 2009). As the country has not carried out a national forest inventory, the actual statistics are not known. Most forestlands in Angola are miombo woodlands or savanna (about 80%), with some rainforest cover (2%). Mangrove forests, which are an important reservoir of marine biodiversity, cover about 0.1% of Angola (FAO 2009).

Angola also has a large planted area, 18% or 2.2 million hectares, of productive forests, mainly planted with Eucalyptus and Pinus species (FAO 2020a). UNCTAD and the World Bank have identified sustainable forestry as the green activity with the highest potential to be the driver of socioeconomic transformation and environmental preservation in Angola.²⁸ The World Bank adds to this that foreign investments and community forestry projects are the key drivers to development of sustainable forestry and that there are high opportunities to introduce new technologies to improve production efficiency and improve sustainability of production. At the same time they identify that a lack of funds and a lack of understanding of sustainable practices are the main challenges to achieving a sustainable approach of wood and timber production (more details in section 4 below).

These challenges are further illustrated in a recent news article²⁹ using information from Estrela da Floresta, a company engaged in sustainable timber production. Estrela da Floresta indicates that illegal logging is expanding in the Angolan planted forests: Satellite images (from the Google Earth Timeline) of the same forest areas in Angola, taken in 2015 and 2016, indicate large-scale loss of tree cover. A decline in forest planted area of 31% was recorded between 2010 and 2013. The primary cause identified for this deforestation is illegal logging by companies and ‘slash and burn’ subsistence farmers.

Between 2001 and 2020, an average of 52.2Mt per year was released into the atmosphere as a result of tree cover loss in Angola. In total, 1.04Gt of CO₂e was emitted in this period. From 2001 to 2019, an average of 7.49Mt of CO₂e occurred in areas where the dominant drivers of loss resulted in deforestation.³⁰

²⁶ See “Angola: Towards strengthening the anti-poaching law”, Afrik 21, <https://www.afrik21.africa/en/angola-towards-strengthening-the-anti-poaching-law/> [accessed on 6 June 2021].

²⁷ <https://www.cbd.int/countries/profile/?country=ao#facts> [accessed on 1 June 2021].

²⁸ UNCTAD (2018); and “Sustainable practices are integral to the success of developing Angola’s forestry sector”, José Evangelista/World Bank Blogs, 11 January 2017; <https://blogs.worldbank.org/nasikiliza/sustainable-practices-are-integral-to-the-success-of-developing-angolas-forestry-sector>

²⁹ “Why illegal deforestation in Angola must stop”, <https://www.howwemadeitinafrica.com/illegal-deforestation-angola-must-stop/57430/> [accessed on 2 June 2021].

³⁰ Global Deforestation Rates & Statistics by Country, GFW, <https://www.globalforestwatch.org/dashboards/country/AGO> [accessed on 4 June 2021].

3.1 Institutional and policy framework

A set of institutions govern the forestry sector in Angola. These are the Forest Development Institute (Instituto de Desenvolvimento Florestal, IDF) and the National Directorate of Forests (Direcção Nacional de Florestas), both under the Ministry of Agriculture and Fisheries (Ministério da Agricultura e Pescas, MINAGRIP).³¹ The National Directorate of Forests plays a key role in defining policies for sustainable conservation, management and utilization of the forest and wildlife resources, and IDF is seen as the executing agency (FAO 2020a). Another directorate, the National Directorate of Fisheries and Aquaculture (Direcção Nacional de Pescas e Aquicultura) and IDF coordinate on issues related to inland fisheries.

The IDF has several departments at the national level as well as representation at the regional and provincial levels. In each of the country's eighteen administrative provinces there are IDF Provincial Services (Brigadas), which reflect the IDF's central set-up. In line with the provincial administrative division, the IDF in each province extends over the provincial municipality. At the Municipal level, forestry and wildlife activities are coordinated and supervised by the IDF Chefe de Secção who operates under the supervision of the IDF Provincial Service Director. Each IDF Provincial Service is headed by a Director. It operates under the technical and administrative supervision of IDF Headquarters and its role is to oversee the implementation of forestry and wildlife activities at provincial level.³²

Angola has sought to raise awareness and educate the population about the values of biodiversity through communication and training programs in educational institutions. According to the 6th National report on Biodiversity in Angola this among others includes 2-year training program in community forestry management and sustainable charcoal production for rural communities in two provinces and for technicians from IDF that was started in 2018 as well as establishing scientific research centres with courses in research and environmental and biodiversity issues in twelve different universities. The EU and Angola could use their cooperation in the framework of the EU-SADC EPA to strengthen such training. Article 15 of the EPA includes several elements of development cooperation, including capacity building and training.

In 2010, the Government published the National Policy for Forestry, Wildlife and Conservation Areas and the National Afforestation and Reforestation Strategy. The Afforestation and Reforestation Strategy requires the increase of commercial or industrial forests, as well as protection and conservation of native forests.³³ The Strategy foresaw the plantation of 50 million hectares by both the state and private actors. However, the World Bank indicates it has not been implemented due to lack of resources (World Bank, 2019). Angola's NAPA lists within its priorities the promotion of alternative renewable energies to avoid deforestation, and the promotion of sustainable land management to increase agricultural yields.³⁴ Angola's 2014 Voluntary National Report to the United Nations Forum on Forests (UNFF11) indicates that a National Evaluation (Inventory) was done of all types of forests of Angola, including forest plantations.³⁵ The inventory does not seem to be publicly available. The same report points to the formulation and adoption of a new legal framework for forests (Resolution n°. 1/10 - National Policy and Development

³¹ Government of Angola (2020), Presidential decree 177/20 of 23 June 2020. Available at <http://extwprlegs1.fao.org/docs/pdf/ang196090.pdf>

³² FAO (2007). Forest Policy, Legal and Institutional Framework – Information report on Angola.

³³ Angolan Environmental and Climate Change Legislation available on <http://faolex.fao.org>; also see Angola's Ministry of Environment. Official website, DOE Portal. <http://www.minamb.gov.ao/>.

³⁴ Republic of Angola: National Adaptation Programme of Action under the United Nations Framework Convention on Climate Change (UNFCCC), 2011, <https://www4.unfccc.int/sites/NAPC/CountryDocuments/Parties/ago01.pdf>

³⁵ Angola: Voluntary National Report to the 11th Session of the United Nations Forum on Forests, 22 September 2014, available at https://www.un.org/esa/forests/wp-content/uploads/bsk-pdf-manager/142_ANGOLA.PDF

Strategy of the Forests, Wildlife and Protected Areas, as well as the respective revised draft Law).

3.2 Deforestation

Deforestation and the overexploitation of forest resources lead to the rapid decrease of forest ecosystems and their biodiversity in the country. The primary causes of deforestation are charcoal production, land clearing for agricultural purposes, fire and timber harvesting.³⁶ Nearly 80% of the Angolan population depends on tree biomass to meet their energy needs.³⁷ As mentioned above, in 2010 Angola had 53.8 million hectares of tree cover (43% of its land area); the top four regions represent 56% of all tree cover: Moxico (10.5 million hectares), Luanda Norte (8.27 million hectares), Malanje (6.3 million hectares) and Luanda Sul (5.22 million hectares).³⁸

The National Biodiversity Strategy and Action Plan (2019-2025) reports an average of about 106 thousand hectares of natural forests and 370 hectares of plantations is lost annually, which equates to an annual deforestation rate of about 0.20 to 0.25%. FAO ranks Angola at the fourth place in its top ten countries for average annual net loss of forest area in the period 2010–2020 (FAO 2020b). Global Forest Watch reports that just in 2020, the country lost 248 thousand hectares of tree cover, equivalent to 85.9 million tonnes of CO₂ equivalent of emissions.³⁹ Between 2002 and 2020, the total area of humid primary forest in Angola decreased by 5.3%.⁴⁰ Figure 3 on the next page is a schematic on forest or tree canopy loss between 2000 and 2015. Percentage forest cover in the year 2000 is shown in shades of green. Red areas are those which, by 2015, had lost all the forest or canopy cover that still remained in 2000.

Reducing the rate of loss of natural habitats including forests is a challenge for the country. The lack of information on the forestry sector impedes proper preventive measures to be put in place to avoid deforestation. This has led to an unorganised access to natural forest resources. These includes harvesting without management plans under the annual license system for timber and other product harvesting, excessive consumption of fuelwood and charcoal in urban areas, lack of monitoring on the type of practice and technology used to harvest trees, and ‘slash and burn’ agricultural practices (FAO 2009). Wildlife poaching and exploitation is also exacerbated by the lack of appropriate policy frameworks and corresponding enforcement.

Most Angolans rely on charcoal for their everyday cooking and heating needs. The **informal charcoal market** is driven by the large urban-based market for charcoal, the ease of charcoal production, compared with, to other types of sustenance activities, and the high profitability of the practice.⁴¹ UNDP states that building a sustainable charcoal production chain is critical to Angola’s long-term development. For this reason, UNDP together with the Global Environmental Fund, the Angolan Ministry of Environment, universities and civil society are training communities to harvest trees sustainably and increase reforestation. The trainings focus on methods workers can use and pass on to others; increasing environmental awareness and the knowledge of the benefits of sustainably maintaining forests. The partners are also helping communities establish local sustainable management plans for the woodlands.⁴²

³⁶ Ibid.

³⁷ <https://www.cbd.int/countries/profile/?country=ao#facts> [accessed on 1 June 2021].

³⁸ Global Deforestation Rates & Statistics by Country, GFW, <https://www.globalforestwatch.org/dashboards/country/AGO> [accessed on 4 June 2021].

³⁹ Ibid.

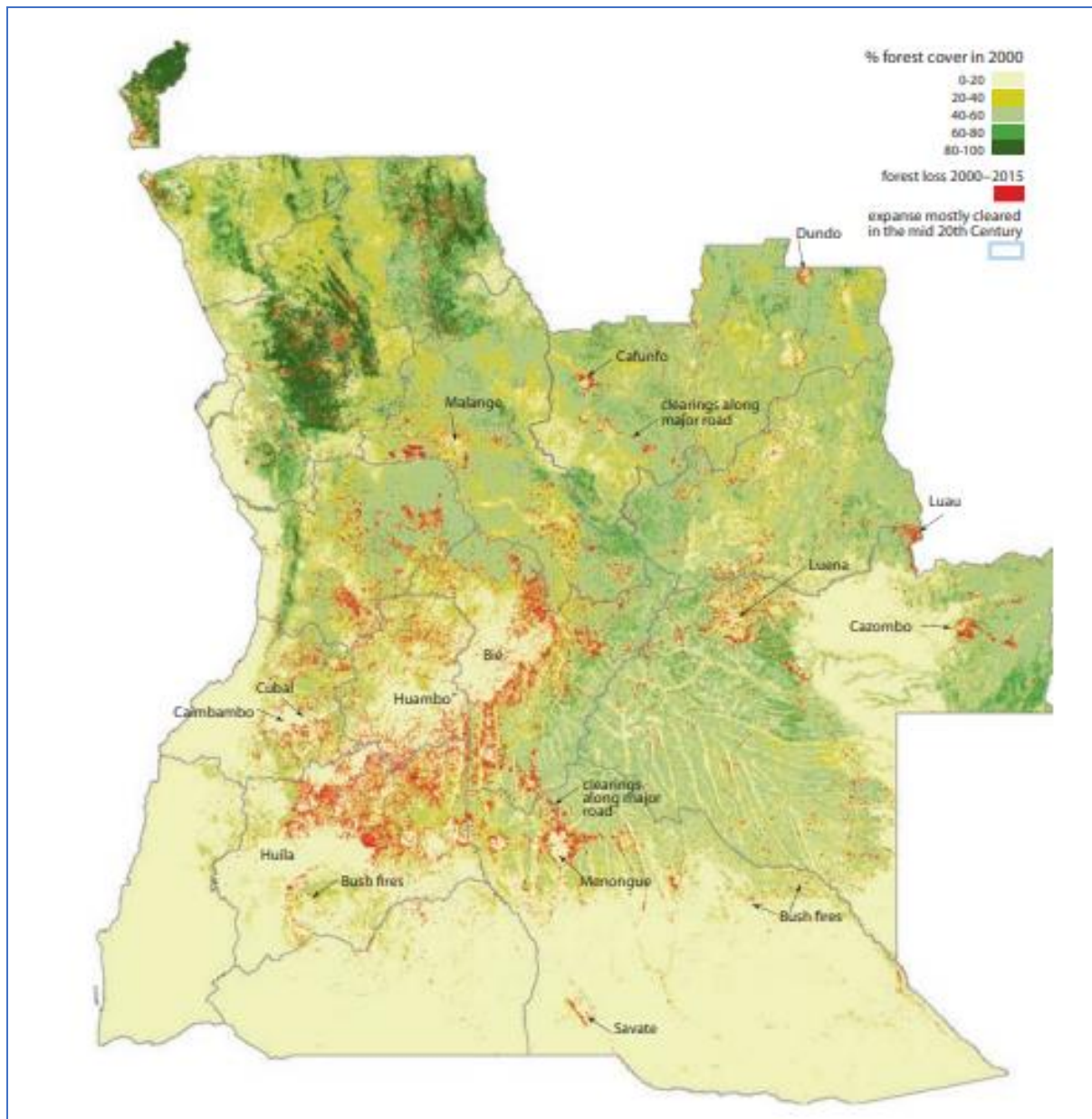
⁴⁰ Ibid.

⁴¹ Ibid.

⁴² “Sustainable charcoal leads the way in Angola. UNDP helps farmers preserve their incomes and forests”, UNDP SDG integration, <https://sdgintegration.undp.org/sustainable-charcoal-leads-way-angola>

Agricultural activities are expanding, also in an unregulated manner into forested areas using unsustainable practices such as 'slash and burn' methods. Small areas of land under 1-2 hectares do not need licenses to clear forests (USDA Forest Service 2013). As most of the farmers in Angola are smallholders, this loophole in the policy allows for widescale clearing of land. **Anthropogenic fire for land clearing purposes** can destroy large areas of forest, particularly in the dry season. Deforestation due to these fires has not been documented, and thus the extent of the damage cannot be quantified. However various site visit reports indicate that this human-caused disturbance is occurring and could lead to uncontrolled fires.⁴³

Figure 3: Landscape changes in Angola



Source: Huntley et al. (2019, 125).

Illegal harvesting of commercial timber is rampant in most parts of Angola. Licenses to cut wood for commercial use are issued by local IDF offices for volumes less than 500 m³, with larger volumes requiring further approvals. However, in practice, unsustainable

⁴³ USAID (2006). Conservation of tropical forests and biological diversity. FAA 118-119 Analysis.

harvesting of commercial timber is common, with no means to monitoring and enforce regulations.⁴⁴

4 ECONOMIC VALUE OF FOREST RESOURCES AND SUSTAINABLE FISHING

According to the FAO, the forestry sector contributed less than 0.1% to Angola’s GDP (in 2000). But despite the low (official) economic importance of forests in Angola, there could be several opportunities for the future. Strong political will has started to drive policy reform in the forestry sector, with IDF tasked to address the numerous challenges. This includes creating new legislation, improving governance and developing a national forestry inventory and monitoring system. These measures are likely to require international expertise and finance as support.

Forest products can be classified as timber products or non-timber forest products (NTFPs). Some of the forest products include fuelwood, building material, fodder, food, and medicinal plants. It is estimated that 80-90% of Angolans rely entirely on fuel wood or charcoal for their cooking and heating needs. The NTFP products include honey, wax, medicinal products and bushmeat. There is currently no mechanism by which the economic value of these projects has been determined.⁴⁵ The World Bank confirms that lack of data prevent good estimates of economic value. It quotes estimates from 2016 that indicate forestry to account for 0.54% of GDP, and a study developed for the Ministry of Trade stating that in a favourable situation, the wood sector could reach an export value of US\$240 million by 2028 (up to 1.5% of exports). To achieve such estimates IDF would however need to be strengthened as the World Bank mentions that IDF has been institutionally fragile over the past 10 years in terms of human, financial, and operational resources. Specific challenges identified include a lack of IDF resources from forest exploitation licenses and fees to fund new activities and hiring of new staff as well as the need to strengthen implementing and management capacity current IDF public sector officials throughout the institution—from the municipal to the central level (World Bank 2019).

There is potential for the timber industry to shift towards a sustainable framework. A World Bank article on the subject indicates that the “domestic wood or community logging markets” in Sub-Saharan Africa employs hundreds of thousands of people. These markets could provide a sustainable livelihood for communities whilst addressing the deforestation challenge in Angola.⁴⁶ Information from UNCTAD⁴⁷ supports these views on the timber industry’s great development potential: UNCTAD labels Angola as one of the world’s fastest growing timber exporters, with a growth from around 300 tonnes of wood in 2009 to 15,000 tonnes in 2015. The production of this tropical timber industry is concentrated on the extraction and exportation of logs, especially to China. In 2018, 54,891 m³ of natural forest log wood and 34,000 m³ of log wood were produced in forest plantations. Further opportunities are identified to expand the forestry sector by moving from a primary product (i.e. logs) exporter to a country with a more complete value chain (e.g. locally producing plywood, paper and paperboard, and wood furniture). Expansion of production and export is said to be possible because of the exceptional combination of large areas of underutilized land.⁴⁸ UNCTAD’s SWOT analysis on further opportunities for wood exports mentions that licences for wood cutting allow a total of 230,000 m³ of cutting per year but that this is not

⁴⁴ Ibid.

⁴⁵ FAO: Non-wood forest products statistics in Angola, <http://www.fao.org/3/ae214e/ae214e05.htm> [accessed on 2 June 2021].

⁴⁶ “Sustainable practices are integral to the success of developing Angola’s forestry sector”, World Bank, <https://blogs.worldbank.org/nasikiliza/sustainable-practices-are-integral-to-the-success-of-developing-angolas-forestry-sector> [accessed on 4 June 2021].

⁴⁷ UNCTAD, Wood exports Review of Angola. 18 March 2020. Available at http://info.afrindex.com/detail_2420/ [accessed on 2 July 2021]

⁴⁸ Ibid.; and UNCTAD (2018).

achieved because of a lack of control in the sector and a lack of transparency in the licensing process. Further challenges identified include a lack of exploration and tree harvesting equipment, limited infrastructure, low productivity and high costs.⁴⁹ Data released by the Secretary of State for Forests mentions the State to have collected USD 19 million and €15 million with the export of national wood in the period December 2020-February 2021, adding that for financial reasons more than half of the potential of 500,000 m³ per year could not be exploited.⁵⁰

Angola's accession to the EPA could offer opportunities to enhance cooperation between the EU and Angola to help support such sustainable forestry management and exploitation. For example, Articles 67 and 68 of the EPA offer the ground for promotion of cooperation, capacity building and technical assistance, with food security and sustainable development as key arguments to this enhanced cooperation. Another example is Article 17 in which Parties recognise the importance of transparent public procurement to promote economic development and the importance of cooperation in this field. Successful enhancement of sustainable forestry management would of course also require strong governance as well as active monitoring, auditing and enforcement of forestry management and exploitation.

Also sustainable tourism and biodiversity could offer a source of revenue for Angola. For example, the Mossulo Bay hosts a great variety of aquatic, migratory and seasonal fowls in the form of Pink Flamingo (*Phoenicopterus roseus*). Tourists use this bay as a bird-watching space. Given the vast biodiversity resources in the country, these could be sustainably developed to attract foreign investments from the private sector to develop tourism-based businesses. The World Bank assessed the value of tourism from six of Angola's neighbouring countries (Botswana, Malawi, Namibia, South Africa, Zambia, and Zimbabwe) and found that employment and income generated for local communities from ecotourism reduced poverty levels.⁵¹ In another publication, the World Bank reproduces UNCTAD estimates that the contribution of tourism to GDP in these countries in 2017 ranged from 7.2 to 14.7% while the share in Angola was estimated to be 1.8% in 2018 (World Bank 2019). The Government of Angola identified tourism as one of the priority sectors in the strategy to diversify exports. The 2011-2020 Tourism Master Plan presents a gradual approach for improving the competitiveness of the tourism sector aiming at generating revenue of US\$4.7 billion and creating 1 million jobs.⁵²

5 FINANCING BIODIVERSITY CONSERVATION PROGRAMMES

The Government of Angola and several development partners identify lack of funds to be the main challenge to the development of sustainable forestry in Angola. The NDC indicates lower oil revenues that have led the country into a four year long recession in 2013-2016 and consequently lower public financing to be available for government programmes. In addition, international donors identify that the government of Angola is lacking adequate human and technical capacity for environmental management.⁵³

Several programmes were developed to bridge the gap. One of these is PRODESI, under which since its launch 661 projects have been approved, including for the food & agro-

⁴⁹ Lopes, G. (2018), Timber as sustainable Green material, Secretary General of Angolan Association of Industrialists and Timber Industry (ANIMA), available at <https://unctad.org/system/files/non-official-document/ditc-ted-08102018-ngcr-forum-Angola.pdf>

⁵⁰ Angola Press Agency (2021), Angola Seeks Forestry Revenue, published 21 March 2021. Available at <https://allafrica.com/stories/202103220530.html>

⁵¹ World Bank (2017), Tourism for Development- 20 Reasons Sustainable Tourism Counts for Development. Available at <https://openknowledge.worldbank.org/handle/10986/28388>

⁵² Government of Angola (2011), Plano Director do Turismo- Volumes III Programas, Projectos e Projecções. Available at <https://docplayer.com.br/72632181-Linhas-de-orientacao-do-plano-director-do-turismo-de-angola-forum-empresarial-sobre-o-turismo.html>

⁵³ See for example World Bank (2019). The need to improve environmental management is also illustrated by the various donor-funded programs to support capacity development in this area, including several programs from UNDP and the Global Environment Facility.

industry and forestry sectors.⁵⁴ The Global Environment Facility (GEF) and UNDP also have provided funding for some programmes (ongoing since 2017) put in place by the Ministry of Environment, to create new protected areas and to support the infrastructure and management of existing protected areas. One example is the “Expansion and Strengthening of Angola’s Protected Areas System” programme. It focuses on the creation of new protected areas in the country and in the rehabilitation of Quiçama, Bicular, Cangandala and Maiombe National Parks and Luando Strict Nature Reserve. Thus far, the project has financed the mapping of Angola’s protected areas, fauna surveys, and the preparation of management plans, amongst other activities.⁵⁵ More such donor funding needs to be channelled into the country in support of such programmes. These programmes can build the platform upon which sustainable trade avenues can be developed for biodiversity resources, including forest products.

The UNDP is also currently supporting the Government of Angola to implement a GEF funded project called “Creation of Marine Protected Areas in Angola” that seeks to expand the protected areas network into the marine environment through creation of Angola’s first marine protected area (MPA). The project, which started implementation in 2019, and runs until 2023, has three components: 1) Strengthening the policy, legal and institutional framework for the creation of Angola’s first MPA, 2) Operationalization of an MPA in a location of high biodiversity priority, and 3) Project learning, knowledge sharing and M&E.⁵⁶ The project addresses Angola’s need to diversify away from an oil-based economy towards other sector whilst still maintaining its international commitments under agreements such as CBD and CITES. Aside from this project, the GEF has funded a number of other biodiversity and climate change related initiatives in Angola, some of which together with the EU. These include Combating Illegal Wildlife Trade and Human Wildlife Conflict project (with the Ministry of Culture, Tourism and Environment that focused on two conservation areas and a number of endemic species), and the National Biodiversity Project (that aimed to catalyse an improvement in the overall management of the protected areas network, through rehabilitating Iona National Park). This latter USD 10.7 million project, implemented from 2013 to 2018, was co-financed by the EU (50%), the GEF, the Government of Angola and UNDP.⁵⁷

Other small grant funded activities are also ongoing but are mostly fragmented without much follow-up. For example, the Wild Bird Trust project funded by the National Geographic Society conducted baseline surveys of the Cuito River from its source in central Angola to the inland delta of the Okavango in northern Botswana. These projects could result in plant collections and high-quality data from remote areas of the country, however, they also need to pool into a central repository of data to allow for the piecing together of datasets to facilitate further analysis.⁵⁸

Angola has limited access to global programmes such as the Global Register of Introduced and Invasive Species (GRIIS), which was developed with co-funding from the European Union through the Secretariat of the CBD. The GRIIS presents validated and verified national checklists of introduced (alien) and invasive alien species at the country, territory, and associated island level. It looked at countries that are Party to the CBD, including Angola (Figueiredo et al. 2020). With Angola being a Party to the EU-SADC EPA, the country could gain a priority status to accessing to such (existing) programmes. Under the EPA

⁵⁴ “Angola: PRODESI funds 661 projects worth £822M”, FurtherAfrica, 29 December 2020, <https://furtherafrica.com/2020/12/29/angola-prodesi-funds-661-projects-worth-822m/> [accessed on 5 June 2021].

⁵⁵ “Contributing to the conservation of Angolan biodiversity and promoting life on land”, <https://www.unv.org/Success-stories/Contributing-conservation-Angolan-biodiversity-and-promoting-life-land> [accessed on 3 June 2021].

⁵⁶ “Creation of Marine Protected Areas in Angola”, UNDP Open Planet, https://www.undpopenplanet.org/projects/Creation_of_Marine_Protected_Areas_in_Angola/ [accessed on 5 June 2021].

⁵⁷ Schroth, Götz 2018: National Biodiversity Project: Conservation of Iona National Park. Final Report to the European Union, 24 August 2018.

⁵⁸ <https://www.wildbirdtrust.com/owp-publications/> [accessed on 5 June 2021].

scenario, the scope of future programmes with the EU is more likely to focus on those areas where there is potential to increase trade, such as fisheries and forest products.

Aside from primarily donor-based programmes, conservation organisations such as African Parks NetWork and the World Wildlife Fund (WWF). In Angola, the organisation has been awarded the delegated management of Iona National Park.⁵⁹ WWF looks at specific ecoregions and biomes in Africa, that span across Angola and assess biodiversity features, for example the Angolan Scarp savanna and woodlands assessment.⁶⁰

6 CONCLUSIONS AND RECOMMENDATIONS

Although Angola has made substantial economic and political progress since the end of the war in 2002, the country continues to face development challenges. These include reducing its dependency on oil and diversifying the economy. Biodiversity and forest resources in the country have several challenges relating to inadequate policy frameworks, lack of governance, poor monitoring and enforcement, and lack of resources (technical and financial). Underlying these challenges is the basic lack of verifiable information.

At the same time, there is an opportunity through trade to attract donor funding to support the country build governance structures to help preserve and sustainably tap into biodiversity resources. For example, forest ecosystems could provide more support to the rural population by creating jobs around sustainable forest products and biodiversity conservation, spurred by international trade. Furthermore, with deforestation, forest degradation and land use change contributing to climate change, forest-based mitigation programmes could be developed to attract both public and private international climate finance.

Provided below are suggestions to foster the link between trade and sustainable development using the framework provided in Figure 1, and focused on further strengthening the positive flows and mitigating the weaker flows between trade, biodiversity, climate change and agricultural production interactions. Such suggestions could be included in an MoU between the EU and the Government of Angola that builds on all related elements of the post-Cotonou Agreement. The list of suggestions are first thoughts and would require selection and priority setting based on the needs of both the EU and the Angolan government in the light of enhancing sustainable development in their economies.

- An explicit recognition of negative impacts of climate change on biodiversity and an emphasis on climate friendly trade products, along with a referral to the UNFCCC Paris Agreement and alignment to its objectives including a commitment to actively report on progress in addressing climate change impacts.
- Agreements to cooperate in the framework of SADC Climate Services Centre to improve expertise on interaction between climate change and biodiversity/agricultural production and formulation of training activities to expand such knowledge to various economic sectors.
- A reference to the importance of sustainable agricultural production in Angola to support food security and potential trade opportunities with a focus on new, environmentally friendly and efficient technologies.
- An agreement between parties that enhanced trade will not lead to increase of the prevalence of invasive species.
- A reference to act against poaching and other illegal activities that exploit and threaten biodiversity.

⁵⁹ "Five key players commit to biodiversity in Africa", Afrik 21, 26 May 2021, <https://www.afrik21.africa/en/five-key-players-commit-to-biodiversity-in-africa/> [accessed on 6 June 2021].

⁶⁰ <https://www.worldwildlife.org/ecoregions/at1002> [accessed on 5 June 2021].

- A recommendation on supporting initiatives that increase forest cover and address the declining biodiversity in forests, that incorporate better management and monitoring practices.
- An agreement to support the integration of clean technologies access for the agricultural sector linked to poverty reduction and national development strategies.
- Agreements to promote sustainable harvesting of fish resources including access to modern and improved fishing practices to avoid unsustainable practices.
- A reference on contributing to maintaining and increasing biodiversity-based carbon stocks through improved conservation efforts and restoration of ecosystems.
- Agreements to support innovative practices related to conservation and sustainable use of biodiversity resources through skills and knowledge exchange obligations (for example artisanal fishing and small-scale agroforestry activities).

Solid governance structures, transparent processes, monitoring and auditing mechanisms and active enforcement would be needed to ascertain that such further potential sustainability principles agreed would lead to actual and structural implementation on the ground. This would need involvement of national, regional and local governments as well as a strong involvement of civil society.

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Annex B.4: Case study – Impact of Angola’s Accession to the EPA on Child Labour and Children’s Rights

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1 INTRODUCTION

Since the entry into force of the Lisbon Treaty, the EU has taken action to advance the international framework for child protection (Lind-Haldorsson and O’Donnell 2016), including through trade agreements (European Commission 2017). In a trade context, expanding levels of trade liberalisation and increasing business activities affect children just like other population groups, e.g., through impact on their health through increased pollution, or their standard of living through increased job opportunities that open for their parents. A more direct, immediate impact of trade on children’s rights is usually discussed through the problem of child labour (Jodoin and Pollack 2019).

In this case study, we analyse the situation in Angola from the point of view of child labour incidence, in particular in sectors which may be involved in trade with the EU following Angola’s accession to the EPA. We look at the scale of and reasons for child labour and links with overall effects of the Agreement on employment, poverty and informality to conclude if the accession to EPA may also have an impact on child labour in Angola and if so, what the main channels of that impact will be.

2 CHILDREN’S RIGHTS – REFERENCES IN INTERNATIONAL HUMAN RIGHTS LAW

Children are entitled to the same human rights and fundamental freedoms as adults. Like other vulnerable population groups, children have been given a special status of protection within the United Nations framework and in regional human rights treaties. The Convention on the Rights of the Child (CRC), a legally binding international treaty, is the key instrument on the rights of the child which focuses on protection of children against discrimination, exploitation, and neglect, sets out their basic needs and rights and defines obligations of states to ensure children’s well-being. Optional Protocols to the CRC cover protection of children against sexual exploitation and in the situation of armed conflict and allow children and/or their legal representative to submit complaints in case violations of their rights cannot be addressed effectively at the national level.

Angola ratified the CRC and two of Optional Protocols to the CRC (but not the Optional Protocol on a Communications Procedure) and has therefore accepted legally binding obligations regarding the protection of children’s rights specified in these treaties. Angola

has not expressed any reservations with respect to the CRC or the Optional Protocols that would contradict obligations set out in them.

Children's rights are also addressed in other core human rights treaties and regional human rights instruments that have been ratified by Angola, e.g., International Covenant on Civil and Political Rights (ICCPR) and the International Covenant on Economic, Social and Cultural Rights (ICESCR), the Convention on the Rights of Persons with Disabilities (CRPD), the Convention on the Elimination of All Forms of Discrimination Against Women (CEDAW) and others (see Angola's ratification status of human rights treaties in Annex E to the main report).

Child labour is comprehensively addressed in ILO Conventions No. 138 (the minimum age for employment) and No. 182 (worst forms of child labour). Angola and all EU Member States have ratified all the ILO fundamental conventions, including the conventions on child labour.

According to the ILO, child labour becomes a matter of concern and subject to efforts to eliminate it, when it means an economic activity interfering with child's physical or mental development, prevents it from attending school or forces it to leave the school early or makes it struggle to combine school attendance with work for long hours and hence does not allow for having enough time for rest or leisure activities adequate for their age and the stage of personal development. Moreover, all forms of hazardous work are prohibited for children and young persons under the age of 18 years.

At SADC level Member States have taken bold steps in the fight against child labour most notably through universal regional ratification of the Minimum Age Convention, 1973 (No. 138) and the Worst Forms of Child Labour Convention, 1999 (No. 182). All SADC Member States have also ratified the United Nations Convention on the Rights of the Child, 1989, which commits state parties "to recognize the right of the child to be protected from economic exploitation and from performing any work that is likely to be hazardous or to interfere with the child's education, or to be harmful to the child's health or physical, mental, spiritual, moral or social development."

3 REFERENCES TO CHILD LABOUR IN THE EU-SADC EPA

The EU-SADC EPA does not contain provisions related to child labour as such. However, the Agreement is based on the "essential and fundamental" elements set out in the Cotonou Agreement (Art. 2 and 7 of the EPA), where the Parties make commitments to regularly engage in a political dialogue on specific issues of general significance for the attainment of the objectives of the Agreement, including child labour (Article 8(4)), setting it as one of the priority objectives of international cooperation and subject of regular assessment. Moreover, in the Trade and Sustainable Development (TSD) chapter, the Parties reaffirm their rights and their commitment to implement their obligations in respect of the ILO conventions they have ratified respectively and do it in line with Article 50 on trade and labour standards of the Cotonou Agreement¹, where the Parties reaffirm their commitment to the ILO core labour standards and agree to work together in areas, such as exchanging information about legislation and regulation of work, development and strengthening of labour-related legislation, enforcement of the national legislation and work regulation, education and awareness raising programmes.

¹ The Cotonou Agreement was due to expire in February 2020, but due to the time needed to complete the negotiations on a new agreement and for its entry into force, the application of the Cotonou Agreement has been extended to 30 November 2021: https://ec.europa.eu/commission/presscorner/detail/en/ip_20_2291

4 CHILD LABOUR IN ANGOLA

4.1 Legal background and policies

The Constitution of Angola recognises children’s rights in Articles 80 and 81.² Work of minors at school age is prohibited under Article 80(5). Next to that, the prohibition of forced labour is stipulated under Article 60 of the Constitution. General labour law sets the minimum age for work at 14 years (with permission of the parent, guardian, or tutor).³ Other legislative and policy measures that refer to the protection of children’s rights include the Children’s Act (Law No.25/12 of 2012) with its “11 commitments for children”, which addresses the prohibition of exploitation of children, and Resolution No. 28/16 of 2016, which condemns all forms of violence against children, particularly sexual violence, abuse, exploitation, and trafficking.⁴

A multisectoral commission to combat trafficking in persons was set up in 2014. In August 2021, the Government approved the National Plan for the Eradication of Child Labour (Plano de Acção Nacional de Erradicação do Trabalho Infantil em Angola, PANETI) 2021-2025 as well as the creation of a multisectoral commission for prevention and eradication of child labour.⁵ There are also various programmes providing social protection for vulnerable families and families with low incomes, such as the *Programa Valor Criança*, *Programa Kwenda* or *Cartão Kikuia*. Angola is also included in the EU funded programme on Social Protection in the context of Public Financial Management and Domestic Revenue Mobilisation, which (supported in the future, e.g., from income from trade, investment and increased tax collection) could help to generate means to address child labour, among others.

4.2 Child labour incidence

Child labour remains an issue and is most common in the informal sector, as stated by the United Nations Committee on Economic Social Cultural Rights (UN CESCR). In 2008-2009, 20% of children in Angola aged 5-14 years (i.e., below the minimum age of admission to work) were involved in child labour (10.6% in urban areas and 31.8% in rural areas). In a break-down by provinces, the highest rate of child labour was recorded in the provinces of Zaire (54.6%) and Cunene (45.2%) and the lowest in the capital, Luanda (8.9%). The share of working children was related to the level of family welfare, with 25.9% of children from the poorest 20% of families being involved in child labour compared to 11.1% from the 20% richest families. Around two thirds of working children attended school (INE 2011).

In 2015-2016, 23% of children aged 5-17 years were involved in child labour (which may suggest an increase compared to 2008-2009, however, may also reflect difference between reference groups 5-14 years compared to 5-17 years) and 70% attended school, i.e. roughly the same share as in 2008-09. Child labour rates were higher in rural areas (32%) than in urban ones (19%), and regionally the provinces of Cuanza-Sul (45%) and Cuando Cubango (39%) had the highest child labour rates.⁶

² See full text of the 2010 Constitution of Angola in English: https://www.constituteproject.org/constitution/Angola_2010.pdf

³ According to Lexology.

⁴ UN Committee on the Rights of the Child (2018). Concluding observations on the report submitted by Angola under article 12 (1) of the Optional Protocol to the Convention on the Rights of the Child on the sale of children, child prostitution and child pornography, UN Doc. CRC/C/OPSC/AGO/CO/1.

⁵ Conselho de Ministros, “Aprovado Plano de Erradicação do Trabalho Infantil”, 11 August 2021: <https://governo.gov.ao/ao/noticias/conselho-de-ministros-2/>

⁶ Angop (July 2018), “Acorrentadas” no trabalho infantil: https://www.angop.ao/noticias-o?v_link=https://www.angop.ao/angola/pt_pt/noticias/sociedade/2018/6/27/Acorrentadas-trabalho-infantil_0c3688e2-81a2-4665-8889-71627d97dc2a.html; Nova Gazeta (June, 2019), *Duas em cada 10 crianças trabalham*: <https://www.novagazeta.co.ao/artigo/duas-em-cada-10-criancas-trabalham>.

According to UNDP statistics, child labour in 2019 stood at 18.7% (UNDP 2019). Although this indicates a decline compared to 2015/16 at face value, differences in methodology unfortunately do not allow to compare the domestic and UN statistics.

The reported forms of child labour in Angola include farming activities, e.g., cultivation of rice and vegetables, fishing, cattle herding and production of charcoal. In industry, children work in coal and diamond mining, and slaughtering of animals. In services and utilities, they work in construction, domestic service, and street work (selling products, car washing, shoe cleaning and carrying heavy loads). In 2019, the National Association of Street Vendors reported that nearly 50% of street vendors in the country are children under the age of 18 years (US Dep. of Labour 2019). The COVID-19 pandemic increased the risk to fall into child labour, as well as of involving children in begging and criminal activity.⁷

In a study conducted in 2017-2018 with a survey in two schools (in Luanda and in Cachiungo, a town in the Huambo province), 56.7% of children declared a low life quality. 95.5% of children and adolescents surveyed in Cachiungo worked (compared to 3.3% in Luanda), 80.6% in agriculture, 14.6% in the household, and 1.5% in trade. In Luanda, all surveyed children worked in household. Regarding leisure time activities, 77.6% of children in Cachiungo were encouraged to play while in Luanda, it was 96.7%. Moreover, 67.7% of surveyed children in Luanda pursued leisure time activities for four or more hours a day, while in Cachiungo, only 22.4% had a similar time to play (UniEVANGÉLICA 2018).

The Global Slavery Index 2018 estimates that 199,000 people in Angola live in conditions of modern slavery.⁸ The UN CEDAW states that trafficking through Angola is common for purposes of sexual exploitation and criminal activity.⁹ Next to that, the number of prosecutions and convictions is very low, and complicity of law enforcement authorities in trafficking of women and children has been reported by both the UN CEDAW and NGOs (Freedom House 2020). There is no early identification mechanism for human trafficking in place. An insufficient number of inspectors and corruption hamper progress in combatting human trafficking.¹⁰ It is common for children from neighbouring countries, e.g., the DRC, to be trafficked into the country for forced labour in diamond mining, construction, domestic work, and agricultural sectors. The UN Committee on the Rights of the Child notes that recruitment and the use of children above the age of 16 years in hostilities by armed forces and non-state armed groups remains common, as this practice is not explicitly prohibited or criminalised by the national legislation.¹¹

5 CHILD LABOUR IN SECTORS OF THE ANGOLAN ECONOMY RELATED TO TRADE WITH THE EU

5.1 Fishery

Regarding the fishing sector, cases of child labour have been reported in artisanal fishing, including activities, such as cleaning fish for deep freezing or sun drying (US Department of Labour 2019). No information could be identified that would confirm or exclude the presence of child labour in commercial fishing, including wild catch of shrimps (a product benefitting from the EPA). In this context we note that ILO Convention No. 188 (Work in Fishing) ratified by Angola sets the minimum age for work on board of a commercial fishing

⁷ Jornal de Angola (15 July 2020), *Covid-19: Pandemia aumenta desemprego e trabalho infantil em Luanda*: <https://www.jornaldeangola.ao/ao/noticias/covid-19-pandemia-aumenta-desemprego-e-trabalho-infantil-em-luanda/>

⁸ The Global Slavery Index, Angola: <https://www.globalslaveryindex.org/2018/data/country-data/angola/>

⁹ UN Committee on the Elimination of Discrimination against Women (2019). Concluding observations on the seventh periodic report of Angola, UN Doc. CEDAW/C/AGO/CO/7.

¹⁰ Ibid.

¹¹ UN Committee on the Rights of the Child (2018). *Concluding observations on the report submitted by Angola under article 8(1) of the Optional Protocol to the Convention on the Rights of the Child on the involvement of children in armed conflict*, UN Doc. CRC/C/OPAC/AGO/CO/1.

vessel at 16 years of age and for light work at 15 years. Hazardous work is prohibited for persons under 18 years of age. In its 2021 report, the ILO Committee of Experts noted that the general minimum age of admission to work in Angola has been set at 14 years, however, according to information provided by the Government, a seafarer’s document may only be granted to a person over 18 years of age (a certificate of fitness needed for maritime fishing may be issued for persons under 18 years of age). The Committee noted the differences and asked the Government to align the domestic legislation with the Convention.¹² This means that if Angola implements and enforces the Convention effectively, including the provisions on the minimum age, child labour should not be present in commercial fishing.

The number of labour inspectors (needed for law enforcement) in Angola increased from 117 in 2018 to 132 in 2019. However, the number is considered insufficient yet to be able to carry out an adequate number of inspections (ILO advises having one inspector for 40,000 workers in less developed countries, which in Angola would mean a total of 313 inspectors).¹³ Moreover, the Ministry of Public Administration, Labour and Social Security admitted that funds are too low to enable labour inspectors to carry out inspections in sectors where child labour has been reported (US Dep. of Labour 2019).

5.2 Agriculture

In agriculture, child labour is often related with subsistence family farming or attempts to meet basic needs. Most recently, in south Angola, in the provinces of Namibe, Huíla and Cunene, drought and hunger have contributed to the disintegration of many families, and have forced children and adolescents to look for food. Given that an alternative may mean begging or falling into criminality, they prefer taking work on farms to look after animals or work in fields. They may be offered food, accommodation and medical care and earn wages of around AOA 6,000 to 8,000 a month, the latter being comparable with an adult wage in agriculture. However, they usually do not receive personal protective equipment nor means to ensure safety during the COVID-19 pandemic. It is estimated that in the province of Namibe around 50,000 children are in such a situation, many of whom coming from other provinces, including Huíla and Huambo.¹⁴ According to the National Children’s Institute, child labour in Angolan agriculture is also related to the use of chemicals and dangerous tools, both being classified by the ILO as hazardous work prohibited for persons under 18 years of age.¹⁵ Similar observations were made by a project team in a field mission realised in January 2019 in the province of Huambo, reporting child labour in agriculture, and use of tools, such as hoes, knives, and machetes, in preparation of soil and planting corn; the team noted a link between child labour, poverty, a high number of children in the family, subsistence farming and social norms considering child labour in agriculture as something normal and acceptable (Projeto Eduka+ Angola 2019).

No information could be obtained that would confirm or exclude the presence of child labour on large farms producing for exports, including to the EU. However, there is a certain probability that child labour, as mentioned above, is rather related to small-scale subsistence farming or farms producing for the domestic market, and sectors, which are dominated by small and medium-sized producers, such as the **coffee** sector. There is evidence of children working on family-run coffee plantations, which often is perceived as a natural help in the household or a chance to develop experience necessary in the future.

¹² CEACR (2021), *Addendum to the 2020 CEACR Report*: https://www.ilo.org/wcmsp5/groups/public/---ed_norm/---relconf/documents/meetingdocument/wcms_771042.pdf

¹³ The ILO Committee of Experts Report published in 2021 provides different data based on information submitted by the Government. Accordingly, the total number of labour inspectors in Angola increased from 144 in 2016 to 277 in 2021, i.e., 36 would be missing to the capacity recommended by the ILO (CEACR 2021).

¹⁴ Angop (May 2021), *Cresce prática de trabalho infantil no Namibe*: <https://www.angop.ao/noticias/sociedade/cresce-pratica-de-trabalho-infantil-no-namibe/>

¹⁵ Jornal de Angola (12 July 2020), *Cresce o número de crianças expostas ao trabalho infantil*: <https://jornaldeangola.ao/ao/noticias/cresce-o-numero-de-criancas-expostas-ao-trabalho-infantil/>

Some children work over the weekends or during holidays, which may suggest that they do not miss classes at school, however, there is no entire clarity about it.

Angola exports green coffee to the EU, for which the MFN tariff is 0%. This means that accession to the EPA will not lead to a change in tariffs and therefore will have no direct impacts on coffee exports and, hence, on child labour incidence in the sector. Moreover, according to the literature, the coffee quality produced in those farms is often low due to the lack of investment, and therefore, the probability of exports to the EU, at least in the short-term is also rather low (Bessou et al. 2020). Small-scale producers in Angola usually access the local, provincial, and national market prior or instead of undertaking export activity. Moreover, many companies that do export focus on regional markets, for example on the neighbouring DRC, rather than the EU.

Therefore, to the extent that exports will mainly be related to larger commercial farms (at least in the short-term), it is likely that there will be no direct link between exports to the EU under the EPA and child labour. Indirect positive effects could occur if Angola's accession to the EPA contributes to the creation of additional employment in agriculture for adults and poverty reduction in a longer term, thereby decreasing the need for children to work. Likewise, if family farms become included in cooperatives or value chains and receive an opportunity to export their produce to the EU or SADC EPA countries, this may contribute to a decrease in child labour if income generated in this way will satisfy household needs or allow for the hiring of adult workers. For comparison, according to Bessou et al. (2020), small coffee producers in Angola currently on average have incomes below the minimum wage, and many of them are not associated in cooperatives or producer groups which could help them to invest and grow and to mitigate risks.

Regarding activities which can be pursued to address child labour in agriculture, the existing literature and the EU approach call for awareness raising campaigns to help change social attitudes to child labour and highlight negative effects for children's physical and intellectual development which are related to child labour – in particular if children do not attend school and / or carry out hazardous work. There is also a need to support education for children in rural areas and decent work opportunities for adult household members, provision of social security system and vocational education and training matching the labour market needs. Better results should be achieved through cooperation with the local government, public service providers, farmer organisations, business, and local communities. In that context, child labour elimination and poverty reduction should be included into the local development planning. Finally, to address the issue of child labour effectively and to monitor its evolution, there is a need for data collection and processing related to child labour, its reasons, scale, sectors, geographic coverage, and trends over time (European Commission 2021; EU Delegation to Angola 2021). Likewise, to be able to estimate with more accuracy the possibility of child labour incidence in sectors involved in trade with the EU and to identify the best ways to address it, there is a need to include into studies dedicated to individual sectors and value chains the analysis of social aspects, such as child labour incidence, and working conditions offered to adults, incl. wage levels, the nature of jobs (formal or not), types of contract (e.g., permanent or temporary for the harvest season only), payment of social security contributions, and others. This would help to determine if there is a margin to improve the terms of employment for adult workers and if so, if this may reduce a need for child labour as a complementary source of household income.

Moreover, specifically in the coffee sector, experiences of other countries provide examples of steps taken to eliminate child labour from coffee plantations by awareness raising campaigns, establishing schools and childcare facilities at plantations for children of workers and plantation owners, as well as improving working conditions for adult workers. Associations of coffee producers from those countries also called on international buyers to pay decent prices for coffee beans to support household budgets and decent living

conditions of small coffee producers and workers.¹⁶ Additionally, international buyers, including well-known coffee brands have their own monitoring systems to implement their policy of zero tolerance for child labour, and withdraw sourcing from plantations where child labour occurred. Finally, experience confirms that participation in certification schemes, if combined with capacity building, can greatly contribute to the elimination of child labour (Dietz et al. 2020). Angolan coffee producers, notably small-scale ones, may follow similar practices as one of many steps to improve the overall competitiveness of the sector and prospects of export activity, including potential exports to the EU.

5.3 Services

Children aged 11-14 years are also engaged in retail trade in streets (e.g., in the province of Cunene and in the capital, Luanda) and informal markets, selling mainly food (e.g., bread, fish, nuts) and drinks (tea, coffee, fresh water). Poverty and the need to support the household budget is typically the main reason for them to start working. Other reasons include disintegration of families, violence, being abandoned by parents, or the lack of interest from parents or other family members. Some children live with sole mothers (who may also be street vendors) and several siblings, others with elder family members (e.g., grandparents) who are not able to work anymore or also sell products in the streets.¹⁷ Sometimes they compete for clients with adult street vendors, the latter often not having any education nor professional qualifications and seeing the sale of products in the street as the only possibility to earn some money. Child street vendors are exposed to many risks, including violence, sexual harassment, or the use of drugs.¹⁸

A number of NGOs carry out awareness raising campaigns among adults involving children in work in informal markets to explain that undertaking work may have negative effects for child’s development and may compromise their chances for a better future, in particular if working children do not attend school. One of such actions was conducted in the province of Cunene in June 2021, where around 200 children have been identified as street vendors in the capital of the province.¹⁹ Among the actions that need to be taken to address the problem, the National Children’s Institute (INAC) and the Ministry of Social Action, Family and Promotion of Women see awareness raising campaigns, making clear that parents and others who involve children in work bear a criminal responsibility, as well as cooperation with local authorities to look for solutions through social policy implemented locally.²⁰

¹⁶ IHCAFE Instituto Hondureño del Café (2017), Campaña contra el trabajo infantil: <https://www.ihcafe.hn/campana-contra-el-trabajo-infantil/>; La Prensa (June 2018), *Caficultores buscan erradicar empleo infantil*: <https://www.laprensa.hn/economia/dineroynegocios/1186690-410/caficultores-empleo-infantil-honduras->; ILO (February 2019), *Nuevo proyecto abordará trabajo infantil en cadena de suministro de café de Honduras*: https://www.ilo.org/sanjose/sala-de-prensa/WCMS_672438/lang-es/index.htm; Anacafe (February 2020), *El sector caficulator reitera su política de cero tolerancia al trabajo infantil*: <https://www.anacafe.org/articles/el-sector-caficulator-reitera-su-pol%C3%ADtica-de-cero-tolerancia-al-trabajo-infantil/>; Rainforest Alliance (October 2021), *¿Cómo impulsamos la erradicación del trabajo infantil en el sector cafetalero de Guatemala?* <https://www.rainforest-alliance.org/es/en-el-campo/impulsando-erradicacion-del-trabajo-infantil-guatemala/>

¹⁷ Jornal de Angola (12 June 2018), *Trabalho infantil é realidade mundial*: <https://www.jornaldeangola.ao/ao/noticias/detalhes.php?id=406468>; Jornal de Angola (12 July 2020), *Cresce o número de crianças expostas ao trabalho infantil*: <https://jornaldeangola.ao/ao/noticias/cresce-o-numero-de-criancas-expostas-ao-trabalho-infantil/>; Jornal de Angola (15 July 2020), *Covid-19: Pandemia aumenta desemprego e trabalho infantil em Luanda*: <https://www.jornaldeangola.ao/ao/noticias/covid-19-pandemia-aumenta-desemprego-e-trabalho-infantil-em-luanda/>; Jornal de Angola (12 June 2021), *Mais de três mil crianças envolvidas em trabalho infantil*: <https://www.jornaldeangola.ao/ao/noticias/mais-de-tres-mil-criancas-envolvidas-em-trabalho-infantil/>

¹⁸ Club KAMBA, Cuanza Sul (2017), Series of articles about child labour in Angola: <https://boacentradacadareencontros.weebly.com/noticias-de-destaque-201718/kwanza-sul-com-maior-taxa-de-criancas-envolvidas-no-trabalho-infantil>

¹⁹ Angop (June 2021), *OMA preocupada com crianças envolvidas no comércio ambulante*: <https://www.angop.ao/noticias/sociedade/oma-preocupada-com-criancas-envolvidas-no-comercio-ambulante/>

²⁰ Jornal de Angola (12 June 2018), *Trabalho infantil é realidade mundial*: <https://www.jornaldeangola.ao/ao/noticias/detalhes.php?id=406468>; Jornal de Angola (12 June 2021), *Mais de três mil crianças envolvidas em*

Given the type of retail trade in which children are involved in Angola and products sold, it is not likely that increased imports resulting from the accession to the EPA will have a direct impact on their activity and situation, as the imported goods will be of a different category. However, in a longer-term an overall development of (formal) retail trade supported by increased trade flows between the EU and Angola could encourage some customers to do the shopping in formal stores, including supermarkets rather than on informal markets, which may decrease demand on the latter. Much will depend on the extent to which actions planned by the Angolan Government – such as vocational training, support for microenterprises, including access to finance and social policy supporting poor families – will reach families of working children; and the extent to which providing social assistance and creating income generation opportunities for adult family members will decrease the need for child labour. Equally important will be facilitated access to education for children with available, accessible, and affordable schools and learning materials. This should be accompanied by an awareness raising campaign emphasising the negative impacts of child labour and gains thanks to pursuing education.²¹ In this context, it will also be important to determine if a limited reduction of public revenues due to tariff reductions under the EPA could have an impact on the level of social expenditures (see the section on poverty impact in the main report).

5.4 Mining

Child labour has also been reported in the mining sector, including diamond extraction. In 2018, reports spoke about children as young as 12 years of age (the majority of them originating from the DRC) working in illegal diamond mining and extraction of other natural resources in the northern and eastern provinces of Angola along the border with DRC (Malanje, Lunda Norte and Lunda Sul, Cuanza-Sul, Cuando Cubango, Bié, Moxico, Zaire and Uíge). As many of them are not accompanied by adults, this suggests that they may have entered the Angolan territory as victims of trafficking in persons to be used as a cheap source of labour.²² Trafficking in children of 12 and more years of age has also been reported in 2021, for extraction of diamonds and other minerals, as well as other forms of work in Angola and abroad.²³

Given that Angola's accession to the EPA will not change its trade in diamonds (or other minerals) with the EU, it will not have a direct impact on child labour in this area – because trade flows in diamonds and other minerals are not likely to change due to accession to EPA, there will be no direct change in demand for child labour due to economic reasons. At the same time, it is difficult to determine precisely whether diamonds or other minerals proceeding from illegal extraction and involving child labour may find their way onto the EU market. In this context, the planned EU compulsory due diligence of products being placed on the EU market to check if they might involve child labour or other types of labour or human rights violations, could help to prevent such products from entering the EU and therefore decrease incentives for using children in work in mines, at least in those involved in export activities to the EU (it may also happen that exports will be diverted onto other markets). Moreover, the latest guidance for EU businesses on identification and elimination of forced labour from their supply chains²⁴ may add a commercial leverage encouraging efforts to respect the ILO core labour standards in exchange for being able to export to the

trabalho infantil: <https://www.jornaldeangola.ao/ao/noticias/mais-de-tres-mil-criancas-envolvidas-em-trabalho-infantil/>

²¹ Angop (13 June 2021), *Crianças exploradas à luz do dia*: <https://www.angop.ao/noticias/sociedade/criancas-exploradas-a-luz-do-dia/>

²² Ecclesia (November 2018), *Angola: Exploração ilegal de diamantes é feita por crianças com menos de 12 anos*: <https://agencia.ecclesia.pt/porta/direitos-da-criancas-exploracao-ilegal-de-diamantes-e-feita-por-criancas-com-menos-de-12-anos/>

²³ DW (July 2021), *EUA alertam para tráfico de seres humanos em Angola e Moçambique*: <https://www.dw.com/pt-002/eua-alertam-para-tr%C3%A1fico-de-seres-humanos-em-angola-e-mo%C3%A7ambique/a-58133225>

²⁴ European Commission and EEAS: *Guidance on due diligence for EU companies to address the risk of forced labour in their operations and supply chains*, 12 July 2021: <https://trade.ec.europa.eu/doclib/html/159709.htm>

EU. Likewise, in case Angola extracts and exports any of the metals covered by the EU Regulation²⁵ on responsible sourcing of minerals from conflict affected and high-risk areas (gold, tantalum, tin and tungsten), application of the Regulation may help improve respect for human rights and core labour standards. This will require, however, an effective system of checks along the supply chain. Important will also be improvement in the system of prosecution of cases of trafficking in persons and reintegration of children (victims of trafficking) into their families and communities in Angola.

5.5 Initiatives to address child labour

There are also ongoing activities to address child labour and ensure protection of children’s rights. The National Children’s Institute (INAC) supported by UNICEF has set up a national hotline (SOS Crianca) for reporting cases of violence, exploitation (including child labour) and abuse against children and works to strengthen capacities of frontline service providers. In 2020, the hotline received 135,179 reports about violations of children’s rights, including 14,196 cases of child labour. The highest number of reported cases came from Luanda (46,602), followed by the provinces of Benguela (17,913), Huambo (13,358), Huila (11,697), Bié (9,808) and Zaire (8,433) (INAC and MASFAMU 2020). UNICEF (with funding from the EU) has also supported INAC and the Ministry of Social Action, Family and Promotion of Women to develop procedures to address violence against children, including child labour, with defined roles and responsibilities of ministries and other institutions, including schools, health care services, local authorities, police, judiciary, border police and others and actions to take at each stage of a procedure (INAC and MASFAMU 2019). It aims to guide practitioners in handling cases, including child labour exploitation. The development of procedures involved multi-sector consultations; in addition, some 1,000 professionals from participating entities received in-service training to mainstream the uptake of these new instruments for case management. As part of the technical assistance, UNICEF has also supported INE in the development of questionnaires on child labour that will be used during the household survey (Multiple Indicator and Health Survey) to determine the scale and nature of the problem.²⁶ INAC and NGOs organise awareness raising campaigns to inform families of working children and local communities about negative impacts of child labour, notably if children do not attend school.

6 CONCLUSIONS AND RECOMMENDATIONS

1. The analysis of types of work carried out by children in Angola, as well as places (e.g., family farms, informal markets) suggests that at least in the short-term the accession to EPA is not likely to have direct effects for them, as the work happens in segments of the Angolan economy others than those thought to be affected (positively or negatively) by trade with the EU and change of terms of trade triggered by the accession to the EPA.
2. However, in the longer-term there may be indirect effects, including the possibility of job creation and income generation for adult household members which may decrease the need for child labour. To occur, these will need to be accompanied by Government actions, such as the provision of vocational training, facilitation of setting up enterprises and creating formal cooperatives, access to funding and access to markets, as well as promotion of certification schemes (e.g., in the coffee sector and fruits and vegetables) involving respect for labour rights, such as elimination of child labour. In parallel, there will be a need for awareness raising campaigns directed at adults (to understand the negative consequences of child labour) and facilitated access to school and childcare facilities and social assistance for children from poor families. Similar support, including assistance in meeting relevant product standards, and capacity building related to

²⁵ The Regulation explained: https://ec.europa.eu/trade/policy/in-focus/conflict-minerals-regulation/regulation-explained/index_en.htm

²⁶ Information provided by UNICEF.

accession to certification schemes will be needed to avoid potential negative impacts for small farms and poor families, e.g., being pushed out from the local or domestic market by imports or respectively, larger, or formal undertakings.

3. In addition, by acceding to the EPA and applying the SIFA Angola will commit to implement the ratified ILO fundamental conventions, including those related to elimination of child labour. To achieve this, the Angolan Government and enforcement agencies, including labour inspection, police, and border police, as well as judiciary will need to enhance efforts to address trafficking in persons, forced labour, hazardous child labour and other illegal activities, and address poverty and other reasons of child labour, as outlined above.
4. EU technical assistance should support the above actions, while the planned EU compulsory due diligence mechanism and other policy and legal tools may provide an additional incentive to act.

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Annex C: Background Analysis for Economic Impact Assessment

This annex provides information and research that complements the analysis undertaken in the main report. The annex is not meant to be read on a stand-alone basis but should always be considered in combination with the main report.

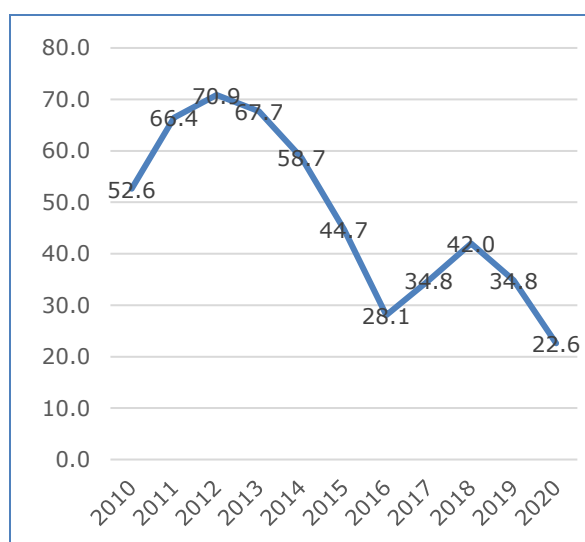
1.1 Assessment of the Impact on Trade

1.1.1 Current status in Angola: Trade performance

Overall Exports and Trade Balance

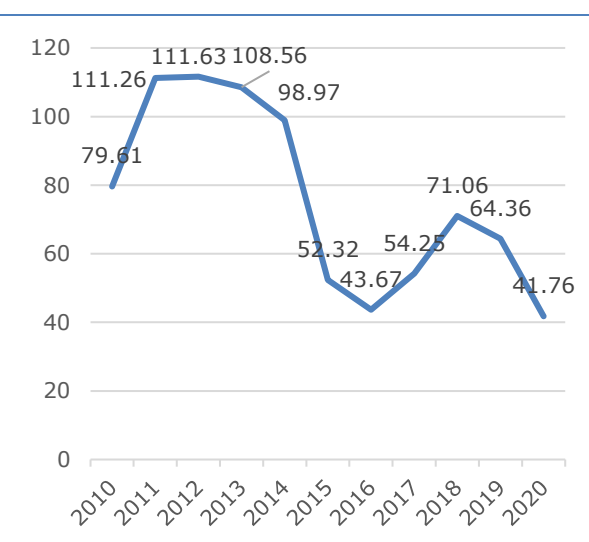
Angola's trade performance over time is almost entirely related to the world oil price. Changes in export values, and in particular the reduction in export revenues from 2012 to 2016, and again from 2018 to 2020 (Figure 1), was largely been caused by the changes in the international oil price, which dropped sharply from USD 109 per barrel in 2013 to USD 44 in 2016 before recovering to USD 71 in 2018, and then dropping again to USD 42 in 2020 during the covid-pandemic (Figure 2); during the first five months of 2021, the price has recovered somewhat, the average being 63 USD per barrel. Indeed, a simple simulation of Angola's exports holding the oil price constant at the 2010 level shows that export volatility would have been limited (with the exception of the outlier year 2015; Figure 3). It also shows, however, a lack of dynamism in exports – exports would have decreased at an average rate of 2.1% per year over the period 2010 to 2020 (and by 3.7% over the period 2016 to 2020). This shows that export growth and diversification, which has been the objective of numerous policies and strategies during the past decade, has not yet been achieved.

Figure 1: Angolan exports, 2010-2020 (USD billion)



Source: ITC TradeMap. 2020 data based on mirror statistics (imports reported by Angola's partners).

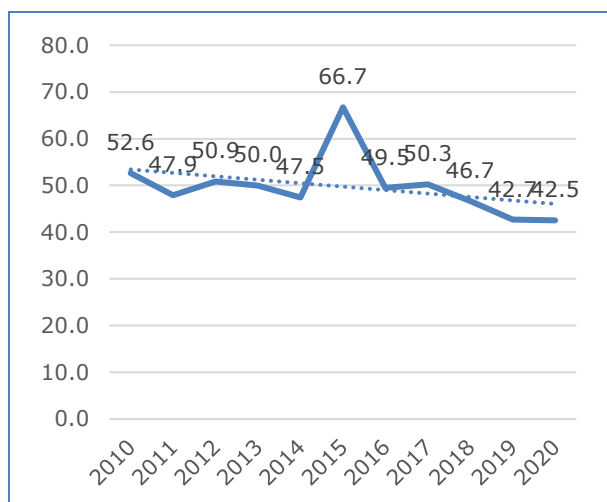
Figure 2: Europe Brent Spot Price FOB, 2010-2020 (USD per barrel, annual averages)



Source: US Energy Information Administration based on Thomson Reuters¹⁴⁶

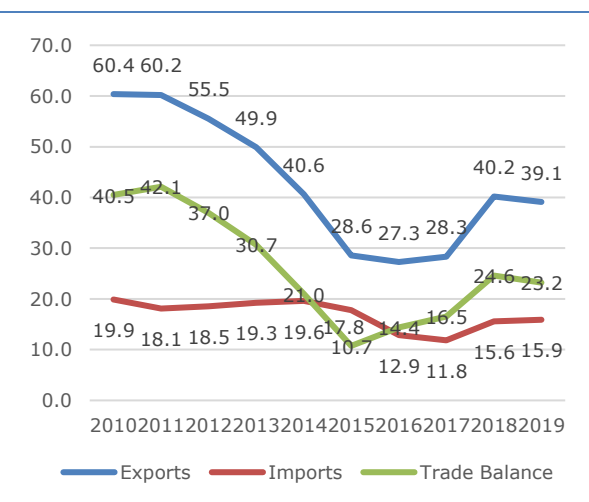
¹⁴⁶ <https://www.eia.gov/dnav/pet/hist/LeafHandler.ashx?n=pet&s=rbrte&f=a> [accessed 28 June 2021].

Figure 3: Simulated Angolan exports with constant 2010 oil price, 2010-2020 (USD billion)



Source: Own calculations based on ITC TradeMap and US Energy Information Administration.

Figure 4: Angola – goods exports, imports, and trade balance, 2010-2020 (% of GDP)



Source: Authors' calculations based on World Development Indicators.

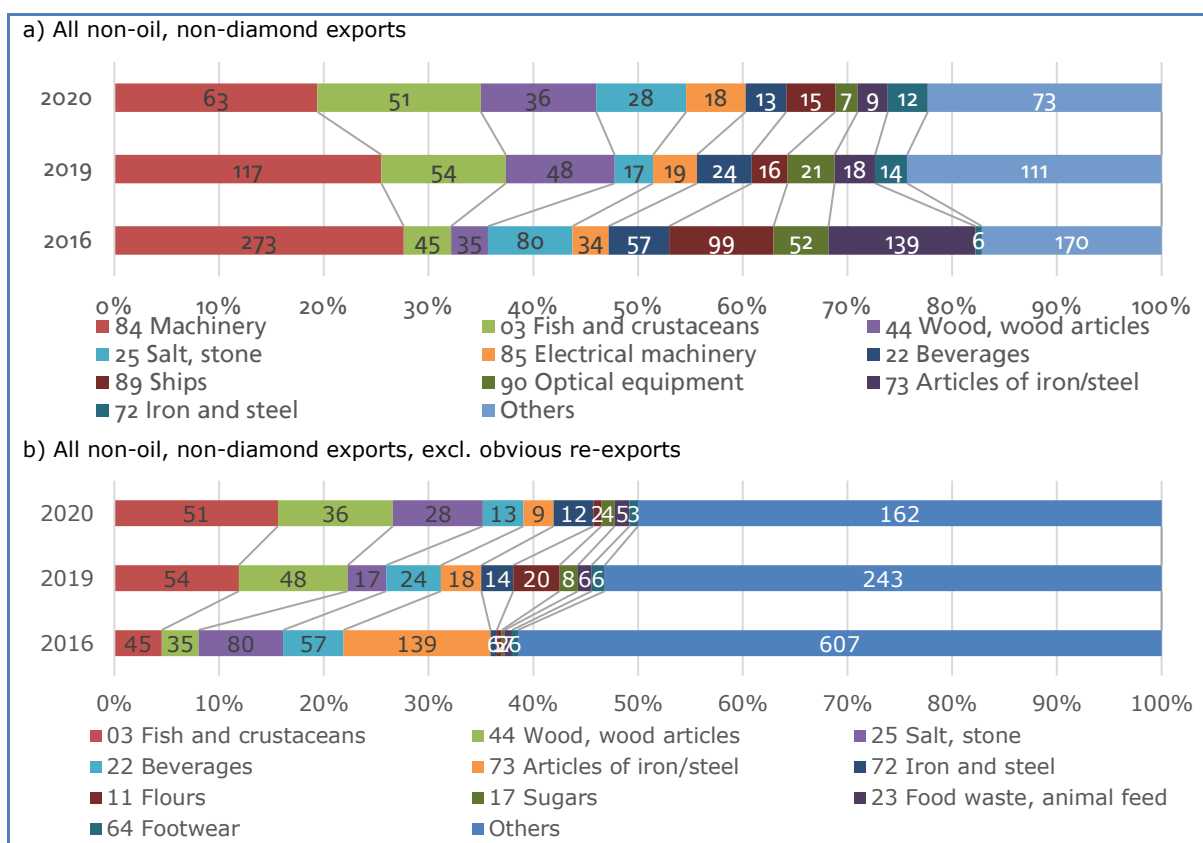
Decreasing oil export revenues also had a negative impact on the country's trade balance. With the share of exports in GDP dropping by more than 30 percentage points between 2011 and 2016, from 60% to 27.2%, and imports largely remaining at about 20% of GDP during much of the period, before dropping to about 12% in 2016 and 2017, the trade balance decreased from 42% of GDP in 2011 to 11% in 2015 (Figure 4). Nevertheless, it has somewhat recovered since, to more than 20% of GDP. It is also worthwhile to note that the trade balance remained positive in each year despite the sharp drop in oil prices, not least due to an adjustment of imports, which were reduced, in absolute values, from a peak USD 28.6 billion in 2014 to USD 13.0 billion in 2016, and have remained at about USD 15 billion since. On the negative side, however, the reduction in imports is not necessarily the result of a policy choice, but rather a reflection of the country's foreign currency shortage. In addition, the import squeeze has also not only affected goods for consumption but also investment goods, thereby weakening the productive sector and affecting the capacity of non-oil sectors to compete domestically and on export markets.

Export performance of non-oil, non-diamond products

The dominance of mineral fuels and diamonds in Angola's exports is discussed in the main report. What is of interest in relation to the EPA as well as the policy objective of export diversification, is the export performance of non-oil, non-diamond products, as this allows drawing conclusions regarding their future exports in the context of the EPA and its related measures.

These exports declined substantially from USD 988 million in 2016 to USD 458 million in 2019, and then again to USD 325 million in 2020 during the covid-19 pandemic; representing an annual average decline by 24.3%. Non-oil, non-diamond products include a wide range of products, ranging from agricultural commodities to sophisticated machinery (Figure 5a). However, among these exports, a large share actually constitutes re-exports of products previously imported, including the sale of used machinery and equipment. Unfortunately, Angola's trade statistics presently do not distinguish between re-exports and genuine domestic exports. However, based on research and interviews, a number of product categories can be identified as re-exports and excluded from further analysis. Among the remaining products, fish and crustaceans (13% of non-oil, non-diamond exports in 2019-2020), wood (11%), stone (6%), and beverages (5%) were the leading exports in 2019 and 2020 (Figure 5b).

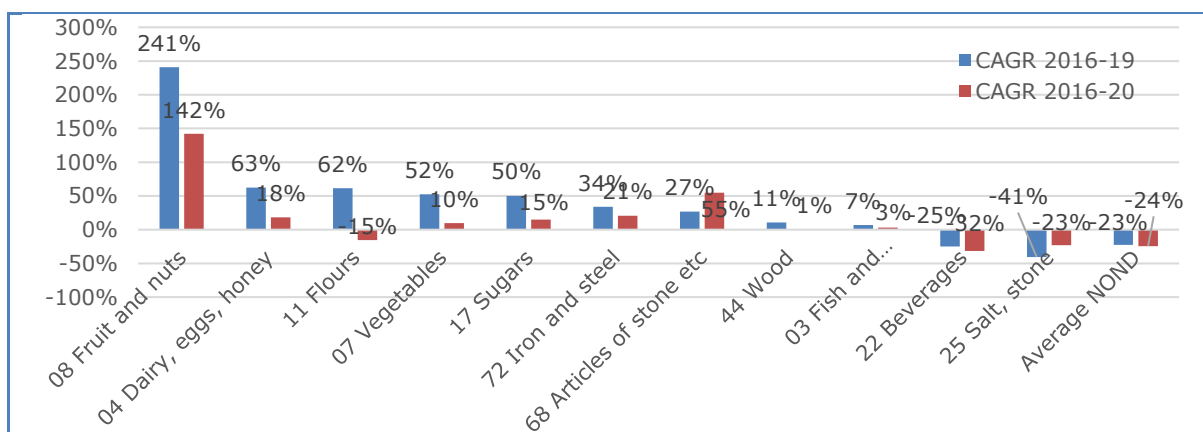
Figure 5: Most important Angolan non-oil, non-diamond exports, 2016-2020 (USD M)



Source: Own calculations based on AGT data: <https://agt.minfin.gov.ao/PortalAGT/#!/estatisticas/estatistica-do-comercio-externo>.

The performance on non-oil, non-diamond exports over the past five years has been diverse (Figure 6). Whereas some sector exports have grown very rapidly, such as fruits (241% per year from 2016 to 2019; and 142% from 2016 to 2020), others, including “traditional” non-oil exports have seen low growth, such as fisheries (7% and 3% per year, respectively), or even contracted, such as beverages (-25% and -32%) or salt and stone (-41% and -23%). As expected, a large majority of export products suffered from the pandemic; in fact only salt and stone as well as articles of stone and plaster performed better in 2020 than a year before.

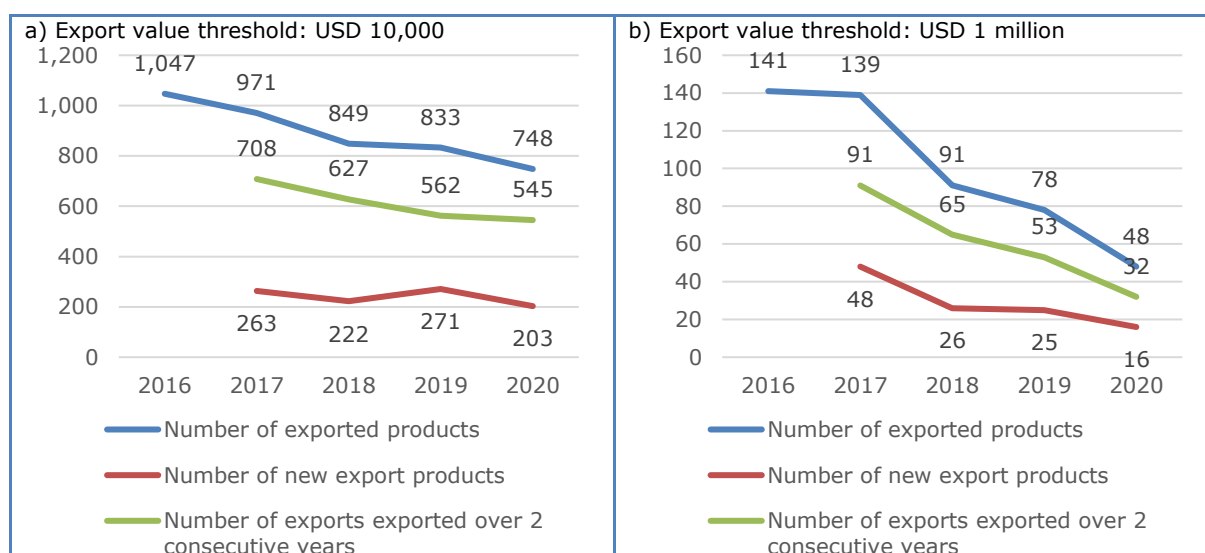
Figure 6: Average annual growth rates of selected Angolan non-oil, non-diamond exports, 2016-2020



Source: Own calculations based on AGT data: <https://agt.minfin.gov.ao/PortalAGT/#!/estatisticas/estatistica-do-comercio-externo>.

Finally, to consider recent developments regarding the level of export diversification, three simple indicators have been used: the number of different products exported from Angola in a year; the number of new exports introduced in a year (i.e. those that were not exported the year before), and the survival rate of exports (i.e. products that were exported over at least two consecutive years). Applying different thresholds for minimum export values, Figure 7 shows mostly negative trends: the number of different products exported has declined over the period 2016 to 2020 regardless of the threshold value applied – and this is a trend that is independent of the pandemic but has been consistent across the five years: in 2016, 1,047 different non-oil, non-diamond products with an export value of USD 10,000 or more were shipped to the world; in 2020 only 748. For products with an export value of USD 1 million or more, the number declined from 141 in 2016 to 48 in 2020. Similarly, the survival rate decreased in every year of the period considered. Only the attempts at exporting new products at small scale showed a broadly stable trend: in 2017, 263 products were exported (at a value of at least USD 10,000) that had not been exported in 2016. In 2020, this was the case for 203 products. But few of these products were exported at large scale: only 16 new products worth at least USD 1 million were exported in 2020.

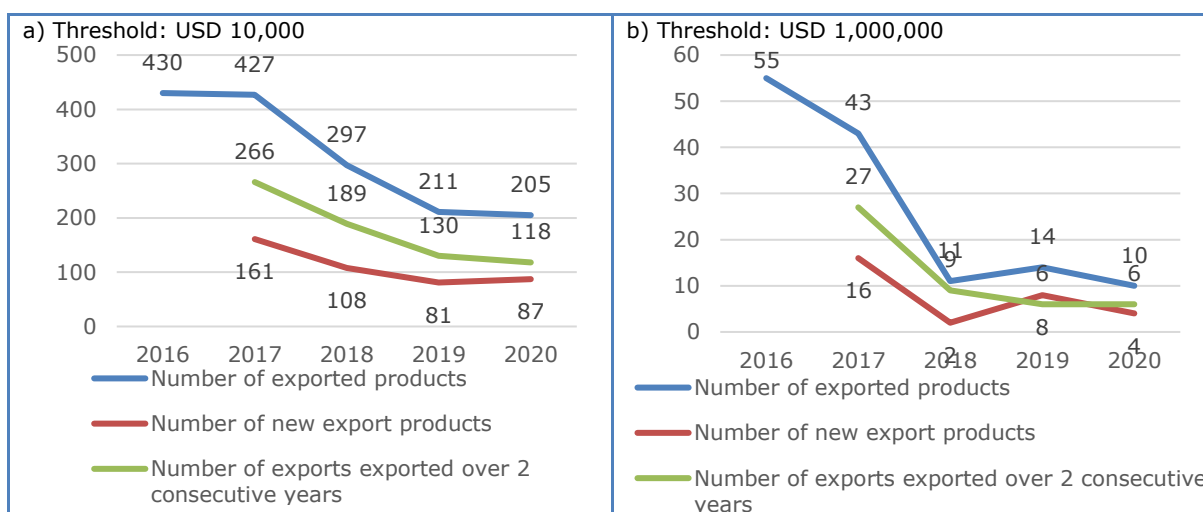
Figure 7: Number of different non-oil, non-diamond products exported by Angola to the world, at HS 6-digit level, 2016-2020



Source: Own calculations based on AGT data: <https://agt.minfin.gov.ao/PortalAGT/#!/estatisticas/estatistica-do-comercio-externo>.

Applying the same indicator only to exports to the EU (Figure 8) shows roughly the same pattern, with the exception of 2020 and (partly) 2019, where the negative trend could be stopped. But overall, the behaviour of Angola's non-oil, non-diamond exports to the EU is not much different from Angola's non-oil, non-diamond exports to the world – and no steps were made towards export diversification in the past five years.

Figure 8: Number of different non-oil, non-diamond products exported by Angola to the EU, at HS 6-digit level, 2016-2020



Source: Own calculations based on AGT data: <https://agt.minfin.gov.ao/PortalAGT/#!/estatisticas/estatistica-do-comercio-externo>.

1.1.2 EPA impact

The expected impact of Angola's accession to the EPA on its trade is presented in the main report. Complementing this analysis, Table 1 shows the impact of Angola's accession to the EU-SADC EPA on the most (positively) affected exported products. It compares the exports that would occur in the "baseline" (in the absence of accession to the EPA i.e. trading with the EU as a standard GSP beneficiary country) with the situation that would occur if it accedes. As the Table shows, the total export gains accrue to the same products that also see the growth in bilateral exports (see Table 5 in the main report). The main four benefactors are frozen shrimps (HS code 030617; +€5.3 million), ethyl alcohol (220710; +€3.8 million), wheat brans (230230; +€2.0 million), and bananas (080390; +€1.7 million). A number of other products also benefit but at very modest amounts – well below €0.5 million.

Table 1: Impact of EU tariff liberalisation on Angola's total exports, by product (all scenarios)

Product code and description		Baseline (€ M)	Change (€ M)	Change (%)
030617	Crustaceans; frozen, shrimps and prawns, excluding...	12.8	5.3	41
220710	Undenatured ethyl alcohol; of an alcoholic strength...	0.0	3.8	61,859
230230	Bran, sharps and other residues; of wheat, whether...	5.6	2.0	36
080390	Fruit, edible; bananas, other than plantains, fres...	1.0	1.7	164
740811	Copper; wire, of refined copper, of which the maxi...	1.1	0.3	32
030614	Crustaceans; frozen, crabs, in shell or not, smoke...	3.5	0.2	6
870324	Vehicles; with only spark-ignition internal combus...	0.3	0.2	70
110710	Malt; not roasted	0.0	0.2	20,213
030357	Fish; frozen, swordfish (Xiphias gladius), excludi...	0.3	0.1	33
870423	Vehicles; compression-ignition internal combustion...	0.9	0.1	10
740829	Copper; wire, of copper alloys (other than copper-...	0.2	0.1	41
Others		35,366.7	0.3	0.0
Total		35,392.4	14.3	0.04

Source: Own calculations based on DG TRADE modelling.

1.2 Assessment of Wider Economic Impact

1.2.1 Impact on Domestic Production

PRODESI contains a list of 55 products and product groups ("PRODESI products"). Table 2 shows the impacts on Angola's imports of these products under the different policy

scenarios.¹⁴⁷ It shows that, in the baseline, PRODESI products account for 13% of Angola's total imports (€1.3 billion out of €9.7 billion), with imports of these products from the EU being below average, at 6% (€152 million out of €2.6 billion). In the full liberalisation scenario, Angola's total imports of PRODESI products would be higher by €120 million (9.5% compared to the baseline; and 17% of the total import increase), with the highest increases in absolute terms being in imports of wheat flour, bleaches, juices and soft drinks, pork, and plasters. In the conservative liberalisation scenario, where Angola would exclude a higher number of products, including several PRODESI ones, the increase in PRODESI product imports would only be €28 million (2.2% compared to the baseline; and 4.7% of the total import increase).

Table 2: Impact of EPA on Angola's imports of products targeted by PRODESI (€ million)

Product	Baseline imports			Import change full lib.			Import change cons.			Import change amb.		
	EUR	ROW	Total	EUR	ROW	Total	EUR	ROW	Total	EUR	ROW	Total
Wheat flour	10.9	28.2	39.1	26.1	-5.8	20.3	0.0	0.0	0.0	26.1	-5.8	20.3
Bleaches	9.7	37.7	47.4	41.4	-26.5	14.9	41.4	-26.5	14.9	41.4	-26.5	14.9
Juices and softdrinks	4.9	4.5	9.4	16.8	-3.9	13.0	0.0	0.0	0.0	16.5	-3.7	12.8
Pork	9.9	27.9	37.8	18.3	-5.9	12.4	1.6	-1.4	0.2	18.2	-5.9	12.4
Glue cements, mortars, pl	9.8	11.3	21.1	14.3	-2.8	11.5	14.3	-2.8	11.5	14.3	-2.8	11.5
Construction paint	6.7	11.6	18.2	18.0	-8.4	9.6	0.0	0.0	0.0	18.0	-8.4	9.6
Sanitary towels	1.5	18.1	19.6	12.8	-6.6	6.2	0.0	0.0	0.0	12.8	-6.6	6.2
Napkins, toilet paper, kitc	2.1	1.8	3.9	7.0	-1.5	5.5	0.0	0.0	0.0	6.9	-1.4	5.5
Soy cooking oil	52.0	29.8	81.8	15.4	-10.7	4.7	0.0	0.0	0.0	15.4	-10.7	4.7
Milk	11.8	0.6	12.4	4.0	-0.1	3.9	0.0	0.0	0.0	4.0	-0.1	3.9
Blue soap	1.3	20.7	21.9	6.2	-2.9	3.3	0.0	0.0	0.0	2.6	-2.0	0.5
Cement	1.2	1.6	2.8	3.3	-0.6	2.7	0.0	0.0	0.0	0.0	0.0	0.0
Tempered, laminated, mu	2.1	2.4	4.6	3.2	-1.0	2.3	0.0	0.0	0.0	3.2	-1.0	2.3
Onions	0.1	6.0	6.1	2.7	-0.7	2.0	0.0	0.0	0.0	2.7	-0.7	2.0
Chicken meat	9.3	283.4	292.7	10.0	-8.0	2.0	0.0	0.0	0.0	10.0	-8.0	2.0
Maize grain	0.3	7.6	7.9	1.9	-0.5	1.4	0.0	0.0	0.0	1.9	-0.5	1.4
Bulk sugar	3.7	89.5	93.2	3.9	-3.3	0.7	0.0	0.0	0.0	3.9	-3.3	0.7
Salt	1.5	1.3	2.8	1.7	-1.1	0.6	0.0	0.0	0.0	0.0	0.0	0.0
Spaghetti pasta	1.1	64.6	65.7	3.3	-2.7	0.6	0.0	0.0	0.0	3.1	-2.6	0.5
Sardinella	0.5	16.3	16.7	1.3	-0.8	0.5	1.3	-0.8	0.5	1.3	-0.8	0.5
Potatoes	0.8	2.4	3.2	1.0	-0.5	0.5	0.0	0.0	0.0	1.0	-0.5	0.5
Table water	0.4	0.0	0.4	0.4	0.0	0.3	0.0	0.0	0.0	0.3	0.0	0.2
Maize flour	0.1	13.7	13.8	0.4	-0.1	0.3	0.4	-0.1	0.3	0.4	-0.1	0.3
Glass packaging for vario	2.8	2.5	5.3	1.2	-1.0	0.2	1.2	-1.0	0.2	1.2	-1.0	0.2
Clinker	1.5	6.8	8.3	0.2	-0.1	0.2	0.0	0.0	0.0	0.0	0.0	0.0
Beans	0.9	4.6	5.5	0.7	-0.5	0.1	0.0	0.0	0.0	0.7	-0.5	0.1
Construction steel rod (la	0.4	1.0	1.3	0.4	-0.3	0.1	0.0	0.0	0.0	0.4	-0.3	0.1
Garlic	0.0	2.1	2.1	0.3	-0.2	0.1	0.0	0.0	0.0	0.0	0.0	0.0
Mango	0.0	0.4	0.4	0.4	-0.2	0.1	0.0	0.0	0.0	0.0	0.0	0.0
Beer	0.5	0.0	0.5	0.2	0.0	0.1	0.0	0.0	0.0	0.2	0.0	0.1
Cabbage	0.0	0.1	0.1	0.2	0.0	0.1	0.1	0.0	0.1	0.1	0.0	0.1
Carrots	0.0	0.9	1.0	0.3	-0.2	0.1	0.0	0.0	0.0	0.0	0.0	0.0
Horse mackerel	0.1	79.9	80.1	0.4	-0.4	0.1	0.4	-0.4	0.1	0.4	-0.4	0.1
Honey	0.2	0.0	0.2	0.1	0.0	0.1	0.0	0.0	0.0	0.1	0.0	0.1
Palm oil	0.6	5.8	6.3	0.3	-0.3	0.1	0.0	0.0	0.0	0.3	-0.3	0.1
Pepper	0.4	0.1	0.5	0.1	0.0	0.0	0.0	0.0	0.0	0.1	0.0	0.0
Tomatos	0.0	0.1	0.1	0.1	-0.1	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Lettuce	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Manioc flour	0.0	0.2	0.2	0.1	0.0	0.0	0.1	0.0	0.0	0.1	0.0	0.0
Goat meat	0.1	0.5	0.6	0.1	-0.1	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Tilapia (cacussus)	0.0	3.8	3.8	0.1	-0.1	0.0	0.1	-0.1	0.0	0.1	-0.1	0.0
Sweet potatoes	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Eggs	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Pineapple	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Sunflower cooking oil	0.4	107.5	107.9	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Peanut oil	0.0	0.1	0.1	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Banana	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Cassava	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Dried beef	0.0	6.7	6.7	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Rice	1.2	208.9	210.2	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Detergents	0.9	6.3	7.2	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Total PRODESI products	151.9	1,119.5	1,271.4	218.7	-98.1	120.6	61.0	-33.1	27.9	207.6	-94.2	113.4
Other products	2,430.9	6,024.5	8,455.5	1,103.9	-531.4	572.5	1,093.5	-525.3	568.2	1,103.6	-531.3	572.3
Total	2,582.8	7,144.0	9,726.8	1,322.6	-629.5	693.0	1,154.5	-558.4	596.1	1,311.2	-625.4	685.7

Note: Column "EUR" indicates Angola's imports from the EU; "ROW" its imports from the rest of the world.

Source: Own calculations based on DG TRADE modelling.

¹⁴⁷ This calculation is only an approximation, as PRODESI products are not defined in terms of HS codes, and therefore the study authors had to prepare a correspondence table between PRODESI products and the HS based on best judgement.

Table 3: Correspondence table PRODESI products - HS

Name in Decree 23/19	HS code	HS description
Banana	080310	Fruit, edible; plantains, fresh or dried
	080390	Fruit, edible; bananas, other than plantains, fresh or dried
Beans	070820	Vegetables, leguminous; beans (<i>vigna</i> spp., <i>phaseolus</i> spp.), shelled or unshelled, fresh or chilled
Beans	071022	Vegetables, leguminous; beans (<i>vigna</i> spp., <i>phaseolus</i> spp.), shelled or unshelled, uncooked or cooked by steaming or boiling in water, frozen
Beans	071331	Vegetables, leguminous; beans of the species <i>vigna mungo</i> (L.) hepper or <i>vigna radiata</i> (L.) wilczek, shelled, whether or not skinned or split, dried
Beans	071332	Vegetables, leguminous; small red (<i>adzuki</i>) beans (<i>phaseolus</i> or <i>vigna angularis</i>), shelled, whether or not skinned or split, dried
Beans	071333	Vegetables, leguminous; kidney beans, including white pea beans (<i>phaseolus vulgaris</i>), shelled, whether or not skinned or split, dried
Beans	071334	Vegetables, leguminous; bambara beans (<i>Vigna subterranea</i> or <i>Voandzeia subterranea</i>), shelled, whether or not skinned or split, dried
Beans	071350	Vegetables, leguminous; broad beans (<i>vicia faba</i> var. <i>major</i>) and horse beans (<i>vicia faba</i> var. <i>equina</i> and <i>vicia faba</i> var. <i>minor</i>), shelled, whether or not skinned or split, dried
Beer	220300	Beer; made from malt
Bleaches	340220	Washing and cleaning preparations; surface-active, whether or not containing soap (excluding those of heading no. 3401), put up for retail sale
Bleaches	340290	Washing and cleaning preparations; surface-active, whether or not containing soap (excluding those of heading no. 3401), including auxiliary washing preparations, not for retail sale
Blue soap	340111	Soap and organic surface-active products; in the form of bars, cakes, moulded shapes, and paper, wadding, felt and nonwovens, impregnated, coated or covered with soap or detergent, for toilet use (including medicated products)
Blue soap	340119	Soap and organic surface-active products; in the form of bars, cakes, moulded shapes, and paper, wadding, felt and nonwovens, impregnated, coated or covered with soap or detergent, not for toilet use
Bulk sugar	170112	Sugars; beet sugar, raw, in solid form, not containing added flavouring or colouring matter
Bulk sugar	170113	Sugars; cane sugar, raw, in solid form, as specified in Subheading Note 2 to this chapter, not containing added flavouring or colouring matter
Bulk sugar	170114	Sugars; cane sugar, raw, in solid form, other than as specified in Subheading Note 2 to this chapter, not containing added flavouring or colouring matter
Bulk sugar	170191	Sugars; sucrose, chemically pure, in solid form, containing added flavouring or colouring matter
Bulk sugar	170199	Sugars; sucrose, chemically pure, in solid form, not containing added flavouring or colouring matter
Cabbage	070410	Vegetables, brassica; cauliflowers and headed broccoli, fresh or chilled
Cabbage	070420	Vegetables, brassica; brussel sprouts, fresh or chilled
Cabbage	070490	Vegetables, brassica; edible, n.e.c. in heading no. 0704, fresh or chilled
Carrots	070610	Vegetables, root; carrots and turnips, fresh or chilled
Cassava	071410	Vegetable roots and tubers; manioc (cassava), with high starch or inulin content, fresh, chilled, frozen or dried, whether or not sliced or in the form of pellets
Cement	252321	Cement; portland, white, whether or not artificially coloured
Cement	252329	Cement; portland, other than white, whether or not artificially coloured
Cement	252330	Cement; aluminous (<i>ciment fondu</i>), whether or not coloured or in the form of clinkers
Cement	252390	Cement; hydraulic kinds n.e.c. in heading no. 2523
Chicken meat	020711	Meat and edible offal; of fowls of the species <i>Gallus domesticus</i> , not cut in pieces, fresh or chilled
Chicken meat	020712	Meat and edible offal; of fowls of the species <i>Gallus domesticus</i> , not cut in pieces, frozen
Chicken meat	020713	Meat and edible offal; of fowls of the species <i>Gallus domesticus</i> , cuts and offal, fresh or chilled
Chicken meat	020714	Meat and edible offal; of fowls of the species <i>Gallus domesticus</i> , cuts and offal, frozen
Clinker	252310	Cement clinkers (whether or not coloured)
Construction paint	320810	Paints and varnishes; based on polyesters, dispersed or dissolved in a non-aqueous medium
Construction paint	320820	Paints and varnishes; based on acrylic or vinyl polymers, dispersed or dissolved in a non-aqueous medium
Construction paint	320890	Paints and varnishes; based on polymers n.e.c. in heading no. 3208, dispersed or dissolved in a non-aqueous medium

Name in Decree 23/19	HS code	HS description
Construction paint	320910	Paints and varnishes; based on acrylic or vinyl polymers, dispersed or dissolved in an aqueous medium
Construction paint	320990	Paints and varnishes; (based on polymers other than acrylic or vinyl), dispersed or dissolved in an aqueous medium
Construction steel rod (larger than 8mm)	721310	Iron or non-alloy steel; bars and rods, hot-rolled, in irregularly wound coils, containing indentations, ribs, grooves or other deformations produced during the rolling process
	721320	Iron or non-alloy steel; bars and rods, hot-rolled, in irregularly wound coils, of free-cutting steel
	721391	Iron or non-alloy steel; bars and rods, hot-rolled, in irregularly wound coils, n.e.c. in heading no. 7213, of circular cross-section measuring less than 14mm in diameter
	721399	Iron or non-alloy steel; bars and rods, hot-rolled, in irregularly wound coils, n.e.c. in heading no. 7213, of circular cross-section measuring 14mm or more in diameter
Detergents	340211	Organic surface-active agents; anionic (other than soap), whether or not put up for retail sale
Detergents	340212	Organic surface-active agents; cationic (other than soap), whether or not put up for retail sale
Detergents	340213	Organic surface-active agents; non-ionic (other than soap), whether or not put up for retail sale
Detergents	340219	Organic surface-active agents; whether or not put up for retail sale, n.e.c. in heading no. 3402
Dried beef	021020	Meat; salted, in brine, dried or smoked, of bovine animals
Eggs	040711	Birds' eggs, in shell; fresh, fertilised eggs for incubation, of fowls of the species Gallus domesticus (domestic hens)
Eggs	040719	Birds' eggs, in shell; fresh, fertilised eggs for incubation, other than fowls of the species Gallus domesticus (domestic hens)
Eggs	040721	Birds' eggs, in shell; fresh, not for incubation, of fowls of the species Gallus domesticus (domestic hens)
Eggs	040729	Birds' eggs, in shell; fresh, not for incubation, other than fowls of the species Gallus domesticus (domestic hens)
Eggs	040790	Birds' eggs, in shell; preserved or cooked
Garlic	070320	Vegetables, alliaceous; garlic, fresh or chilled
Glass packaging for various purposes	701010	Glass; ampoules, of a kind used for the conveyance or packing of goods
	701020	Glass; stoppers, lids and other closures
	701090	Glass; carboys, bottles, flasks, jars, pots, phials and other containers of glass, (not ampoules), used for the conveyance or packing of goods
Glue cements, mortars, plasters and the like	252010	Gypsum; anhydrite
	252020	Plasters; (consisting of calcined gypsum or calcium sulphate), whether or not coloured, with or without small quantities of accelerators or retarders
	680911	Plaster, or plaster compositions; boards, sheets, panels, tiles and similar articles, faced or reinforced with paper or paperboard only, not ornamented
	680919	Plaster, or plaster compositions; boards, sheets, panels, tiles and similar articles, (other than faced or reinforced with paper or paperboard only), not ornamented
	680990	Plaster articles or articles of compositions based on plaster; n.e.c. in heading no. 6809
	381600	Refractory cements, mortars, concretes and similar compositions; other than products of heading no. 3801
	382440	Cements, mortars or concretes; their prepared additives
	382450	Mortars and concretes; non-refractory
Goat meat	020450	Meat; of goats, fresh, chilled or frozen
Goat meat	020680	Offal, edible; of sheep, goats, horses, asses, mules or hinnies, fresh or chilled
Goat meat	020690	Offal, edible; of sheep, goats, horses, asses, mules or hinnies, frozen
Honey	040900	Honey; natural
Horse mackerel	030245	Fish; fresh or chilled, jack and horse mackerel (Trachurus spp.), excluding fillets, fish meat of 0304, and edible fish offal of subheadings 0302.91 to 0302.99
Horse mackerel	030355	Fish; frozen, jack and horse mackerel (Trachurus spp.), excluding fillets, fish meat of 0304, and edible fish offal of subheadings 0303.91 to 0303.99
Horse mackerel	160415	Fish preparations; mackerel, prepared or preserved, whole or in pieces (but not minced)
Horse mackerel	030554	Dried herrings, anchovies, sardines, sardinella, brisling or sprats, mackerel (incl Indian, jack, or horse), seerfishes, jacks, crevalles, cobia, silver pomfrets, Pacific saury, scads, capelin, swordfish, Kawakawa, bonitos, marlins, sailfishes, spearfish
Juices and softdrinks	220210	Waters; including mineral and aerated, containing added sugar or other sweetening matter or flavoured
	220291	Non-alcoholic beverages; non-alcoholic beer

Name in Decree 23/19	HS code	HS description
	220299	Non-alcoholic beverages; other than non-alcoholic beer, n.e.c. in item no. 2202.10, not including fruit or vegetable juices of heading no. 2009
	200911	Juice; orange, frozen, unfermented, (not containing added spirit), whether or not containing added sugar or other sweetening matter
	200912	Juice; orange, not frozen, of a Brix value not exceeding 20, unfermented, not containing added spirit, whether or not containing added sugar or other sweetening matter
	200919	Juice; orange, not frozen, of a Brix value exceeding 20, unfermented, not containing added spirit, whether or not containing added sugar or other sweetening matter
	200921	Juice; grapefruit (including pomelo), of a Brix value not exceeding 20, unfermented, (not containing added spirit), whether or not containing added sugar or other sweetening matter
	200929	Juice; grapefruit (including pomelo), of a Brix value exceeding 20, unfermented, not containing added spirit, whether or not containing added sugar or other sweetening matter
	200931	Juice; of single citrus fruit (excluding orange or grapefruit), of a Brix value not exceeding 20, unfermented, not containing added spirit, whether or not containing added sugar or other sweetening matter
Juices and softdrinks	200939	Juice; of single citrus fruit (excluding orange or grapefruit), of a Brix value exceeding 20, unfermented, not containing added spirit, whether or not containing added sugar or other sweetening matter
Juices and softdrinks	200941	Juice; pineapple, of a Brix value not exceeding 20, unfermented, (not containing added spirit), whether or not containing added sugar or other sweetening matter
Juices and softdrinks	200949	Juice; pineapple, of a Brix value exceeding 20, unfermented, not containing added spirit, whether or not containing added sugar or other sweetening matter
Juices and softdrinks	200950	Juice; tomato, unfermented, not containing added spirit, whether or not containing added sugar or other sweetening matter
Juices and softdrinks	200961	Juice; grape, of a Brix value not exceeding 30, unfermented, (not containing added spirit), whether or not containing added sugar or other sweetening matter
Juices and softdrinks	200969	Juice; grape, of a Brix value exceeding 30, unfermented, not containing added spirit, whether or not containing added sugar or other sweetening matter
Juices and softdrinks	200971	Juice; apple, of a Brix value not exceeding 20, unfermented, (not containing added spirit), whether or not containing added sugar or other sweetening matter
Juices and softdrinks	200979	Juice; apple, of a Brix value exceeding 20, unfermented, not containing added spirit, whether or not containing added sugar or other sweetening matter
Juices and softdrinks	200981	Juice; Cranberry (<i>Vaccinium macrocarpon</i> , <i>Vaccinium oxycoccus</i> , <i>Vaccinium vitis-idaea</i>) juice, unfermented, not containing added spirit, whether or not containing added sugar or other sweetening matter
Juices and softdrinks	200989	Juice; of any single fruit or vegetable n.e.c. in heading no. 2009, unfermented, not containing added spirit, whether or not containing added sugar or other sweetening matter
Juices and softdrinks	200990	Juices; mixtures of fruits or vegetables, unfermented, not containing added spirit, whether or not containing added sugar or other sweetening matter
Lettuce	070511	Vegetables; cabbage (head) lettuce (<i>lactuca sativa</i>), fresh or chilled
Lettuce	070519	Vegetables; lettuce (<i>lactuca sativa</i>), (other than cabbage lettuce), fresh or chilled
Lettuce	070521	Vegetables; witloof chicory (<i>cichorium intybus</i> var. <i>foliosum</i>), fresh or chilled
Lettuce	070529	Vegetables; chicory (<i>cichorium</i> spp.), (other than witloof chicory), fresh or chilled
Maize flour	110220	Cereal flour; of maize (corn)
Maize grain	100510	Cereals; maize (corn), seed
Maize grain	100590	Cereals; maize (corn), other than seed
Mango	080450	Fruit, edible; guavas, mangoes and mangosteens, fresh or dried
Manioc flour	110290	Cereal flours; other than wheat, meslin, and maize (corn)
Manioc flour	110814	Starch; manioc (cassava)
Milk	040110	Dairy produce; milk and cream, not concentrated, not containing added sugar or other sweetening matter, of a fat content, by weight, not exceeding 1%
Milk	040120	Dairy produce; milk and cream, not concentrated, not containing added sugar or other sweetening matter, of a fat content, by weight, exceeding 1% but not exceeding 6%
Napkins, toilet paper, kitchen rolls	481810	Paper articles; toilet paper
	481820	Paper articles; handkerchiefs, cleansing or facial tissues and towels
	481830	Paper articles; tablecloths and serviettes, of paper, cellulose wadding or fibres
	481850	Paper articles; apparel and clothing accessories of paper, cellulose wadding or fibres
	481890	Paper articles; articles of paper, cellulose wadding or fibres, n.e.c. in heading no. 4818
Onions	070310	Vegetables, alliaceous; onions and shallots, fresh or chilled
Palm oil	151211	Vegetable oils; sunflower seed or safflower oil and their fractions, crude, not chemically modified

Name in Decree 23/19	HS code	HS description
Palm oil	151219	Vegetable oils; sunflower seed or safflower oil and their fractions, other than crude, whether or not refined, but not chemically modified
Peanut oil	150810	Vegetable oils; ground-nut oil and its fractions, crude, not chemically modified
Peanut oil	150890	Vegetable oils; ground-nut oil and its fractions, other than crude, whether or not refined, but not chemically modified
Pepper	090411	Spices; pepper (of the genus piper), neither crushed nor ground
Pepper	090412	Spices; pepper (of the genus piper), crushed or ground
Pepper	090421	Spices; fruits of the genus Capsicum or Pimenta, dried, neither crushed nor ground
Pepper	090422	Spices; fruits of the genus Capsicum or Pimenta, crushed or ground
Pineapple	080430	Fruit, edible; pineapples, fresh or dried
Pork	020311	Meat; of swine, carcasses and half-carcasses, fresh or chilled
Pork	020312	Meat; of swine, hams, shoulders and cuts thereof, with bone in, fresh or chilled
Pork	020319	Meat; of swine, n.e.c. in item no. 0203.1, fresh or chilled
Pork	020321	Meat; of swine, carcasses and half-carcasses, frozen
Pork	020322	Meat; of swine, hams, shoulders and cuts thereof, with bone in, frozen
Pork	020329	Meat; of swine, n.e.c. in item no. 0203.2, frozen
Pork	020630	Offal, edible; of swine, fresh or chilled
Pork	020641	Offal, edible; of swine, livers, frozen
Pork	020649	Offal, edible; of swine, (other than livers), frozen
Potatoes	070110	Vegetables; seed potatoes, fresh or chilled
Potatoes	070190	Vegetables; potatoes (other than seed), fresh or chilled
Rice	100610	Cereals; rice in the husk (paddy or rough)
Rice	100620	Cereals; husked (brown) rice
Rice	100630	Cereals; rice, semi-milled or wholly milled, whether or not polished or glazed
Rice	100640	Cereals; rice, broken
Salt	250100	Salt (including table salt and denatured salt); pure sodium chloride whether or not in aqueous solution; sea water
Sanitary towels	961900	Sanitary towels (pads) and tampons, napkins and napkin liners for babies and similar articles, of any material
Sardinella	030353	Fish; frozen, sardines (<i>Sardina pilchardus</i> , <i>Sardinops</i> spp.), sardinella (<i>Sardinella</i> spp.), brisling or sprats (<i>Sprattus sprattus</i>), excluding fillets, fish meat of 0304, and edible fish offal of subheadings 0303.91 to 0303.99
Sardinella	030243	Fish; fresh or chilled, sardines (<i>Sardina pilchardus</i> , <i>Sardinops</i> spp.), sardinella (<i>Sardinella</i> spp.), brisling or sprats (<i>Sprattus sprattus</i>), excluding fillets, fish meat of 0304, and edible fish offal of subheadings 0302.91 to 0302.99
Sardinella	160413	Fish preparations; sardines, sardinella and brisling or sprats, prepared or preserved, whole or in pieces (but not minced)
Soy cooking oil	150710	Vegetable oils; soya-bean oil and its fractions, crude, whether or not degummed, not chemically modified
Soy cooking oil	150790	Vegetable oils; soya-bean oil and its fractions, other than crude, whether or not refined, but not chemically modified
Spaghetti pasta	190211	Food preparations; pasta, containing eggs, uncooked, not stuffed or otherwise prepared
Spaghetti pasta	190219	Food preparations; pasta, uncooked (excluding that containing eggs), not stuffed or otherwise prepared
Sunflower cooking oil	151110	Vegetable oils; palm oil and its fractions, crude, not chemically modified
Sunflower cooking oil	151190	Vegetable oils; palm oil and its fractions, other than crude, whether or not refined, but not chemically modified
Sweet potatoes	071420	Vegetable roots and tubers; sweet potatoes, with high starch or inulin content, fresh, chilled, frozen or dried, whether or not sliced or in the form of pellets
Table water	220110	Waters; mineral and aerated, including natural or artificial, (not containing added sugar or other sweetening matter nor flavoured)
Table water	220190	Waters; other than mineral and aerated, (not containing added sugar or other sweetening matter nor flavoured), ice and snow
Tempered, laminated, multi-layered or otherwise worked glass	700600	Glass of heading no. 7003, 7004 or 7005; bent, edge-worked, engraved, drilled, enamelled or otherwise worked, but not framed or fitted with other materials
Tempered, laminated, multi-layered or otherwise worked glass	700711	Glass; safety glass, toughened (tempered), of size and shape suitable for incorporation in vehicles, aircraft, spacecraft or vessels
Tempered, laminated, multi-layered or otherwise worked glass	700719	Glass; safety glass, toughened (tempered), (not of a size and shape suitable for incorporation in vehicles, aircraft, spacecraft or vessels)
Tempered, laminated, multi-layered or otherwise worked glass	700721	Glass; safety glass, laminated, of size and shape suitable for incorporation in vehicles, aircraft, spacecraft or vessels
Tempered, laminated, multi-layered or otherwise worked glass	700729	Glass; safety glass, laminated, (not of a size and shape suitable for incorporation in vehicles, aircraft, spacecraft or vessels)
Tilapia (cacussus)	030271	Fish; fresh or chilled, tilapias (<i>Oreochromis</i> spp.), excluding fillets, fish meat of 0304, and edible fish offal of subheadings 0302.91 to 0302.99

Name in Decree 23/19	HS code	HS description
	030323	Fish; frozen, tilapias (<i>Oreochromis</i> spp.), excluding fillets, fish meat of 0304, and edible fish offal of subheadings 0303.91 to 0303.99
	030431	Fish fillets; fresh or chilled, tilapias (<i>Oreochromis</i> spp.)
	030451	Fish meat, excluding fillets, whether or not minced; fresh or chilled, tilapias, catfish, carp, eels, Nile perch, and snakeheads
	030461	Fish fillets; frozen, tilapias (<i>Oreochromis</i> spp.)
	030493	Fish meat, excluding fillets, whether or not minced; frozen, tilapias, catfish, carp, eels, Nile perch, and snakeheads
	030531	Fish fillets; dried, salted or in brine, but not smoked, tilapias, catfish, carp, eels, Nile perch, and snakeheads
	030544	Fish; smoked, whether or not cooked before or during smoking, tilapias, catfish, carp, eels, Nile perch, and snakeheads, includes fillets, but excludes edible fish offal
Tomatos	070200	Vegetables; tomatoes, fresh or chilled
Wheat flour	110100	Wheat or meslin flour

Source: Own preparation.

1.2.2 Impact on the Business Environment and Investment

1.2.2.1 EPA provisions and implementation experience, and SIFA scope

The EU-SADC EPA does not presently comprise investment, apart from a cooperation commitment, and a provision that an investment agreement might be negotiated in the future (Art. 74); this has not happened to date.

The bilateral Sustainable Investment Facilitation Agreement (SIFA) being negotiated between the EU and Angola thus complements the EPA. As the concept of investment facilitation is relatively new in international law and practice – a WTO IFA is also currently being negotiated, and the EU’s negotiations with Angola on the SIFA are among the first bilateral investment facilitation agreement negotiations of the EU¹⁴⁸ – there is some uncertainty about the scope and contents of the SIFA, and also the extent to which it would go beyond the WTO IFA (and also whether Angola would join the WTO IFA). Based on the EU Council’s Negotiation Directives,¹⁴⁹ the previous Commission proposal,¹⁵⁰ and the text proposal for the Agreement issued by the Commission,¹⁵¹ the SIFA will aim at improving the investment climate and facilitate investment, especially for MSMEs, and be based on “principles of non-discrimination, openness, transparency and stability” (Negotiation Directives, §2). It is expected to cover rules on transparency and good administrative practices related to investment, as well as cooperation on investment issues with a particular focus on investment contribution to sustainable development. It would however not cover investment liberalisation, investment protection, or an investor-state dispute settlement mechanism.¹⁵² It would also not cover portfolio and other short-term capital movements.

Based on the EU’s text proposal, the SIFA is expected to cover specific provisions on, inter alia:

- Regarding predictability and transparency (Chapter II):

¹⁴⁸ Provisions on investment facilitation are also being negotiated with the with five countries of Eastern and Southern Africa (ESA) in the context of the “deepening” of the existing EPA.

¹⁴⁹ Council of the European Union: Negotiation directives for the negotiation of an agreement on investment facilitation with the Republic of Angola, 8441/21 ADD 1, 10 May 2021.

¹⁵⁰ European Commission: Recommendation for a Council Decision authorising the opening of negotiations with Angola for an agreement on investment facilitation, COM(2021) 138 final, 23 March 2021.

¹⁵¹ EU’s textual proposal for the SIFA of 14 June 2021 (updated on 23 September 2021), <https://trade.ec.europa.eu/doclib/html/159654.htm>.

¹⁵² See Art. 1.2(4) of the EU’s textual proposal for the SIFA.

- the requirement for official publication of all measures related to investment, where possible in advance of measures being taken and providing the opportunity to comment (Art 2.3);
- the requirement to publish electronically – where possible in a single portal – relevant rules and competent authorities relevant for investment, guidance on the investment process, and information about investment incentives (Art 2.4f), as well as support foreign investors in establishing links to domestic suppliers (Art. 2.6);
- Regarding the Streamlining of Authorisation Procedures (Chapter III):
 - Publication of necessary information for applications and the authorisation process (Art. 3.8);
 - Providing one-stop shops for investment authorisations, where practicable; applying reasonable application timeframes; accepting electronic applications and notarised copies of documents rather than originals; transparency and timeliness of processing applications; and objectivity and impartiality of authorisation decisions (Art. 3.1-3.5; 3.7; 3.9);
 - Publication of application fees and setting of reasonable fee levels (Art. 3.6),
- Regarding Focal Points and Stakeholders' Involvement (Chapter IV):
 - Operation of "investment facilitation focal points" providing relevant information to potential foreign investors (Art. 4.1);
 - Operation of easily accessible, transparent and timely mechanisms to resolve problems for (potential) investors arising from investment-related measures (Art. 4.2);
 - Ongoing coordination among agencies responsible for regulating and implementing investment measures, coordinated by a lead agency (Art. 4.3);
 - Impact assessments of major changes in investment regulations, as well as regular reviews of fees, and investment measures in general, with appropriate consultation of stakeholders are encouraged (Art. 4.4f);
- Regarding the relation between Investment and Sustainable Development (Chapter V):
 - While the Parties' right to regulate is confirmed, they commit to strive for high levels of environmental and labour protection, and to not reduce or weaken levels of protection, or to waive, derogate or fail to implement environmental or labour laws (Art. 5.2);
 - The Parties commit to the effective implementation of the ILO fundamental conventions, including in export processing zones, and other ratified ILO conventions, as well as to establish and maintain an effective labour inspection system for all sectors. No commitment is made to ratify additional ILO or other labour conventions apart from the ILO fundamental conventions (Art. 5.3);
 - The Parties also commit to effectively implement the UNFCCC and the Paris Agreement, as well as other ratified MEAs. No commitment is made to ratify additional MEAs (Art. 5.4-5.5);
 - The Parties furthermore commit to facilitating investment conducive to sustainable development and in a way consistent with conservation, sustainable forest management, and sustainable management of marine biological resources and ecosystems (Art 5.6);
 - They also commit to "promote the uptake by enterprises and investors of corporate social responsibility or responsible business practices" and to "support the dissemination and use of relevant internationally agreed [CSR and RBC] instruments that have been endorsed or are supported by the Parties" (Art. 5.7);
 - Finally, Chapter V includes the intention of the Parties to implement the SIFA "in a manner that promotes and enhances gender equality" (Art. 5.8).

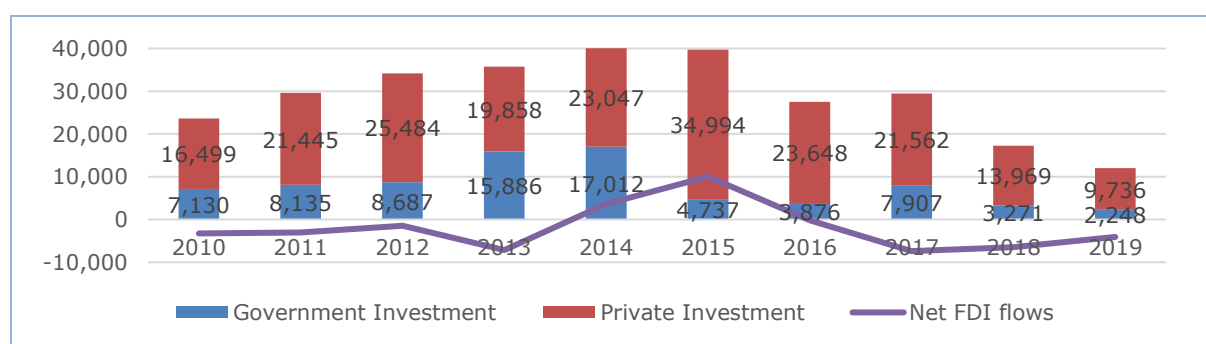
- Regarding Cooperation and Institutional Provisions (Chapter VII):
 - The Parties “recognise the importance of technical assistance and capacity-building and commit to cooperate on strengthening the investment climate in Angola and supporting the implementation of this Agreement” (Art. 7.1(1)); the EU would provide technical assistance within the framework of EU development cooperation;
 - For oversight of the SIFA’s implementation, a bilateral Committee on Investment Facilitation would be established (Art. 7.2-7.4).

1.2.2.2 Current status in Angola

Investment

Investment in the Angolan economy increased until the collapse of the oil price in 2014/2015, reaching USD 40 billion in these two years (Figure 9). Since then it declined to just USD 12 billion. Although both public and private investment decreased, the government’s capacity in particular was affected, and accordingly the share of public investment in total investment decreased from more than 40% in 2014 to less than 20% in recent years. The limited investment capacity by the government is likely to continue in the coming years, which means that much of the needed capital for economic diversification must come from private sources, both domestic in foreign. This, in turn, requires a conducive business environment and investment climate – this is discussed below.

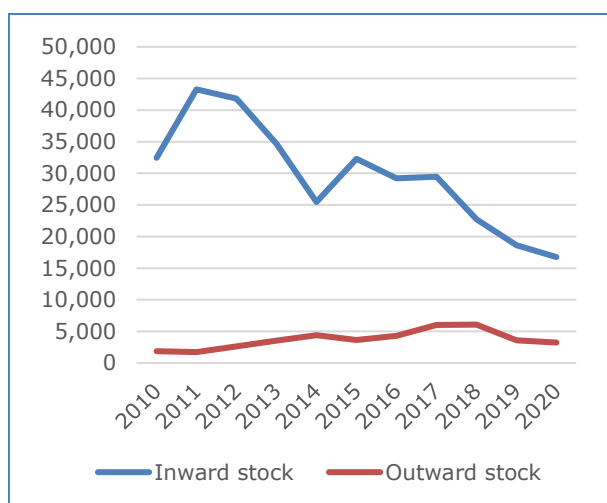
Figure 9: Angola public and private investment, 2010-2020 (USD million)



Source: UCAN-CEIC (2019) and BNA/DES (FDI data)

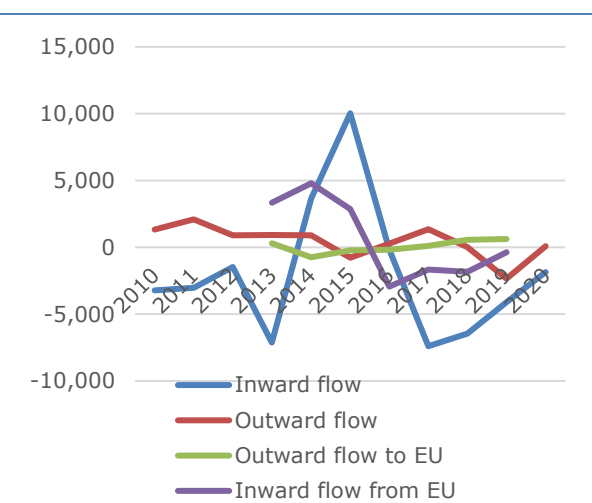
In the past decade, foreign direct investment (FDI) has contributed little to the country’s overall investment capital: With the exception of 2014 and 2015, Angola has seen net FDI outflows every year since 2010 (Figure 9) – resulting in a substantial decline in FDI inward stocks from USD 43 billion in 2011 to less than USD 17 billion in 2020 (Figure 10); EU FDI in Angola did not behave structurally different from total FDI in the country (Figure 11). This is primarily the result of the dominance of investment in the oil sector in combination with the response of oil-sector investments to world oil price fluctuations. Over the period 2012 to 2018, on average 97% of all inward FDI was in the petroleum sector (UCAN-CEIC 2019, 90). In addition, of the small share of non-oil inward FDI in 2016 and 2017, 86% was in diamond mining, meaning that FDI in non-oil, non-diamond activities was minimal. In this regard, UCAN-CEIC notes that “the sectors with the greatest potential to generate employment and income for the people are those that have received the least foreign direct investment, such as agriculture and industry” (UCAN-CEIC 2019, 90).

Figure 10: Angola FDI stocks, 2010-2020 (USD million)



Source: UNCTAD FDIStat; World Investment Report 2021.

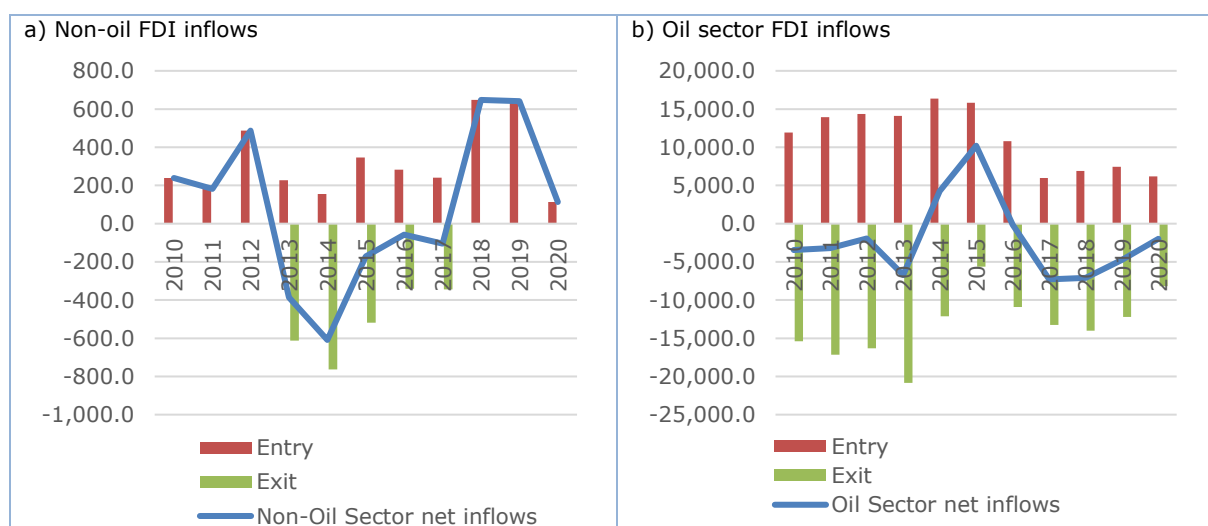
Figure 11: Angola FDI flows: total and to/from EU, 2010-2020 (USD million)



Source: UNCTAD FDIStat; World Investment Report 2021; and Eurostat, EU direct investment flows, breakdown by partner country and economic activity

Non-oil sector FDI inflows were positive in 2018 to 2020, being above USD 600 million in 2018 and 2019, and slightly above USD 100 million in 2020 (Figure 12a). These three years also showed positive developments as no foreign investment was withdrawn. Nevertheless, these FDI inflows were too low by far to counter the outflows of oil-sector FDI in the same three years, at USD 14.0 billion in 2018, USD 12.2 billion in 2019, and USD 8.2 billion in 2020 (Figure 12a).

Figure 12: Angola FDI inflows, 2010-2020, oil and non-oil sector (USD million)

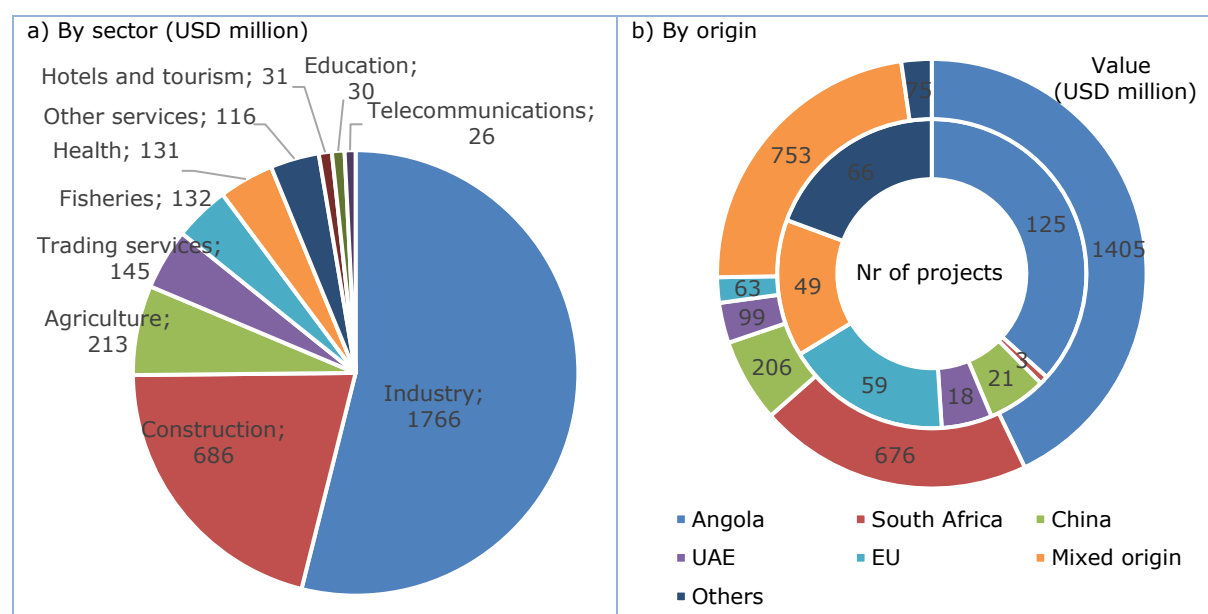


Source: BNA/DES

In terms of (non-oil, non-diamond) investment proposals registered with the Private Investment and Export Promotion Agency (Agência de Investimento Privado e Promoção das Exportações, AIPEX) in 2018 to 2020, a positive trend can be seen: a total of 341 proposals were registered – 71 in 2018, 168 in 2019, and 102 (despite the covid-19 pandemic) in 2020 (AIPEX 2020). The cumulative value of projects was USD 3.3 billion, of which about USD 1.9 billion from foreign sources. More than half of the investment value (USD 1.8 billion) was in industry, followed by construction (USD 686 million) and agriculture (USD 213 million) (Figure 13a). The most important foreign investors were, by value, South Africa, China and the UAE, followed by the EU, with a total project value of

USD 63 million. In terms of the number of projects, the EU is the most important foreign investor (59 projects). This also implies, that the average recent EU-invested project is small, at about USD 1 million, with projects driven mostly by SMEs – for which clear, predictable and transparent rules for investment and business operation are particularly important. Therefore, Angola’s environment for investment and business operation is analysed next.

Figure 13: Investment projects registered with AIPEX, 2018-2020

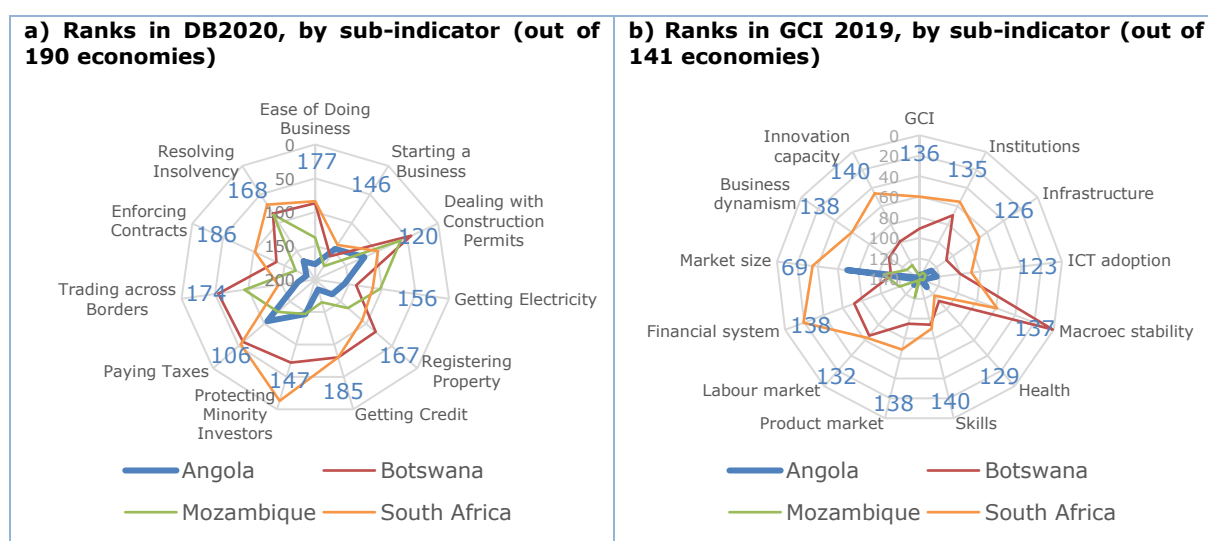


Source: Own calculations based on AIPEX (2020).

Business environment, investment climate, and current status of investment facilitation

The business environment in Angola is difficult. In terms of doing business, the overall ranking of Angola in the global rankings has not been good. According to the latest World Bank Doing Business Index, which refers to the situation in mid-2019, Angola was ranked 177 out of 190 economies, and well below some regional peers (**Fehler! Ungültiger Eigenverweis auf Textmarke.a**); in 2011, Angola’s rank was 163. In the 2019 World Economic Forum’s Global Competitiveness Index (GCI), Angola’s rank was 136 out of 141 economy – next to Mozambique’s rank (137) but well below other regional comparators (**Fehler! Ungültiger Eigenverweis auf Textmarke.b**). With the exception of “Paying Taxes” and “Dealing with Construction Permits” (in Doing Business) respectively “Market Size” (in the GCI), Angola’s rankings across all the various dimensions of the business environment indices are at the very low end.

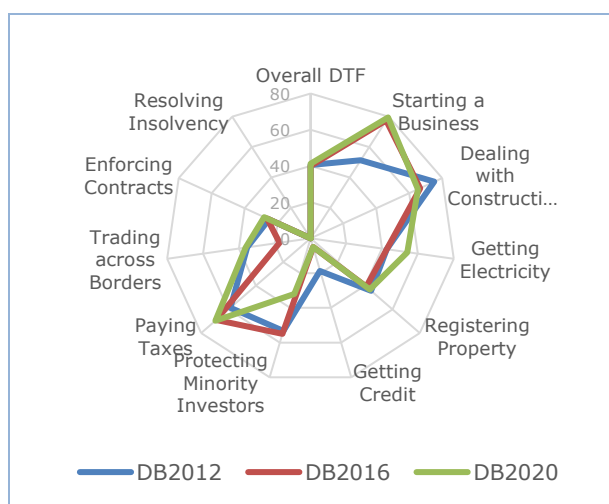
Figure 14: Angola's performance in Doing Business Index and Global Competitiveness Index, against selected regional comparator countries



Source: DB2020: World Bank, Doing Business 2020, <http://www.doingbusiness.org> [accessed 13 March 2021]; GCI 2019: Schwab (2019)

The “distance to frontier” (DTF) scores, which measure the difference to the world leader for any given Doing Business sub-index, show that Angola's performance varies considerably across sub-indices, and over time. Whereas most of the comparatively best scores – Starting a Business, Dealing with Construction Permits, and Getting Electricity – are conducive to the establishment of new business, some of the sub-indices where the distance to the frontier is largest – resolving insolvency, getting credit, contract enforcement, and trading across borders (Figure 15) – particularly affect export competitiveness of domestic firms: First, difficulties in resolving insolvency have a depressing effect on the propensity to create new firms, and especially the type of high-growth, export oriented firms that Angola needs to diversify and expand exports. Such businesses are inherently risky, and difficulties in closing them will therefore deter entrepreneurs from establishing them in the first place, no matter how friendly the environment is for starting a business (and Angola performs relatively well in that regard). Second, access to finance is important for export businesses not only because they tend to be more capital intensive than businesses targeting the domestic market but also because their working capital needs are higher, given longer payment delays in international business transactions. Finally, the impact of difficulties in trading across borders (discussed in more detail below) for exporters are self-evident. In Angola, they hurt exporters twice as the current pattern of industrial organisation in Angola relies to a large extent on imported inputs and machinery; exporters are thus affected both when sourcing raw materials and inputs, and when exporting finished goods.

Figure 15: Angola's Doing Business DTF scores by sub-index, 2012, 2016 and 2020



Source: World Bank, Doing Business, various years, <http://www.doingbusiness.org> [accessed 13 March 2021]

To attract investment aimed at the diversification of exports, the domestic business environment clearly needs to improve, especially in the areas that are most relevant for exporting businesses.

The government is intent on applying measures to attract private investment from abroad.¹⁵³ For this, the National Development Plan 2018-2022 presents a series of measures, of which the following stand out (cf. UCAN-CEIC 2019, 100):

- Minimize barriers to entry and exit of companies from the market;
- Promote institutional and legislative changes that allow the improvement and make the application of competition policy more effective and efficient;
- Promote competition through market regulation and supervision that deter practices restricting competition and encourage diversification and economic development;
- Promote the continuous improvement of the business environment, seeking to reinforce the attractiveness of the Angolan economy.

In line with these efforts, a new investment law was also enacted in 2018, and in October 2018, the Strategy for investment promotion and attraction (PROCIP) was adopted to channel investment to priority sectors, such as agriculture (cf. UNCTAD 2019, 4). Also, AIPEX was created in 2018¹⁵⁴ through a merger of the previous Technical Unit for Private Investment (UTIP) and the Angola Investment and Export Promotion Agency (APIEX). AIPEX is conceived as a one-stop-shop for investors throughout all stages of the investment process. Among its tasks are:¹⁵⁵

- Promotion and attraction of domestic and foreign private investment that can contribute to Angola's socio-economic development;
- Reception and monitoring of private investment proposals to be carried out in Angola;
- Promotion of FDI in strategic sectors of the national economy;
- Promotion of the increase and diversification of exports of Angolan products and services;
- Contribution to the creation of favourable conditions for private investment in Angola;
- Supervision and control of the execution of approved private investment projects; and
- Implementation of policies and programmes to substitute imports and increase exports (e.g. measures under PRODESI).

In addition to providing information about Angola's investment laws and procedures, AIPEX has set up an electronic platform, the Single Investment Window (Sistema Eletrônico de Tramitação do Investimento Privado, SETIP),¹⁵⁶ to facilitate the submission of investment proposals.

In order to measure Angola's current situation regarding investment facilitation, we apply the Investment Facilitation Index (IFI) developed by Berger et al. (2019; 2021). This assesses countries' investment facilitation measures based on 117 indicators in six areas, (international) cooperation, electronic governance, application process, focal point and review, outward investment, and regulatory transparency and predictability, on a range from zero (no respective measure) to two (comprehensive measure in place for each indicator). While the IFI includes 86 economies worldwide, it does not include Angola. We have therefore completed the IFI score for Angola applying Berger et al.'s original

¹⁵³ A comprehensive description and critical analysis of Angola's investment climate is provided in UNCTAD's 2019 investment climate review (UNCTAD 2019).

¹⁵⁴ Presidential Decree nº 81/18 of 19 March 2018.

¹⁵⁵ See <https://www.aipex.gov.ao/PortalAIPEX/#!/aipex/quem-somos>.

¹⁵⁶ <https://www.aipex.gov.ao/PortalAIPEX/#!/destaques/setip>

methodology,¹⁵⁷ and based on a review of Angola's relevant legislation and manuals, complemented with additional research and interviews of stakeholders.

Figure 16 compares Angola's performance with country groups by income level, as can be seen, the current score (0.73 out of 2) is between low income (0.45) and lower middle income countries (0.80), being closer to the latter; this is in line with Angola's income status on the brink to an LMIC. The figure also shows that higher income status is associated with a better investment facilitation framework (although of course the direction of causality is not clear).

Figure 17 further looks at the relative strengths and weaknesses in Angola's investment facilitation framework. Overall, the performance is 37% (i.e. a score of 0.73 out of 2). The investment application process, measures to facilitate Angolan investment abroad, and electronic governance perform better than this average, not least thanks to the creation of electronic single windows for the application for investment projects (SETIP) and the establishment/registration of businesses.¹⁵⁸ Conversely, the scores for international cooperation and focal point and review are below average.

Figure 16: IFI score – current situation in Angola vs country income groups

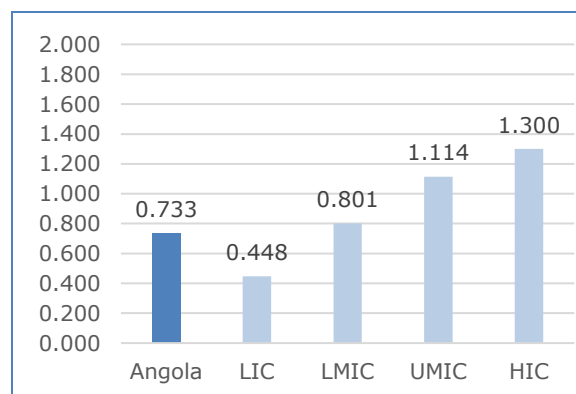
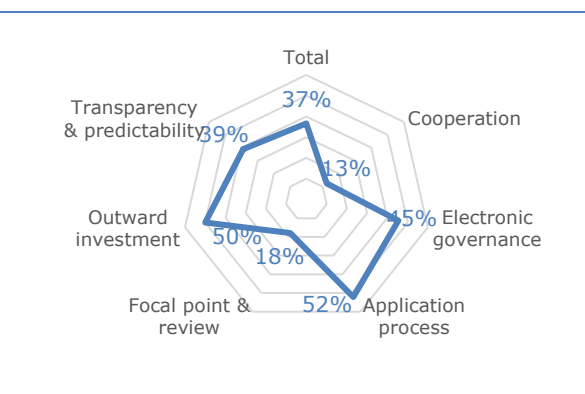


Figure 17: Relative strengths and weaknesses in Angola's investment facilitation framework by IFI sub-index



Note: LIC = Low Income Countries; LMIC = Lower Middle Income Countries; HMIC = Higher Middle Income Countries; HIC = High Income Countries.

Source: Own calculations (Angola) and Berger et al. (2019) (country groups)

In sum, despite recent improvements to the investment regime, and investment facilitation in particular, much remains to be done. UNCTAD's 2019 review of Angola's investment climate concludes that despite the various efforts made:

"key gaps and bottlenecks in the investment climate persist. They include a complex system for FDI entry and establishment, burdensome operational regulations, the persistence of restrictive business practices and a lack of institutional capacity and coordination. These constrain the country's ability to take advantage of its strategic location, abundant natural resources and preferential access to regional and international markets, and to fully tap its huge potential to attract FDI in various sectors" (UNCTAD 2019, xi).

1.2.2.3 SIFA impact

To assess the potential **impact of the SIFA on the investment facilitation framework** in Angola, we have again used the IFI. Going through the EU text proposal, paragraph by paragraph, for each IFI indicator that score has been determined that would apply if the

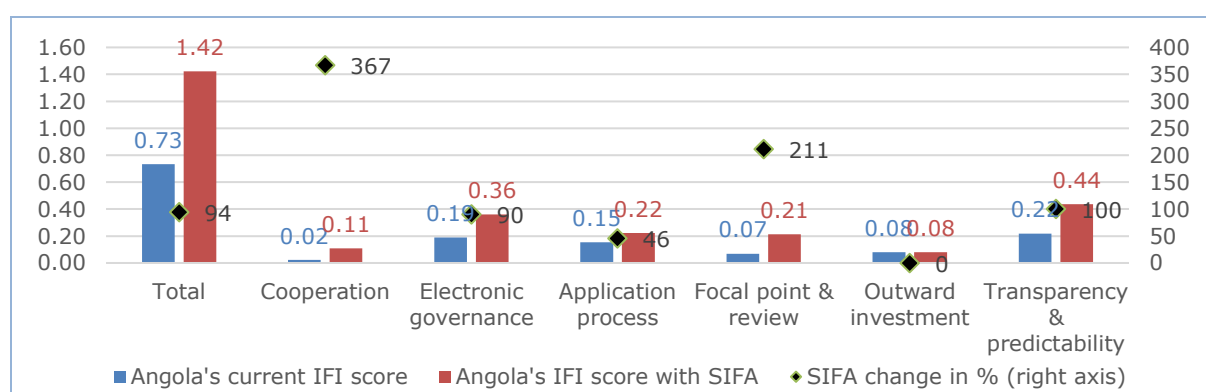
¹⁵⁷ The detailed scoring file was provided to us by Berger et al.

¹⁵⁸ <https://gue.gov.ao/portal/public/>

provisions in the text proposal were implemented in Angola, regardless of whether they are best endeavour clauses or obligations of the parties. Similarly, the potential effect of other IFAs, including at the WTO, that might be concluded by Angola are not considered; therefore the findings presented here show the upper boundary of the effect which the SIFA could have in Angola.

Figure 18 summarises the effect. The overall IFI score would increase from 0.73 to 1.42, i.e. improve by 94%. Areas of particular weakness would benefit even stronger – cooperation by 367%, and focal point and review by 211%. Only in the area of outward investment, which is not addressed in the EU text proposal for the SIFA, there would be no change for Angola – in all other areas, performance would increase substantially (at least by 46%, in the case of the investment application process. These levels of improvement place the SIFA among the most ambitious international efforts to codify investment facilitation.¹⁵⁹ It should be noted that some aspects of the SIFA text, such as the clause on the establishment of a domestic supplier database, are not captured in the IFI. The actual benefits of the SIFA in terms of linking investors and domestic suppliers could still be higher than reported here.

Figure 18: Calculated effect of the SIFA on Angola's IFI score



Source: Own preparation.

Although it is clear that the SIFA would significantly improve the Angolan investment framework, as explained above, the more important question is actually **what the impact would be on investment in Angola**, i.e. to what extent would a more transparent and predictable investment framework attract more investment – domestic, from the EU, and from other countries?

A quantitative analysis of this impact is beyond the scope of the SIA. However, the literature clearly shows the cost-saving effects from increased transparency and predictability: Echandi and Sauvé (2020) provide a conceptual framework for the different types of costs and cost savings, while Balistreri and Olekseyuk (2021) estimate that the ad valorem equivalent trade costs stemming from investment facilitation for low and middle income countries could be reduced by up to 56% in an ambitious WTO IFA. As noted above, the SIFA is among the most ambitious IFAs, and accordingly – if the measures addressed in it are fully implemented – the costs savings would be expected to be in the same order of magnitude. Due to the cost-savings for investors, more investment will be attracted, with positive follow-on effects for GDP and welfare (see next section).

¹⁵⁹ Berger et al. (2019) identify and analyse different approaches, including the WTO structured discussions, CETA IFA, CPTPP IFA, and USMCA IFA. For low income countries, they find an improvement of up to 85% (for the CPTPP).

1.2.3 Impact on GDP

1.2.3.1 EPA impact

The expected changes in output resulting from tariff changes resulting from Angola's accession to the EPA are concentrated in relatively few subsectors (and even products), as discussed in section 4.1.3 of the main report: in terms of output oriented sectors, the main growing sub-sectors are bananas, fishery (crustaceans), food products (milling products), and chemicals (ethyl alcohol); in terms of import competing sectors, the main potentially contracting ones are some food products (wheat flour, non-alcoholic beverages) and household products (cleaning agents, sanitary papers). The degree to which these sectoral output changes translate into an impact on GDP depends on the shares of the affected sectors in Angola's GDP.

Table 4 shows the composition of Angola's GDP by sector, and Table 5 provides more detailed information of the composition of industrial output by sub-sector. The sub-sectors and product groups whose output is affected by the EPA fall into agriculture (bananas – only a small part of the agricultural sector), fishery (crustaceans), and several manufacturing industries (part of the food, beverage, chemical, and pulp and paper production). Even with the grossly overestimating assumption that agriculture (5.5%), fishery (2.1%) and manufacturing (5.0%) would be affected in their entirety, these cumulatively account for 12.6% of GDP in 2020. Considering also that positive and negative effects expected for food products reduce the expected total net effect, and that the absolute values of trade and output effects even at the product level are very limited, the effects of the tariff changes resulting from EPA accession on Angola's GDP are to be considered as negligible.

Table 4: Breakdown of GDP in Angola by sector, 2014-2020

	2014	2018	2019	2020
Agriculture and Forestry	4.2%	4.8%	4.9%	5.5%
Fishery	2.3%	2.4%	2.1%	2.1%
Oil Extraction and Refining	35.9%	34.7%	32.8%	32.6%
Extraction of Diamonds & Minerals	1.8%	1.8%	2.0%	2.0%
Manufacturing Industry	3.2%	4.4%	4.5%	5.0%
Electricity and Water	0.6%	0.9%	1.0%	1.1%
Construction	10.6%	11.4%	12.0%	9.2%
Trade (wholesale, retail, import/export)	14.6%	13.4%	13.8%	15.6%
Transport and Storage	2.2%	2.6%	2.8%	1.9%
Post and Telecommunications	1.9%	1.9%	1.9%	2.0%
Financial and Insurance Intermediation	1.3%	1.5%	1.4%	1.5%
Public Administration, Defense and Mandatory Social Security	9.4%	8.1%	8.4%	8.6%
Real Estate Services and Rental	4.9%	5.6%	5.8%	6.0%
Other services	7.1%	6.5%	6.6%	7.0%
All sectors	100%	100%	100%	100%

Source: Own calculations based on INE (2021c).

Table 5: Breakdown of industrial sector in Angola by sub-sectors

	Weight in industrial output (2010)	Output index 2021Q1 (2010= 100)	Weight in 2021Q1
TOTAL INDUSTRY	100	92.6	100
Extractive industries	87.2	73.9	69.6
Oil Extraction	85.3	73.7	67.9
Diamond Extraction	1.9	79.5	1.6
Rest of Extractive Industries	0.0	95.2	0.0
Manufacturing Industries	10.1	206.4	22.5
Food, Beverage and Tobacco Industries	5.6	207.3	12.5
Food industries	4.3	206.6	9.6
Beverage and Tobacco Industries	1.3	209.7	2.9
Textile, Clothing and Footwear Manufacturing	0.5	164.9	0.9
Wood Industries	0.1	91.4	0.1
Pulp and Paper Manufacturing, Editing and Printing	0.2	93.7	0.2
Manufacturing of Petroleum Products, Chemicals and Other	3.4	219.5	8.1
Metallurgical Industries	0.3	257.6	0.8
Manufacture of Machinery, Equipment, Appliances and Automobiles	0.0	125.5	0.0
Manufacture of Furniture, Mattresses and Others	0.0	44.8	0.0
Production and Distribution of Electricity, Gas & Steam	1.7	343.5	6.3
Electricity Production and Distribution	1.7	343.5	6.3
Collection, Treatment, Distribution of Water & Sanitation	0.9	141.5	1.4
Water Collection, Treatment and Distribution	0.9	141.5	1.4

Source: Own calculations based on INE (2021b).

1.2.3.2 SIFA impact

As mentioned above, a quantitative assessment of the impact of the SIFA on Angola's GDP is beyond the scope of this study. However, based on the finding that the SIFA is among the most ambitious IFAs, some lessons can be drawn from the literature. Notably, Balistreri and Olekseyuk (2021) have recently estimated the economic impact of various scenarios for a potential WTO IFA based on a CGE analysis. This showed that GDP in low income countries would increase by between 0.6% (for the least ambitious scenario) and more than 2% in the "extended ambitious IFA"; welfare of low income countries would increase by 1% to 3.5% under these scenarios, respectively. While the overall economic effects of an IFA would increase with the coverage of the agreement, the analysis also shows that the "benefits are concentrated among the regions participating in the negotiations" (Balistreri and Olekseyuk 2021, 13).

In sum, then, although no precise numbers can be provided (and would depend also on whether and what type of WTO IFA will be concluded), the economic impact for Angola of the SIFA is expected to be a substantial gain in GDP and welfare.

1.2.4 Government revenue impact

The calculation of government revenue effects caused by the tariff changes resulting from Angola's accession to the EPA only consider tariff revenues and a 14% VAT assumed to be levied on all imports. Other border taxes as well as indirect revenue effects (which are normally positive) cannot be calculated on the basis of the PE model simulation results.

Tariff revenue effects are calculated by multiplying, at the HS 6-digit level, the applicable tariffs with import values for the baseline and each of the three policy scenarios. Then, the results for each of the scenarios are compared with the baseline. The same approach is used for the calculation of effects on VAT. Values are provided in euros (because the PE model uses this currency).

Table 6 shows the details of the calculations; the results are summarised and discussed in the main report.

Table 6: Calculation of impact of EPA membership on Angola's tariff revenues and border tax collection (changes compared to baseline)

	Baseline	Full liberalisation	Conservative	Ambitious
Import (EUR M)				
From EU	2,583	3,905	3,737	3,894
From ROW	7,144	6,514	6,586	6,519
Total	9,727	10,420	10,323	10,413
A. Calculation of tariff revenue effects				
Tariff revenues (EUR M)				
On imports from EU	227	0	20	1
On imports from ROW	574	403	421	404
Total	801	403	441	406
Change in tariff revenues compared to baseline (EUR M)				
On imports from EU		-227	-207	-225
On imports from ROW		-171	-153	-170
Total		-398	-360	-395
Change in tariff revenues compared to baseline (%)				
On imports from EU		-100.0	-91.3	-99.4
On imports from ROW		-29.9	-26.6	-29.6
Total		-49.7	-44.9	-49.4
B. Calculation of effects on VAT on imports				
VAT revenues on imports (EUR M)				
On imports from EU	362	547	523	545
On imports from ROW	1,000	912	922	913
Total	1,362	1,459	1,445	1,458
Change in VAT compared to baseline (EUR M)				
On imports from EU		185	162	184
On imports from ROW		-88	-78	-88
Total		97	83	96
Change in VAT compared to baseline (%)				
On imports from EU		51.2	44.7	50.8
On imports from ROW		-8.8	-7.8	-8.8
Total		7.1	6.1	7.1
C. Calculation of total border tax revenue effects (A + B)				
Total border tax revenues on imports (EUR M)				
On imports from EU	588	547	543	547
On imports from ROW	1,574	1,315	1,343	1,317
Total	2,162	1,861	1,886	1,863
Change in border tax revenues compared to baseline (EUR M)				
On imports from EU		-42	-45	-42
On imports from ROW		-260	-231	-257
Total		-301	-276	-299

Note: For VAT change calculations, it has been assumed that 14% VAT is collected on all imports; other border taxes are not considered.

Source: Own calculations based on DG TRADE modelling.

1.3 Assessment of the Impact of Non-tariff Issues

1.3.1 Quantitative restrictions

1.3.1.1 EPA provisions and implementation experience

The EPA allows the use of quantitative restrictions provided that these are applied in conformity with the WTO Agreement (Art. 39). There is thus a general prohibition of quantitative restrictions, but for certain purposes and under certain conditions such restrictions are allowed.

1.3.1.2 Current status in Angola

Angola has not notified any quantitative restrictions to the WTO, and until recently applied no such measures outside of the usual general exceptions.¹⁶⁰

However, Presidential Decree 23/19 establishes quantitative import restrictions for a number of products¹⁶¹ from 2022 onwards, contingent upon two conditions: first, that the necessary measures required by GATT Articles XII, XVIII.B, XVIII.C and XIX are implemented and, second, that a positive evaluation by the Government of the domestic production capacity of these products as well as the possibility of maintaining their supply to consumers in Angola (Art. 11).

Regarding the first condition, the WTO allows quantitative restrictions on imports to avert balance of payments problems and serious declines in monetary reserves (GATT Art. XII, XVIII.B); for countries with a low standard of living and in the early stages of development in situations where "governmental assistance is required to promote the establishment of a particular industry with a view to raising the general standard of living of its people, but that no measure consistent with the other provisions of this Agreement is practicable to achieve that objective" (GATT Art. XVIII.C(13)). The Angolan Government could thus claim that this condition is fulfilled for the products covered, in particular in consideration of the foreign currency shortage that also affects the country; nevertheless, a risk remains that an aggrieved supplying country to Angola would resort to the WTO dispute settlement body over a decision to introduce quantitative restrictions on this basis.

With regard to the second condition, it appears that no evaluation of the domestic supply capacity has been undertaken so far. Accordingly, it would seem that the quantitative import restriction will not be enforced as planned from 2022. At the same time, the uncertainty for traders remains over whether and when import restrictions would be introduced.

Decree 23/19 also limits imports of listed products to wholesalers and national producers of these goods (Art. 8(b)). To obtain an import licence, they need to show that they have conducted market research in Angola about the availability of domestically produced goods. Moreover, the

"import authorization is subject to the demonstration of the prior execution of contracts for the purchase of domestic production, the existence of initiatives aimed at direct or indirect investment, or other forms of promotion of national production, as well as the effective settlement of purchases made to producers or the existence of a guarantee for its future settlement" (Art. 8(d)).

1.3.1.3 EPA Impact

As the EPA does not create any WTO-plus obligations for the Parties with regard to quantitative restrictions or import licensing, it will have no immediate impact on Angola in this regard. At the same time, considering the overwhelming evidence, shown in many studies and analyses, that the use of tariffs is superior to quantitative restrictions, bilateral discussions in the framework of the EPA could be used to help the Government of Angola find the least disruptive measure to pursue its legitimate policy goal of protecting infant industries and reducing the balance of payment deficit.

¹⁶⁰ Such as protection of human, animal or plant life or health, public morals, national treasures, etc.

¹⁶¹ The products covered are: a) sugar; b) chicken meat products; c) pork products; d) dried beef; e) rice; f) wheat flour; g) spaghetti pasta; h) cornmeal; i) milk; j) soap; k) tilapia; l) honey; m) soybean oil; n) palm oil; o) sunflower oil; and p) peanut oil.

1.3.2 *Tariff-rate quotas (TRQs)*

1.3.2.1 EPA provisions and implementation experience

Under the EPA, the EU applies TRQs on selected goods imported from South Africa,¹⁶² and SACU applies TRQs on selected goods imported from the EU (wheat and meslin; barley; cheese; pig fat; cereal based food preparations; pork; butter and other dairy fats; ice cream; mortadella Bologna).¹⁶³ Mozambique does not face TRQs in the EU, nor does it apply any on imports from the EU.

1.3.2.2 Current status in Angola

Angola has no TRQs in place at present, nor does it have any experience in the administration of TRQs.

1.3.2.3 EPA Impact

It is not expected that Angola would establish TRQs on imports from the EU, and as such no implementation structures would have to be set up. Accordingly, Angola's accession to the EPA would not have any impact in this respect.

1.3.3 *Customs procedures, rules of origin, trade facilitation*

1.3.3.1 EPA provisions and implementation experience

Under the EPA, the Parties agree that their customs legislation and procedures shall be based, to the extent possible, the Revised Kyoto Convention, the Harmonised System and other international standards (Art. 43(1)(a)), as well as a number of trade facilitation principles (Art. 43).¹⁶⁴ Transit trade shall also be facilitated through, inter alia, the operation of bonded transport regimes and regional transit arrangements (Art. 44). Soft provisions also relate to publication of customs laws, procedures and fees, consultations and cooperation with stakeholders (Art. 45).

Specific commitments by the Parties relate to the following:

- Customs fees and charges "shall not exceed the cost of services rendered" (Art. 27(1));
- Regarding customs valuation, the WTO Agreement on Customs Valuation is applied (Art. 46).

Rules of origin are addressed in Protocol 1 to the EPA. According to these, goods exported from a SADC EPA country benefit from the EPA preferences if they are wholly obtained in that country (i.e. grown or manufactured 100% within the territory of the country) or, if using materials imported from another country, if they have been sufficiently worked or processed in the SADC EPA country (Protocol 1 Art. 2). However, the EPA also foresees cumulation of origin. According to these cumulation rules, a product benefits from the EPA tariff preferences also if it includes inputs from other countries listed, regardless of the degree of further processing (i.e. these inputs are also considered as inputs from the exporting SADC EPA country). Specifically, exports from a SADC EPA country benefit from EPA preferences if they include inputs from the EU ("bilateral cumulation", Protocol 1 Art. 3), another SADC EPA State, an ACP EPA State, an EU OCT ("diagonal cumulation")¹⁶⁵, as

¹⁶² See Annex I, Part I, Section B.

¹⁶³ See Annex II, Part I, Section B.

¹⁶⁴ The EPA does not separate customs issues from trade facilitation but combines the two, referring to "customs and trade facilitation".

¹⁶⁵ Protocol 1 Art. 4. In this case, the conditions in Protocol 1 Art. 9(1) regarding necessary processing in the exporting SADC EPA country apply. Also, for diagonal cumulation to apply, the exporting SADC EPA country

well as inputs from EBA and some inputs (i.e. those that enjoy duty-free quota-free access to the EU market) from other GSP beneficiary countries.¹⁶⁶ If inputs are used which can enter the EU duty-free under MFN, they also confer origin (Protocol 1 Art. 5).

With a view to activating diagonal cumulation, two meetings of the Special Committee on Trade Facilitation and Customs Cooperation (SCTFCC) have allowed partners to advance preparatory work.

1.3.3.2 Current status in Angola

The current main **legal basis** for customs issues is the customs code of 2006.¹⁶⁷ However, a new customs code is currently under development; the consultation period for the draft ended on 31 August 2021.¹⁶⁸ The customs legislation is made with reference to international conventions and standards, such as the Harmonised System (HS). Indeed, Angola has been a member of the World Customs Organisation since 1990. It has however been slow to ratify/implement important conventions. For example, it ratified the Revised Kyoto Convention on 23 February 2013; and although it is a contracting party to the Harmonised System Convention (since 2011), its implementation of the respective latest versions of the HS usually happens with some delay: for the HS 2017 edition, the latest update by the WCO indicates that Angola's implementation was set for August 2018, but confirmation remains outstanding;¹⁶⁹ it is clear, however, that implementation has taken place as the 2020 tariff book explicitly refers to it.

In terms of **transparency**, as mentioned the customs legislation (laws, decrees and regulations), tariffs and manuals for traders are published on the AGT website.¹⁷⁰ At least some proposals for regulatory change are published online as well. For example, the proposed new 2021 customs code was made available online, requesting comments from stakeholders.

The current practice and experience of Angola with a number of specific customs issues seems worthwhile:

- The AGT charges **general customs fees** to service users as general customs fees. These are currently set at 2% of the Customs Value.¹⁷¹ For exports, the 2020 customs code establishes a general 0.5% customs fee (with different fees for hydrocarbons and currency) on the customs value of goods.¹⁷² This would appear to be in line neither with WTO rules nor the EPA, as it violates the principle that customs fees should reflect the cost of services.
- **Customs valuation:** Both the current customs code and the draft new customs code refer to Art. VII GATT and appear to be in line with the basic requirements of the WTO

must have "entered into an arrangement or agreement on administrative cooperation with each other, which ensures compliance" with the rules of origin, and provided the EU with details of these arrangements (Protocol 1 Art. 4(9)). Diagonal cumulation also excludes some products (such as goods in HS headings 1604 and 1605 from Pacific states).

¹⁶⁶ Protocol 1 Art. 6; similar provisions as for diagonal cumulation under Protocol 1 Art. 4 apply.

¹⁶⁷ Council of Ministers Legislative Decree 5/06 of 04 October 2006.

¹⁶⁸ The customs code and related legislation, including the draft of the proposed new customs code, are available on AGT's website at <https://agt.minfin.gov.ao/PortalAGT/#!/legislacao/aduaneira>.

¹⁶⁹ WCO: Position of Contracting Parties to the HS and non-Contracting Party Administrations on 14 July 2021, <http://www.wcoomd.org/en/topics/nomenclature/overview/position-of-contracting-parties-to-the-hs-and-non-contracting-party-administrations.aspx>

¹⁷⁰ <https://agt.minfin.gov.ao/PortalAGT/#!/legislacao/aduaneira>

¹⁷¹ <https://agt.minfin.gov.ao/PortalAGT/#!/servicos-aduaneiros/importacao-e-exportacao> [accessed 23 June 2021]; also see Art. 73 of Presidential Legislative Decree 10/19 of 24 November 2019.

¹⁷² Article 91 of Presidential Legislative Decree 10/19 of 24 November 2019.

Customs Valuation Agreement (cf. Arts 100ff of the current code/Arts. 146ff of the new draft).

- **Risk assessment:** Whereas the current (2006) customs code has hardly referred to risk assessment in the context of customs control, the draft new customs code would make it mandatory (Art. 181f). Although an in-depth assessment of current procedures at AGT goes well beyond the scope of the SIA, the information provided by stakeholders indicates that at present risk considerations play a limited role, leading to an excessive level of verifications and inspections.
- An **Authorised Economic Operator (AEO)** scheme¹⁷³ was legally introduced in 2018,¹⁷⁴ with pilot implementation starting shortly thereafter. By December 2020, 20 AEOs were certified.
- As Angola is not presently granting preferential market access to any trading partners, the AGT has no experience in determining whether imports into Angola comply with preferential **rules of origin**, although the 2021 draft customs code establishes basic concepts (Art. 142). For exports, in line with Article 18 of Presidential Decree No. 157/20 of 3 June 2020, the exchange office of MINDCOM issues certificates of origin for all exported products.

The concept of **trade facilitation** goes beyond customs issues. The WTO defines trade facilitation as the “simplification, modernization and harmonization of export and import processes”. Trade facilitation is important because it can have a major impact on the reduction of trade costs.

The multilateral framework for trade facilitation is constituted by the WTO Trade Facilitation Agreement (TFA), which was agreed at the 9th Ministerial Conference of the WTO in Bali and entered into force in February 2017. Angola accepted it on 09 April 2019. It has also notified its implementation commitments under the different categories to the WTO and has for far largely progressed with implementation line with the notifications made; with 26.9% of all commitments implemented as of 24 September 2021.¹⁷⁵

Although reforms are progressing, some – including some which are expected to significantly reduce the cost of importing and exporting, such as the Single Window for External Trade (JUCE) – have face challenges in implementation (see Annex G for further details). As a result, for the time being the cost of exporting as well as importing,¹⁷⁶ continues to be comparatively high (Figure 19): Angola lags behind some regional competitors, as well as the Sub-Saharan average, both for export and imports, and regarding both documentary and border compliance costs.

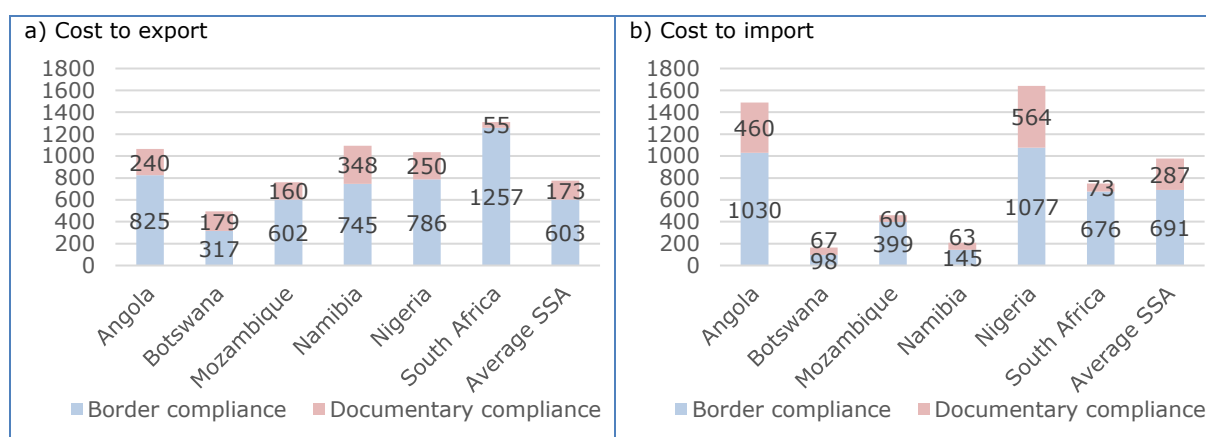
¹⁷³ <https://agt.minfin.gov.ao/PortalAGT/#!/servicos-aduaneiros//operador-economico-autorizado>

¹⁷⁴ Presidential Decree No. 293/18 of 03 December 2018.

¹⁷⁵ See the WTO's TFA Database at <https://tfadatabase.org/members/angola> [accessed 24 September 2021].

¹⁷⁶ Both are important to be considered, as discussed above, because exporters typically depend on imported inputs, and hence facilitating import procedures will increased export competitiveness.

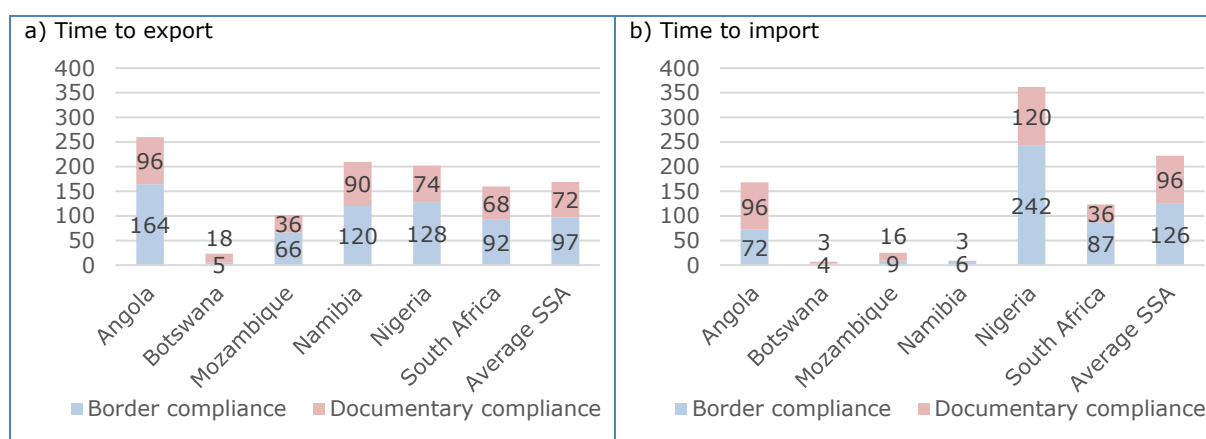
Figure 19: Compliance cost of trading across the border in Angola and comparator countries, as of June 2019 (USD)



Source: World Bank, Doing Business 2020, <http://www.doingbusiness.org> [accessed 15 June 2021]

Similarly, the time required to export still exceeds the time required in other regional countries and the Sub-Saharan African average (Figure 20).

Figure 20: Compliance time to trade across the border in Angola and comparator countries, as of June 2019 (hours)



Source: World Bank, Doing Business 2020, <http://www.doingbusiness.org> [accessed 15 June 2021]

1.3.3.3 EPA Impact

One effect of the EPA rules on customs and trade facilitation could stem from its **rules of origin**. Specifically, cumulation rules in the EPA are more lenient than those under the EU's GSP and EBA. A detailed comparison goes beyond the scope of this study; nevertheless Table 7 provides an overall summary. Effectively, cumulation rules of the GSP would make it hard for Angolan exports to the EU to benefit from preferences if they relied on inputs from other SADC countries beyond the levels established in the conditions for "sufficient working"). Therefore, the EPA provides a benefit and would be conducive to the development of regional value chains. At the same time, this benefit is expected to accrue only in the long term, as presently (and also in the foreseeable future) all of Angola's exports to the EU are goods "wholly obtained" in Angola.

Table 7: Comparison of cumulation rules in the GSP and EPA rules of origin

	GSP	EPA
Bilateral cumulation	✓ (more than "insufficient working or processing")	✓ (more than "insufficient working or processing")
Diagonal cumulation	(✓) (only regional cumulation with other GSP countries in the same GSP group; plus extended and cross-regional cumulation if requested and authorised by the EU)	✓ (inputs from other SADC EPA States, ACP EPA States, EU OCTs, EBA & GSP beneficiary countries)

Source: Own preparation based on legal texts.

In terms of potential requirements for Angola to change its customs regime or its implementation (leaving aside tariff issues), an obligation to **change the customs fee structure** from the current one based on ad valorem fees to one based on the cost of service provided might arise; it could also be argued that the currently different level of customs fees (2% on imports; 0.5% on exports) constitutes an "indirect protection to domestic products", which is explicitly not allowed in line with Article 27(1) of the EPA . Such a change in the fee structure would likely have a negative impact on government revenues¹⁷⁷ but at the same time reduce transaction costs for traders, thereby facilitating trade.

In other areas related to customs issues, the anticipated impact of the EPA is unequivocally positive, primarily through **technical assistance**: the EPA contains a commitment by the EU to assist SADC EPA countries in customs matters, notably those areas where Angola's capacities have been identified as being limited, such as risk assessment, origin verification, or related to the operation and the mutual recognition of AEO programmes.

1.3.4 Sanitary and phytosanitary (SPS) measures, technical barriers to trade (TBT) and including technical regulations

1.3.4.1 EPA provisions and implementation experience

EPA rules on **SPS** are contained in Chapter VI of Part II. The Parties reaffirm their commitment to the WTO SPS Agreement, the International Plant Protection Convention (IPPC), the Codex Alimentarius Commission and the World Organisation for Animal Health (OIE) (Art. 59), the scope and definitions of which also guide the EPA SPS provisions (Art. 61).

Further provisions relate, among others, to the transparency and the obligation to inform the other Party about SPS import requirements, as well as the application of the zoning principle (Art. 63); exchange of information on animal diseases and plant health (Art. 64). In addition, Article 67 provides for cooperation, capacity building and technical assistance in SPS matters, although it does not include a specific commitment by the EU to provide support. However, Article 13 on cooperation priorities lists SPS and TBT among the priorities.

EPA rules on **TBT** are contained in Chapter V of Part II. The Parties reaffirm their commitment to the WTO TBT Agreement (Art. 51), the scope and definitions of which also guide the EPA TBT provisions (Art. 53).

The Parties also undertake to cooperate, including with regional authorities, and within the region more generally, on matters concerning TBTs to facilitate trade (Art. 54).

Provisions on transparency in TBT matters (Art. 55) are on a best endeavour basis, except for the establishment of an early warning mechanism on new or changed measures in the

¹⁷⁷ For a quantitative assessment of the magnitude of this effect, more detailed information on imports and exports at transaction level would be required.

EU that might affect exports by the SADC EPA countries; there is no requirement by the SADC EPA countries to establish a similar mechanism that might affect EU exports.

1.3.4.2 Current status in Angola

Angola's regulatory framework addressing SPS issues is relatively well developed and recent. Among the relevant laws and regulations are the following ones:

- Animal Health Law (Law No. 4/04 of 13 August 2004): establishes the general rules governing the production, trafficking, import and export of animals, their products and by-products throughout the national territory.
- Plant Health Law (Law No. 5/21 of 3 February 2021): establishes the rules aimed at ensuring plant protection of agricultural and forestry production and exploitation, as well as transit, trade, import and export of plants, parts of plants and regulated objects intended for marketing and consumption.
- Regulation on the subjection of Laboratory Analyses of Products Intended for Human and Animal Consumption (Presidential Decree No. 179/18 of 2 August 2018): Lays down the rules applicable to laboratory analyses for products intended for human and animal consumption, with a view to safeguarding the public interest and the protection of public and animal health and the environment.
- Livestock Regulation (Presidential Decree No. 104/15 of 12 May): lays down the rules governing the exercise of the activity of livestock farms, in particular the conditions of general management of the holding, zoo sanitary management, veterinary medicinal products and biological products, food, environment and infrastructure, handling of animals and their products, including wildlife farms.

A number of initiatives to improve food security have also been passed. For example, among other initiatives, Council of Ministers Resolution 130/09 of 29 December 2009 approved the National Food Security Strategy (Estratégia Nacional de Segurança Alimentar e Nutricional, ENSAN) and corresponding action plans. Presidential Decree 176/17 of 3 August 2017 approved the financing for the project "Strengthening Resilience and Food and Nutritional Security in Angola" (Fortalecimento da Resiliência e da Segurança Alimentar e Nutricional em Angola, FRESAN).

The administration and enforcement of these laws and initiatives has however been hampered by human and financial capacity constraints, as is analysed in more detail in Annex G to the main report.

In terms of regional and international commitments:

- Although required from SADC member states, Angola has not yet established a National Committee on Sanitary and Phytosanitary Measures. The functions of this Committee are provisionally exercised by CODEX-Angola. Similarly, no representatives for the SADC SPS Coordination Committee have been appointed;
- At the WTO, Angola has not been active in relation to SPS measures in general. For example, no notifications on SPS measures have been submitted or specific trade concerns against other WTO members raised;¹⁷⁸
- Angola is not yet a signatory to the IPPC, although it has taken steps towards accession;
- Angola has signed, but not ratified the Rotterdam Convention on Pesticides.

In addition to these regulatory and administrative issues, a key impediment for Angolan businesses is their limited capacity to meet product safety, quality and technical requirements in export markets. The EU, motivated by the protection of consumers and the need to address climate change and related issues, is particularly demanding and

¹⁷⁸ See <http://spsims.wto.org> [accessed 05 May 2021].

further tightening requirements in the context of e.g. the Farm to Fork strategy. This challenge stems both from capacity limitations of farms and businesses in producing according to requirements and weaknesses in the quality infrastructure, particularly in relation to conformity assessment, with challenges including human resources capacity, technical knowledge, obsolete or missing laboratory equipment, absence of accreditation, etc. (for further analysis, see Annex G).

1.3.4.3 EPA Impact

In terms of regulatory and administrative issues related to SPS measures, upon accession to the EPA, Angola would likely have to ratify the IPPC; but this is already in process. Furthermore, it would need to notify the EU about its relevant SPS norms, regulations and requirements (as well as standards and technical regulations), as well as any upcoming changes to them, which again should pose few challenges. More demanding might be an effective notification of the EU about animal diseases and plant health issues encountered in the country – as the administrative capacity analysis shows, e.g. the absence of sanitary surveys prevents the authorities from systematically identifying diseases and pests across the territory (see Annex G).

To significantly expand agricultural exports under the EPA, a strengthening of the capacities to meet EU SPS and TBT requirements is indispensable. This calls for technical and financial support by the EU and its member states both for the development of the quality infrastructure and to businesses. Technical assistance under the 11th EDF in this area is provided in the project "Support to safety and quality standards towards a national sustainable and inclusive economic growth in Angola".¹⁷⁹ Such continued support will be crucial for Angola to expand and diversify exports to the EU under the EPA.

The transparency provisions foreseen in the TBT and SPS chapters would, if the proper domestic mechanisms for onward information sharing with domestic businesses are in place, help Angola's export oriented businesses to adapt to changing requirements in the EU on time. To ensure that this happens, considering the administrative constraints identified in Annex G, EU support to establish such a mechanism might be required. In addition, assistance to Angolan exporters in meeting changed/tightened import requirements in the EU could be considered.

1.3.5 *Trade defence*

1.3.5.1 EPA provisions and implementation experience

Anti-dumping and **countervailing** (anti-subsidy) measures are outside of the scope of the EPA. Regarding these trade defence instruments, the EPA refers to the relevant WTO rules; similarly, the dispute settlement provisions under the EPA do not apply to anti-dumping and countervailing measures (Art. 32).

With regard to **multilateral safeguards**, the EPA establishes no WTO-plus obligations on the SADC EPA countries, but the EU committed to exclude imports from SADC EPA states whenever it applies multilateral safeguards, including agricultural safeguards, for a period of five years from the entry into force of the EPA (Art. 33).¹⁸⁰ The Joint Council is mandated to review the operation, and determine an extension, of this commitment.

The EPA also foresees a number of **bilateral safeguards**, as follows:

¹⁷⁹ This project is expected to start in 2022 or early 2023 last three years.

¹⁸⁰ According to Article 113(8) of the EU-SADC EPA, "if pending the entry into force of this Agreement, the Parties decide to apply it provisionally, all references in this Agreement to the date of entry into force shall be deemed to refer to the date such provisional application takes effect."

- General bilateral safeguards, where as a result of the EPA preferences imports from the other Party increase and cause or threaten to cause serious injury to the domestic industry or disturbances in the sector. Measures may consist of the suspension of further tariff reductions, increases in tariffs (up to MFN rates), or tariff quotas, and must not exceed 2 years (Art. 34);
- Agricultural safeguards can be applied by SACU members for a limited number of products listed in Annex IV to the EPA provided that imports from the EU exceed listed quantities (Art. 35);
- Food security safeguards can be applied by SADC EPA countries “where essential for the prevention or relief of critical general or local shortages of foodstuffs or other products in order to ensure food security of a SADC EPA State” (Art. 36);
- BLNS transitional safeguards can be applied, during the first 12 years of the EPA, on a number of sensitive goods listed in Annex V to the EPA (Art. 37); and
- Infant industry protection safeguards can be applied by the SADC EPA countries except South Africa for a period of up to 8 years “where a product originating in the EU, as a result of the reduction of duties, is being imported into its territory in such increased quantities and under such conditions as to threaten the establishment of an infant industry, or cause or threaten to cause disturbances to an infant industry producing like or directly competitive products” (Art. 38).

In June 2018, SACU states introduced a general bilateral safeguard measure on frozen bone-in chicken cuts, claiming that an increase in the volume of imports from the EU caused or threatened to cause a disturbance and/or serious injury. The EU challenged the decision on various grounds. After bilateral consultations held in 2019 did not resolve the dispute, the European Commission in April 2020 requested the establishment of an arbitration panel.¹⁸¹

1.3.5.2 Current status in Angola

Article 11 of the 2020 Customs Tariff¹⁸² establishes basic rules for the application of safeguards and anti-dumping measures. It assigns the responsibility to legislate and apply such measures to the Ministry of Finance and MINDCOM:

“The Ministry of Finance may, by means of an Executive Decree, at the request of the Ministry of Commerce or the Ministry of Industry:

1. Apply safeguard measures to a particular commodity if it has been determined that that good is being imported into the national territory in such high quantities, in absolute terms, or in relation to domestic production, and in such conditions causing or threatening losses, records the domestic production branch of identical, similar, or directly competing products.
2. Apply the measures that are necessary to repress, neutralize or prevent the practice of dumping, in relation to imported goods, where such practice may cause or cause significant damage to national production or the considerable delay for the installation of a new branch of production in the country.
3. Require in the imports of certain goods the pre-action of a reasonable guarantee, in the form of deposit in cash, securities issued or guaranteed by the State, or by means of a bank guarantee or security insurance, in accordance with the terms that may be defined by the Ministry of Finance, to ensure the assessment of anti-

¹⁸¹ See https://trade.ec.europa.eu/doclib/docs/2020/april/tradoc_158717.pdf.

¹⁸² Presidential Legislative Decree 10/19 of 24 November 2019, Diário de República, 29 November 2019.

dumping duties or countervailing duties that may be imposed, pending the defining verification of the facts, in all cases where dumping or subsidy is suspected.”

No further regulation or guidance on the trade defence regime is provided; and the institutional structures for the implementation of the regime have not yet been put in place (see Annex G for further information).

1.3.5.3 EPA Impact

As the EPA establishes no obligations on the Parties on **anti-dumping and countervailing measures**, it has no impact for Angola regarding such measures. Nevertheless, considering that the current trade defence regime in Angola is underdeveloped regarding anti-dumping measures, and does not provide for countervailing measures at all, it could be considered to provide assistance for the establishment of a WTO compliant anti-dumping and countervailing measures regime. The current legal basis appears to fall short of the requirements established in the relevant WTO Agreements.

Regarding **multilateral safeguards**, Angola’s accession to the EPA will allow it to benefit from the EU’s obligation to exclude the SADC EPA states from any multilateral safeguards applied. As, however, the EU does not apply multilateral safeguards in practice, this is a rather theoretical benefit. For the establishment of a functioning Angolan multilateral safeguards regime, the same considerations as made in the previous paragraph apply.

With regard to **bilateral safeguards**, Angola could in principle resort to general bilateral safeguards, food security safeguards and infant industry protection safeguards; but again, a functioning trade defence regime would be required. In the accession negotiations, Angola could also aim at providing a list of certain sensitive products (such as wheat flour) which could be covered under the agricultural safeguards.

1.3.6 *Public procurement*

1.3.6.1 EPA provisions and implementation experience

EPA provisions on government procurement are restricted to cooperation; the Parties make no commitments towards opening their respective government procurement markets (Article 17).

1.3.6.2 Current status in Angola

Decree 23/19 establishes that domestic producers of goods listed in the Decree benefit from preferences in public procurement (Art. 5(2)). In addition, state entities or their suppliers can import listed products only “after exhausting all possibilities of their acquisition in Angola” (Art. 13(1)). The extent to which the Decree is implemented in practice could however not be established.

With respect to international agreements, Angola is not a Party to the WTO Government Procurement Agreement (GPA).

1.3.6.3 EPA Impact

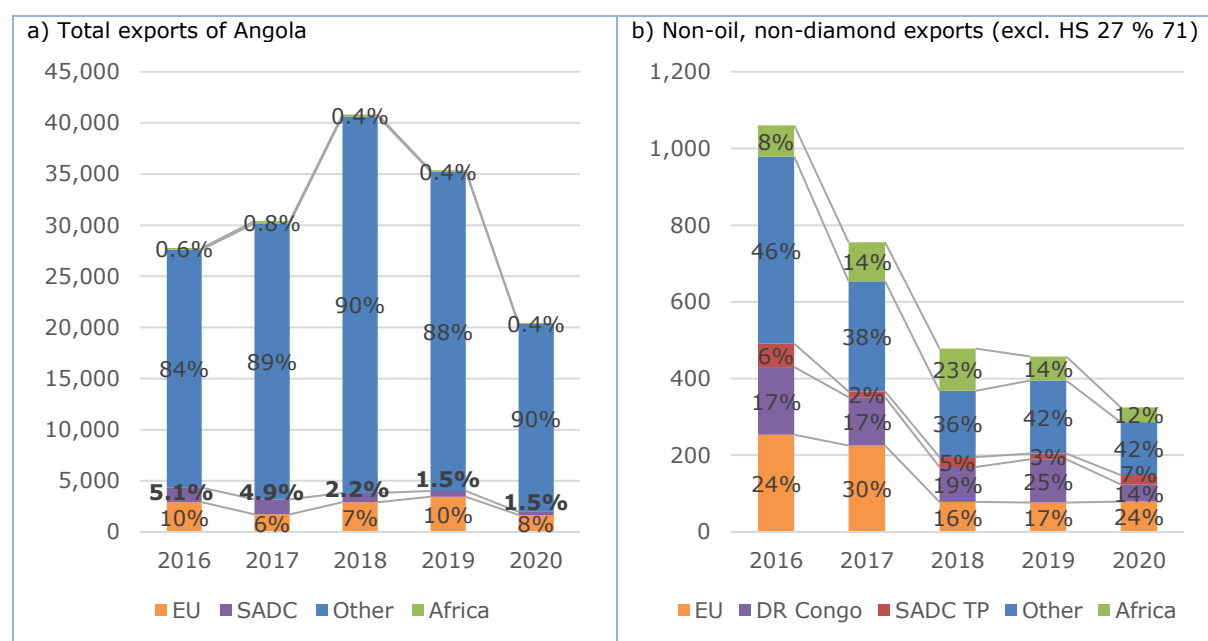
As the EPA does not create any obligations by the Parties in terms of public procurement, no impact on Angola is expected.

1.4 **Regional Integration**

Angola’s trade with other SADC countries has been relatively small in recent years. The share exports to SADC decreased from 5.1% in 2016 to 1.5% in 2020; if only non-oil, non-diamond exports are considered, the importance of SADC as a market for Angola is more

important – but the majority of exports is destined for the DR Congo, which is not participating in the SADC Trade Protocol; about 15% of NOND exports go there; whereas the other SADC countries together accounted for between 2% and 6% of Angola's NOND exports (Figure 21). Angola's exports to the rest of Africa are also limited, accounting for less than 1% of total exports. And although African markets are important for Angola's NOND exports, their share has declined from 23% of total NOND exports in 2018 to 12% in 2020. In principle, in 2021 application of the AfCFTA started and should lead to increasing exports to the continent; however, as implementation modalities are still in the making, it remains to be seen how big the effect of the AfCFTA on Angola's exports will be.

Figure 21: Angola's exports to SADC and Africa, 2016-20 (USD million and % of total)



Source: Own calculations based on AGT

The importance of SADC as a supplier for Angola is relatively higher, about 6% to 8% of Angola's imports are from other SADC countries, and this share has been quite stable over time in recent years (Figure 22). In absolute terms, as Angola's total imports have been declining, the value of imports from SADC has declined proportionately. At the same time, imports from other African countries have decreased faster than average since 2018, so that their share in Angola's total imports declined from 7.7% in 2018 to 2.4% in 2020.

Angola's trade balance with SADC has switched from a surplus until 2017 to a deficit in 2019 and 2020 (Figure 23) because Angola's exports to SADC decreased faster than its imports from SADC. The trade balance with the rest of Africa has been consistently negative since 2016 but improved substantially since 2018, reducing the then deficit of USD 1 billion to USD 128 million in 2020 – although against a very low level of trade with Angola in that year, of slightly above USD 300 million (exports and imports combined). Both accession to the SADC Trade Protocol and the full implementation would be expected to contribute to growing trade with SADC and the rest of Africa.

Figure 22: Angola's imports from SADC and Africa, 2016-20 (USD million & % of total)

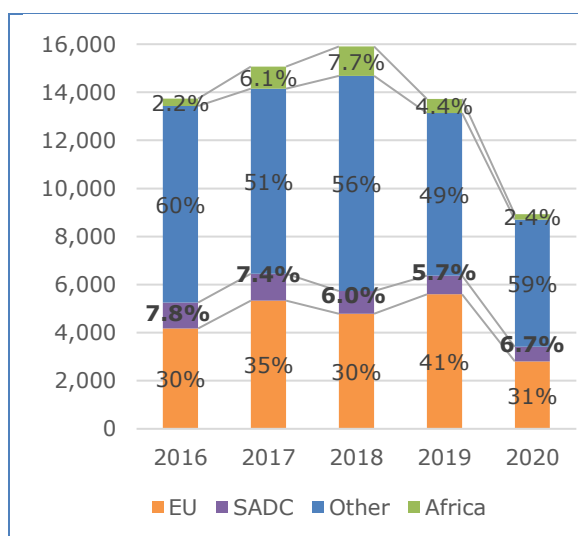
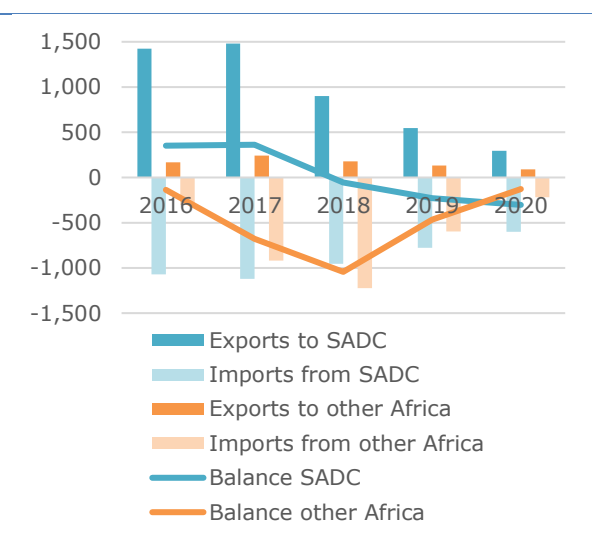


Figure 23: Angola's trade balance with SADC and Africa, 2016-20 (USD million)



Source: Own calculations based on AGT

Following the Mid-Term Review (MTR) of the implementation of the SADC Regional Indicative Strategic Development Plan (RISDP) 2015-2020, which was carried out by the SADC Secretariat (Aug 2019), it was found that a key milestone in the consolidation of the SADC Free Trade Area (FTA) in the first three years of the RISDP implementation has been on tariff phase down where all but two Parties to the SADC Trade Protocol have completed or are on track to complete the envisaged phase out. Moreover, by end 2017 intra-SADC trade rose from USD 58 billion (2008) to just above USD 78 billion (2017) i.e. ranging between 15%-21% of the region's total trade with the world, which was significantly lower than ASEAN (30%), the EU (60%) and NAFTA (40%). However, intra-SADC trade, though small, has been on the rise since 2000 before starting to drop in 2014. The average annual increase in Intra-SADC trade for the period 2008-2017 was 4.34%. Over the period 2007-2017 Intra-SADC exports as a percentage of total exports of goods increased from 15.3% to reach 22.4% whilst that of imports increased from 17.5% to 20.6%. The SADC Customs Union (CU) was originally set to be established in 2010, but was delayed partly due to the delayed start of the implementation of the FTA itself; more recently, the different EPA configurations within SADC and their corresponding negotiations at least slowed progress to establish the SADC CU. According to the MTR, supply side constraints, inadequate trade-related infrastructure and other trade policy instruments such as Non-Tariff Barriers (NTBs) and restrictive rules of origin in particular on items of textiles and clothing, are some of the main causes of the relatively stagnant growth in the levels of intra-SADC trade.

1.5 Impact on EU Outermost Regions

The nine outermost regions (ORs) of the EU consist of six French overseas territories (French Guiana, Guadeloupe, Martinique, Mayotte, La Réunion and Saint Martin), two Portuguese autonomous regions (the Azores and Madeira) and one Spanish autonomous community (the Canary Islands). Table 8 shows the values of exports and imports to/from the EU and Angola for eight ORs¹⁸³ in the last five years. In general, with the exception of Madeira and to a certain extent French Guiana, the ORs' imports from the EU (as well as total imports) are much larger than their exports. Second, trade with Angola of any of the

¹⁸³ The French Statistical Service does not provide data for Saint Martin; accordingly, it is excluded from the analysis.

ORs is insignificant; given cultural ties, this might be different for the Azores and Madeira, but no trade data by country could be obtained for these two ORs.

In general, therefore, given the minimal trade between the ORs and Angola, the effect of Angola's accession to the EPA on trade between Angola and the ORs is estimated to be negligible.

Table 8: Value of exports/imports to/from the EU and Angola for eight ORs (€ million)

	Exports					Imports				
	2015	2016	2017	2018	2019	2015	2016	2017	2018	2019
Azores										
EU	63.5	53.9	51.2	57.1	79.6			134.6	133.5	99.1
ROW	40.5	30.0	36.9	33.5	35.8			45.8	43.7	43.6
Canary Islands										
AGO	1.2	3.4	0.6	0.3	0.3					
EU	255.0	261.9	250.2	301.8	342.3	1,826.9	2,074.8	2,514.5	2,729.6	2,335.8
ROW	2,190.1	1,794.4	2,410.2	2,604.9	2,331.5	1,138.7	1,293.8	1,761.2	1,222.2	1,187.5
Guadeloupe										
AGO								0.0		
EU	27.9	27.1	31.0	19.0	18.8			240.2	281.0	291.7
ROW	26.3	33.6	38.3	45.4	29.5			588.5	630.7	745.2
Guiana										
AGO										
EU	21.7	25.9	13.0	297.4	251.5			438.0	448.5	427.5
ROW	472.7	76.8	881.2	267.2	559.0			289.5	340.2	440.5
Madeira										
EU	110.6	98.8	153.2	229.7	272.1			130.8	158.1	152.6
ROW	83.9	64.3	105.0	140.8	119.5			18.4	21.2	19.5
Martinique										
AGO				0.0						
EU	3.9	7.2	6.0	6.5	7.5			223.4	210.4	233.3
ROW	54.2	32.3	29.0	30.1	43.0			703.5	734.4	708.7
Mayotte										
AGO										0.0
EU	0.2	0.1	0.0	1.7	0.3			63.3	64.2	75.1
ROW	5.1	4.4	5.3	4.0	4.5			179.8	191.6	208.0
Réunion										
AGO									1.2	
EU	58.8	69.7	80.6	55.4	54.8			618.2	614.7	624.5
ROW	106.8	113.6	86.5	69.8	72.6			1,199.0	1,332.8	1,343.6

Note: Trade values with EU exclude France for Guadeloupe, Guiana, Martinique, Mayotte and La Réunion; Spain for Canary Islands; and Portugal for Azores and Madeira; for Azores and Madeira, no breakdown of ROW by country is available.

Source: Own compilation based on Foreign Trade Statistics of France (http://lekiosque.finances.gouv.fr/portail_default.asp), Foreign Trade Statistics of Spain (<http://datacomex.comercio.es/>), and National Institute of Statistics of Portugal (https://ine.pt/xportal/xmain?xpid=INE&xpgid=ine_base_dados).

A potential impact of Angola's accession to the EPA on the ORs could exist at the sector/product level. As the PE model does not represent the ORs as a separate region, a matching analysis between OR and Angolan exports has been used to estimate this impact. The logic is the following: if OR exports to the EU compete with Angolan exports to the EU, there could be a negative effect for the ORs in the sectors where Angola's exports are expanding. Conversely, no impact on OR imports, even at the sector or product level, is expected because of the negligible effect of the Angola's accession to the EPA on EU trade, and the non-existent exports by Angola to the ORs.

Table 9 lists the main exports of ORs to the EU, highlighting those that may face stronger competition from Angola as a SADC EPA country when compared to being a GSP beneficiary country, based on the PE model results: this applies to bananas and crustaceans. Nevertheless, considering the small absolute increases in Angola's exports of these products to the EU (not reaching €10 million for any product), their effect on the EU market (increase in supply) will be negligible. It is also to be considered that EPA accession would reinstate (respectively continue) the preferences in the EU market that Angola currently

already enjoys as an LDC/EBA beneficiary country – therefore, the calculated export increases compared to the baseline are not actually export increases but help maintain the current level of exports (and would only in the long run lead to export increases, as supply side constraints are overcome). For the foreseeable future, Angola's shares in total EU imports of any of the goods considered (bananas, crustaceans) will remain insignificant. We therefore conclude that Angola's accession to the EU-SADC EPA will have no impact on the ORs.

Table 9: Top export sectors/products from ORs to the EU

OR	Export sectors
Guadeloupe	Sugar (about 50% of total exports), waste, bananas /tropical fruits, yachts, perfumes, spirits
French Guiana	Aircraft & spacecraft (about 80% of total exports), other equipment, machinery and motor vehicles
Martinique	Waste (about 30% of total exports), yachts, spirits (about 10%), machinery, vehicles, motors
Mayotte	Electrical equipment, motors, meat, jewellery – due to very low exports strong fluctuations from year to year
La Réunion	Sugar (about 50% of total exports), spirits, waste, canned fish, car parts
Canary Islands	Vegetables (about 25% of total exports), aircraft & spacecraft, vehicles, machinery, essential oils, fish and crustaceans
Azores	Animals (about 30% of total exports), fish and crustaceans , dairy products, processed food and beverages, meat and fish preparations, machinery
Madeira	Processed food and beverages (about 30% of total exports), transport equipment, boats, alcoholic beverages; animals, fish and crustaceans

Note: Products potentially facing more competition on the EU market as a result of Angola's accession to the EPA are in **bold**.

Source: Own compilation based on Foreign Trade Statistics of France (http://lekiosque.finances.gouv.fr/portail_default.asp), Foreign Trade Statistics of Spain (<http://datacomex.comercio.es/>), and National Institute of Statistics of Portugal (https://ine.pt/xportal/xmain?xpid=INE&xpgid=ine_base_dados).

Annex D: Background Analysis for Social, Labour & Gender Impact Assessment

Annex D.1: Baseline for Social Impact Analysis

Employment

Factors influencing the situation on the labour market include macroeconomic developments, as well as the performance of the oil sector. With the third largest GDP in sub-Saharan Africa after Nigeria and South Africa, Angola is the second biggest oil producer on the African continent (Société Générale 2021¹⁸⁴), and mineral fuels represented 95.7% of Angolan exports in 2019, i.e., USD 32.8 billion out of a total export value of USD 33.8 billion (ITC Trade Map, OPEC, 2019). Thanks to high oil prices, until the early 2010s the country experienced one of the highest rates of economic growth in the world after a three-decade long civil war. However, without a diversified economy, Angola became vulnerable to changes in the global oil market, and the fall of the world oil price in 2014 (which reduced oil revenues from 35.3% in 2013/2014 to 17.5% of GDP in 2017) caused a severe economic slowdown and recession in the country, followed by the Government's stabilisation programme (African Development Bank Group, 2020). The situation has most recently been exacerbated by stringent measures put in place by the Angolan Government to contain COVID-19 (IMF, 2020). Entering its fourth year of recession in 2019, according to the National Institute of Statistics, in the first quarter of 2021 GDP fell by -3.4%.¹⁸⁵

In the last few years, the Government started planning activities, such as improvement in business environment and the ease of doing business, support for entrepreneurship and establishment of new enterprises, attracting foreign investment, economy diversification and actions supporting education, including vocational and technical training, which may contribute to job creation and strengthen independence from the oil sector. In this context, the National Development Plan 2018-2022 foresees actions in areas such as education, human resources development, social protection, employment, working conditions, export diversification, import substitution, business environment, productivity, and support for production, all of which are likely to shape the labour market, prospects for employment creation and job quality in the coming years (Governo de Angola, 2018). In 2018-2019, 86.9% of the working age population¹⁸⁶ (15-64 years of age) were economically active, i.e., either employed or unemployed but actively looking for a job (88.4% among men and 85.5% among women). The rate of inactivity, i.e., persons being for a longer term outside the labour market, was 13.5% (11.6% among men and 15.1% among women). The labour market participation rate (or economic activity rate) was higher in the rural areas (90.7% compared to 84.6% in urban areas). In 2015-2016, the total participation rate was the same, at 87%. Out of the economically active persons, in 2018-2019, 71.0% were employed¹⁸⁷ and 29.0% unemployed (27.4% among men and 30.6% among women, 36.5% in urban areas and 17.1% in rural ones) (INE, 2020 and 2017). In 2020, unemployment increased to 34%, and among youth to 56.4%, up from 54.2% in 2019 (AfDB, 2021). In 2021, the labour market participation rate increased to 90.1%, the employment rate came close again to pre-COVID levels (at 69.5%), and the same happened to unemployment rate (falling to 30.5%) (INE, 2021). In 2015-2016, the unemployment rate was lower, at 20%.

¹⁸⁴ References for this annex are provided at the end of the annex.

¹⁸⁵ <https://www.ine.gov.ao/inicio/estatisticas>

¹⁸⁶ In 2018-2019, the working age (15-64 years) population in Angola was 15.7 million, the economically active population 13.6 million. 9.7 million persons worked and 3.9 million were unemployed (INE, 2020).

¹⁸⁷ Among those working, 48.3% were self-employed, 21.5% worked as non-paid family member in subsistence economy, 18.5% in private sector, 11.2% in public sector and 0.5% in cooperatives and others (INE, 2020).

Across provinces, in 2018-2019 the labour market participation rate was lowest in Cunene (78%) and Cabinda (80.8%) and highest in Cuanza Norte (94%), Lunda Norte, Moxico, Cuando Cubango, and Huíla (all 92%-93%).¹⁸⁸

Figure 1: Administrative map of Angola (provinces)



Source: Nations Online Project: https://www.nationsonline.org/oneworld/map/angola_map2.htm

Across sectors, in 2018-2019, agriculture, forestry, and fisheries accounted for 46% of total employment, followed by wholesale and retail trade and repair of vehicles (21%), public administration, defence, and social security (9.0%), transport, storage, and

¹⁸⁸ In 2015-2016, the overview across provinces looked quite differently, with the lowest rates being recorded e.g., in Cuando Cubango (77%) and Lunda Norte (78%) and the highest one (95%) in Cuanza Sul (INE, 2017).

communication (5.0%), domestic service and other services (4.6%), industry, energy, and water supply (4.6%), education (3.9%), construction (3.5%), health care and social services (0.9%) and financial activities (0.7%) (INE, 2020; 2017).¹⁸⁹ In 2017 and 2018 (jointly), 76,000 jobs were created in private sector: 21,550 in transport, 19,910 in construction, 9,780 in agriculture, 6,590 in industry, 4,930 in trade, 3,950 in the hospitality sector, 2,850 in information and telecommunication technology, 2,200 in water and energy supply, 2,070 in mining, and 460 in fisheries (Ministério da Administração Pública, Trabalho e Segurança Social, 2019).

In the Human Development Index, Angola ranked 148th out of 189 countries in 2020.¹⁹⁰ The illiteracy rate in the country is estimated at 25%, and the population with low education level (mainly women) lives predominantly in rural areas. In this context, the National Development Plan 2018-2022 sets out actions to reduce illiteracy and improve education quality at all levels, including vocational and technical training, and national system of qualifications. It also envisages support for employability (with focused actions for youth) through better employment services and support for establishment and operation of MSMEs, notably in sectors chosen for export promotion, i.e., agriculture, forestry, fisheries and marine resources, extractive industry, extraction and processing of oil and gas, processing industry and tourism (Governo de Angola, 2018).

Sectors important for the Angolan economy and employment, i.e., agriculture and fisheries, are presented in detail in two dedicated case studies (Annexes B1 and B2) and below. In addition, below we provide data regarding another sector being of importance from the employment point of view, i.e., retail trade.

Given that the economic model estimates that exports of bananas to the EU will be higher thanks to the Angola's accession to the EPA (than in its absence), the description below focuses mainly on this part of the sector. Accordingly, production in the banana sector reached 4.0 million tonnes in 2018/2019 in Angola (Statista, 2021) accounting for 76% of the total fruit production in the country, with pineapple taking 11%, citrus fruits 7.8%, mango 4.5% and avocado 1%. 66% of the total production came from family undertakings and 34% from agricultural enterprises. The main provinces accounting jointly for around 60% of fruit production in Angola include Benguela, Cuanza Sul, Uíge, Bengo and Cabinda (MINAGRIF, 2019). Out of these, Cuanza Sul and Benguela have poverty levels at around the country's average (38%-44%), while Uíge and Bengo display higher levels (44%-56%). At the same time, Benguela, Cuanza Sul and Uíge belong to provinces with the highest population density and therefore a large group of poor people (e.g., 1.1 million in Cuanza Sul) (World Bank, 2020). Some of large farms cultivating fruits and vegetables, including bananas exported to the EU are located in Cuanza Sul and Zaire (close to the border with Bengo province) and mark areas with potential for jobs. Large enterprises cultivating fruits and vegetables and having banana plantations employ up to a few thousand workers each, e.g., 3,500 (AFP, Shine, 2018) or 4,500 (Macao Magazine March 2020). Export in bananas to the EU started after the end of the civil war in 2016 with shipments to Portugal (Quartz Africa, May 2016).

Given the risk of increased competition on the Angolan market (in the long term) with imported goods, food producers from several provinces in Angola mentioned the need for transport means and improved infrastructure (mainly roads) which would help them to sell products in towns and cities (in order not to be limited to the local market), access to finance and to storage space to keep the produce fresh, and an opportunity of business-to-business contacts with intermediaries who would buy their products and sell them in

¹⁸⁹ In 2015-2016, 34% worked in agriculture, forestry, and fisheries, 20% in wholesale and retail trade and repair of vehicles, 12% in domestic services, 9% in public administration, defence and social security, 5% in construction, 5% in other services, 3% in transport, storage and communication, 3% in industry, 3% in production of goods and services for own use and 2% in education (INE, 2017).

¹⁹⁰ <http://hdr.undp.org/en/content/latest-human-development-index-ranking>

other parts of the country (Angop, March 2021). In 2020, UNDP and the Angolan Government launched a pilot project in six informal markets to address COVID-19 related challenges and in a longer-term to ensure secure conditions for people to operate there (UNDP, May 2020).

Regarding the fisheries sector, and in particular frozen shrimps, crabs, and prawns, almost all Angolan exports in those groups were destined on the EU market in the last few years (for further data regarding exports in the fisheries sector, see the dedicated case study). The economic model estimates an export increase of frozen shrimps and prawns thanks to the Angola's accession to the EPA (compared to being GSP beneficiary), which in practical terms means a return to the current situation and exports comparable with 2019. In 2018-2020, annual maximum catch permits issued by the Angolan Government were allocated to 25 vessels, each with up to 60 persons of crew (which means the total employment of up to 1,500 persons) (Diário de Notícias, January 2018, FAO 2011). In 2016, the whole fisheries sector engaged 125,442 persons, out of whom 8% (20,000) were women (FAO, 2018). Shrimp breeding, both for the Angolan market and exports also takes place in aquaculture farms (Ventura Industrial Group). Regarding employment, in aquaculture, in 2019, 66 enterprises provided around 800 jobs (on average, it is estimated that each of enterprises had 12 employees). The fisheries sector is linked to ports in provinces with high poverty levels, i.e., Benguela and Cuanza Sul, and in addition in Luanda and Namibe.

Regarding the retail trade sector, in 2015, some 70%-80% of trade in food followed through informal street vendors and informal markets, often specialising in one product category. That market share has been retained until 2020. The formal segment includes small neighbourhood markets, grocery stores, supermarkets and specialised high-end food stores owned by Angolans and foreign retail chains. The latter recorded a period of expansion between 2000 and 2016, with sales in formal stores increasing the market share from 5% in 2000 to 20%-30%, accompanying an increase in domestic food production, and with food imports falling from 90% (prior to 2013) to 60% of the food offer in retail stores in 2015. Challenges include an unfavourable business environment, corruption, skills shortages, and gaps in infrastructure (the latter means that formal stores do not expand beyond key cities). The economic recession slowed down the sector's development, with the volatile exchange rate and high inflation meaning high prices of imported food and inputs and increasing rental prices. Some retailers were not able to keep the whole range of products in stores and subsidised food prices reduced own profits. Retailers present on the Angolan formal market include investors from Angola, Portugal, Brazil, and South Africa. The whole retail sector provides in total 1.7 million jobs (African Business Information, 2015 and 2020). In the informal part of the sector, importers sell products from own warehouses and supply suburbs of cities and rural areas. Moreover, small-scale resellers buy products abroad and resell them in retail outlets (Lloyds Bank, 2021). Small-scale farmers sell their products, incl. fruits and vegetables, in informal markets, which in many areas represent the main source of food supply for the population (UNDP, May 2020). Recent developments in the sector could directly or indirectly facilitate trade in general or with the EU under the EPA in particular: e.g., as a result of investment in public housing, 45,000 apartments were built in Kilamba (30km from downtown Luanda) creating demand for furniture and other durable household goods. Vehicle sales grew by 20% annually in 2017-2019. There is also increasing demand for food and beverages, while high import duties mean attractiveness of goods produced locally, incl. through foreign investment, or imported (like the EU goods potentially in the future) with reduced tariffs. Angola is one of the top beer consumers in Africa and the second biggest market for spirits and wine (Afpedia, 2019). The beverage industry in Angola provided 56,000 direct and indirect jobs in 2016 (African Business Inf., 2016).

Informality¹⁹¹

Informality started increasing in the 1980s with the move from a centrally managed to a market economy, and continued over the following decades, as a result of market failures (lack of adequate reforms, salaries being insufficient to secure decent income and inability of public and private sector to generate enough formal jobs), migratory flows during the military conflict and a decreasing supply of goods and services provided by the state. In 2010, 50% of value of goods and services traded in the capital, Luanda originated from the informal market. In 2010s, the Government launched a series of legislative and non-legislative measures aiming to encourage the formalisation of economy, including the simplification of procedures to establish and run MSMEs, facilitating their access to markets and new market opportunities, incl. development of new products and services, access to financial services, incl. microcredits, purchase by the Government of agricultural products from farmers, and others (Ernesto, 2015). According to national data, in 2020 80.4% of economically active persons in Angola were in informal employment (65.4% in urban areas and 93.7% in rural areas, 70.5% among men and 90% among women) (INE, 2021). According to the World Bank, in 2018-2019, 72.4% of economically active persons in Angola were in a situation of informality, not being covered by labour legislation nor social security (74.7% of women and 65.6% of men) (World Bank, 2020; INE, 2020). It was also estimated that the informal sector contributed around 40% to the national GDP (Governo de Angola, 2018). Activities prevailing in the informal sector include trade, transport of persons and goods, services (personal services, repair and maintenance, leisure and entertainment, and craftsmen), construction, and production of beverages and processed food (Lopes, 2014). According to the World Bank, an informality rate above 70% is common in the hospitality sector, agriculture, industry, and construction, while it reaches 50% in mining, around 30% in water and energy supply, and is the lowest in financial services (20%) (World Bank, 2020). To address the situation and to support the transition from the informal to the formal economy, the National Development Plan 2018-2020 proposed a strategy and an action plan in this area, including support for creation and operation of cooperatives (e.g., in agriculture, fisheries, industry and transport) and MSMEs, their inclusion into the tax system, and support in access to funding and digital services. It also envisaged devising targeted actions facilitating the formalisation of certain groups, e.g., street vendors, or domestic service workers (Governo de Angola, 2018).

The difficulty of setting up and running a business is considered as one of the factors behind the high informality rate in Angola. The country ranked 177th out of 190 countries in the 2020 World Bank "Doing Business" index, with some categories, such as getting credit or enforcing contracts placing Angola at the bottom of the table, at 185th and 186th place, respectively. (Similarly low scores the country received for trading across borders in which cost, and time of documentary and border compliance were considered, giving Angola 174th place) (World Bank Group, 2020a). Earlier, the Government and local authorities, notably in the capital, undertook a series of activities aimed at reducing the informal economy in retail trade (by opening formal markets, closing informal ones, and removing informal vendors from the streets) and transport (by introducing public bus transport to replace informal minibuses and taxis) (Lopes, 2014). The 2019-2022 Decent Work Country Programme implemented with the ILO established the transition from informal towards formal economy and employment among the three areas for action (the other two being

¹⁹¹ According to a definition used by the ILO, informal economy is understood as enterprises and workers not covered or insufficiently covered by formal arrangements and includes also self-employed. Informal sector means enterprises which have not been registered and usually do not comply either with the domestic legislation related to payment of taxes, and social security contributions, working conditions, e.g., minimum wages or health and safety at work and others. Informal employment relates to situations where a person is not offered a written contract, social security contributions (e.g., to a pension scheme or health care) are not paid, wages are usually low and there are no protections related, e.g., to unemployment, illness, or accidents at work (ILO, 2015a).

support for young people's employability, and social dialogue and collective bargaining) and proposed the extension of social security coverage to informal workers (ILO, 2019).

In the coffee sector, work is mostly informal, in particular on small family plantations and larger farms but with traditional production systems. In the latter, permanent workers are complemented with seasonal ones, hired for a day, a week, or a month, mainly during the harvest season. Large and modern undertakings offer permanent jobs. They also employ migrant workers (Bessou et al., 2020).

In shrimp production, there is very little information available which would suggest job characteristics. In aquaculture, covering both, fish and shrimps, there are 15 large companies and 51 of a smaller size, most of them informal (PRODESI, 2020). The latter would suggest an informal nature of jobs as well, while the likelihood of formal jobs may be higher in larger formal companies involved in international trade given a need for them to comply with SPS standards, be on a list of companies approved for exports (to the EU), have (at least potentially) a higher exposure to inspections and consider (again, at least potentially) labour-related aspects in the context of image and customer expectations. In the maritime fisheries, one of the PRODESI publications suggests an informal character of enterprises (vessels), (PRODESI, 2020) which, in turn, would suggest informal nature of jobs, while the 2004 Law on Fisheries (Aquatic Biological Resources Law) requires them to obtain licences for operation in certain areas and catch limits, observe health and safety at work conditions and buy insurance policies, including against accidents at work. The latter would not imply automatically that jobs will be formal but would nevertheless suggest better working conditions. In 2016, Angola ratified the ILO Convention No. 188 on work in fishing, which applies to all fishers and all fishing vessels operating in commercial finishing. It requires a written work agreement to be signed by every fisher and the vessel owner (or a Party employing the fisher) and outlines working conditions, being in line with detailed requirements set out by the Convention. Implementation of this Convention by Angola and its observance by vessel owners, would mean that all jobs in commercial maritime fishing should be formal. In this context, it is to note that the General Labour Law in Angola does not require a written form of job contracts, except in a few cases, e.g., when hiring a person who will work on a vessel, which again suggests a formal nature of work in the fisheries sector. In the report published in 2021, the ILO Committee of Experts provided comments on the first report of the Government of Angola in relation to implementation of the Convention No. 188. The Committee noted that the General Labour Law is not fully in conformity with the Convention and should be aligned with it. One of the provisions that will need a change relates to written work agreements and envisages that a contract with a fisher shall be concluded in a written form except when the duration of the voyage is estimated to be up to 21 days. The Committee observed there should be no exceptions from the rule on a written form of the work agreement and requested the Government to take the necessary measures to ensure that this right of fishers is respected in all cases irrespective of the duration of the voyage. Another comment related to the scope of the application of the Convention, where the Government suggested full application of the Convention to industrial fishing, and partial application for semi-industrial, artisanal, and inland waters fishing (CEACR, 2021).

Poverty and inequality

Factors influencing the current situation in Angola related to poverty and inequality include e.g. Angola's recent past with the civil war ended in 2002, when over decades investment in education and skills development was very low (up to 75% of teachers did not receive any preparation for their profession, the literacy rate among youth is only at 75%, 1 in 6 school-age children does not attend school and only 6% of secondary school-age girls in rural areas are enrolled in school). In addition, the civil war damaged a large part of the infrastructure, incl. roads, bridges, schools, and hospitals, and still today, rural areas are poorly connected with the rest of the country. The road network, with a density of 6 km/100 km², is one of the least developed in Southern Africa. The rural access index is the fourth

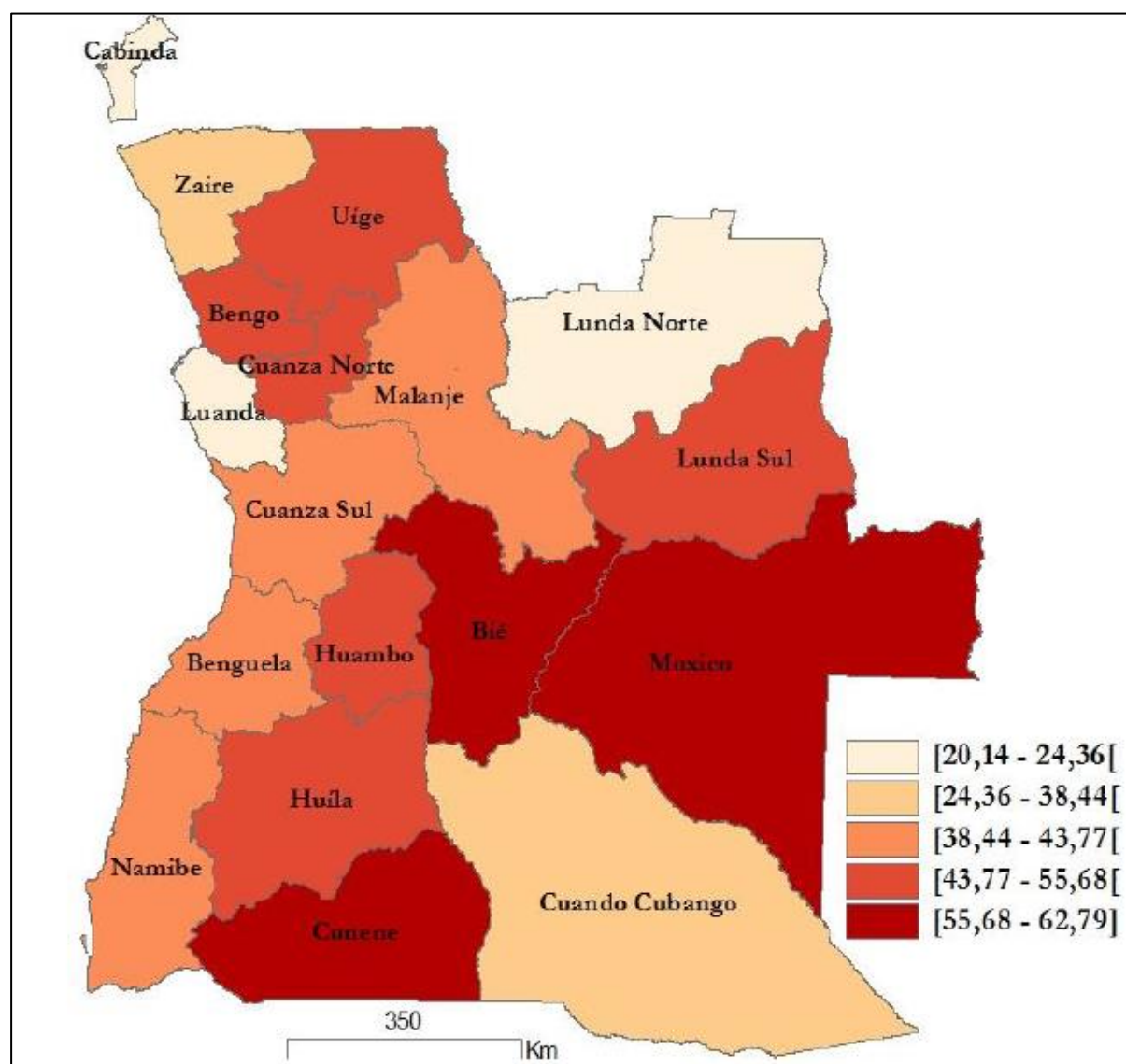
lowest in the world after South-Sudan, Chad, and Mali, and only 17% of classified urban roads are paved. This in turn means limited access to markets, food and education or health care facilities. Moreover, the structure of the economy, highly dependent on oil extraction and exports, and vulnerable to external shocks, has not benefited a larger part of the population from the export revenues. Conversely, the vulnerability of revenues and high dependence on food imports mean that food availability and prices are instable (World Bank, 2020).

In 2018-2019, 40.6% of the Angolan population lived in poverty (the poverty rate in urban areas was 29.8% and in rural areas 57.2%) (INE, 2019). Poverty outside the capital is mainly related to low-productivity subsistence farming and rural areas, while in urban areas it is linked to unemployment and informality (World Bank, 2020). A survey from 2008-2009 showed a poverty rate of 36.6%, which would suggest that over the last decade poverty levels in Angola increased (INE, 2013). Moreover, given the increase in population, the absolute number of people living in poverty increased (World Bank, 2020). Differences in poverty rates between provinces (Figure 2) range from 20% (Luanda) to 62% (Cunene and Moxico), with Namibe, Benguela, Malanje, Cuanza Norte and Bengo having incidences between 42% and 48%. However, the largest number of poor people live in the coastal provinces, where the population density is the highest (Benguela, Huila, Huambo, Cuanza Sul, Luanda and Uige). In addition, over a third of all the poor people in Angola live in three provinces: Huila (1.3 million), Huambo (1.1 million) and Cuanza Sul (1.1 million). Two provinces (Huila and Lunda Sul) have also been highlighted for severity of poverty among their inhabitants. While Lunda Sul displays mainly urban poverty and has a small, but very deprived rural population, Huila is largely a rural area (World Bank, 2020).

According to a 2018-2019 survey about incomes and expenditures, large differences in income levels prevail between urban and rural areas. While the average monthly income nationally was AOA 15,454, in urban areas it was AOA 19,090 and in rural ones AOA 9,149. The average monthly income per person among the poorest 20% of the Angolan population in 2018-2019 was AOA 1,783, among the best-off 20% it was AOA 48,946, which means that the former represents around 3.6% of the latter (if incomes from the whole population are taken into account, the richest 20% own 63% of the total, while the poorest 20% have only 2% of it). The survey results suggest that poverty incidence in Angola increases with age (the highest, 45.3%, being among people of 45-54 years of age) and gaps in education (56.5% among persons not having completed any education and 17.3% among those with at least the secondary education). Moreover, while in households without dependent children the poverty rate is 17.3%, in households with three or more children it increases to 48.1%. It is also correlated with the number of household members and is five times higher in households with seven or more members compared to those with one or two persons. Moreover, salaried employees, in particular working in the public sector, are half as likely to be in poverty than self-employed persons (INE, 2019).

The Government planned to take actions removing 3 million persons from extreme poverty by 2022, investing annually €160 million in the framework of the Plan for Monitoring and Combating Poverty linked to the Integrated Plan for Local Development and Fight against Poverty 2018-2022. The areas for action included: 1) provision of basic services (e.g., school meals, basic health care services, water supply and maintenance of physical infrastructure), 2) support for family farming and entrepreneurship, incl. MSMEs; 3) social communication, mobilisation, and consultation; 4) employment generation; 5) social reintegration of former members of military groups, 6) decentralisation of administration and delivery of support through partnership with local authorities (Observador, on plans of Angolan Government, 2018).

Figure 2: Poverty in Angola in 2018-2019 by provinces



Source: INE (2019).

However, the falling oil prices and COVID-19 are likely to put further pressures on the Angolan economy and society, in particular in urban areas, given the large informal sector, job and income losses, reduced working hours, closure of hospitality venues, social distancing measures, additional expenditures on health care, and vulnerability to external shocks and their influence on inflation rate and food prices (IMF, 2020; World Bank, 2020).

Consumers, incomes, and expenditures

Factors influencing the current consumer situation in Angola include the macroeconomic events of 2014-2015 and the stabilisation programme of the Government, impacting negatively on consumer purchasing power (inflation rate of 42% in 2016) and price volatility of consumer products, given high dependence on oil exports and food imports covering more than 80% of consumption needs (ILO, 2019; World Bank, 2020). According to the 2018-2019 survey about incomes and expenditures, the largest part of the overall average income (48.3%) in urban areas comes from salaried employment, followed by transfers (14.7%), whereas in rural areas, 32.7% come from production of goods and services for own consumption, and income from self-employment (30.3%). Households headed by a man had on average higher incomes (AOA 16,396) than those led by a woman (AOA 12,832). Income increased also with the level of education of the head of the

household (in the case of them having at least the secondary education, the income was four times higher than in the case of no completed education and three times higher than in the case of completed primary one). Higher incomes were also related with work in the public sector. Regarding sectors of economic activity, the highest incomes were related with work in mining (AOA 30,961), followed by services (AOA 25,737), while a few sectors reported incomes of AOA 14,000 to AOA 18,000 (transport and communication, processing industry, construction, trade, and financial services). Agriculture and fisheries featured on the lower end of the scale, with AOA 8,064.

Whereas the national Gini coefficient¹⁹² is 0.59 for the whole country, income inequality levels across provinces range from around 0.5 to 0.67. Regarding composition of expenditures in 2018-2019, food took 43.2% of disposable income. Non-food expenditures related mainly to dwelling maintenance (22%), rent (14%), health (14%), furniture and durable goods (13%), while other categories, such as clothes, transport, education, and leisure accounted for between 3% and 5% each (INE, 2019).

Labour standards

Angola has ratified all eight ILO fundamental conventions and two priority ones (No. 81 on labour inspection and No. 144 on tripartite consultations). In 2013-2017, Angola was highlighted every year by the ILO Committee on the Application of Standards for failing to meet the reporting obligations or the obligation of submitting ILO instruments to competent national authorities. In 2019, Angola failed to provide seven Government reports due on fundamental, governance and technical conventions, including No. 87 and 98 on freedom of association and the right to collective bargaining, No. 100 on equal pay for work of equal value and No. 81 on labour inspection. The ILO emphasised on those occasions that if needed, countries being in such a situation may ask the ILO for technical assistance in meeting their reporting obligations (Angola subsequently submitted the reports in 2020, except for convention No. 100).

Child labour (Conventions No. 138 and 182): The ILO Committee of Experts noted in 2018 that children in Angola are involved in the worst forms of child labour, including work in diamond mines, fishing industry and in streets and being subject to commercial sexual exploitation. On the positive side, the Committee noted an increasing enrolment in primary and secondary education (CEACR, 2018). According to the 2019 Report of the US Labour Department, the Angolan Government adopted the Law on the Protection of Victims of Trafficking in Persons and the National Action Plan to Prevent and Combat Trafficking in Persons to ensure comprehensive protection to victims of trafficking, incl. measures to protect child victims. Moreover, national awareness raising campaigns were conducted to combat the worst forms of child labour and children's involvement in criminal activities (Jornal de Angola, 15 July 2020), and registry offices were opened in maternity wards in hospitals to register births to facilitate the identification of children and their later school enrolment. In addition, the Ministry of Justice and Human Rights announced a mobile campaign in specific pilot areas aimed at registering all Angolans by the end of 2022 (US Dep. of Labour, 2019). According to INAC, the National Children Institute, only 25% of children aged 5 years and less in Angola have been registered (Folha 8, December 2019).

In 2008-2009, 20% of children in Angola aged 5-17 years were involved in child labour (10.6% in urban areas and 31.8% in rural areas). Their share was related to the level of family welfare, with 25.9% of children from the poorest 20% of families being involved in child labour compared to 11.1% from the richest 20%. Around two thirds of working

¹⁹² The Gini coefficient is a measure of statistical dispersion intended to represent an income or wealth distribution among the residents of a given country or region and is the most commonly used measure of inequality. Zero expresses perfect equality, where all values are the same (e.g. everyone has the same income) and 1 (or 100%) maximal inequality among values (e.g. one person has all the income or consumption, and all others have none).

children attended school (INE, 2011). In 2015-2016, still 23% of children aged 5-17 years were involved in child labour and 70% attended school. Work included farming activities, incl. cultivation of rice and vegetables, fishing, cattle herding and production of charcoal. In industry, children worked in coal and diamond mining, and slaughtering of animals, and in services and utilities, in construction, domestic service and street work (selling products, car washing, shoe cleaning and carrying heavy loads). In 2019, the National Association of Street Vendors reported that nearly 50% of street vendors in the country are children under the age of 18 (US Dep. of Labour, 2019). Child labour rates were higher in rural areas (32%) than in urban ones (19%). Regionally, the provinces Cuanza-Sul (45%) and Cuando Cubango (39%) had the highest rates of child labour (Angop, July 2018; Nova Gazeta, June 2019). Other provinces registering child labour include Luanda, Bengo, Huíla, Benguela, Huambo, Cabinda, Lunda Norte and Lunda Sul.

Moreover, there are cases of violence against children and children's rights going beyond child labour, including children abandoned by fathers or parents (with the result of living in poverty and not being registered), physical, psychological or sexual violence, trafficking in children, and others (Jornal de Angola, 12 July 2020 and Leite, O. RR, June 2020). While education is free up to ninth grade, families often face informal fees, such as payment for books and to school officials. Moreover, there the number of teachers is insufficient, infrastructure is underdeveloped, and children without a birth certificate can attend school only up to sixth grade.

An institutional set up to protect children's rights is in place but requires strengthening (US Department of Labour, 2019). The National Action Plan to Eradicate Child Labour has been elaborated foreseeing better access to education and professional training for children and young people, and mapping regions in the country with child labour occurrence, and its types (O País, 19 June 2019, Bento, D.). Angola has also participated in cooperation of Portuguese-speaking countries in combating child labour (ILO, IPEC, Angola).

In the fishing sector, cases of child labour have been reported in artisanal fishing, including activities, such as cleaning fish for deep freezing or sun drying (US Department of Labour, 2019). We did not manage to find evidence which would either confirm or exclude presence of child labour in the commercial finishing. However, we note that Angola ratified in 2016 the ILO Convention No. 188 (Work in Fishing) which sets the minimum age for work on board of a commercial fishing vessel at 16 years of age and for the light work, at 15 years. Hazardous work is prohibited for persons under 18 years of age. While Angola's legislation is not fully in line with the Convention, it establishes that a seafarer's document may only be granted to a person over 18 years of age, while a certificate of fitness needed for maritime fishing, may be issued for persons under 18 years of age (CEACR, 2021).

In agriculture, child labour is often related to subsistence family farming or the strive to meet basic needs, most recently with paid work in provinces of Namibe, Huíla and Cunene, where drought and hunger have contributed to disintegration of many families and forced children and adolescents to look for food. It is estimated that in the province of Namibe around 50,000 children are in such a situation, many of whom have come from other provinces, incl. Huíla and Huambo (Angop, May 2021). We did not manage to identify data which would either confirm or exclude child labour's presence on large farms producing for exports, incl. to the EU, however, other evidence suggests its lower likelihood there.

Children aged 11-14 years are also engaged in retail trade in streets (e.g., in the province of Cunene and the capital, Luanda) and informal markets, selling mainly food (e.g., bread, fish, or nuts) and drinks (tea, coffee, or fresh water). Poverty and the need to support the household's budget is the main reason for them to start. Others include disintegration of families, violence, being abandoned by parents or lack of interest from parents or other family members (Jornal de Angola, 12 June 2018; 15 July 2020, 20 July 2020; 12 June 2021).

Child labour has also been reported in the mining sector, incl. diamond extraction. In 2018 and 2021 reports spoke about children as young as 12 years of age (the majority of them originating from the DR Congo) working in illegal diamond mining and extraction of other natural resources in Angolan provinces at the border with the DR Congo (Malanje, Lunda Norte and Lunda Sul, Cuanza-Sul, Cuando Cubango, Bié, Moxico, Zaire and Uíge) (Ecclesia, Nov 2018; DW, July 2021).

There are also ongoing activities to address child labour and ensure protection of children's rights. The National Children's Institute (INAC) supported by UNICEF has set up a national hotline (SOS Crianca) for reporting cases of violence, exploitation (incl. child labour) and abuse against children and works to strengthen capacities of frontline service providers. In 2020, the hotline received 135,179 reports about violence of children's rights, including 14,196 cases of child labour. The highest number of reported cases came from Luanda (46,602), followed by provinces of Benguela (17,913), Huambo (13,358), Huila (11,697), Bié (9,808) and Zaire (8,433) (INAC, MASFAMU, 2020). UNICEF (with funding from the EU) has also supported INAC and the Ministry of Social Action, Family and Promotion of Women to develop procedures to address violence against children, incl. child labour, with defined roles and responsibilities of ministries and other institutions, incl. schools, health care services, local authorities, police, judiciary, border police and others and actions to take at each stage of a procedure (INAC, MASFAMU, 2019). It aims to guide practitioners in handling cases of different nature, incl. child labour exploitation. The development of procedures involved multi-sector consultation and in addition, around 1,000 professionals from participating entities received in-service training to mainstream the uptake of these new instruments for case management. As part of technical assistance, UNICEF has also been supporting INE in the development of questionnaires on child labour that will be used during the household survey (Multiple Indicator and Health Survey) to determine the scale and nature of the problem (information provided by UNICEF). INAC and NGOs organise awareness raising campaigns to inform families of working children and local communities about negative impacts of child labour, notably if children do not attend school.

Non-discrimination (Conventions No. 100 and 111) focuses on groups of workers who are or may be disadvantaged on the Angolan labour market, e.g., youth and migrant workers (the situation of women is discussed separately in Annex D2). In this context, the National Development Plan 2018-2022 and the ILO Decent Work Country Programme both foresee initiatives to support employability of young people, but also their broader participation in the social and economic development of the country, incl. through voluntary work, activities in associations, and entrepreneurship. They also acknowledge the need for coordination between initiatives to diversify the economy and exports through support to selected sectors and skills development to prepare people to take jobs in these sectors or set up their own enterprises (Governo de Angola, 2018; ILO, 2019).

In its 2019 Report, the ILO Committee of Experts noted with regret regarding Convention No. 111 that despite it raising for a few years the need to amend the General Labour Act in Angola to fully reflect provisions of the convention related, e.g., to grounds of discrimination or removing restrictions in women's access to work, the new General Labour Act adopted in 2015 did not include any of the requested amendments. Regarding Convention No. 100, the Committee of Experts noted that while the new General Labour Act included some of the amendments requested by the Committee, it had nevertheless missed the opportunity to bring its provisions fully in conformity with the Convention (CEACR, 2019).

Regarding youth, in 2018-2019, around 38% of people of 15-24 years of age were present in the labour market in Angola. It was worrisome that 12.3% of youth of 15-17 years of age only worked (i.e., did not continue education) and 24.1% of those between 15 and 24 years of age were not in employment, education, nor training (across provinces, the highest rate, 46.4%, was registered in Cunene and the lowest in Uíge, 11.5%). Youth

unemployment was high (51.8%), and 68.5% of young people worked in informal jobs (INE, 2020).

Regarding migrant workers, in 2013, around 184,000 citizens of other countries lived in Angola with a working visa (in 2011, there were 316,000). Most of them originated in China (103,000) followed by Portugal (23,000), Vietnam (18,900), Brazil (6,500), Cuba, the US, Philippines, India, France, the UK, and South Africa. In 2016, the total number of migrant workers increased to 206,000 and the proportions between national groups have changed, with an increasing number of Europeans and a decreasing number of migrants from Asia (INE, 2018).

Limited information is available regarding employment of migrant workers in Angola. Some evidence suggests that they are hired on larger farms and in modern undertakings in agriculture, e.g., in the fruits and vegetables sector (Jornal de Angola, 19 July 2020) or on coffee plantations (Bessou et al., 2020), i.e., in sectors which may experience increase in exports to the EU thanks to the accession to the EPA compared to a situation without the Agreement. Moreover, medical staff from other countries is present in Angola and there are claims that they are offered better conditions than Angolans working in this profession (VOA, July 2021). Findings from a study conducted in 2016-2017, complemented in 2018 by a survey carried out in 37 companies in the construction sector and in production of construction materials, suggest that staff at the management level comes mainly from countries owning the companies, i.e., Brazil, China, and Portugal. Angolan companies also hire foreigners as having more experience in the sector and in management. Only in 3 out of 37 companies Angolan citizens represented a majority in the management roles. In other jobs, Angolan workers represented a majority, but the proportion to migrants depended on the ownership of the company, i.e., in Chinese companies, Chinese workers represented 29% of staff in the construction sector and 22% in production of construction materials, while in other companies, migrant workers represented 15% and 8% of staff in the two sectors respectively. Moreover, the study revealed that over time, the proportion of Angolan workers to foreigners was increasing, as skills were developed (Oya, Wanda, 2018).

In October 2020, a Presidential Decree established that recruitment in oil extraction should give a preference to Angolan workers. However, there is a consideration that for it to be effective, there will be a need for vocational training and skills development for Angolan workers to increase their employability in the existing and new jobs in the sector and to be able to compete with migrant workers (DW, October 2020). Finally, there is evidence that in diamond extraction, notably in illegal activities, migrant workers (children and adults) are employed, originating mainly in the DR Congo (Ecclesia, November 2018).

Forced labour (Conventions No. 29 and 105): The Angolan Constitution and the General Labour Act prohibit forced and compulsory labour, and the Criminal Code foresees up to 12 years of imprisonment for trafficking in persons for sexual or labour purposes. Penalties are also foreseen for agency intermediaries and employers who confiscate the identity documents of workers, change contracts without workers' consent or withhold payment of wages (Meusalario.org, Trabalhos Forçados). In its 2018 Report, the ILO Committee of Experts requested Angola to bring certain legislative acts in line with the Convention No. 105, including the Act on Strikes, to avoid a situation that taking part in a strike which is lawful in the light of the ILO Conventions, but can be considered illegal according to the Angolan domestic legislation can be sanctioned with imprisonment and forced labour (the latter can be imposed in Angola on prisoners) (CEACR 2018). According to the US Department of State (2020), Angola has improved its record in addressing trafficking in persons by increasing the number of prosecuted traffickers and enhancing cross-border cooperation. Moreover, law enforcement and social services have referred all identified victims of trafficking to care services (compared to referring only half of them in the previous year). The anti-trafficking commission finalised and launched a five-year national action plan with dedicated resources for its implementation. Recommendations for further

efforts include training front officials in identifying victims of trafficking, in particular from vulnerable groups and foreign citizens, as well as enhanced work in prosecuting traffickers. Moreover, Angola should use the SADC data collection tool to improve work to collect, synthesize, and analyse data related to nationwide law enforcement and victim protection (US Department of State, 2020).

According to the Global Slavery Index, around 199,000 persons in Angola are estimated to live or work in conditions of modern slavery (2018 Global Slavery Index). Past evidence includes cases of individual companies, as well as certain sectors. For example, in 2017, a Brazilian construction company and its two subsidiaries were sentenced to pay USD 10 million as a compensation for damage related to trafficking in persons and employing 400 workers in conditions akin to slavery at the construction site of a sugar and ethanol factory in the Angolan province of Malanje (VOA, March 2017; BBC News March 2017). In 2018, a company in the fisheries sector in the province of Benguela owned by Chinese investors was accused of applying working conditions close to slavery to its over 400 workers. This included long working hours, a limited time to see the family and a risk of being fired upon a delayed return among others. The local authorities gave the company 15 days to address the problems (RFI, July 2018; VOA, July 2018). The same company was accused again in 2020 of applying modern slavery after it reportedly had not allowed the workers to leave the premises for three months. The company and some workers explained this was due to COVID-19 and should be seen as an attempt to avoid contacts with people from outside the factory (VOA, June 2020). Extraction of diamonds is also linked with forced labour and child labour (Anti-slavery; O novo jornal, July 2018). In 2018, reports spoke about children as young as 12 years of age (the majority of them originating from the DR Congo) working in illegal diamond mining and extraction of other natural resources in the northern and eastern provinces of Angola along the border with the DR Congo (Malanje, Lunda Norte, Lunda Sul, Cuanza-Sul, Cuando Cubango, Bié, Moxico, Zaire and Uíge). Also in 2018, the Angolan Government deported 500,000 Congolese citizens, including 80,000 children (most of them not accompanied, which suggests that they may have entered the Angolan territory as victims of trafficking in persons to be used as a cheap source of labour) (Ecclesia, November 2018). Trafficking in children of 12 and more years of age has also been reported in 2021, for extraction of diamonds and other minerals, as well as other forms of work in Angola and abroad. Traffickers have used children in criminal activities given that children (due to young age) cannot be prosecuted. The provinces of Luanda, Benguela and those at the borders (Cunene, Lunda Norte, Namibe, Uíge and Zaire) are most at risk of human trafficking. In Cunene, for example, due to drought, in some villages children have been forced to leave school and go for long distances to find water, dig wells, or look after cattle in pastures. Non-accompanied children may then easily fall victims of human trafficking and be taken to any of the neighbouring countries or further (including to Europe) to work in domestic service and other forms of hazardous or forced labour (DW, July 2021).

Freedom of association and the right to collective bargaining (Conventions No. 87 and 98): The Angolan Constitution guarantees freedom of association and the right to strike (further provisions are included in the 2015 General Labour Act and the 1992 Trade Unions Act) (Meusalario.org/Angola, Sindicatos). However, new legislative proposals considered by the Government in 2019 (the new Act on Strikes and an amendment to the General Labour Act) were likely to limit the possibility to exercise the right to strike (by putting limits on its scope and duration) and freedom to form trade unions (by setting up a large minimum number of workers to establish a trade union). Moreover, workers exercising trade union activity could be dismissed (O Pais, 7 June 2019, Teixeira M.). The proposals were criticised by trade unions (National Union of Angolan Workers – UNTA, and General Centre of Independent and Free Unions of Angola – CGSILA) as a step backwards in the respect of worker rights and violation of ILO conventions No. 87 and 98 (Vanguarda, May 2019). In its 2021 Report, the ILO Committee of Experts took note of the ongoing revision of the 1992 Trade Unions Act and 1991 Act on Strikes and expressed the hope that its comments suggesting amendments to their previous versions would be taken on board.

The Committee requested information and, when needed, legislative changes regarding measures to ensure respect for the right to organise of civil servants, promotion of collective bargaining and penalties for acts of trade union discrimination (CEACR, 2021).

Trade unions are present in different sectors in Angola, both public and private, and seem to be active, advocating respect for workers' rights. For example, in July 2021, a trade union representing medical staff drew attention to difficult working conditions in the province of Malanje, including long working hours, low wages and the lack of medical equipment and medicines in hospitals and health care centres, and reportedly a discriminatory treatment of Angolan staff compared to foreigners (VOA, July 2021). In May 2021, trade unions representing public sector staff (administration, health care and services) launched a strike against low wages. It was put on hold after two days due to beginning of negotiations with the Government. The latter had three months to present solutions (VOA, May 2021). In 2018 and 2020, a trade union representing workers in the fisheries sector raised the issue of working conditions akin to modern slavery in a company owned by Chinese investors (VOA, June 2020). In early 2021, trade unions submitted a proposal for revision of the General Labour Act to better balance the rights of workers compared to employers (there was, however, no reaction by the Government for four months and only later it suggested an evaluation of the implementation of the Act before any changes were considered). Later in 2021, trade unions raised the problem of low wages and salaries not being paid to public servants for seven months, as well as the lack of social protection of workers (DW, May 2021). Also in 2021, the Government and the Institute of Professional Development of public sector staff appealed to trade unions to add to their priorities cooperation with the Government and other relevant institutions in support of professional development of public sector employees to equip them in the knowledge and skills necessary to carry out reforms and projects underpinning sustainable development of the country (Angop, April 2021). In 2018, international trade unions (ITUC) intervened after the Government of Angola had announced suspension of salary payments to 64,000 public sector workers due to missing documents in their personal files, such as photos or residency certificates, which however they had already submitted as part of the recruitment process. ITUC flagged that the decision had not been consulted with the social partners and was in breach of ILO Convention No. 26 on minimum wage fixing, which Angola had ratified (ITUC, June 2018). Also in 2018, a trade union representing workers of the justice sector announced a strike and engaged in talks with the Government to improve working conditions in the sector, including wage update, career development, promotions, confirmation of permanent employment and others. The Government admitted that in the past, there had not been much of engagement with trade unions in the justice sector and that such dialogue should commence (Jornal de Angola, 23 May 2018). In 2018, trade unions representing workers in enterprises producing machinery for agriculture announced strike due to non-payment of wages. In addition, trade unions in the transport sector prepared a case for the labour tribunal due to the non-payment of social security contributions for workers (resulting in the lack of pensions). They also expressed concern that some workers in the sector had not had performance appraisals for up to 10 years (Jornal de Angola, 24 Aug 2018). Also in 2018, the National Union of Workers of Angola informed about problems with trade union registration and practices in public sector companies (e.g., infrastructure and airports) to intervene in the election of members of trade union commissions (ITUC, Feb 2018).

Working conditions: The General Labour Act outlines provisions regarding wages, incl. the mechanism of setting a minimum wage, which is established by a Decree of the Council of Ministers upon a proposal of the Minister of Protection, Labour and Finance following recommendations of the National Council of Social Dialogue, composed of employers, workers, and government representatives. The minimum wage level takes into account the price index, the average wage level in the country, living conditions of certain groups, productivity, economic development and the need to achieve and keep a high employment level. It is often set separately for agriculture, transport, services and the processing industry, and commerce and extraction industry. Regarding contracts, the Act does not

require to have them in a written form, except in a few cases, e.g., when hiring a foreign employee, a person who will work on a vessel, or in domestic service. There are permanent and fixed-term contracts, whereas the latter can be renewed several times, up to five years in total in the case of large businesses and up to ten years in the case of MSMEs. The General Labour Act envisages a working week of up to 44 hours, with eight hours a day. In cases of intermittent work or work requiring just presence at the workplace, the total number of working hours within a week can be extended up to 54 hours, with 9 to 10 hours a day.¹⁹³ Work in overtime should be compensated with an additional payment, above the normal hourly rate, in line with rates provided by the legislation, ranging from 110% of the normal rate in microenterprises (for the first 30 extra hours) to 150% of the normal rate in large enterprises (for hours going beyond 30 in total, the legislation envisages rates from 110% to 175%) (Ahmad, Barros, WageIndicator, 2020). In 2008-2009, the working week in Angola was on average of 39 hours (poor people worked on average 35 hours and not poor, 41). Longer hours (42) were related to higher levels of education, urban areas (44), and private sector (45) and the longest ones to work in sectors, incl. trade (48), extractive industries (48), construction (46), transport (46), financial activities (45), fisheries (44) and hotels and restaurants. The shortest working week was recorded in education (29), agriculture (33), health care and social services (37) (INE, 2013).

In 2017, 1.6 million workers out of 9.7 million, i.e. 16.5%, were covered by social security, while in 2018, that group increased to 1.7 million. The General Labour Act also includes provisions about Occupational Safety and Health (OSH) and imposes on employers an obligation to adapt working facilities and conditions in a way to reduce risks. They also need to integrate OSH activities into daily management of the undertaking. Companies with over 50 workers need to organise OSH services, incl. personnel and training (Ahmad, Barros, WageIndicator, 2020). In 2017, 1,096 accidents at work were registered, incl. 926 light, 144 serious and 26 fatal. Out of these, 333 (i.e., 30.4%) were registered in construction, 225 (20.5%) in trade, 138 (i.e., 12.6%) in provision of services, 124 (i.e., 11.3%) in industry, 63 in energy, 47 in transport, and 27 in mining. In 2018, the overall number increased to 1,499 (1,094 light, 365 serious and 40 fatal).

Regarding the enforcement of labour legislation, in 2017 labour inspection carried out inspections in 5,384 enterprises covering in total 152,189 workers. In 2018, the number of inspected enterprises increased to 5,791 and the number of workers to 161,687. The highest number of inspected enterprises operated in trade (46.7%), followed by services (21.2%), industry (11.4%), construction, health care and agriculture (Ministério da Administração Pública, Trabalho e Segurança Social, 2019). Angola has ratified ILO Labour Inspection Convention No. 81 but did not provide a report due in 2019 on this convention. The National Union of Angolan Workers submitted to the ILO observations, according to which the labour inspection in the country is weak, with a low number of inspectors compared to the number of enterprises to inspect, low salaries for inspectors and insufficient means of transportation for the conduct of inspections (CEACR, 2020). In its 2021 Report, the Committee of Experts noted information provided by the Government regarding the increase of the total number of labour inspectors from 144 in 2016 to 277 in 2021. They include 56 managers, 130 senior technical experts and others at lower grades. They work in 18 provincial offices and in the central authority. The latter provides offices, facilities, and equipment for conducting inspections. The Government admitted that there is an insufficient number of vehicles serving as transport means for inspectors. The Committee requested further data regarding working conditions of labour inspectors, incl. salary levels. It also noted that a report of labour inspection services has not been communicated by Angola since 2016 (CEACR, 2021). The National Development Plan 2018-2022 foresees the improvement of working conditions by improving the operation of labour inspection services (increased number of inspectors, professional development, and

¹⁹³ Meusalario.org/Angola, Trabalhos Forçados: <https://meusalario.org/angola/lei-geral-do-trabalho/tratamento-justo/trabalho-forcado>

increased number of inspections) and a focus on health and safety at work (awareness raising actions leading to reduction in the number of accidents at work and occupational diseases) (Governo de Angola, 2018).

Corporate Social Responsibility (CSR)

According to a 2013 UNDP report outlining the CSR landscape in Angola, based on information from a sample of 100 companies present in Angola, CSR activities were carried out at least in nine sectors represented in the sample. These included oil and gas, construction, banking, transport, telecommunications, beverages, insurance, mining, infrastructure, and agro-industry. In the oil and gas sector, which was most advanced in CSR practices, all surveyed companies had a CSR strategy and a unit in the company responsible for sustainability or CSR activities, all were aware as well and followed Global Compact principles, and spending related to CSR was focused mainly on education and health. Companies in other sectors were less advanced in implementing CSR practices and there was a larger dispersion of the situation within each sector. CSR-related expenditures were directed towards health of employees, training programmes, youth support, promoting gender equality, supporting local economic development, environment protection, etc. (UNDP, 2013). Moreover, individual companies, e.g., BP publish sustainability reports outlining activities and impacts of their operation on safety, human rights, society, and environment (BP in Angola, 2018).

Civil society participation

Compared to other, more comprehensive TSD chapters, the one in the EU-SADC EPA does not include provisions requiring the establishment of civil society Domestic Advisory Groups (DAGs), nor holding Civil Society Forum meetings. Under other EU FTAs, these bring together annually representatives of the Parties and their civil society to discuss the implementation of the TSD chapter and impacts of the FTA on sustainable development. Article 10 of the EPA only states that "Dialogue and cooperation on this Chapter by the Parties, through the Trade and Development Committee, may involve other relevant authorities and stakeholders".

So far, upon the EU and civil society initiative, one Civil Society Forum meeting took place in 2017 (SADC-EU EPA, Civil Society Forum 2017) and over the last few years, the Trade and Development Committee discussed the possibility to establish a Joint Platform for Civil Society Dialogue, however, without any tangible outcomes (TDC, February 2018; TDC, November 2018; TDC, February 2019; TDC, February 2020).

The European civil society, including the European Economic and Social Committee (EESC) has been advocating since 2017 inclusion of civil society of all Parties into a dialogue about the EPA, its implementation, including TSD chapter and impacts. The EESC representatives participated in the Civil Society Forum/High Level Dialogue with civil society from SADC countries in 2017 (SADC-EU EPA, Civil Society Forum 2017) and in 2018, an EESC member (Chair of the EESC EU-ACP Follow-up Committee) delivered a presentation at the Trade and Development Committee meeting on civil society role in implementation of EU trade agreements and an EU civil society dialogue (led by the EESC) with African economic and social interest groups (TDC, November 2018). Moreover, an EESC representative spoke at the first meeting of the EU-SADC Joint Council in 2019 and the Council in its Communiqué (paragraph No. 10) "noted the importance of participation of non-State Actors in the implementation of the EU-SADC EPA and the commitment undertaken to co-facilitate the organisation of a meeting at least once per year of non-state actors' representatives from both the EU and the SADC EPA States to discuss EPA-related issues and EPA implementation" (EU-SADC Joint Council, 2019).

Annex D.2: Baseline for Gender Impact Analysis

Overall framework and situation of women in Angola

In the Global Gender Gap Index 2020, Angola ranked 118th out of 153 countries, and 96th in the category “Economic participation and Opportunity” for women (WEF, 2020). Angola has signed and ratified several regional and international treaties and protocols geared at promoting gender equality, such as CEDAW’s Optional Protocol in 2007, the Maputo Protocol (2007), SADC’s Protocol on Gender and Development (2008), African Union’s Solemn Declaration on Gender Equality in Africa and AU’s Gender Policy, amongst others (UNCTAD, 2013). Angola has also ratified two related ILO fundamental conventions, No. 100 on equal pay and No. 111 on non-discrimination at work. The national legal and policy framework relevant for women includes also National Policy on Gender Equality and Equity (Decree 222/2013), National Programme for Support of Rural Women (Decree 138/2012) and the Strategy for advocacy and resource mobilisation for its implementation, National Development Plan 2018-2022, and Action Plans to support rural women and family (INE, 2018a). The 7th periodic report of Angola on its implementation of CEDAW’s provisions stated that the country had made progressive steps to promote female representation in politics (women making up 30.5% of Members of Parliament) (UNHR, 2019). Under the consecutive National Development Plans, policy measures aim at addressing the underrepresentation of women in all decision-making spheres, eliminating gender gaps in education, supporting employability and entrepreneurship of women, incl. women in rural areas, and raising awareness in local communities of gender equality (UN Women; Governo de Angola, 2018). While customary laws related to land tenure and inheritance (as well as limited legal protection on inheritance and property) have for long been governed by traditional practices that discriminate against women, the issue was still discussed in 2019 (UNCTAD, 2013; UNHR, 2019). Other gendered barriers faced by Angolan women and girls that remain to be addressed are embedded in patriarchal norms and traditional-cultural practices, such as child marriage, dowry practices, criminalisation of abortion, girls’ access to science, technology, engineering and mathematics, and all forms of gender-based violence (34.8% of the Angolan female population aged 15+ have experienced gender based violence by an intimate partner between 2005-2018) (UN Women, 2018, UNHR, 2019; SADC, 2020).

Women as workers

In 2018-2019, 85.5% of women of working age (15-64 years) in Angola were economically active, compared to 88.4% of men. Out of these, 69.4% women worked (72.6% among men) and 30.6% were unemployed (27.4% among men). Across sectors, 51.4% of women worked in agriculture, fisheries, and forestry (40.5% of men), 30.1% in wholesale and retail trade (12.0% of men), 6.7% in other services, incl. domestic service (2.5% among men), 3.7% in public administration, defence and social security (14.5% among men), 2.3% in education (4.6% among men), 2.0% in industry, and energy and water supply (7.2% among men), 1.4% in transport, storage and communication (8.8% among men), 0.8% in health care and social services (1.0% among men), 0.4% in financial activities, consulting and real estate (1.1% among men), and 0.1% in construction (7.0% among men) (INE, 2020). In 2014, the literacy rate in Angola (important for employability) was 65.5%, with large differences between men (79.6%) and women (53%), and urban (90.2% for men and 69.3% for women) and rural areas (59.8% for men and 25.1% for women). Moreover, 25% of both men and women did not have any completed education, while 30.5% of women and 55.8% of men had completed primary education, 11.0% of women and 17% of men had completed secondary and 2.1% and 3.5% respectively had a university degree. In 2016, women represented 24.2% of Ministers, 29.9% of diplomats and 20.9% in decision-making bodies of public administration (INE, 2018a).

Agriculture is and remains a major economic sector in the country, with over half of Angola’s poor population living in rural areas, depending mostly on subsistence farming for

their livelihood (FAO, 2014). In 2016, agriculture accounted for around 12% of the country's GDP. The farming sector used to employ up to 80% (now, around half) of the Angolan workforce, most of whom are women (UNCTAD, 2013a). Regarding traditional division of work, women cleared the land to prepare the soil for agriculture and engaged in local food trading, while men were herders and wage labourers (Countries and their Cultures). Another study describes the gender division of labour in agriculture in terms of men digging and maintaining ditches, in addition to clearing the ground, with women mostly attending to watering, weeding, thinning and harvesting activities (Tvedten, 2017). The feminization of the sector and inextricable impoverishment are interlinked with and result from gender disparities in education. The lack of education and high rate of illiteracy among women trap 70% of the female population in Angola in agriculture and informal work, with hindered chances of earning a basic wage (UNCTAD, 2013). In 2018, the GNI per capita for women was USD 5,497, markedly lower than the USD 8,169 for men (World Bank Group, 2018). Poor agricultural practices and the exodus of men to urban areas to achieve better living conditions also leave women with gendered barriers such as the double burden of paid and unpaid care work, leading into time poverty (UNCTAD, 2013a). From another angle, agriculture has a substantial development and growth potential, with 58 million hectares of fertile land available for exploitation, which could help to return Angola to its once pre-independence self-sufficiency in food production and to create job opportunities, incl. for women. However, constraints include the poor state of infrastructure like roads, and the need to demine land (UNCTAD, 2016).¹⁹⁴ Noteworthy, in 2017, the HALO project was devised to employ and train 100 women to clear landmines and make Angola's lands safe again (The Halo Trust).

What used to be the third main pillar of Angola's economy, the fisheries sector, has today decreased in relevance. Nonetheless, it accounted to 3.7% of Angola's GDP in 2017, with forecasted growth of 4.7%-8.3% by 2022, based on the Angolan 2018-2022 National Development Plan. In 2017, production amounted to 532,014 tons (Export.Gov, 2019), and in 2016, the sector engaged 125,442 persons, out of whom 8% (20,000) were women. Mostly involved in the inland sector, (FAO, 2018) women's main fishing activities encapsulate limited-gear fishing techniques like gill nets, handlines, cast nets, traps, and small-mesh seines, as well as artisanal fishing and fish processing (salting and smoking) (IFAD, 2014). National commitments to expand production in fisheries through investments in (i) Artisanal Fisheries (e.g., with a USD 40 million loan to Angola in 2013 by AfDB) and (ii) aquaculture production (e.g., with a USD 11.1 million loan from IFAD) included also support to women who represent 80% of small-scale fish processors and traders. It is estimated that if the fisheries sector (fish and processed fish products) contributes to diversification of the Angolan economy and exports, fish processing may offer employment opportunities for women, as it has been the case in some of the fish-exporting countries (UNCTAD, 2013). As part of the National Development Plan, the Angolan Government provides support to artisanal fishing communities, including microcredits and support centres with facilities for boat maintenance, fish processing and docks (Export.Gov, 2019).

Moreover, in a bid to help Angola build a more diverse, inclusive, and resilient economy, less dependent on oil exports, the EU and UNCTAD launched in 2018 a four-year EUR 5.5 million project "EU-UNCTAD Joint Programme for Angola: Train for Trade II", which among its six areas for action includes support to small business development and scoping of non-oil opportunities (UNCTAD, 2018). Arts and handcraft have been mentioned among areas

¹⁹⁴ "The Angolan government has committed to clearing its landmines by 2025, and there is constructive collaboration between the government and mine clearing agencies, but the target will be achievable only if a decline in funding from international donors is reversed. International funding for mine clearance in Angola fell by more than 80% between 2005 and 2017, and this has compounded the impact on domestic funding for national clearance efforts as a result of the downturn in prices for Angola's main export commodities." Ch. Vandome, Chatham House (June 2019), Mine Action in Angola: Clearing the Legacies of Conflict to Harness the Potential of Peace: <https://www.chathamhouse.org/2019/06/mine-action-angola-clearing-legacies-conflict-harness-potential-peace>

where Angola has some potential for development. Both may represent employment and business chances for women.

The industry sector of Angola is at an early stage of development with the manufacturing sector allotting 8.6% to the national GDP (African Economic Outlook, 2016), estimated to fall to 4.8% in 2020 (Statista, 2020). Key domains are processed food and beverages, which employ a high percentage of women who also sell the goods in informal markets (UNCTAD, 2013). According to the National Industrialisation Program 2013-17, other key industry sub sectors include textiles and clothing, chemical and paper produce, and ornamental rocks (Africa Economic Outlook, 2016). Before the war, Angola used to be Africa's biggest cotton producer, but textile factories were destroyed, and today, even though the textile industry is on the recovery path, many fabric plants have closed down. The textile sector in Angola depends on cotton processing and farming of cotton seeds. Over the last few years, textile factories in Angola were facing challenges which had an impact on cotton processing and cottonseed farming, thus compelling the country to rely upon imported raw material. However, new investments have also been made in establishing textile processing plants, import of machinery and cotton cultivation (Fibre2Fashion.com, 2014). This included cooperation with Japanese investors to revive three major textile plants in Angola (Marubeni Brand Channel, 2018) with a potential to create over 3,000 jobs for young people, including women (Fibre2Fashion.com, 2014).

Women as entrepreneurs

According to the Global Entrepreneurship Monitor's (GEM) survey carried out in 2018-2019 in 59 countries globally, Angola has the highest rate of entrepreneurs among the working age population from all surveyed countries, i.e., 40.3% of men and 40.7% of women of working age are entrepreneurs (while the global average is of 13.9% for men and 10.2% for women). 23.5% of male entrepreneurs work on their own (47.8% among female entrepreneurs), while 1.1% of male entrepreneurs and 1.5% of female employ more than 20 persons. 3.1% of male entrepreneurs export more than 25% of their production (0.5% of female entrepreneurs). Regarding sectors of activity, 83.2% of women-led enterprises operate in wholesale and retail trade (compared to 63.4% for men), 7.7% in healthcare, education and social services (7.2% for men), 5.0% in manufacturing and transportation (9.7% for men), 2.6% in financial, professional, consumer and administrative services (7.9% for men), 1.2% in ICT - information and communication technology (4.9% for men), and 0.2% in agriculture and mining (6.9% for men) (GEM, 2019). According to a 2010 World Bank survey carried out among 360 Angolan companies, corruption has been considered as the biggest obstacle in running business by 24.8% of female managers (29.3% among men), access to finance was mentioned by 18.5% (12.4% among men), followed by access to electricity (15.4% of women and 5.2% of men), business licensing and permits (10.6% and 7.8%), access to land (8.9% and 18.1%), transportation (6.2% and 1.2%), informal economy practices as competitors (4.5% and 4.7%), inadequately educated workforce (4.0% and 4.4%), and customs and trade regulations (0.9% and 6.8%) (World Bank, 2010). There are some training opportunities available for female entrepreneurs, e.g., through the Entrepreneurial Women of Angola scheme run by the Angolan Federation of Women Entrepreneurs in cooperation with sponsors (Total, Angola).

Doing Business 2020 indicators also reveal gender parity when it comes to procedures, time and cost involved in starting a business in Angola. Noteworthy, no minimum capital payment is required, in contrast to most countries in the world, when launching a business in Angola (World Bank Group, 2020a), a fact that encourages and facilitates entrepreneurial initiatives, especially for poor women. The availability and ease of accessing micro-financing loans from banks benefit women, who make up 60% of clients. The loans can be as low as €180 with interest rates ranging between 2-4%. Usually, all is paid off within two years (Euronews, 2019). Hundreds of small women-headed businesses concentrated in local markets, tend to use the micro loans to travel and buy goods (known as 'suitcase traders') like clothes and shoes from Brazil, US, China, Thailand and other

parts of the world, to sell to women in Angola (BBC, 2017, Euronews, 2019). GEM 2018-2019, together with the Mastercard Index of Women Entrepreneurs 2020 Report, rated Angola high on the variable: (i) social norms that regard risk taking, innovation, individuality and creativeness in entrepreneurship as positive, and amongst the lowest for (ii) fear of failure - which may both (variables) be drivers for women (i) to launch businesses already at a young age (as per working age group) and (ii) to take relative risks and/or loans to start or scale up their businesses (Mastercard Index of Women Entrepreneurs, 2020).

With respect to migration, whereas historically Angola used to be a sending country, the ratification of the peace treaty in 2002 gave way to more political stability and economic growth in the country, a situation that since has enticed migrants to seek economic opportunities in and send remittance from Angola, including a high percentage of women coming from West Africa, especially from the DR Congo. In 2017, reportedly 330,818 women migrated to Angola. Cross-border trade is also very popular among women, as well as local trade activities whereby women mostly engage as street vendors. They sell food, water, drinks, furniture, and clothes, while their male counterparts run shops (Chico, 2020). In 2012, Luanda's local authorities announced the end of informal street trading in the capital, a decision with considerable gendered impacts, given that most female street traders had come to Luanda being displaced from rural areas during the war and lived in extreme poverty. Human rights organisations, e.g. HRW, reported afterwards physical violence against female street sellers, incl. pregnant women, and extortion of money, carried out by police and government officials. According to local authorities, street vendors were supposed to be registered and moved to formal marketplaces (HRW, 2013). However, informal retail trade remained in Luanda, due to the economic situation in the country and low level of education, being for many an only option to generate income. In 2017, the local authorities returned to the idea of ending informal trade in the capital (VOA, November 2017).

Women as traders

Regarding engagement in trade, the 2010 World Bank Enterprise Survey indicated that 2.5% of women-led enterprises and 5.9% led by men exported directly or indirectly at least 10% of their sales, however, when reply was narrowed down to direct exports, this related only to 2.4% of enterprises led by men (0% among those led by women). The use of imported inputs or supplies declared 57.8% enterprises led by women and 60.7% led by men. Regarding proportion of foreign inputs in the total of inputs used, it was 18.9% for women-led enterprises and 26% for those led by men (World Bank, 2010).

Informal cross-border trade reports estimate value of informal cross border trade between Namibia and Angola, amounting in 2014 to N\$11.1 million (USD 0.75 million) in exports mainly destined to the Angolan market. The exported goods comprised mostly of items usually traded by female street traders and women in small-scale businesses such as: fish and processed fish (16.2%), fruits and vegetables (9.7%), processed food and spices (4.9%), clothes and footwear (4.9%) and non-alcoholic beverages (3.9%) (Namibia Statistics Agency, 2014). In 2019, Angola was the first Namibia's trading partner in cross-border informal trade, with Namibia's exports worth of N\$ 8.5 million and imports worth N\$ 2.4 million. Women represented 38.4% of all informal traders (i.e., across all Namibia's borders). While Namibia exported mainly cooking oil (10.8%), prepared foods (10%), detergents and other chemical products (8.5%) and fuel (8.2%), with vegetables following with 5.5%, it imported prepared foods (13.4%), beverages (11.9%), vegetables (11%), footwear (8.4%), cosmetics (8.3%), clothing, cooking oil, fish, sugar, and other categories (each of which had a share below 4%) (Namibia Statistics Agency, 2019).

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Annex E: Background Analysis for Human Rights Impact Assessment

1.1 Human Rights Profile and Baseline Analysis for Angola

The human rights profile presented here is based on the analysis of the international human rights obligations, national legislation and policy framework as well as implementation issues with respect to relevant human rights. Potential links with the EPA are not included here.

1.1.1 Human Rights Framework – Ratification of International Human Rights Treaties

International human rights law lays down obligations which states are bound to respect. By means of ratification of international human rights treaties, states accept obligations to respect, protect and fulfil human rights.

The Constitution of Angola recognises a vast list of human rights as interpreted in the international human rights treaties ratified by the state.¹⁹⁵ Angola ratified seven out of nine core international human rights treaties. It is a signatory party to the International Convention for the Protection of All Persons from Enforced Disappearance (CPED), and it did not ratify the International Convention on the Protection of the Rights of All Migrant Workers and Members of their families (ICMW). Most recent ratifications took place in 2019 when Angola ratified the International Convention on the Elimination of All Forms of Racial Discrimination (ICERD), the Torture Convention (CAT) and the Second Optional Protocol to the Covenant on Civil and Political Rights (ICCPR) on the abolition of death penalty. Next to that, the state also ratified almost all the optional protocols to these conventions (Table 1). As part of its reporting obligations, Angola submits reports to the UN monitoring bodies.¹⁹⁶ The 1951 Convention relating to the Status of Refugees was ratified by Angola in 1981 with reservations to Articles 17 (on the right to work) and 26 (on freedom of movement).¹⁹⁷

Table 1: Ratification status of core international human rights treaties by Angola

Human Rights Treaty	Ratified?
International Covenant on Civil and Political Rights (ICCPR)	✓
- Optional Protocol to the ICCPR	✓
- Second Optional Protocol to the ICCPR	✓
International Covenant on Economic, Social and Cultural Rights (ICESCR)	✓
- Optional Protocol to the ICESCR	Signed
Convention against Torture and Other Cruel Inhuman or Degrading Treatment or Punishment (CAT)	✓
- Optional Protocol to the CAT	Signed
International Convention for the Protection of All Persons from Enforced Disappearance (CPED)	Signed
Convention on the Elimination of All Forms of Discrimination against Women (CEDAW)	✓
- Optional Protocol to the CEDAW	✓
International Convention on the Elimination of All Forms of Racial Discrimination (ICERD)	✓
Convention on the Rights of the Child (CRC)	✓
- Optional Protocol to the CRC on the involvement of children in the armed conflict	✓
- Optional Protocol to the CRC on the sale of children, child prostitution and child pornography	✓
- Optional Protocol to the CRC on a communication procedure	✗
International Convention on the Protection of the Rights of All Migrant Workers and Members of their Families (ICMW)	✗
Convention on the Rights of Persons with Disabilities (CRPD)	✓
- Optional Protocol to the CRPD	✓

¹⁹⁵ The full text of the 2010 Constitution of Angola is available at: https://www.constituteproject.org/constitution/Angola_2010.pdf

¹⁹⁶ UN Treaty Body Database: https://tbinternet.ohchr.org/_layouts/15/TreatyBodyExternal/LateReporting.aspx

¹⁹⁷ UNHCR website: <https://www.unhcr.org/5d9ed32b4>

Source: www.ohchr.org

Angola has ratified all eight fundamental ILO Conventions that cover freedom of association, forced labour, discrimination, and child labour. It has ratified one ILO governance convention regarding labour inspection, and the International Labour Standards Convention (No. 144) will enter into force on April 21, 2021. It has not ratified the other two governance conventions (No. 122 and No. 129), referring to employment policy and labour inspection in agriculture. The ILO Indigenous and Tribal Peoples Convention (No. 169) is also not ratified by Angola (Table 2).

Table 2: Ratification status of key ILO Conventions by Angola

Convention	Ratified or not
C029 – Forced Labour Convention	✓
C087 – Freedom of Association and Protection of the Right to Organise Convention	✓
C098 – Right to Organise and Collective bargaining Convention	✓
C100 – Equal Enumeration Convention	✓
C105 – Abolition of Forced Labour Convention	✓
C111 – Discrimination (Employment and Occupation) Convention	✓
C138 – Minimum Age Convention	✓
C182 – Worst Forms of Child Labour Convention	✓
C081 – Labour Inspection Convention	✓
C122 – Employment Policy Convention	✗
C129 – Labour Inspection (Agriculture) Convention	✗
C144 – Tripartite Consultation (International Labour Standards) Convention	✗ ¹⁹⁸
C155 – Occupational Safety and Health Convention	✗
C169 – Indigenous and Tribal Peoples Convention	✗

Source: www.ilo.org

Next to that, Angola has ratified all the key treaties of the African Union concerning human rights (Table 3) and is a member state of the African Commission on Human and Peoples' Rights.¹⁹⁹

Table 3: Status of ratifications of regional human rights treaties by Angola

Convention	Ratified or not
The African Charter on Human and Peoples' Rights (Banjul Charter)	✓
The African Charter on the Rights and Welfare of the Child	✓
Protocol to the African Charter on Human and Peoples' Rights on the Rights of Women in Africa (Maputo Protocol)	✓
OAU Convention Governing the Specific Aspects of Refugee Problems in Africa	✓
African Youth Charter	✓
African Union Convention for the Protection and Assistance of Internally Displaced Persons in Africa (Kampala Convention)	✓
Protocol to the African Charter on Human and Peoples' Rights on the Rights of Older Persons	Signed

Source: www.au.int

1.1.2 Baseline analysis of relevant human rights/issues²⁰⁰

1.1.2.1 National human rights framework

The 2010 Constitution of Angola contains provisions to a broad range of human rights by reference to the Universal Declaration of Human Rights, the African Charter of Human and Peoples' Rights and other international treaties. The 2019 Penal Code provides for additional protection of human rights (e.g. through criminalisation of acts of discrimination against the LGBTI persons and de-criminalisation of same-sex relations) but also includes

¹⁹⁸ ILO Convention 144 entered into force for Angola on 24 April 2021. It was ratified on 24 April 2020.

¹⁹⁹ The African Commission on Human and Peoples' Rights: <https://www.achpr.org/states/detail?id=2>

²⁰⁰ Selection of the rights is based on the list of rights provided in Annex 2 of the EC Guidelines on the analysis of human rights impacts in impact assessments for trade-related policy initiatives rights.

provisions on penalties for the voluntary termination of pregnancy and defamation provisions that put limitations on the freedom of the press. The Office of the Ombudsman (Provedor de Justiça) was established in 2006,²⁰¹ but it has a limited mandate and limited financial resources to effectively comply with the Paris Principles on National Human Rights Institutions.²⁰²

1.1.2.2 Cross-cutting issues

Equality and non-discrimination

Legal and policy framework:

The Constitution of Angola guarantees freedom from discrimination in Articles 21 and 22. Non-discrimination is also addressed in other provisions related to the freedom of conscience, religion and worship, children's rights and the right to work (Art. 40, 41, 76 and 80). The UN Human Rights Council expressed concern, however, that there is no general law on equality and non-discrimination that provides a comprehensive list of prohibited grounds of discrimination.²⁰³ The new Penal Code was adopted which criminalises discrimination based on sexual orientation.²⁰⁴

Implementation issues:

Effective protection against discrimination is lacking in Angola. The UN and international human rights organisations report that stigmatisation and de facto discrimination are common, in particular with respect to indigenous peoples, foreigners, persons with HIV/AIDS, persons with disabilities, LGBTI persons and women.²⁰⁵ The 2020 Global Gender Gap Report of the World Economic Forum states that Angola has to close 75.9% of the gender gap.²⁰⁶ Women face societal pressure which discourages them from active political participation.²⁰⁷ According to the 2020 Bertelsmann Transformation Index report, LGBTI persons also face discrimination and violence.²⁰⁸

Corruption

Legal, policy and institutional framework:

The Penal Code criminalises acts of corruption and embezzlement. The Strategic Plan on the Prevention and Combatting of Corruption was adopted in 2018. The same year the Directorate on Crimes of Corruption within the Criminal Investigation Service was

²⁰¹ Website of the Office of the Ombudsman in Angola: http://www.provedordejjustica.ao/estrutura_e_funcionamento.php

²⁰² United Nations Human Rights Committee (2019). Concluding observations on the second periodic report of Angola, UN Doc. CCPR/C/AGO/CO/2*.

²⁰³ Ibid.

²⁰⁴ See Código Penal Angolano: https://governo.gov.ao/fotos/frontend_1/gov_documentos/novo_codigo_penal_905151145fad02b10cd11.pdf

²⁰⁵ United Nations Human Rights Committee (2019). Concluding observations on the second periodic report of Angola, UN Doc. CCPR/C/AGO/CO/2*; Human Rights Watch (2020). World Report 2020: Angola: <https://www.hrw.org/world-report/2020/country-chapters/angola>

²⁰⁶ World Economic Forum (2020). Global Gender Gap Report 2020: http://www3.weforum.org/docs/WEF_GGGR_2020.pdf

²⁰⁷ Freedom House (2020). Freedom in the World 2020: Angola: <https://freedomhouse.org/country/angola/freedom-world/2020>

²⁰⁸ Bertelsmann Foundation (2020). The 2020 BTI Country Report- Angola: https://www.bti-project.org/content/en/downloads/reports/country_report_2020_AGO.pdf

established.²⁰⁹ In collaboration with the UNDP, various trainings aimed at anti-corruption were carried out.²¹⁰

Implementation issues:

The Corruption Perception Index (CPI) for the last five years shows that the score for corruption in Angola has improved due to cooperation with international organisations and new legislation adopted by the authorities (from 18 in 2016 to 26 in 2019).²¹¹ The 2019 UN Human Rights Council report states that corruption remains widespread, especially in the public sector and that measures taken so far have not been sufficient to address corruption problem in the country. The number of persecutions and convictions in cases on corruption is low.²¹²

Environment, and business and human rights

Legal, policy and institutional framework:

Article 39 of the Constitution of Angola states the right for everyone to “live in a healthy and unpolluted environment and the duty to defend and preserve it”. Article 16 gives exclusive rights to the state regarding solid, liquid and gaseous natural resources in the territory of Angola, which determines how these resources are to be exploited. Angola has made some progress on environmental policies introducing legislative tools in order to tackle environmental issues. The Mining Code establishes that mining activities should contribute to sustainable social and economic development of the communities adjacent to mining sites. The Presidential Order No. 14/18 made efforts to mitigate land related conflicts between rural communities and businesses.

Implementation issues:

Despite some progress in adopting legislative measures, the UN Committee on the Rights of the Child notes that there is no clear regulatory framework for the companies operating in the country that would make sure that business activities do not endanger environmental situation in the country.²¹³ Development activities continue to impede communities from assessing their lands that often result in inability to produce food for subsistence.²¹⁴ According to the Yale University’s Environmental Performance Index, Angola ranks 158 out of 180 surveyed countries in 2020 due to the persistent issues related to water availability, water quality, waste management and pollution.²¹⁵

²⁰⁹ United Nations Human Rights Committee (2019). Concluding observations on the second periodic report of Angola, UN Doc. CCPR/C/AGO/CO/2*.

²¹⁰ UNDP (2019). Independent Country Programme Evaluation- Angola: https://www.undp.org/content/dam/angola/docs/Publications/ICPE_ANGOLA_2018%20.pdf

²¹¹ Transparency International (2020). Corruption Perceptions Index – Angola: <https://www.transparency.org/en/cpi/2019/index/ago>

²¹² United Nations Human Rights Committee (2019). Concluding observations on the second periodic report of Angola, UN Doc. CCPR/C/AGO/CO/2*.

²¹³ UN Committee on the Rights of the Child (2018). Concluding observations on the combined fifth to seventh periodic reports of Angola, UN Doc. CRC/C/AGO/CO/5-7.

²¹⁴ United Nations Human Rights Committee (2019). Concluding observations on the second periodic report of Angola, UN Doc. CCPR/C/AGO/CO/2*.

²¹⁵ Yale University (2020). The Environmental Performance Index (EPI) 2020- Angola: https://epi.yale.edu/sites/default/files/files/AGO_EPI2020_CP.pdf

1.1.2.3 Civil and political rights

Right to life, liberty and security of person²¹⁶

These rights are guaranteed under the Constitution (Art. 30 and 36). Death penalty had been abolished in 1992 and Article 59 of the Constitution explicitly prohibits capital punishment. Torture is prohibited under Article 60 of the Angolan Constitution. In 2019 Angola ratified the UN Torture Convention. It did not ratify the Optional Protocol to the Convention which gives a mandate to the Committee to carry out visits to places of detention and obliges states to set up an independent domestic National Preventive Mechanism to work on the prevention of torture. The problem of landmines was addressed through the active cooperation with the international community and the creation of the National Demining Institute. The Programme for the Elimination of Landmines was adopted too.

While noting the progress made by the National Demining Institute, the UN Committee of the Rights of the Child notes that there are still landmines in the rural areas of Angola which had led to casualties.²¹⁷ The UN Human Rights Committee expressed concern about the large amount of small arms illegally possessed by the population.²¹⁸ Reports of violence and ill-treatment of the police and security forces have been common.²¹⁹ Amnesty International reports that extrajudicial killings were conducted with respect to persons suspected of illegal diamond mining.²²⁰

Administration of justice, including impunity and the rule of law

The 2010 Constitution provides for an independent judiciary. The Ministry of Justice and Human Rights has made efforts to improve independence of prosecutors and judges through adoption of the Act No. 2/15 which establishes rules on the organisation and operation of ordinary courts. The National Institute for Judicial Studies conducted capacity-building programs on the importance of an independent judicial system.²²¹

The UN Human Rights Committee, however, points to the reports on the lack of independence of the judiciary and insufficient number of trained prosecutors, judges and lawyers, with 95% of them working in the capital. Corruption and political pressure on the judiciary is also reported to be common.²²² The UN Committee on the Elimination of Discrimination against Women (CEDAW) states that access to justice for women remains an issue.²²³ According to the UN Committee on the Rights of the Child, the juvenile justice system is available for children up to 16 years of age (not up to 18 years of age) and is

²¹⁶ This paragraph covers the following rights as set out in the International Covenant on Civil and Political Rights and listed in Annex 2 of the EC Guidelines on the analysis of human rights impacts in impact assessments for trade-related policy initiatives: the right to life, the prohibition of torture, the right to liberty and security of person.

²¹⁷ United Nations Committee on the Rights of the Child (2018). Concluding observations on the report submitted by Angola under article 8(1) of the Optional Protocol to the Convention on the Rights of the Child on the involvement of children in armed conflict, UN Doc. CRC/C/OPAC/AGO/CO/1.

²¹⁸ United Nations Human Rights Committee (2019). Concluding observations on the second periodic report of Angola, UN Doc. CCPR/C/AGO/CO/2*.

²¹⁹ Human Rights Watch (2020). World Report 2020 – Angola: <https://www.hrw.org/world-report/2020/country-chapters/angola#>

²²⁰ Amnesty International (2019). Report for Angola: <https://www.amnesty.org/en/countries/africa/angola/report-angola/>

²²¹ U.S. Department of State (2019). Angola Human Rights Report: <https://www.state.gov/wp-content/uploads/2020/02/ANGOLA-2019-HUMAN-RIGHTS-REPORT.pdf>

²²² Bertelsmann Foundation (2020). The 2020 BTI Country Report- Angola: https://www.bti-project.org/content/en/downloads/reports/country_report_2020_AGO.pdf

²²³ United Nations Committee on the Elimination of Discrimination against Women (2019). Concluding observations on the seventh periodic report of Angola, UN Doc. CEDAW/C/AGO/CO/7.

lacking adequate human, technical and financial resources.²²⁴ The U.S. Department of State notes that the practice of informal courts when traditional community leaders hear criminal cases has been common.²²⁵

Right to freedom of movement

The Constitution provides for the freedom of movement. Local NGOs report that despite some improvement, money is occasionally extorted from citizens at checkpoints. Reports of restrictions on the freedom of movement are particularly common in the provinces of Lunda Norte and Lunda Sul.²²⁶

Right to privacy

The Constitution prohibits unlawful interference with privacy (Art.32). The right to be informed of any data stored is provided for in Article 69 (Habeas data). Reports of local NGOs state that journalists, members of opposition, political activists and civil organisations often face limitations through surveillance of their activities.²²⁷

Freedom of association and assembly

The Constitution of Angola recognises the freedom of association and assembly. Permissions to hold public assemblies are not required but notifications to the local authorities and police is obligatory.²²⁸

The UN Human Rights Committee and Human Rights Watch point to the alleged use of excessive force by police against peaceful demonstrators,²²⁹ which is not common in pro-government public events.²³⁰ The Bertelsmann Foundation reports that the freedom of association is not always respected, and local associations are encouraged to stay 'a-political'.²³¹ The UN Human Rights Council and the Freedom House state that NGO registration process is curtailed by extensive delays and bureaucracy and that NGO activities are being closely monitored by the authorities.²³²

Prohibition of all forms of slavery

Angola ratified the ILO Conventions on forced labour (Conventions No. 29 and No.105) and child labour (Conventions No. 138 and 182). The Constitution prohibits slavery under Article 60. A multisectoral commission to combat trafficking in persons was set up in 2014.

The Global Slavery Index 2018 estimates that 199,000 people are living in modern slavery.²³³ The UN CEDAW states that trafficking through Angola is common for purposes

²²⁴ UN Committee on the Rights of the Child (2018). Concluding observations on the combined fifth to seventh periodic reports of Angola, UN Doc. CRC/C/AGO/CO/5-7.

²²⁵ U.S. Department of State (2019). Angola Human Rights Report: <https://www.state.gov/wp-content/uploads/2020/02/ANGOLA-2019-HUMAN-RIGHTS-REPORT.pdf>

²²⁶ Ibid.

²²⁷ Ibid.

²²⁸ Ibid.

²²⁹ United Nations Human Rights Committee (2019). Concluding observations on the second periodic report of Angola, UN Doc. CCPR/C/AGO/CO/2*; Human Rights Watch (2020). World Report 2020 – Angola: <https://www.hrw.org/world-report/2020/country-chapters/angola#>.

²³⁰ U.S. Department of State (2019). Angola Human Rights Report: <https://www.state.gov/wp-content/uploads/2020/02/ANGOLA-2019-HUMAN-RIGHTS-REPORT.pdf>

²³¹ Bertelsmann Foundation (2020). The 2020 BTI Country Report- Angola: https://www.bti-project.org/content/en/downloads/reports/country_report_2020_AGO.pdf

²³² United Nations Human Rights Committee (2019). Concluding observations on the second periodic report of Angola, UN Doc. CCPR/C/AGO/CO/2*; Freedom House (2020). Freedom in the World 2020: Angola: <https://freedomhouse.org/country/angola/freedom-world/2020>.

²³³ The Global Slavery Index, Angola: <https://www.globalslaveryindex.org/2018/data/country-data/angola/>

of sexual exploitation and criminal activity.²³⁴ Next to that, the number of prosecutions and convictions is very low, and complicity of law enforcement authorities in trafficking of women and children has been reported by both the UN CEDAW and the NGOs.²³⁵ There is no early identification mechanism to identify human trafficking in place.²³⁶ Insufficient number of inspectors and corruption hamper progress in combatting human trafficking.

Freedom of expression

Article 40 of the Constitution guarantees freedom of expression. The 2017 Press Law gives authorities the right to oversee and control the media. Next to that, the law criminalises defamation and slander. The Human Rights Watch reports that the Angolan media is largely controlled by the state authorities²³⁷ and the Movimento Popular de Libertação.²³⁸ The Freedom House notes that most media is owned by the government and generally reflect the pro-government views.²³⁹ Nevertheless, some improvements were made regarding freedom of expression, as radio and print media were able to criticise the government openly and private media was able to expand its reach to more provinces. Next to that, less violence was reported with respect to journalists.²⁴⁰

Freedom of religion

Article 41 of the Constitution of Angola guarantees the freedom of conscience, religion, and worship to all Angolan citizens. The law requires registration of religious associations. There are 81 recognised and 1100 unrecognised religious associations in Angola.²⁴¹ Issues with the freedom of religion in Angola pertain to cumbersome registration procedures for religious groups²⁴² and closure of places of worship.²⁴³

Right to participate in the conduct of public affairs

The President of the Republic and the members of the national assembly are elected by universal suffrage according to Article 106 of the Constitution; votes are allocated through parties in proportional representation. The Political Parties Act No. 22/10 adopted in 2010 establishes a minimum of 30% representation of women to hold legislative seats.²⁴⁴

According to the Freedom House, there is no realistic opportunity for the opposition to increase its support or gain power through elections because the power held by the president and his party is too high. Since 1975 the same political party has held the power, but in recent years there has been an increase in opposition parties.²⁴⁵ The UN CEDAW

²³⁴ United Nations Committee on the Elimination of Discrimination against Women (2019). Concluding observations on the seventh periodic report of Angola, UN Doc. CEDAW/C/AGO/CO/7.

²³⁵ Freedom House (2020). Freedom in the World 2020: Angola: <https://freedomhouse.org/country/angola/freedom-world/2020>

²³⁶ United Nations Committee on the Elimination of Discrimination against Women (2019). Concluding observations on the seventh periodic report of Angola, UN Doc. CEDAW/C/AGO/CO/7.

²³⁷ Human Rights Watch (2018). Angola – country summary: https://reliefweb.int/sites/reliefweb.int/files/resources/angola_1.pdf

²³⁸ United Nations Human Rights Council (2019). Compilation on Angola, Report of the Office of the United Nations High Commissioner for Human Rights, UN Doc. A/HRC/WG.6/34/AGO/2.

²³⁹ Freedom House (2020). Freedom in the World 2020: Angola: <https://freedomhouse.org/country/angola/freedom-world/2020>

²⁴⁰ U.S. Department of State (2019). Angola Human Rights Report: <https://www.state.gov/wp-content/uploads/2020/02/ANGOLA-2019-HUMAN-RIGHTS-REPORT.pdf>

²⁴¹ Ibid.

²⁴² Ibid.

²⁴³ Human Rights Watch (2020). World Report 2019- Angola: <https://www.hrw.org/world-report/2020/country-chapters/angola#>

²⁴⁴ United Nations Committee on the Elimination of Discrimination against Women (2019). Concluding observations on the seventh periodic report of Angola, UN Doc. CEDAW/C/AGO/CO/7.

²⁴⁵ Freedom House (2020). Freedom in the World 2020: Angola: <https://freedomhouse.org/country/angola/freedom-world/2020>

states that the actual number of women in decision-making positions reflects that the 30% quota is not observed.²⁴⁶

1.1.2.4 Economic, social and cultural rights

Right to work and right to just and favourable conditions of work

Article 76 of the Angolan Constitution recognises the right to work and contains provisions that pertain to the right to just and favourable conditions of work, like “fair pay, rest days, holidays, protection, and workplace health and safety”. The 2015 General Labour Law further regulates labour relations. The Executive Decree No. 128/04 (2014) approves the general regulations for safety and health at work and several other decrees establish guidelines on safety, hygiene and health at work in specific sectors, e.g. in petroleum operations or in the transport and communications sectors.²⁴⁷ The Labour Law prohibits discrimination at the workplace. However, the definition of discrimination is not clearly defined in the law. The 2016 Presidential Decree establishes minimum employment standards for domestic workers, including compulsory employer contributions to a domestic worker’s social security protection. The Ministry of Public Administration is responsible for the implementation of this law.

Various stakeholders note multiple issues with the implementation of these laws. Discrimination has been reported as common, in particular with respect to women, persons with albinism, migrants, refugees and persons with disabilities who faced difficulties in finding employment. Implementation of the laws concerning domestic workers have not been optimal either, partially due to the insufficient number of labour inspectors and the lack of specially trained inspectors.²⁴⁸ The UN CESCR raised concern about the high unemployment rate, especially among young people in the rural areas.²⁴⁹ The minimum wage varies per sector and is the lowest for the workers in the agricultural sector.²⁵⁰ The working hours are set for 44 per week in the private sector and 37 hours in the public sector. The working hours in the private sector can reach 54 hours per week before the rules on the overtime pay can be applied. Due to the high levels of informality (approximately 60%), many workers are not subjected to social protection, minimum wage or safe working conditions.²⁵¹ The minimum age to work is set at 14 years old.²⁵² According to the UNDP statistics, the labour force participation rate for Angola is 77.5%; the total unemployment rate is 6.9%, with 16% of unemployment being attributed to youth; and child labour is recorded at 18.7%.²⁵³

Right to form and join trade unions

Labour relations are regulated by the General Labour Law of Angola.²⁵⁴ To establish a trade union, a 30% of workers from an economic sector have to apply for an authorisation from the government. The right to collective bargaining is provided for in the legislation, except

²⁴⁶ United Nations Committee on the Elimination of Discrimination against Women (2019). Concluding observations on the seventh periodic report of Angola, UN Doc. CEDAW/C/AGO/CO/7.

²⁴⁷ ILO Country Profile Angola: https://www.ilo.org/global/topics/safety-and-health-at-work/country-profiles/africa/angola/WCMS_151303/lang--en/index.htm

²⁴⁸ U.S. Department of State (2019). Angola Human Rights Report: <https://www.state.gov/wp-content/uploads/2020/02/ANGOLA-2019-HUMAN-RIGHTS-REPORT.pdf>

²⁴⁹ United Nations Committee on Economic, Social and Cultural Rights (2016). Concluding observations on the fourth and fifth periodic report of Angola, UN Doc. E/C.12/AGO/CO/4-5.

²⁵⁰ U.S. Department of State (2019). Angola Human Rights Report: <https://www.state.gov/wp-content/uploads/2020/02/ANGOLA-2019-HUMAN-RIGHTS-REPORT.pdf>

²⁵¹ United Nations Committee on Economic, Social and Cultural Rights (2016). Concluding observations on the fourth and fifth periodic report of Angola, UN Doc. E/C.12/AGO/CO/4-5.

²⁵² Ibid.

²⁵³ United Nations Development Programme (2019). Human Development Indicators - Angola: <http://hdr.undp.org/en/countries/profiles/AGO>

²⁵⁴ General Labour Code of Angola: <http://www.parliament.am/library/ashxatangayinorensgreger/ANGOLA.pdf>

in the civil service. Prior to engaging in a strike, workers need to negotiate with the employer at least 20 days before the strike. Anti-union discrimination is not allowed. However, implementation of the laws has not been adequate.²⁵⁵ Labour courts faced backlog of cases. The law allows government interference into trade union activities in certain instances, including interferences with the right to strike.²⁵⁶ The International Trade Union Confederation (ITUC) Global Rights Index ranks Angola as a country with systematic violations of labour rights.²⁵⁷

Right to social security

Article 77 of the Constitution of Angola refers to social protection. There is no universal social protection system in Angola. Conditional cash transfer programmes are practiced, but coverage with appropriate benefits for all workers is not in place. The Bertelsmann Foundation states that social safety nets are available only to a limited number of citizens and do not cover basic needs.²⁵⁸

Right to health

Article 77 of the Constitution contains provisions regarding health care. Government health expenditure in Angola increased from 6% to 7% but remains low. Health insurance is private and therefore is largely accessible to citizens with fixed employment. Since a large share of workers is engaged in the work in the informal sector, a big share of population does not have health insurance.²⁵⁹ Public hospitals are understaffed and lack basic supplies, especially in rural areas.²⁶⁰ The quality of health care is also reflected in the persistently high rate of maternal mortality.²⁶¹ The UNICEF notes that the rate of malnutrition among children under 5 remains high which is associated with 45% of deaths.²⁶² Immunisation coverage remains low (31% in 2019), and malaria continues to be the main cause of child mortality in Angola.²⁶³ Water and sanitation coverage remains low too, affecting health of many communities.²⁶⁴

Right to education

The Constitution of Angola guarantees the right to education (Art. 79-81). The government expenditure in education marginally increased from 5.78% of GDP in 2018 to 5.83% of GDP in 2019 but remains very low.²⁶⁵ The UN CESC points out that enrolment rates to all school levels are low, and dropout rates are particularly high among girls.²⁶⁶ The UN Committee on the Rights of the Child states that main reasons for children dropping out of

²⁵⁵ United Nations Committee on Economic, Social and Cultural Rights (2016). Concluding observations on the fourth and fifth periodic report of Angola, UN Doc. E/C.12/AGO/CO/4-5.

²⁵⁶ U.S. Department of State (2019). Angola Human Rights Report: <https://www.state.gov/wp-content/uploads/2020/02/ANGOLA-2019-HUMAN-RIGHTS-REPORT.pdf>

²⁵⁷ Based on the ITUC Global Rights Reports for 2018-2020: <https://www.ituc-csi.org/ituc-global-rights-index-2020>

²⁵⁸ Bertelsmann Foundation (2020). The 2020 BTI Country Report- Angola: https://www.bti-project.org/content/en/downloads/reports/country_report_2020_AGO.pdf

²⁵⁹ Ibid.

²⁶⁰ United Nations Committee on Economic, Social and Cultural Rights (2016). Concluding observations on the fourth and fifth periodic report of Angola, UN Doc. E/C.12/AGO/CO/4-5.

²⁶¹ Ibid.

²⁶² UNICEF (2019). Country Office Annual Report 2019 – Angola: [https://www.unicef.org/about/annualreport/files/Angola-2019-COAR\(1\).pdf](https://www.unicef.org/about/annualreport/files/Angola-2019-COAR(1).pdf)

²⁶³ United Nations Human Rights Council (2019). Compilation on Angola, Report of the Office of the United Nations High Commissioner for Human Rights, UN Doc. A/HRC/WG.6/34/AGO/2.

²⁶⁴ UNICEF (2019). Country Office Annual Report 2019 – Angola: [https://www.unicef.org/about/annualreport/files/Angola-2019-COAR\(1\).pdf](https://www.unicef.org/about/annualreport/files/Angola-2019-COAR(1).pdf)

²⁶⁵ Bertelsmann Foundation (2020). The 2020 BTI Country Report- Angola: https://www.bti-project.org/content/en/downloads/reports/country_report_2020_AGO.pdf

²⁶⁶ United Nations Committee on Economic, Social and Cultural Rights (2016). Concluding observations on the fourth and fifth periodic report of Angola, UN Doc. E/C.12/AGO/CO/4-5.

schools are the lack of teachers, poor education quality, insufficient education materials, lack of water and sanitation and overcrowded schools.²⁶⁷ The UNESCO Institute for Statistics states that compulsory education in Angola lasts for 6 years, from age 6 to 11. The completion rates in 2015 show that only 60% of students completed primary school, 36% completed lower secondary school and 19% completed upper secondary school.²⁶⁸ These numbers need to take into consideration that the birth registration rate for children under 5 is 25%.²⁶⁹ In 2014, the literacy rate for people between 15-24 years was 77.4%; for people between 15 years and older - 66%, and for people between 65 years and older - 27%.²⁷⁰ Gender inequality is also an issue in education as there are 60 female students for every 100 male ones. Due to budget cuts, schools are overcrowded and understaffed. There are six public universities that do not have the necessary places for all the Angolan youth.²⁷¹ Access to education is especially difficult for indigenous peoples and minorities. In some regions populated by indigenous peoples, there are no schools at all.²⁷²

Right to an adequate standard of living

The Constitution of Angola recognises the right to an adequate standard of living. A large proportion of the population lives in poverty, including in extreme poverty (see also statistics in the social analysis). According to the data of the World Bank, the share of persons living below \$1.90 a day (2011 PPP) has increased from 34.4% in 2010 to 51.8% in 2018.²⁷³ The UN CEDAW expressed concern about the high rate of poverty among rural women.²⁷⁴ According to the UN World Food Programme (WFP), children and refugees are the most vulnerable groups in terms of poverty. Cooperation activities with the Angolan government under the WFP allowed for supply of food to schools affected by the drought in the south of the country, and introduction of several measures aimed at the prevention and treatment of acute malnutrition caused by COVID-19 in the province of Luanda.²⁷⁵ The UN human Settlements Programme (UN-Habitat) report states that the National Housing and Urban development Programme was implemented in Angola,²⁷⁶ but housing remains unaffordable for most Angolans.²⁷⁷ Human Rights Watch states that following forced evictions in 2013, many residents are awaiting resettlement, only few were allocated new housing but without formalising their ownership.²⁷⁸ Amnesty International reports that access to safe drinking water remains precarious in rural and urban areas for a large proportion of the population (see also right to water).

²⁶⁷ UN Committee on the Rights of the Child (2018). Concluding observations on the combined fifth to seventh periodic reports of Angola, UN Doc. CRC/C/AGO/CO/5-7.

²⁶⁸ UNESCO Institute for Statistics, Angola: <http://uis.unesco.org/country/AO>

²⁶⁹ United Nations Development Programme (2019). Human Development Indicators - Angola: <http://hdr.undp.org/en/countries/profiles/AGO>

²⁷⁰ UNESCO Institute for Statistics, Angola: <http://uis.unesco.org/country/AO>

²⁷¹ Bertelsmann Foundation (2020). The 2020 BTI Country Report- Angola: https://www.bti-project.org/content/en/downloads/reports/country_report_2020_AGO.pdf

²⁷² United Nations Human Rights Council (2019). Compilation on Angola, Report of the Office of the United Nations High Commissioner for Human Rights, UN Doc. A/HRC/WG.6/34/AGO/2.

²⁷³ Based on the World Bank data: https://databank.worldbank.org/views/reports/reportwidget.aspx?Report_Name=CountryProfile&Id=b450fd57&tbar=y&dd=y&inf=n&zm=n&country=AGO

²⁷⁴ UN Committee on the Elimination of Discrimination against Women (2019). Concluding observations on the seventh periodic report of Angola, UN Doc. CEDAW/C/AGO/CO/7.

²⁷⁵ UN World Food Programme (2020). Country Brief for Angola: https://docs.wfp.org/api/documents/WFP-0000121206/download/?_ga=2.244874821.1935800153.1610981420-31930762.1610981420

²⁷⁶ UN-HABITAT (2019). Documento do programa-país HABITAT-MINOTH para o desenvolvimento urbano sustentável de Angola 2018-2022: https://unhabitat.org/sites/default/files/2019/10/31_10_2018_hcpd_-_angola_pt.pdf

²⁷⁷ UN-HABITAT (2019). Submission for the Universal Periodic Review. Angola – 34th Session Oct-Nov. 2019: <https://uprdoc.ohchr.org/uprweb/downloadfile.aspx?filename=6808&file=EnglishTranslation>

²⁷⁸ Human Rights Watch (2020). World Report 2019- Angola: <https://www.hrw.org/world-report/2020/country-chapters/angola#>

Right to food

The Constitution of Angola does not recognise the right to adequate food as such; nonetheless implicit guarantees can be derived through broader human rights, e.g. the right to life. Article 30 states that "the state shall respect and protect human life, which is inviolable. Next to that, Angola recognised the International Covenant on Economic, Social and Cultural Rights (ICESCR) which guarantees the right to food under Article 11. Article 13 of the Constitution of Angola states that any approved or ratified international treaties and agreements shall come into force in the Angolan legal system. But there is no special framework law on the right to food as such.²⁷⁹

According to the 2020 Global Hunger Index, Angola scored 26.8 in the level of hunger, categorised as serious.²⁸⁰ According to the UN Committee on the Rights of the Child, chronic undernutrition of children under 5 years of age increased from 29% in 2007 to 38% in 2016; and malnutrition is associated with 45% of child deaths.²⁸¹ The UN World Food Programme states that Angola is a resource rich country that has every opportunity to a more sustainable growth in providing its own food sources. The main issues with Angola's right to food lie in the limited dietary diversity, poor sanitation and hygiene conditions as well as often droughts.²⁸² Amnesty International states that the right to food in Angola is also impacted by large-scale commercial projects that require vast land resources. Land acquisitions without prior consultation or compensation has affected the ability of communities from affected areas to produce food for subsistence (e.g. in Gambos, Huila province).²⁸³

Right to water

The 2002 National Water Law defines water as a public good.²⁸⁴ Several other decrees establish regulations related to water use, water quality and availability: Presidential Decree No. 261/11, which approves the Regulation on the quality of water, the Presidential Decree No. 82/14 which approves the Regulation on General use of Water Resources, the Presidential Decree No. 126/17, which approves the National Water Plan, the Presidential Decree No. 140/20 which approves the National Sanitation Strategy led by Communities and Schools in Angola (ENSTLCEA) and others. According to the Bertelsmann Foundation, in 2015, 49% of the Angolan population had access to water and 52% to sanitation.²⁸⁵ According to a study conducted by the UNICEF in 2015, 58% approximately 70% of schools are not connected to the water network and only 35% of schools have access to drinking water. In 2010 diarrhoeal diseases resulted in 18% of the deaths of children under five, making the lack of clean water in schools a big issue when it comes to the health and safety of the Angolan children.²⁸⁶

²⁷⁹ United Nations Committee on Economic, Social and Cultural Rights (2016). Concluding observations on the fourth and fifth periodic report of Angola, UN Doc. E/C.12/AGO/CO/4-5.

²⁸⁰ The Global Hunger Index (2020). Angola: <https://www.globalhungerindex.org/angola.html>

²⁸¹ UN Committee on the Rights of the Child (2018). Concluding observations on the combined fifth to seventh periodic reports of Angola, UN Doc. CRC/C/AGO/CO/5-7.

²⁸² UN World Food Programme (2020). Country Brief for Angola: https://docs.wfp.org/api/documents/WFP-0000121206/download/?_ga=2.244874821.1935800153.1610981420-31930762.1610981420

²⁸³ Amnesty International (2019). Report for Angola: <https://www.amnesty.org/en/countries/africa/angola/report-angola/>

²⁸⁴ Lei No. 6/02 (2002): <http://extwprlegs1.fao.org/docs/pdf/ang63753.pdf>

²⁸⁵ Bertelsmann Foundation (2020). The 2020 BTI Country Report- Angola: https://www.bti-project.org/content/en/downloads/reports/country_report_2020_AGO.pdf

²⁸⁶ UNICEF (2015). WASH in Schools in Angola: <https://www.unicef.org/angola/media/1001/file/WASH%20in%20Schools%20in%20Angola.pdf>

Access to safe drinking water remains problematic for 14.22 million people.²⁸⁷ Supply of water is complicated.²⁸⁸ Development projects in the agribusiness, mining, oil and gas sectors have significantly affected availability, accessibility and quality of water resources. Amnesty International reports that diversion of the Kwango River affected the right to water of the communities in Kwango, Xamutemba and Kapenda Kamulemba, and industrial pollution (e.g. from oil spills) has denied communities their rights to water and livelihoods.²⁸⁹

1.1.2.5 Rights of specific persons or groups

Indigenous peoples

Angola has not ratified the ILO Indigenous and Tribal Peoples Convention (Convention No. 169). The Constitution does not include explicit provisions on the protection of indigenous peoples. According to the International Work Group for indigenous Affairs (IWGIA), there are approximately 25,000 indigenous peoples in Angola (0,1% of the total population), which include the San and Himba peoples, the Kwisi, the Kwepe, the Kuvale and the Zemba.²⁹⁰ Apart from discrimination and social exclusion,²⁹¹ main challenges of the indigenous peoples are related to land expropriation for tourism development or oil and mining projects.²⁹² The UN Committee on Economic, Social and Cultural Rights and the UN Human Rights Committee urged Angolan authorities to adopt a legal framework that would provide for consultations with indigenous communities before the start of any economic activity that may affect them and seek the free, prior and informed consent of indigenous populations before granting licences for businesses to carry out any activities on their ancestral lands.²⁹³

Children

The Constitution of Angola recognises the rights of the children in Articles 80 and 81. The Children's Act (Law No.25/12(2012)) includes the '11 commitments for children'. Other legislative and policy measures that refer to the protection of children's rights include: the Basic Law No. 17/16 on the education and teaching system which requires gradual extension of compulsory education from 6 years to 8 years, the 2013-2020 National Action Plan "Education for All", the Law No. 25/11 which addresses domestic violence, the 2012-2025 National Health Development Plan which contains objectives on reducing maternal, infant and child mortality. General Labour Law states the minimum age for work at 14 years old (with permission of the parent, guardian or tutor).²⁹⁴ There is a protection programme called *Cartão Kikua* which aims to protect vulnerable families and families with low income. Resolution No. 28/16 condemns all forms of violence against children, particularly sexual violence, abuse, exploitation and trafficking.²⁹⁵ Corporal punishment is

²⁸⁷ Based on the 2015 data from WHO/UNICEF Joint Monitoring Programme for Water Supply and Sanitation at Our World in Data: <https://ourworldindata.org/water-access>

²⁸⁸ Cain, A. & A.Cupi Baptista (2020). Community Management and the Demand for 'Water for All' in Angola's Musseques, MDPI Publication: <https://www.mdpi.com/2073-4441/12/6/1592/pdf>

²⁸⁹ Amnesty International (2019). Report for Angola: <https://www.amnesty.org/en/countries/africa/angola/report-angola/>

²⁹⁰ International Working Group on Indigenous Affairs website on Angola: <https://www.iwgia.org/en/angola.html>

²⁹¹ United Nations Human Rights Council (2019). Compilation on Angola, Report of the Office of the United Nations High Commissioner for Human Rights, UN Doc. A/HRC/WG.6/34/AGO/2.

²⁹² United Nations Human Rights Committee (2019). Concluding observations on the second periodic report of Angola, UN Doc. CCPR/C/AGO/CO/2*.

²⁹³ Ibid.; and United Nations Committee on Economic, Social and Cultural Rights (2016). Concluding observations on the fourth and fifth periodic report of Angola, UN Doc. E/C.12/AGO/CO/4-5.

²⁹⁴ Lexology Employment and Labour Law in Angola: <https://www.lexology.com/library/detail.aspx?q=1fb030a2-cd87-4cff-a824-5c87f7f11f0a#:~:text=Angola%20has%20numerous%20regulations%20governing,be%20foreign%20non%20resident%20individuals.>

²⁹⁵ UN Committee on the Rights of the Child (2018). Concluding observations on the report submitted by Angola under article 12 (1) of the Optional Protocol to the Convention on the Rights of the Child on the sale of children, child prostitution and child pornography, UN Doc. CRC/C/OPSC/AGO/CO/1.

considered a crime in all instances; however, Article 10 of the Children's Act provides for the legal defence of "justifiable correction" for an assault inflicted upon children for disciplinary purposes, it is reported that corporal punishment is still being exercised by some teachers in schools.²⁹⁶

Child labour remains an issue and is most common in the informal sector, as stated by the UN CESCR (see also statistics in the social analysis). A large number of children remain in street situations.²⁹⁷ It is common for children from neighbouring countries, e.g. the Democratic Republic of Congo, to be trafficked into the country for forced labour in mining, construction, domestic work and agricultural sectors. The UN Committee on the Rights of the Child notes that recruitment and use of children above the age of 16 years old in hostilities by armed forced and non-state armed groups remains common, as this practice is not explicitly prohibited or criminalised by the national legislation.²⁹⁸

According to Article 24 of the Family Code, early marriage is legal and is permissible under exceptional circumstances for boys under 16 and girls under 15 years old, which made children marriage common especially in rural areas.²⁹⁹ The UN Committee on the Rights of the Child urged Angola to amend legislation to allow marriage from 18 years old for both boys and girls.³⁰⁰ Birth registration rate of children remains low, with considerable difference between rural and urban areas.³⁰¹ Registration of children of refugees and asylum seekers has been suspended until the new nationality law passes, depriving children of these population groups of access to basic services and rights, including health and education.³⁰² The mortality rate of children under 5 years old is high especially in families with low income, families living in rural areas or to mothers without basic education. Overall, insufficient quality of health care services, low immunisation rates, undertrained medical personnel, insufficient funding of public services and limited technical resources are among the reasons for high mortality rates.³⁰³

Women

Freedom from discrimination based on sex is guaranteed under Article 22 of the Constitution of Angola. Article 35 addresses equality between men and women within the family. However, gender-specific provisions have not been adopted.³⁰⁴ Steps were taken by the government to promote gender equality. In 2017, the Ministry of Social Action, the Family and the Advancement of Women was created; however according to the UN

²⁹⁶ UN Committee on the Rights of the Child (2018). Concluding observations on the combined fifth to seventh periodic reports of Angola, UN Doc. CRC/C/AGO/CO/5-7.

²⁹⁷ United Nations Committee on Economic, Social and Cultural Rights (2016). Concluding observations on the fourth and fifth periodic report of Angola, UN Doc. E/C.12/AGO/CO/4-5.

²⁹⁸ UN Committee on the Rights of the Child (2018). Concluding observations on the report submitted by Angola under article 8(1) of the Optional Protocol to the Convention on the Rights of the Child on the involvement of children in armed conflict, UN Doc. CRC/C/OPAC/AGO/CO/1.

²⁹⁹ Freedom House (2020). Freedom in the World 2020: Angola: <https://freedomhouse.org/country/angola/freedom-world/2020>

³⁰⁰ UN Committee on the Rights of the Child (2018). Concluding observations on the combined fifth to seventh periodic reports of Angola, UN Doc. CRC/C/AGO/CO/5-7.

³⁰¹ UN Committee on the Rights of the Child (2018). Concluding observations on the report submitted by Angola under article 12 (1) of the Optional Protocol to the Convention on the Rights of the Child on the sale of children, child prostitution and child pornography, UN Doc. CRC/C/OPSC/AGO/CO/1.

³⁰² UN Human Rights Council (2017). Report of the Special Rapporteur on the human rights of migrants on his mission to Angola, UN Doc. A/HRC/35/25/Add.1.

³⁰³ UN Committee on the Rights of the Child (2018). Concluding observations on the combined fifth to seventh periodic reports of Angola, UN Doc. CRC/C/AGO/CO/5-7.

³⁰⁴ UN Committee on the Elimination of Discrimination against Women (2019). Concluding observations on the seventh periodic report of Angola, UN Doc. CEDAW/C/AGO/CO/7.

Committee on the Elimination of Discrimination against Women (CEDAW), the Ministry still lacks a lot of human, technical and financial resources to achieve necessary progress.³⁰⁵

The 2020 Global Gender Gap Report of the World Economic Forum states that Angola has to close 75.9% of the gender gap.³⁰⁶ Women face societal pressure which discourages them from active political participation.³⁰⁷ Disparities in education and literacy remain high, and social legitimization of violence against women remains a major issue. Gender-based violence is widespread in Angola. There is no data on the number of reported, investigated or prosecuted cases regarding violence against women. The UN CEDAW states that rural women face difficulties in obtaining identity documents and therefore do not have access to basic services like education, health care, employment.³⁰⁸ There have been reports of women facing discrimination in the workplace. The customary laws often leave women with unequal inheritance rights.³⁰⁹ Women jobs are concentrated in the informal sector of the economy, leaving them without proper level of social protection, maternity allowances, etc. Labour inspections have not been effectively/sufficiently targeting women situation at work.³¹⁰ Regarding the right of health, there is a persistently high maternal mortality rate caused by unsafe abortion, high incidence of malaria, limited access to health care.³¹¹

Refugees and Migrants

Non-discrimination provisions in the Constitution cover also migrants and refugees (Article 21). Article 71 provides for the right to obtain asylum against political persecution. Angola has not ratified the International Convention on the Protection of the Rights of All Migrant Workers and Members of their Families (ICMW). Nonetheless it is a member of the UN International Organization for migration (IOM).³¹² Angola has made several reservations to the 1951 Convention relating to the Status of Refugees, in particular with respect to Articles 17, on the right to work, and 26, on freedom of movement. The Law No.6 (1986) applies to foreign workers resident in Angola, and the Presidential Decree No. 11 (1986) regulates the procedure of recruitment of resident foreign workers.

The Bertelsmann Foundation states that many (illegal) immigrants as well as undocumented Angolans have faced discrimination, violence and expulsion from the country. This is mainly the case for Congolese immigrants who often work in the mining industry.³¹³ According to the UN Human Rights Council, mass expulsions resulted in serious human rights violations by security forces at the border and put many peoples in a precarious situation.³¹⁴ The UN Special Rapporteur on migrants noted that migrants often work in precarious conditions, and they are at heightened risk of exploitation and abuse in

³⁰⁵ UN Committee on the Elimination of Discrimination against Women (2019). Concluding observations on the seventh periodic report of Angola, UN Doc. CEDAW/C/AGO/CO/7.

³⁰⁶ World Economic Forum (2020). Global Gender Gap Report 2020: http://www3.weforum.org/docs/WEF_GGGR_2020.pdf

³⁰⁷ Freedom House (2020). Freedom in the World 2020: Angola: <https://freedomhouse.org/country/angola/freedom-world/2020>

³⁰⁸ UN Committee on the Elimination of Discrimination against Women (2019). Concluding observations on the seventh periodic report of Angola, UN Doc. CEDAW/C/AGO/CO/7.

³⁰⁹ Freedom House (2020). Freedom in the World 2020: Angola: <https://freedomhouse.org/country/angola/freedom-world/2020>

³¹⁰ UN Committee on the Elimination of Discrimination against Women (2019). Concluding observations on the seventh periodic report of Angola, UN Doc. CEDAW/C/AGO/CO/7.

³¹¹ United Nations Committee on Economic, Social and Cultural Rights (2016). Concluding observations on the fourth and fifth periodic report of Angola, UN Doc. E/C.12/AGO/CO/4-5.

³¹² UN International Organisation for Migration: <https://www.iom.int/countries/angola>

³¹³ Bertelsmann Foundation (2020). The 2020 BTI Country Report- Angola: https://www.bti-project.org/content/en/downloads/reports/country_report_2020_AGO.pdf

³¹⁴ UN Human Rights Council (2017). Report of the Special Rapporteur on the human rights of migrants on his mission to Angola, UN Doc. A/HRC/35/25/Add.1.

the workplace. Labour inspection system does not work effectively to address the issues of migrants at work.³¹⁵

Persons with disabilities

The Constitution of Angola refers to the rights of persons with disabilities in Articles 21(d), 23, 25, 77 and 83 (on citizens with disabilities). Public policy documents referring to the rights of persons with disabilities include: Presidential Decree No. 12/16 (2016) which establishes regulations on the employment quotas for persons with disabilities and the recruitment procedure; Presidential Decree No. 207/14 (2014) which sets up the Strategy for Action to promote social inclusion of children with disabilities; the Act No. 21/12 (2012) on person with disabilities as well as other documents.

According to the Humanity & Inclusion, there are about 500,000 Angolans with disabilities (2.5% of the total population).³¹⁶ More than 80,000 persons with disabilities are survivors of land mines.³¹⁷ The UN Committee on the Rights of Persons with Disabilities states that according to the data from the 2014 General Census, there are 656,258 persons with disabilities residing in Angola.³¹⁸ Various UN monitoring bodies report widespread discrimination against persons with disabilities in various spheres of life.³¹⁹

LGBTI persons

The Constitution of Angola does not explicitly refer to the rights of the LGBTI persons. Same-sex relations were seen as a crime until 2019. In 2019 the new Penal Code was adopted which criminalises discrimination based on sexual orientation.³²⁰ Stigmatisation and de facto discrimination remains common, however.³²¹ According to the Associação Íris Angola, discrimination and violence against LGBTI-persons is a common problem in the country,³²² which affects their access to basic services and needs, like health services, education or employment.³²³

³¹⁵ UN Human Rights Council (2017). Report of the Special Rapporteur on the human rights of migrants on his mission to Angola, UN Doc. A/HRC/35/25/Add.1.

³¹⁶ Humanity and Inclusion: <https://www.hi-us.org/angola>

³¹⁷ See website of MAG International: <https://www.maginternational.org/what-we-do/where-we-work/angola/>

³¹⁸ UN Committee on the Rights of Persons with Disabilities (2019). Initial report submitted by Angola under article 35 of the Convention, due in 2016, UN Doc. CRPD/C/AGO/1.

³¹⁹ UN Committee on the Rights of Persons with Disabilities (2019). Initial report submitted by Angola under article 35 of the Convention, due in 2016, UN Doc. CRPD/C/AGO/1; United Nations Committee on Economic, Social and Cultural Rights (2016). Concluding observations on the fourth and fifth periodic report of Angola, UN Doc. E/C.12/AGO/CO/4-5; and UN Committee on the Rights of the Child (2018). Concluding observations on the combined fifth to seventh periodic reports of Angola, UN Doc. CRC/C/AGO/CO/5-7.

³²⁰ See Código Penal Angolano: https://governo.gov.ao/fotos/frontend_1/qov_documentos/novo_codigo_penal_905151145fad02b10cd11.pdf

³²¹ United Nations Human Rights Committee (2019). Concluding observations on the second periodic report of Angola, UN Doc. CCPR/C/AGO/CO/2*; Human Rights Watch (2020). World Report 2020: Angola: <https://www.hrw.org/world-report/2020/country-chapters/angola>

³²² Bertelsmann Foundation (2020). The 2020 BTI Country Report- Angola: https://www.bti-project.org/content/en/downloads/reports/country_report_2020_AGO.pdf

³²³ Arquivo de Identidade Angolano (2018). Discrimination against Lesbian and Bisexual women in Angola: https://tbinternet.ohchr.org/Treaties/CEDAW/Shared%20Documents/AGO/INT_CEDAW_ICO_AGO_31504_E.pdf

1.2 Screening and Scoping of Human Rights Impacts for Angola

The main purpose of the screening and scoping exercise is to identify specific human rights for a detailed assessment of the potential impact of the Agreement. Based on the analysis of the legal text of the Agreement and desk research, Table 1 below presents specific human rights that are likely to be affected by the trade measures under the Agreement. The human rights presented in the table are drawn from the International Covenant on Civil and Political Rights and the International Covenant on Economic, Social and Cultural Rights, supplemented with references to the Universal Declaration on Human Rights, the core UN human rights treaties and conventions,³²⁴ the Charter of Fundamental Rights of the European Union, relevant regional human rights treaties,³²⁵ and ILO Conventions.

In line with the EC Guidelines for Human Rights Impact Assessments, the table provides the following information:

- Specific trade measures/provisions that are expected to have an impact on human rights (with references to the Chapters/Sections in the Agreement);
- Specific human rights that are expected to be affected (with references to international human rights law);³²⁶
- Short note on the potential impact;
- Whether the affected right is an absolute human right;³²⁷
- The kind of impact (direct or indirect);
- The degree of the impact (major or minor);
- Potentially affected population groups (if possible/ applicable).

Based on the results of the screening (likely major impact), and in line with the Terms of Reference, further analysis will focus on the following human rights:

- Right to food;
- Right to own property.

Impacts on the right to water and right to health both stem from pollution and environmental impact of business activities and will, therefore, be primarily covered under the environmental analysis.

³²⁴ Core UN human rights treaties include: International Convention on the Elimination of All Forms of Racial Discrimination (ICERD), International Covenant on Civil and Political Rights (ICCPR), International Covenant on Economic, Social, and Cultural Rights (ICESCR), Convention on the Elimination of All Forms of Discrimination against Women (CEDAW), Convention against Torture and Other Cruel, Inhuman or Degrading Treatment or Punishment (CAT), Convention on the Rights of the Child (CRC), International Convention on the Protection of the Rights of All Migrant Workers and Members of Their Families (ICMW), International Convention for the Protection of All Persons from Enforced Disappearance (ICPED), International Convention on the Rights of Persons with Disabilities (ICRPD), and their Optional Protocols.

³²⁵ The European Convention on Human Rights, the African Charter of Human and Peoples' Rights and its Maputo Protocol, the African Charter on the Rights and Welfare of the Child.

³²⁶ In line with the Fundamental Rights Check list outlined in the Better Regulation Toolbox, it will be specified whether the potentially affected rights are absolute human rights or not.

³²⁷ In line with the Better Regulation Toolbox (European Commission 2017) and more specifically, Fundamental Rights Check List of Tool #28: https://ec.europa.eu/info/sites/info/files/file_import/better-regulation-toolbox-28_en_0.pdf

Table 1: Screening and scoping of human rights potentially affected by the EPA in Angola³²⁸

Trade measure ³²⁹	Reference in the EPA	Human Right / normative framework	Short explanation of the potential impact	Kind of impact Direct / indirect	Scale of impact major / minor	Potentially affected population group
Liberalisation of tariffs for goods and services	Part II, Chapter I <i>Trade in Goods and</i> Chapter IX <i>Trade in Services and Investment</i>	Right to work - UDHR, Art.23, 24 - ICESCR, Art. 6 & 7 - CFR, Art. 15 & 31 - ACHPR, Art. 15 Right to an adequate standard of living - UDHR, Art. 25 - ICESCR, Art. 11	Access to the EU market for Angola's exports under the EPA will be more preferential as under the alternative, i.e. the standard GSP arrangement or the GSP+, which will be applicable if Angola does not join the EPA, once Angola graduates from EBA status. As the differences, as well as Angola's exports that would face duties, are limited, the impact of accession on the right to work (and consequently, on the right to an adequate standard of living) for Angolan workers in export sectors is likely to be limited. The removal or reduction of Angola's tariffs on imports by the EU could lead to increased import competition from the EU and put pressure on import-competing sectors in Angola, although this effect is expected to be limited according to the economic impact analysis. Nevertheless, at sector level, a mixed impact may result for workers in different sectors.	Direct	Minor	Workers in Angola
Facilitation of trade and investment	Chapter IX <i>Trade in Services and Investment</i> SIFA	Right to work - UDHR, Art.23, 24 - ICESCR, Art. 6 & 7 - CFR, Art. 15 & 31 - ACHPR, Art. 15 Right to an adequate standard of living - UDHR, Art. 25 - ICESCR, Art. 11 Right to own property - UDHR, Art. 17 - CFR, Art. 17 - ACHPR, Art. 14	Depending on the investment flows, in sectors benefitting from EU investment, employment may increase, creating additional jobs for workers, positively affecting their right to work (and consequently the right to an adequate standard of living). In case of investments into industries related to minerals, mining, as well as agriculture, that all require land as a resource, it is possible that the rights of indigenous peoples, but also communities from adjacent territories, will be affected. Communities residing on the lands that could be used because of projects boosted by foreign investments are likely to be affected with respect to their right to own property. This is particularly important as current legislation in Angola does not protect its citizens against forced evictions and this existing practice is of concern (see baseline analysis above).	Direct	Minor	Workers in Angola
		Right to own property - UDHR, Art. 17 - CFR, Art. 17 - ACHPR, Art. 14	In case of investments into industries related to minerals, mining, as well as agriculture, that all require land as a resource, it is possible that the rights of indigenous peoples, but also communities from adjacent territories, will be affected. Communities residing on the lands that could be used because of projects boosted by foreign investments are likely to be affected with respect to their right to own property. This is particularly important as current legislation in Angola does not protect its citizens against forced evictions and this existing practice is of concern (see baseline analysis above).	Direct	Minor, possibly major in specific sectors or areas	Indigenous populations Rural communities Communities living in proximity to the development projects
		Right to water - ICESCR, Art. 11	Linked to the development of new investment projects, in case these projects are occurring in minerals, mining and certain	Direct	Minor, possibly	Communities living in proximity to the

³²⁸ The table does not include rights where desk research did not indicate that they could have been affected by the Agreement.

³²⁹ Based on UNCTAD (2015). 'Classification of Non-Tariff Measures. 2012 Version': http://unctad.org/en/PublicationsLibrary/ditctab20122_en.pdf?user=46

Trade measure ³²⁹	Reference in the EPA	Human Right / normative framework	Short explanation of the potential impact	Kind of impact Direct / indirect	Scale of impact major / minor	Potentially affected population group
		<ul style="list-style-type: none"> - CESCR General Comment No. 15 - ACHPR Guidelines on the Rights to Water in Africa <p>Right to health</p> <ul style="list-style-type: none"> - UDHR, Art. 25 - ICESCR, Art. 12 - CESCR General Comment No. 14 - CFR, Art. 35 - ACHPR, Art. 16 	agricultural sectors, increases in pollution may affect the right to health and/ or right to water for the communities living in the proximity of the project sites.		major in specific sectors or areas	development projects
		<p>Right to food</p> <ul style="list-style-type: none"> - UDHR, Art. 25 - ICESCR, Art. 11 - CESCR General Comment No. 12 - ACHPR/Res.431(LXV)2019 	Land eviction without adequate legal remedies may contribute to food insecurity and undernutrition. This is particularly important as current legislation in Angola does not protect its citizens against forced evictions and this existing practice is of concern (see baseline analysis above).	Indirect	Possibly major in specific sectors/ areas	Communities living in proximity to the development projects
Safeguard measures	Art. 36 on Food security safeguards Chapter VII regarding Agriculture (cooperation)	<p>Right to food</p> <ul style="list-style-type: none"> - UDHR, Art. 25 - ICESCR, Art. 11 - CESCR General Comment No.12 - ACHPR/Res.431(LXV)2019 	Safeguards provided for under these articles may have a minor impact, possibly contributing to improved food security.	Indirect	Minor	Population in Angola in general

Annex F: Background Analysis for Environmental Impact Assessment

1.1 Approach

In line with the Handbook for Trade Sustainability Impact Assessments (European Commission Directorate-General for Trade 2016), the environmental analysis included eight environmental impact dimensions: (1) Climate change; (2) Air quality; (3) Use of energy; (4) Water quality and resources; (5) Land use and soil quality; (6) Waste and waste management; (7) Biodiversity; and (8) Ecosystem services and protected areas. The methodology for the environmental analysis was organised along the following steps:

- **Step 1: Environmental baseline:** In the first step the existing overall environmental situation in Angola was identified, including understanding main areas of environmental stress and vulnerability, legal obligations of the parties with respect to the environment and pre-existing conditions that severely influence environmental conditions or impact policy making to address environmental challenges.
- **Step 2: Screening and scoping:** This aimed at identifying how each of the eight environmental dimensions may be affected by the EPA. It included identifying relevant indicators to assess impacts for each of the environmental aspects and identify data sources to conduct the assessment;
- **Step 3: In-depth analysis of the potential environmental impacts** of the EPA, in comparison to baseline developments. In addition to identifying impacts this included identifying how the EPA may help to address environmental concerns.
- **Step 4: Case study.** One environmental case study, on biodiversity and deforestation, provides further details on a topic already identified as being potentially impacted by the EPA;
- **Step 5: Conclusions and recommendations.**

In overall terms step 3 has been found challenging because of the limited economic impacts identified, especially with respect to exports – and therewith increase in output – from Angola, both in terms of scale effects compared to the baseline (Angola trading with the EU as a GSP beneficiary country) and in terms of (at least short-term) structural effects from diversification in exports and output. The analysis, conclusions and recommendations therefore have a stronger focus on the environmental baseline, the policy framework and how intensified cooperation in an EPA context could contribute to national and international goals and agreements on the various environmental aspects included in this analysis. Larger potential environmental effects however should not be fully ruled out. As indicated in the economic analysis, the model simulations tend to underestimate trade impacts because impacts on goods that are currently not exported are not included and as the impacts of non-tariff measures are not captured. The environmental analysis therefore includes some qualitative assessments to identify potential impacts, with a focus on impacts of increased production and export of agri-food products, and of increased investments in clean technologies resulting from participation in a Sustainable Investment Facilitation Agreement (SIFA).

1.2 Current Legal Status: Multilateral Environmental Agreements and Environmental Provisions in the EPA

Around 250 Multilateral Environmental Agreements (MEAs) have been agreed that deal with one or more environmental issues. Out of these, the WTO's Committee on Trade and the Environment has identified MEAs that are directly related to trade, as evidenced by the

inclusion of provisions to control trade in order to prevent damage to the environment.³³⁰ The EU, Angola and other SADC Member States are parties to most of these MEAs and SADC plays an important role in supporting its Member States in implementing them. Table 1 provides an overview, along with information on the status or date of ratification of Angola and whether the MEA is specifically mentioned in the SADC overview on their website.

Table 1: Status of ratification and SADC support to trade related MEAs

	Convention	Status/date ratification Angola	Listed on SADC website
Biodiversity	Convention on International Trade in Endangered Species of Wild Fauna and Flora (CITES, 1973)	02 October 2013	Yes
	Convention on the Conservation of Antarctic Marine Living Resources (CCAMLR)*	N	No
	International Convention for the Conservation of Atlantic Tunas (ICCAT)*	29 July 1976	No
	United Nations Fish Stocks Agreement (UNFSA, 1995)	N ⁽¹⁾	No
	Agreement on Port State Measures (PSMA, 2009)	N	No
	International Tropical Timber Agreement (ITTA, 1983/1994/2006)	N	No
	International Plant Protection Convention (IPPC)	N ⁽²⁾	No
	Convention on Biological Diversity (CBD, 1992)	1 Apr 1998	Yes
	Nagoya Protocol to the CBD on Access to Genetic Resources and the Fair and Equitable Sharing of Benefits Arising from their Utilization (2010)	6 Feb 2017	No
	Cartagena Protocol to the CBD on Biosafety (2000)	27 Feb 2009	No
Air Pollution	Nagoya – Kuala Lumpur Supplementary Protocol to the Cartagena Protocol on Liability (2010)	N	No
	Montreal Protocol and the Vienna Convention on Substances that Deplete the Ozone Layer	17 May 2000	No
	United Nations Framework Convention on Climate Change (UNFCCC, 1992)	17 May 2000	Yes
	The Kyoto Protocol (1997)	8 May 2007	No
Climate change	The Paris Agreement (2015)	2020	No
	Basel Convention on the Control of Transboundary Movements of Hazardous Wastes and their Disposal (1989)	6 Feb 2017 ⁽³⁾	Yes
	Rotterdam Convention on the Prior Informed Consent Procedure for Certain Hazardous Chemicals and Pesticides in International Trade (1998)	N ⁽⁴⁾	Yes
	Stockholm Convention on Persistent Organic Pollutants (2001)	23 Oct 2006	Yes
	Minamata Convention on Mercury (2013)	N ⁽⁵⁾	No

* Contained in WT/CTE/W/160/Rev.8 (2017) but removed in the latest WT/CTE/W/160/Rev.9 (2021) as a result of its regional scope.

N: not ratified; Yes: the convention is listed on the SADC website and indicated as to be adopted by the SADC Member States. No: the convention is not listed on the SADC website (which does not necessarily mean that SADC Members would not have adopted the convention).

(1) Angola ratified the United Nations Convention on the Law of the Sea on 5 Dec 1990 but not some of the implementing agreements.

(2) The IPPC has a high number of contracting parties; a total of 199. Angola is one of the few non-contracting parties.

(3) Angola has not yet ratified the 1995 ban Amendment to the Basel Convention. The African Union also adopted the Bamako Convention (1991) to control the movement of hazardous wastes within Africa. Angola has ratified this on 17 Aug 2016

(4) Angola is a signing party to the Rotterdam Convention and in 2007 adopted a resolution implementing the convention. To date it has not sent its ratification of the Convention to the UN.

(5) Angola is a signing party but to date has not ratified the Convention.

Table 1 shows among others:

- Angola has ratified the three conventions relevant to climate change and the two conventions relevant to air pollution.

³³⁰ Matrix on trade-related measures pursuant to selected multilateral environmental agreements, WT/CTE/W/160. The matrix is updated from time to time and contains around 20 MEAs; the latest version is WT/CTE/W/160/Rev.9, 19 March 2021.

- In the area of waste and chemicals there is a mixed picture, with two conventions ratified (Basel Convention and Stockholm Convention) and two conventions not ratified (Rotterdam Convention and Minamata Convention).
- A mixed picture also occurs in the area of biodiversity, with ratification of the very important Convention on Biological Diversity (CBD) and two of the three implementing protocols relevant to trade. Angola also ratified the CITES convention and the UN Convention on the Law of the Sea, but did not ratify some of the implementing agreements of the latter.

Further details on these conventions and the ratifications by Angola are included in the sections below.

A MEA not included on the WTO list but highly relevant to Angola is the United Nations Convention to Combat Desertification in those Countries Experiencing Serious Drought and/or Desertification, Particularly in Africa. This MEA was agreed in 1994 and ratified by Angola on 30 Jun 1997.

Environmental sustainability and climate change is also one of the six priority elements of the new Partnership Agreement between the EU and members of the Organisation of African, Caribbean and Pacific States (the post-Cotonou Agreement).³³¹ The negotiations for this legal framework were concluded in April 2021 and include various agreements to address environmental protection and effective conservation, sustainable management of natural resources, and climate change.

Within the context of Chapter 2 of the EU-SADC EPA on trade and sustainable development (TSD), signing parties recognise the value of MEAs as a priority objective of international cooperation. Furthermore, the Parties reaffirm their commitment to implement their obligations in respect of the MEAs that they have ratified. In this light, Angola might be encouraged to ratify the mentioned MEAs currently not yet ratified as well as have to pursue effective implementation of these MEAs. Recognising that especially the effective implementation of conventions in the area of climate change is very high on the EU agenda, options could be explored to provide technical assistance to support Angola in its implementation process. More detail is provided in the following section.

1.3 Impact Areas

1.3.1 Climate change

The UN report on Angola's progress towards reaching the sustainable development goals (SDGs) identifies climate action as one of the two areas where Angola is well on its way to achieve the long-term goals defined.³³² However, climate change is seen as a risk as it is likely to exacerbate many ongoing challenges in Angola. USAID mentions impacts such as extreme rainfall events and temperature changes to expand the range and transmission period for disease vectors, sea level rise to affect coastal and infrastructure, warming oceans to further stress marine resources and increased temperatures and rainfall variability to impact agrifood opportunities.³³³ The World Bank flags that natural hazards in the form of flooding, erosion, droughts, and epidemics impede development as well, and are expected to become worse as the climate changes. It also mentions that sea level rise poses a major threat to its coastal population, where it is estimated that 50% of Angolans

³³¹ Negotiated text available at: https://ec.europa.eu/international-partnerships/system/files/negotiated-agreement-text-initialled-by-eu-oacps-chief-negotiators-20210415_en.pdf. The EU and the Government of Angola are both signing parties to this agreement.

³³² SDG dashboards, Angola. Available at <https://dashboards.sdgindex.org/profiles/ago>

³³³ USAID, Climate risk in Angola: country risk profile, October 2018, available at https://www.climatelinks.org/sites/default/files/asset/document/2018_USAID-CCIS-Project_Climate-Risk-Profile-Angola.pdf

reside.³³⁴ The United Nations World Food Programme (WFP) warned in March 2021 that hunger is on the rise in Angola as the country experiences its worst episode of drought in four decades in the south-western provinces.³³⁵

Angola has not been a frontrunner in addressing climate change. It ratified the Paris Agreement as one of the last countries, on 16 Nov 2020. The country submitted its first national communication on 6 Feb 2012 and upon ratification had promised to submit an updated communication before the end of 2020.³³⁶ Such submission and effective implementation is also referred to in the post-Cotonou Agreement where Parties agree to effectively implement the UNFCCC and the Paris Agreement as well as to track progress towards their NDCs and formulation of mid-century, long-term low greenhouse gas emission development strategies (Articles 57f).

Angola's total GHG emissions per capita in 2005 were 3.95 tons of CO_{2eq}.³³⁷ In absolute numbers, SADC reported CO₂ emissions per capita of 1.41 tons of CO₂ in 2007 for Angola, ranking 7th out of 15 countries for which data was available, emitting around 1/6th of emissions per capita compared to the highest ranked country, South Africa.³³⁸ Total GHG emissions have increased 8% in 2005-2018, which is the net effect of a decrease in emissions from agriculture (8% decrease) and from land use change (6% decrease, mainly from lower burning of biomass as firewood or charcoal for heating water, cooking and home lighting) and an increase in GHG emissions in all other activities. The highest relative increase occurred in industrial processes (+128%; 1.39 Mt in 2018). The highest absolute increase occurred in energy (+13.77 Mt; an increase of 46%).³³⁹

There is however some reason for optimism as the steep growth in CO₂ and GHG emissions was curbed in 2015. Total GHG emissions have decreased each year since 2015, totalling a decrease of 10.4% in the period 2015-2018. While the larger part of the decrease is a result of the economic recession and the significant drop in oil prices since 2015, the optimism comes from the fact that decrease in emissions was significantly higher than decrease in GDP. In this the reduction in GHG emissions from energy consumption stand out, with a decrease of 16.4% in the period 2015-2018. This seems a direct result of economic restructuring which saw the services sector and the construction sector strongly increase in this period while the manufacturing sector decreased.³⁴⁰ Our World in data illustrates that a large part of national CO₂ emissions comes from exports and that whereas total national emissions keep rising the emissions related to national consumption have been flattened. Figure 1 illustrates the total cumulative CO₂ emissions (graph on the left) and the trade corrected emission data (graph on the right).

³³⁴ World Bank Climate knowledge portal, Angola country summary, available at <https://climateknowledgeportal.worldbank.org/country/angola>

³³⁵ "Hunger worsens in Angola due to drought", WFP, 26 March 2021, available at <https://www.wfp.org/news/hunger-worsens-angola-due-drought>

³³⁶ Submission is said to be delayed due to focusing on addressing the covid-19 crisis.

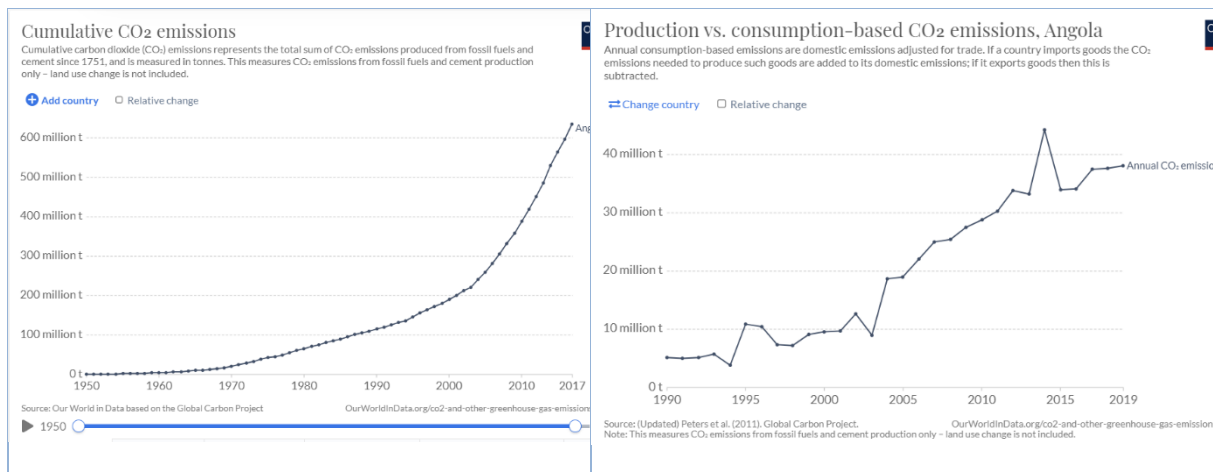
³³⁷ WRI, Climate Watch data, available at <https://www.climatewatchdata.org/countries/AGO>

³³⁸ SADC, SADC Climate Change Strategy and Action Plan, Version 24 July 2015, available at https://www.sadc.int/files/5615/9126/1263/SADC_Climate_Change_Strategy_and_Action_Plan-English.pdf

³³⁹ WRI, Climate Watch data, available at <https://www.climatewatchdata.org/countries/AGO>

³⁴⁰ Lloyds Bank (2021), The economic context of Angola, available at <https://www.lloydsbanktrade.com/en/market-potential/angola/economical-context> [accessed 3 June 2021].

Figure 1: CO₂ emissions, Angola



Source: Hannah Ritchie and Max Roser (2020), CO₂ and Greenhouse Gas Emissions, OurWorldInData.org. Available at <https://ourworldindata.org/co2-and-other-greenhouse-gas-emissions>. The Angola CO₂ country profile available at <https://ourworldindata.org/co2/country/angola>. Our World in Data is a collaborative effort between researchers at the University of Oxford and the non-profit organization Global Change Data Lab.

Recognising the positive correlation between economic diversification in Angola and GHG emission reductions, and recalling the specific mentioning of stimulating economic diversification in the EU-SADC EPA, Angola's accession to the EPA could provide a further positive stimulant, especially when low-carbon technologies and low-carbon economic activities are stimulated. Parties could facilitate this by further continued dialogue on the removal of obstacles to trade or investment in low-carbon technologies, goods and services, in particular trade or investment in renewable energy goods and – if the EU-SADC EPA was expanded to services – renewable energy related services (for more details on renewable energy potential see section 1.3.3 below).

In its Nationally Determined Contribution (NDC) Angola plans to reduce GHG emissions up to 14% unconditionally by 2025 as compared to the Business As Usual (BAU) scenario (base year 2015). This corresponds to an estimated mitigation level of 15.4 MtCO_{2eq} in 2025 (Government of Angola 2021). In addition, it is expected that through a conditional mitigation scenario the country could reduce an additional 10% below BAU emission levels by 2025 which corresponds to an additional mitigation level of 11.1 MtCO_{2eq} in 2025. The NDC indicates the priorities for climate change mitigation to be reduction of fugitive emissions in industry (42% of targeted unconditional reductions) and increase in renewable energy (28%). Additional larger contributions should come from composting of municipal waste (13%) and reforestation (6%).

The national renewable energy strategy defined targets for renewable energy to be achieved by the year 2025. The specific targets of 100 MW solar PV, 370 MW of small and medium hydropower, 500 MW of biomass and 100 MW wind should help to diversify Angola's renewable energy production which currently mainly relies on large scale hydro power. The overall goal of the Government of Angola is to reach 70% of energy production from renewable sources. In the period 2015-2019, Angola's total installed renewable energy capacity increased from 1,017 MW to 2,763 MW, mainly as a result of improved exploitation of hydropower.³⁴¹ The African Development Bank (AfDB) identified one of the key needs to achieving these targets to be establishing and institutionalizing supportive regulatory frameworks to bring in credible Independent Power Producers (IPPs). The

³⁴¹ Africanews (2021), Angola: African Development Bank funds \$530 million electricity project to expand renewable energy and regional connectivity, available at [https://www.africanews.com/2021/03/16/angola-african-development-bank-funds-530-million-electricity-project-to-expand-renewable-energy-and-regional-connectivity/#:~:text=In%20the%20period%202015%2D2019,Development%20Bank%20Group%20\(AfDB\)](https://www.africanews.com/2021/03/16/angola-african-development-bank-funds-530-million-electricity-project-to-expand-renewable-energy-and-regional-connectivity/#:~:text=In%20the%20period%202015%2D2019,Development%20Bank%20Group%20(AfDB)) [accessed 3 June 2021].

Angolan Government has undertaken various reforms to improve the investment climate, including the adoption of the renewable energy strategy and new laws regarding procurement and electricity distribution to support IPPs. In addition, the electricity tariff regime has been revised and the energy subsidy system has been reformed. The AfDB is providing further support through its Sustainable Energy Fund for Africa (SEFA) to develop and implement a regulatory and institutional framework that would encourage private renewable energy investment.³⁴² The AfDB also provides financing for a transmission line to facilitate a surplus of more than 1,000 MW of mostly renewable power from the north of Angola to be transmitted to the south of the countries with currently mainly relies on diesel generators.³⁴³

Reforestation should contribute to a total of 6.45% of unconditional GHG emission reductions, as was defined in the NDC. In earlier years³⁴⁴ Angola had labelled reforestation to be its second priority in addressing GHG emission reductions but expectations in this area have now been reduced. Angola has seen its tree coverage drastically reduce, with an average annual deforestation rate of about 0.20 to 0.25% in the last decades. Data from Global Forest Watch mentions that just in 2020, the country lost 248 thousand hectares of tree cover, equivalent to 85.9 Mt CO_{2eq}. Total decrease in 2002-2020 was 5.3% of primary forest, releasing an average of 52.2Mt per year into the atmosphere.³⁴⁵ No explicit target has been defined on the share of tree coverage increase, but the National Biodiversity Strategy and Action Plan (NBSAP) 2007-2012 set a goal to increase the country's protected area from 6.6% to around 15% (Ministry of Urban Affairs and Environment 2007). This target has however not been achieved. In 2019, the Government reported to have achieved a share of 12.58% of protected area (for more detail see section 1.3.7 below) (National Directorate of Biodiversity 2019). Therewith this planned contribution to reducing national GHG emission levels has not been fully achieved. The NDC published in May 2021 includes a target for reforestation of 227,000 hectares by 2025, reducing 1,015.67 kt CO_{2eq}. The expected increase in output of the agri-food sector may bring a further challenge to achieving the targeted share of protected area and therewith achieving of this part of GHG emission reductions. It is therefore important to ensure that such increase in agri-food production does not lead to further land use change. This could be achieved by improving efficiency of production, facilitated by support to the use of clean production technology. With respect to forestry, the high recent growth in sustainable timber production and its high export potential are seen as an opportunity for environmental preservation, including climate change (see more detail in section 1.3.7 below).

Given the high vulnerability to climate change impacts in some key economic sectors, Angola's NDC also includes priority adaptation actions that will enable the strengthening of the resilience of the country towards attaining its long-term strategy development goals. In 2011 Angola submitted its national adaptation programme of action to the UNFCCC, which mainly focused on the communication of adaptation needs and capacity building to address adaptation needs.³⁴⁶ Since then, the Ministry of Environment with support from UNEP and the GEF has worked on several projects to implement these priorities. These among others dealt with establishing an early warning climate forecasting system, restoring wetlands and mangroves to provide flood defences, promoting climate-resilient

³⁴² AfDB (2020), Angola - Angola Renewable Energy Program - Enabling Environment - SEFA Appraisal Report, available at <https://www.afdb.org/en/documents/angola-angola-renewable-energy-program-enabling-environment-sefa-appraisal-report>

³⁴³ See earlier footnote on Africanews (2021).

³⁴⁴ Angola's Initial National Communication to the UNFCCC, 2012.

³⁴⁵ GFW, Global Deforestation Rates & Statistics by Country, GFW (globalforestwatch.org) [accessed on 4 June 2021].

³⁴⁶ Government of Angola (2011), National adaptation programme of action under the United Nations Framework Convention on Climate Change (UNFCCC). Available at <https://unfccc.int/resource/docs/napa/ago01.pdf>

land management techniques to mitigate the impacts of drought on livelihoods, and integrating adaptation into national policy.³⁴⁷

All in all, it is concluded that although currently there is attention to address climate change in Angola, the country could strengthen its regulatory and policy framework, including setting further specific targets, improve data to further focus its understanding of the challenges and needs, and strengthen implementation of existing targets. With a wide range of needs and lack of resources, Angola could clearly benefit from international support. In future, such cooperation between the EU and Angola could take place in regular discussions in the framework of EPA Trade and Development Committee. This could for example include:

- a referral to the importance of the UNFCCC Paris Agreement and alignment to its objectives, including a commitment to actively report on progress in addressing climate change impacts;
- an explicit recognition of negative impacts of climate change on biodiversity;
- commitments to continued cooperation in the framework of SADC Climate Services Centre to improve expertise on options to address climate change and the interaction between climate change, biodiversity and agricultural production, including formulation of training activities to expand such knowledge to various economic sectors;
- recognition of the importance of supporting climate friendly trade products in general, and the role of clean technologies for sustainable agricultural production specifically, with a view on supporting food security, improving biodiversity and providing cleaner energy production; and
- promotion of clean technology in trade relations and agreeing to explore opportunities to provide support to clean technology (and phase out unsustainable production) through measures such as green government procurement, phasing out of environmentally harmful subsidies, or differential tariff structures.

1.3.2 Air quality

Limited information is available on Angola's air quality. UNEP conducted a review in 2015 concluding that Angola has no national air quality legislation or control policy in place and has not defined national ambient air quality standards.³⁴⁸ On 19 May 2020 the National Environmental Quality Program (PNQA) came into force by Presidential Decree 138/20. The PNQA is especially aimed at improving the quality of life of Angolan citizens residing in urban, peri-urban and rural areas. It focuses on improving air, water and soil quality, while boosting and falling in step with the different short-, medium- and long-term Government plans and programs. To improve air quality, the PNQA lists the following measures:³⁴⁹

- Collecting and updating information on sources of air emissions and their impact on health and the environment, to prepare a National Emission Plan;
- Preparing a Presidential Decree to regulate emissions of air pollutants in line with international commitments and defining the air quality standards sought for the country;
- Implementing an air quality index for the country's major cities;
- Promoting and adopting clean energy and technology, including as consistent with the mitigation of greenhouse gas emissions;

³⁴⁷ UNEP (2020), Angola: Ecosystem-based Adaptation 2016-2020. Available at <https://wedocs.unep.org/bitstream/item/f477986a-4b65-4cc3-a24e-0d6768fc9a6f/Angola%20-%20Ecosystem-based%20Adaptation%202016-2020.pdf?sequence=1&isAllowed=y>

³⁴⁸ UNEP (n.d.), Angola air quality policy, available at <https://wedocs.unep.org/bitstream/handle/20.500.11822/17181/Angola.pdf?sequence=1&isAllowed=y>

³⁴⁹ See Legal500.com (2020), National Environmental Quality Program in Angola, 20 July 2020. Available at <https://www.legal500.com/developments/thought-leadership/national-environmental-quality-program-in-angola/>

- Monitoring the amount of air pollutants;
- Measuring the concentration of pollutants in the environment;
- Georeferencing the main pollution affected areas; and
- Training air quality technicians.

Data reported by international organisations show that air pollution is quite a challenge in Angola. The World Bank database shows that the age-standardized mortality rate attributed to household air pollution and ambient air pollution in Angola was 185.5 per 100,000 in 2016, slightly higher than the average for lower middle income countries (169.5).³⁵⁰ IndexMundi quotes data from the 2017 Global Burden of Disease Study 2017 reporting a steady decrease in the annual mean concentration of fine particulate matter (PM_{2.5}) from 36.45 µg/m³ in 1990 to 32.39 µg/m³ in 2017. This significantly exceeds the WHO recommended maximum of 10 µg/m³.³⁵¹ Consistent datasets on coarse particulate matter (PM₁₀) emissions could not be retrieved but all data found indicated levels well above the WHO recommended maximum of 20 µg/m³.

Key contributors to poor air quality in Angola include oil and gas exploration, mining, vehicle emissions, and agricultural waste burning.³⁵² A large part of emissions is attributed to exports of oil and gas.

One of the main reasons of poor household air pollution seems to be the high proportion of population with primary reliance on polluting fuels and technologies for cooking: 52.3% in 2018.³⁵³ Yet government policies supporting LPG and natural gas have resulted in Angola having one of the highest shares of access to clean cooking in sub-Saharan Africa.³⁵⁴ Assuming increased investment and trade opportunities would lead to an increase in economic prosperity, a higher share of population could be expected to be able to afford clean fuels for cooking. To avoid that increased trade would lead to a further increase in emissions it is important to pay attention to clean technologies and phasing out unsustainable production.

In future, cooperation between the EU and Angola in the framework of the EU-SADC EPA aimed at improving air quality could:

- Recognise the importance of the National Environmental Quality Program (PNQA) that came into force in May 2020;
- Exchange expertise in development of a National Emission Plan, formulation of air quality legislation and national air quality standards, monitoring of emissions and legislative oversight;
- Promote clean technology in trade relations and agreeing to explore opportunities to provide support to clean technology (and phase out unsustainable production) through measures such as green government procurement, phasing out of environmentally harmful subsidies, or differential tariff structures.

³⁵⁰ World Bank (n.d.), World Bank database, mortality. Available at <https://data.worldbank.org/indicator/SH.STA.AIRP.P5?locations=AO>

³⁵¹ IndexMundi, Angola - PM_{2.5} air pollution, mean annual exposure. Available at <https://www.indexmundi.com/facts/angola/indicator/EN.ATM.PM25.MC.M3> accessed 15 June 2021.

³⁵² IAMAT, Angola general health risks: air pollution. Available at <https://www.iamat.org/country/angola/risk/air-pollution#:~:text=In%20accordance%20with%20the%20World,maximum%20of%2010%20%C2%B5q%2Fm3>

³⁵³ World Bank database, mortality. Available at <https://data.worldbank.org/indicator/SH.STA.AIRP.P5?locations=AO>

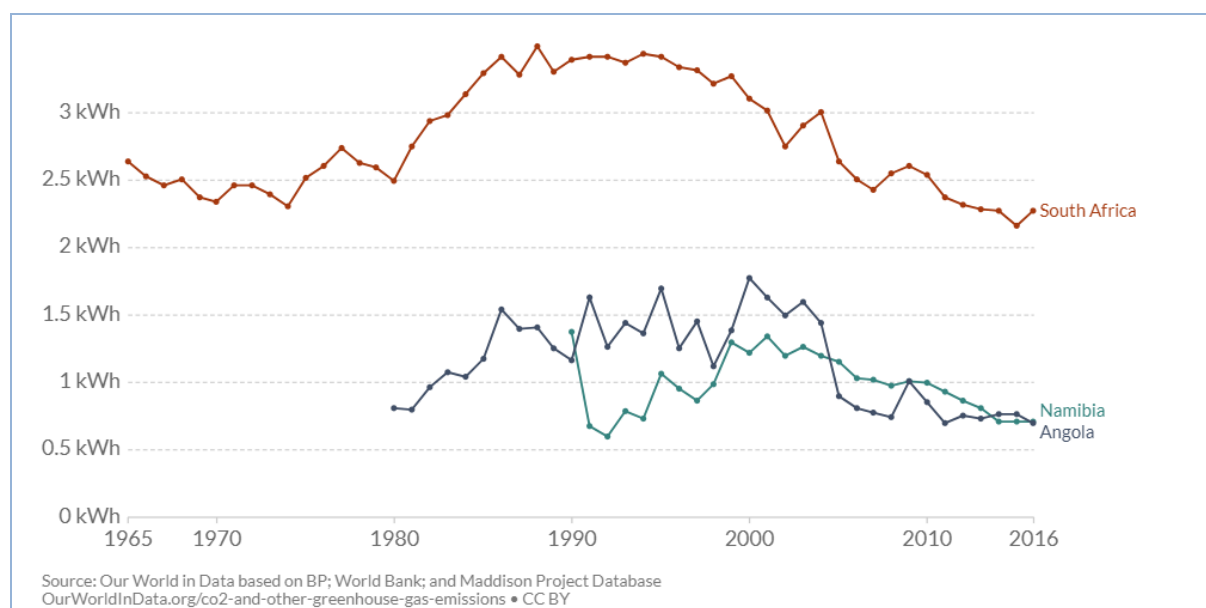
³⁵⁴ IEA Outlook 2019, Africa Energy Outlook 2019, Overview: Angola, November 2019. Available at https://iea.blob.core.windows.net/assets/1d996108-18cc-41d7-9da3-55496cec6310/AEO2019_ANGOLA.pdf

1.3.3 Use of energy

Large growth is expected in the use of energy in Angola, with a direct relation to international trade. Angola is the second-largest oil producer in Africa, and mineral fuels account for more than 90% of exports (see main report). Average annual growth in energy consumption in the past decade has been more than 15% due to higher living standards, Government efforts to expand electricity coverage and an increase in available generation capacity. Until 2025, demand is expected to grow at a substantial rate, with the overall system load reaching 7,200 MW – more than four times the current level.³⁵⁵ The growth is closely linked to the country's expected growth in industry, especially in energy-intensive activities such as iron ore and other mining exploration. Energy demand from industry is expected to grow from a current 9% of energy demand to 25% of total consumption by 2025.³⁵⁶ Total energy supply in the country more than doubled in the period 2005-2018. Whereas the amount of renewable supply in this period increased by 33%, the amount of energy production from oil boosted, with total supply in 2018 being 4.6 times as much as in 2005. Consequently, the share of renewable supply in total production decreased from 71% in 2005 to 46% in 2018.³⁵⁷

Comparison of energy intensity data in Angola with data from neighbouring countries Namibia and South Africa shows similar data for Angola and Namibia while primary energy consumption per GDP in South Africa is about twice as high (Figure 2).

Figure 2: Primary energy intensity, Angola vs. Namibia and South Africa, 1966-2016



Note: Energy intensity is measured as primary energy consumption per unit of GDP. This is measured in kWh per 2011\$ (PPP)

Source: OurWorldInData.org

The National Energy Security Strategy and Policy was enacted in 2011 by Presidential Decree Nr 256/11. It defined the main strategic guidelines for the energy sector along six axes: growth of the generation park, use of renewables, electrification and grid expansion, tariff review and economic-financial sustainability, redefinition of the existing institutional framework by calling for the restructuring of the power sector and strengthening of the

³⁵⁵ This is the expected capacity. The Government strategy document includes an even higher target of 9.9 GW by 2025, as discussed below.

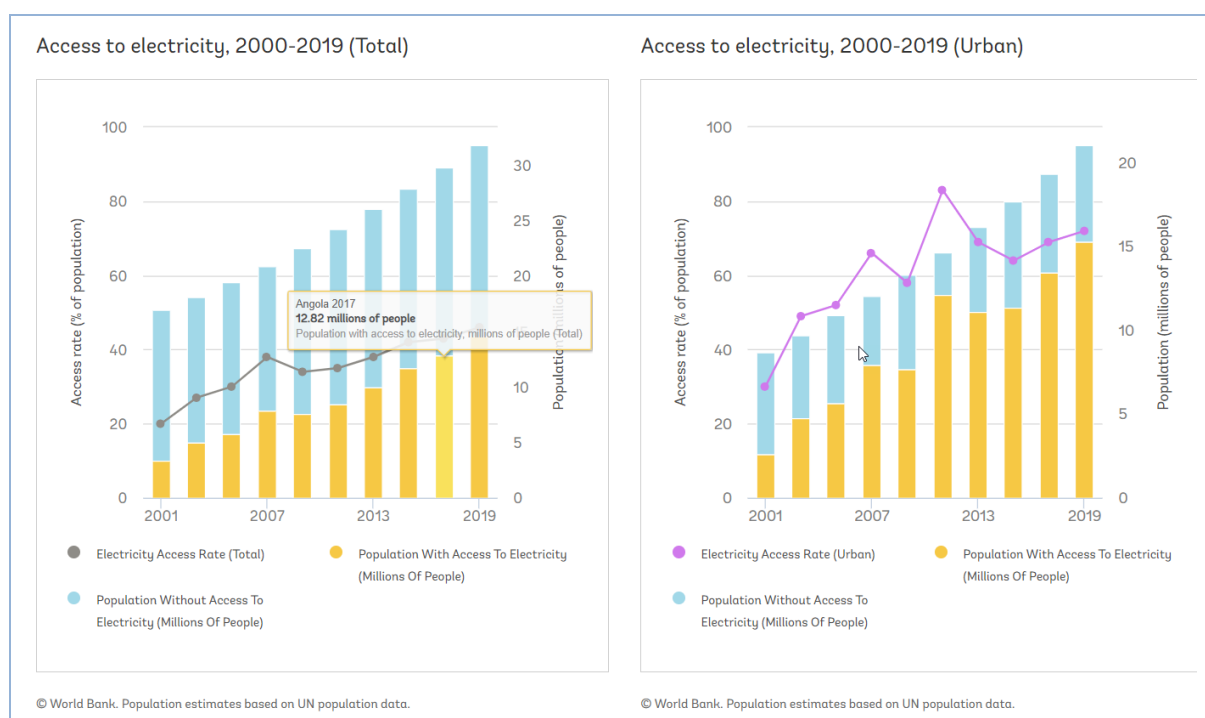
³⁵⁶ Africa Oil and Power, Power Generation in Angola. Available at <https://www.africaoilandpower.com/2020/01/03/power-generation-in-angola/>

³⁵⁷ IEA (2020), World Energy Balances 2020, Available at <https://www.iea.org/subscribe-to-data-services/world-energy-balances-and-statistics>

operators, promotion of private investments.³⁵⁸ These plans were further elaborated in, among others, the Government's Power Sector Long-Term Vision and the Renewable Energy Strategy approved in 2015. Targets include an increase in generation capacity to 7.5 GW in 2022 and 9.9 GW by 2025, of which approx. 75% of the increase is to come from renewables. This however requires substantial investments, estimated at USD 13.6 billion in the period 2018 – 2022, increasing to USD 23.1 billion in the period 2022 – 2025. Plans also include to increase the current national electricity access rate of approx. 44% to around 50% by 2022 and 60% by 2025.³⁵⁹

World Bank data illustrate that the challenges of increased electrification are significantly higher in rural areas and that electricity access rates have steadily increased over the years.

Figure 3: Access to electricity in Angola, 2000-2019



Source: Tracking SDG7, Access to electricity, 2000-2019. Available at <https://trackingsdg7.esmap.org/country/angola> [accessed 16 June 2021]

Current energy prices are subsidised. Gasoline and diesel prices are the second lowest in Africa after Algeria, and electricity tariffs are below production cost.³⁶⁰ As indicated by the Government's energy strategy, opportunities to improve efficiency in electricity consumption and production are strongly connected to the completion of power sector restructuring. In November 2014, a Presidential Decree established the unbundling of the power sector, creating three public utilities for electricity production, electricity transport and electricity distribution. In addition, the utility GAMEK was assigned the responsibility of oversight of the development and construction of most major power projects in the country. In June 2019, the regulator IRSE cut electricity subsidies by 85%, which should improve financial viability of utilities and improve the sector's attractiveness to independent power producers (IPPs). Government plans target achieving full cost-

³⁵⁸ Afdb (2020). Angola Renewable Energy Program - Enabling Environment - SEFA Appraisal Report, 21 Dec 2020. Available at <https://www.afdb.org/en/documents/angola-angola-renewable-energy-program-enabling-environment-sefa-appraisal-report>

³⁵⁹ AEMP (2019), The energy sector of Angola: Vision, Action Plan and Investment Opportunities. Available at <https://africa-energy-portal.org/sites/default/files/2019-07/Angola%20AEMP%20Presentation.pdf>

³⁶⁰ See earlier footnote on IEA (2019)

reflective tariffs by 2025.³⁶¹ To support power sector restructuring Angola is receiving international support from various donors, including support from the EU in the preparation of standard forms of Power Purchase Contracts (PPA) for sales between the single-buyer (PRODEL) and IPPs. These contracts will be extended to IPPs for renewable energy.³⁶² Another source of funding comes from the AfDB, which is financing an Energy Sector Efficiency and Expansion Program, among others supporting construction of a transmission line and improving utility revenue through installation of prepaid meters. These will be crucial elements in increasing IPP investments. Angola's power sector vision includes attracting up to USD 3 billion of private investments by 2022 and up to USD 9 billion by 2025.³⁶³

Given that the economic analysis does not expect significant impacts of tariff reductions on output of energy-intensive sectors nor a significant change in economic structure the impacts on energy consumption and the related environmental impacts are assumed to also be small. However, it is important to ensure that strengthened EU-Angola cooperation will be in line with ongoing restructuring, support of energy sector efficiency, support to removal of market access barriers and the growth in clean energy technologies in the Angolan energy sector.

1.3.4 Water quality and resources

Angola has significant challenges in water quality and resources, with a relatively low access to drinking water and a large informal market for water supply. Water availability is relatively good, with internal renewable water resources per capita being 4,969 cubic meters per year in 2017 and a low percentage of freshwater withdrawal as a share of total actual renewable water resources (0.48%).³⁶⁴ However, the challenge is in ensuring clean drinking water. The main legislation to regulate water in Angola is the National Water Law No 6/02 which was introduced shortly after signing of the peace accords. The Law introduced a water sector reform, acknowledging water as an economic and social good.³⁶⁵

Angola was the last country in the SADC region to establish a Water Partnership. Informal research by the Global Water Partnership that was published in 2006 concluded that Angola still did not have a water resources management policy and thereby had missed the targets set in 2005. As a result, the SADC Water Department in conjunction with UNEP provided support for the development of a roadmap for Integrated Water Resources Management (IWRM). In 2007, this IWRM roadmap was developed and the Angolan Water Partnership (PAA) was launched.³⁶⁶

In 2007 the "Water for All Program" was launched to achieve the Millennium Development Goals (MDGs) for water supply. The plan aimed to ensure drinking water access for 80% of the population with a guaranteed minimum daily intake of 40 litres of water per capita. However, the programme's own assessment in 2015 concluded that only 50.3% of the target population was achieved, that many of the installed systems remain non-functional and that communities still rely on conventional unimproved water sources and the informal market. In Luanda, water selling is the largest sub-sector of the extensive informal

³⁶¹ Mauro Fonseca (undated), Angola – Energy. Published by the U.S. Commercial Service Angola at Privacy Shield. Available at <https://www.privacyshield.gov/article?id=Angola-Electric-Power-Generation>

³⁶² See earlier footnote AfDB (2020).

³⁶³ See earlier footnotes on AfDB (2019) and AEMP (2019)

³⁶⁴ KNOEMA, World Data Atlas. Available at <https://knoema.com/atlas/Angola/topics/Water/Internal-Renewable-Water-Resources/Internal-renewable-water-resources-per-capita> and <https://knoema.com/atlas/Angola/topics/Water/Pressure-on-Water-Resources/Freshwater-withdrawal>

³⁶⁵ <http://extwprlegs1.fao.org/docs/pdf/ang63753.pdf>

³⁶⁶ Global Water Partnership Southern Africa (2009), National IWRM Status Report: Angola. Available at <https://www.gwp.org/globalassets/global/gwp-saf-files/angola-iwrms-report.pdf>

economy, involving extractors, transporters and retailers.³⁶⁷ The UNICEF WASH programme reports that in 2017 44% of the Angolan population did not have access to clean drinking water, an improvement from 59% in the year 2000 but still significantly higher than the global average of 30%.³⁶⁸

The PNQA that came into force in May 2020 includes several measures to improve water quality:³⁶⁹

- Collecting information on the sources of contamination of Angola's main water bodies and relevant impacts on health and the environment;
- Implementing a water quality index for water bodies used as general population supply sources;
- Promoting public and private water suppliers' compliance with the water quality index;
- Setting a bathing water quality index for rivers and seas;
- Recovery of silted or contaminated rivers and lakes;
- Establishing drinking water potability standards;
- Establishing drinking water microbiological standards;
- Establishing turbidity standards for water after filtration or pre-disinfection;
- Establishing water potability organoleptic standards;
- Establishing drinking water radioactivity standards;
- Monitoring water quality parameters; and
- Training water quality technicians

No data has been obtained on the results of the PNQA measures to improve water quality.

International donors are providing support to address water supply challenges and ensure long-term financial and operational sustainability of the sector. One of the main programmes is the Angola Water Sector Institutional Development Project (WSIDP). In the first phase, the World Bank provided support to institutional reforms and capacity development while simultaneously expanding water access to historically un/underserved populations. The project among others supported the creation and strengthening of six new water supply utilities that are providing household services to over 800,000 new customers. It furthermore installed 1,000 km of water infrastructure, improved the utilities' financial and operational performance and created a new regulator and a new water resources management institution. The follow-on project, WSIDP2, is co-financed by the African Development Fund (AFD) and the European Investment Bank (EIB). It focuses on scaling up the infrastructure activities, providing further institutional strengthening and incorporating sanitation activities.³⁷⁰ Records show that several infrastructure projects are being tendered.

It appears that the main reasons for water pollution are the lack of infrastructure and enforced regulations of treatment of domestic and industrial waste, which is said to be often discharged directly into the rivers and ocean. However, no data sources could be found to support such statements. As mentioned above, the PNQA includes measures to collecting information on the sources of contamination of Angola's main water bodies.

Changes in international trade can significantly impact the levels of water use and water pollution and therewith aggravate existing problems. Although the economic analysis does

³⁶⁷ Cain, A. and A. Cupi Baptista, Community Management and the Demand for 'Water for All' in Angola's Musseques, MDPI, June 2020. Available at <https://www.mdpi.com/2073-4441/12/6/1592/pdf>

³⁶⁸ UNICEF data on drinking water. Available at <https://data.unicef.org/topic/water-and-sanitation/drinking-water/>

³⁶⁹ See earlier footnote on Legal500.com (2020).

³⁷⁰ World Bank (2019), Building Water Institutions: Water Supply Services, Regulation and Policy in Angola. Available at <https://www.worldbank.org/en/results/2019/04/08/building-water-institutions-in-angola>

not expect such changes to result from Angola's accession to the EPA, it could still be that this is underestimated and the currently vulnerable situation would be further threatened. In that perspective it is first recommended to recognise the importance of data collection efforts and implement a signalling system that facilitates acting upon change in water scarcity or water quality. Moreover, strengthened cooperation between the EU and Angola could be used to explore opportunities for enhanced support to cleaner production technologies with lower levels of water use, lower levels of wastewater or higher levels of wastewater treatment. Specific examples could be to provide support to technologies with higher irrigation efficiency, to share knowledge on option for food production to shift to crops with lower water intensity and to ensure that if trade support increases commercial farming this would not be at the expense of drinking water access for rural population. With respect to industrial activities trade partners could pursue active knowledge exchange on wastewater treatment or providing capacity building to improve the quality of monitoring and inspection. A specific example is the production and export of bananas, one of the main products expected to benefit from Angola's accession to the EPA. Bananas are among the crops that have the highest water footprint, according to the FAO,³⁷¹ and good water management practices can significantly reduce its water footprint.³⁷² No information has been found on Angola's water footprint of the banana production industry but where relevant attention may be given to improving monitoring of data on water consumption and to sharing knowledge on improved water management opportunities.

1.3.5 Land use and soil quality

Challenges with respect to land use and soil quality seem to concentrate mainly on the impacts of land use change on biodiversity and climate change. Angola has a diverse landscape, ranging from tropical rainforests in the north to savannah deserts in the south and eastern parts of the country. A dry coastal strip runs from the northern capital of Luanda to the southern border with Namibia. The internal highlands are prime agricultural land.³⁷³ In 2017, 47.5% of Angola's land was classified as agricultural area and 46.2% as forest area.³⁷⁴ Most of Angola's soil (over 76%) is classified as from low-fertility land soil groups. Sandy arenosols cover more than 53% of the country and ferralsols derived from underlying rocks cover approximately 23%. The natural vegetation in these areas is predominantly miombo woodlands (Huntley et al. 2019). As mentioned earlier (section 1.3.1) Land-Use Change and Forestry (LUCF) activities have strongly impacted GHG emissions, especially the deforestation (lowering the CO₂ absorption capacity) and the related burning of biomass as firewood or charcoal for heating water, cooking and home lighting. This also has significant impact on Angola's rich biodiversity. Further analysis has been included in the sections on climate change (section 1.3.1) and biodiversity (section 1.3.7 below).

1.3.6 Waste and waste management

Little information is available on waste and waste management in Angola. The World Bank reports that Angola's per capita waste generation rate is 0.46 kg/capita/day which is equal to the average of Sub-Saharan Africa and lower than the world average of 0.74 kg/capita/day.³⁷⁵ No information has been found on amounts of industrial or hazardous waste, despite legal monitoring requirements being in place since 2012 (see below).

³⁷¹ FAO (undated), crop water needs. Available at <http://www.fao.org/3/s2022e/s2022e02.htm>

³⁷² FAO (2017), Water footprint of the banana industry. Available at <http://www.fao.org/3/i6914e/i6914e.pdf>

³⁷³ USAID Landlinks, Angola country report. Available at https://www.land-links.org/wp-content/uploads/2016/09/USAID_Land_Tenure_Angola_Profile.pdf

³⁷⁴ FAOstat, statistics Angola. Available at http://faostat.fao.org/static/syb/syb_7.pdf

³⁷⁵ World Bank (2018), What a Waste 2.0: A Global Snapshot of Solid Waste Management to 2050. Available at <https://openknowledge.worldbank.org/handle/10986/30317>

The Regulation on Waste Management, published in August 2012, includes a legal definition of waste, waste characteristics, a list of types of waste, and a categorisation of waste into hazardous and non-hazardous waste. The Regulation furthermore requires that all entities that produce waste or develop activities with waste management must prepare a waste management plan prior to initiating their activity, that is subject to the approval of the Minister of the Environment and is valid for a 4-year period. The Regulation requires that producers of hazardous waste are responsible for its collection and that the collection of hazardous waste requires registering the quantity, quality and destination.³⁷⁶

In 2012, the Strategic Plan for the Management of Urban Waste was adopted, and in 2014 this led to the establishment of the National Waste Agency. However, implementation of the Strategy is not taking place at local government (municipal) level. In 2014 two further strategic plans were adopted: the Strategic Plan on Construction Waste and the Strategic Plan on Medical Waste 2014. However, no detailed data on amounts of waste or landfilling are available.³⁷⁷ Increase in GDP and welfare often go hand in hand with an increase in the amounts of waste produced. Although the economic analysis expects no tangible increase in GDP as a result of tariff changes associated with Angola's accession to the EPA it does identify a potential increase in GDP from the SIFA.

The Luanda province is served by the Mulenvos Landfill that has been operating since 2007. It is estimated to receive more than 2 million tonnes per year of unselected waste. In this province the estimated municipal solid waste (MSW) per capita in 2012 was 0.65 kg/(inhabitant day), with a maximum of 1.0 kg/(inhabitant day) for the city of Luanda, and a minimum of around 0.30 kg/(inhabitant day) for suburban municipalities. Construction of new landfills in other provinces is delayed due to the economic crisis and MSW are still deposited in dumps (Maria, Góis, and Leitão 2020). In April 2021, the authorities of the province of Luanda in Angola signed contracts with seven companies to improve the management of solid waste in Luanda.³⁷⁸

Angola ratified the Basel Convention on the Control of Transboundary Movements of Hazardous Wastes and their Disposal in 2017 but has not yet provided a national report on the status of implementation and has not issued a definition of hazardous waste in the scope of the Convention, despite the fact that such definition is included in the national legislation. The situation is similar for the Stockholm Convention on Persistent Organic Pollutants: Angola ratified the Convention in 2006 but to date has not published a national report. Angola has signed but not yet ratified the Rotterdam Convention to facilitate informed decision-making with regard to trade in hazardous chemicals and has also not ratified the Minamata Convention on mercury. UNEP in 2019 also signalled the implementation of these conventions in Angola as a challenge, mentioning that the country's institutions do not have adequate capacity or coordination mechanisms, while partnerships with the private sector remain very weak. To address these challenges, the UNEP launched a three-year Chemicals and Waste Management Programme focused on establishing a sustainable, integrated, and coherent national structure to better manage chemicals. The project's first important goal was achieved: establishing a National Chemicals and Waste Management Coordinating Unit at the Ministry of Environment. Further project goals are to establish public-private partnerships in several areas of waste management, undertake an awareness-raising and education campaign on sound

³⁷⁶ VDA (2012), New Regulation on Waste Management in Angola. Available at https://www.vda.pt/xms/files/v1/Newsletters/Flash_VdAtlas_Angola_New_Regulation_on_Waste_Management_in_Angola_-DM_2312585_1--4-.PDF

³⁷⁷ African Clean cities (undated), waste management profiles, Angola. Available at https://africancleancities.org/assets/data/Organization/Angola_EN.pdf

³⁷⁸ "Angola: Luanda province entrusts waste management to seven companies", Inês Magoum/Afrik21, 1 April 2021, available at <https://www.afrik21.africa/en/angola-luanda-province-entrusts-waste-management-to-seven-companies/>

chemicals and waste management, and mainstreaming chemicals and waste management into Angola's development goals.³⁷⁹

In the light of Angola's accession to the EPA it is important to recognise that in Article 8 of the Agreement Parties recognise the value of MEAs and commit to implement their obligations in respect of the MEAs that they have ratified. To further strengthen this, the Government of Angola and the EU could emphasise the importance of ratification of the Rotterdam and Minamata conventions and express their support to the various ongoing activities to improve monitoring of waste and improvement of waste management. The EU and Angola could furthermore agree to ensure that an increase in trade would not result in additional uncontrolled waste.

1.3.7 Biodiversity

Angola is one of the countries with the highest biodiversity in Africa. The National biodiversity Strategy and Action Plan for Angola (2019-2025) indicates that, according to the International Union for Conservation of Nature (IUCN), Angolan biodiversity is one of the most important in the African continent, with about 5,000 species of plants in the country, of which 1,260 are endemic.³⁸⁰ Much of Angola's biodiversity (flora and fauna) lies in the forested area. As the country has not carried out a national forest inventory, actual statistics on forested land cover on are not known and available estimates range from 19-56% of the national territory.³⁸¹ Official Government statistics mention that Angola has approximately 53 million hectares of forests corresponding to 43.3% of the total land area.³⁸² Angola also has a large planted area, 18% or 2.2 million hectares, of productive forests mainly planted with Eucalyptus and Pinus species.

Deforestation is a major concern, with high impacts on biodiversity and climate change. The Ministry of Environment reports in its 2019 report on biodiversity that an average of about 106 thousand hectares of natural forests and 370 hectares of plantations are lost annually, that is, a deforestation rate of about 0.20 to 0.25% (National Directorate of Biodiversity 2019). The primary cause identified for this deforestation is illegal logging by foreign companies and 'slash and burn' subsistence farmers. A news article using information from Estrela da Floresta, a company engaged in sustainable timber production, indicates that illegal logging is expanding in the Angolan planted forests. Satellite images (from the Google Earth Timeline) of the same forest areas in Angola, taken in 2015 and 2016, indicate large-scale loss of tree cover.³⁸³

Global Forest Watch reports that just in 2020, the country lost 248 thousand hectares of tree cover, equivalent to 85.9 million tonnes of CO₂ equivalent of emissions. Between 2002 and 2020, the total area of humid primary forest in Angola decreased by 5.3%, releasing an average of 52.2Mt per year into the atmosphere.³⁸⁴ However, UNCTAD identifies sustainable wood production as one of the three main green products that have the highest potential to be drivers of socioeconomic transformation and environmental preservation in Angola, and the top green product in terms of revealed comparative advantage.³⁸⁵ The World Bank confirms the high potential for and necessity of sustainable forestry in Angola,

³⁷⁹ "Partnering to Strengthen Chemicals and Waste management in Angola", UNEP, 4 July 2019. Available at <https://www.unep.org/news-and-stories/story/partnering-strengthen-chemicals-and-waste-management-angola>

³⁸⁰ Government of Angola (2020), National Biodiversity Strategy and Action Plan for Angola (2019-2025). Available at <https://www.cbd.int/doc/world/ao/ao-nbsap-v2-en.pdf>

³⁸¹ USAID (2013). Angola Biodiversity and Tropical Forests: 118/119 Assessment.

³⁸² FAO (2009). National Forestry Resources Assessment for Angola.

³⁸³ Why illegal deforestation in Angola must stop (howwemadeitinafrica.com). Accessed on 2 June 2021.

³⁸⁴ GFW, Global Deforestation Rates & Statistics by Country, GFW (globalforestwatch.org). Accessed on 4 June 2021.

³⁸⁵ UNCTAD (2018), National Green Export Review of Angola. Wood, Fish, and Coffee: Baseline Report. Available at https://unctad.org/system/files/official-document/ditcted2017d8_en.pdf

with foreign investments and community forestry projects as their key drivers. At the same time it identifies a lack of funds and lack of understanding of sustainable practices as the main challenges to the sustainable approach of wood and timber production while emphasising the high opportunities to introduce new technologies to improve production efficiency and improve sustainability of production.³⁸⁶ The NDC targets for reforestation include a targeted amount of 227,000 hectares in the unconditional scenario and a further 416,000 hectares in the conditional scenario (conditional to availability of international financial support). Biodiversity and the threat of deforestation is also the focus of one of the case studies (see Annex B3).

The main pressures and drivers of biodiversity change are: deforestation, erosion, illegal exploitation of natural resources, introduction of new exotic species, hunting and trafficking of animals, animal conflict, illegal fishing, weak management of solid waste, and other causes such as oil spills and discharges. Measures to preserve biological diversity include cooperation between government and local communities, for example by producing sustainable coal, land rehabilitation through agropastoral production and preservation of plant genetic resources of agricultural plants of food importance in specialized banks (National Directorate of Biodiversity 2019).

Angola has been a party to the Convention on Biological Diversity (CBD) since 1994. It adopted the AICHI goals on biodiversity conservation and actively reports on the progress to meeting these goals. In its 6th CBD report the Government estimates that 30% of its biodiversity measures at national level are effective, 60% partially effective and 10% ineffective. In 2018, the Red List of endangered Species of Angola was elaborated, which includes three extinct species, 29 endangered ones, 100 vulnerable ones, and 18 invasive species (National Directorate of Biodiversity 2019). National Objective 3.3 of the NBSAP targeted an update of this list by 2020, but such update does not seem available.

While biodiversity in marine and coastal environments are recognised, the formal actions to define protected areas to date do not include these areas but only land areas (National Directorate of Biodiversity 2019) (see more detail below). Research published in 2014 concluded that 102 out of 133 identified ecosystem types in marine areas have no protection at all (Holness et al. 2014). IUCN's Eastern Central Atlantic Red List of Threatened Species concluded that out of 1,288 bony fish species in marine waters from Mauritania to Angola a total of 37 species are threatened with extinction and 14 near threatened, many of them important food sources. Overfishing is identified as the main cause, other threats including the degradation of habitats, pollution, climate change and invasive species. The report highlights the severely limited capacity for fisheries surveillance and enforcement in the region, leading to illegal fishing and overfishing that counteracts national and regional management efforts - in many countries illegal catches represent over 40% of the reported legal catch.³⁸⁷

The Government plans include the creation of a network of marine protected areas and a plan for actual protection, as well as adding two new Marine Ecological or Biological Areas (EBSAS) in addition to the two existing ones (National Directorate of Biodiversity 2019). The Angolan National Development Plan 2018-2022 highlights fisheries infrastructure as fundamental areas for investment. Protection of marine ecosystems is also explicitly included in the post-Cotonou Agreement, where Parties reaffirm the universal and unified character of the UN Convention on the Law of the Sea as the basis for national, regional and global action and cooperation in the marine and maritime sectors. More specifically they also agree to strengthen ocean governance, to promote and improve the protection

³⁸⁶ Evangelista, J. (2017), Sustainable practices are integral to the success of developing Angola's forestry sector, World Bank Blogs, 11 January 2017. Available at <https://blogs.worldbank.org/nasikiliza/sustainable-practices-are-integral-to-the-success-of-developing-angolas-forestry-sector>

³⁸⁷ IUCN (2016). The IUCN Red list of threatened species - Red list of marine bony fishes of the Eastern Central Atlantic.

and restoration of marine ecosystems and the conservation and sustainable management of marine resources, and to promote sustainable fisheries management at national, regional and global levels.³⁸⁸ UNCTAD agrees with the potential for sustainable fishery, identifying fishing as the second most promising green product in Angola that have the highest potential to be drivers of socioeconomic transformation and environmental preservation in Angola.³⁸⁹

Since the economic analysis concludes that Angola's accession to the EPA could further enhance agri-food production, including fishing – specifically production and export of frozen shrimp and bananas – it is important to ensure that the increase of production does not result in increased deforestation or overexploitation of fishing waters. It is therefore recommended to use increased cooperation and commitment to sustainable trade to support sustainable development of food production areas and of vulnerable marine areas. To this end the EU and Angola could engage in regular discussions in the framework of the EPA Trade and Development Committee that build on all related elements of the post-Cotonou Agreement such as the promise to support the conservation and sustainable management and use of natural resources, including land, water, forest, biodiversity and ecosystems. Where possible, discussions could also work towards achieving agreements to promote the sustainable governance of tenure of land, fisheries and forests, as well as promote sustainable food production and sustainable fishing, for example by information campaigns on sustainable production methods, agreements on knowledge exchange and promotion of sustainable technologies, use of active monitoring systems and promotion of certified production.

1.3.8 Ecosystem services and protected areas

Analysis on ecosystem services and protected areas provides a mixed picture. The Yale Environmental Performance Index ranks Angola 158 out of 181 countries. It gives reasonable score to ecosystem services (94), fisheries (51) and climate change (97), very low scores on pollution emissions because of the growth in SO₂ (174) and NO_x emissions (176), and low scores to all other categories.³⁹⁰ The reasonable score for ecosystem services is mainly due to the high score on low wetland loss (53).³⁹¹ Wetlands and mangroves have been identified as vulnerable ecosystems in Angola and currently 11 wetlands are identified. Angola's CBD report indicates the plan to ratify the RAMSAR convention to protect wetlands (National Directorate of Biodiversity 2019), but this has not been implemented do date.

Legally protected areas (National Parks and Game Reserves) in Angola were established from the 1930s and occupied 6% of the country's terrestrial area at the time of independence in 1975 (Huntley et al. 2019). During the period of extended unrest in the country, these were exposed to serious neglect, poaching and land invasions. By 2011, the protected area system increased again to 9% of national territory. In 2019 Angola reported to have nine National Parks, a Regional Park and four Integral or partial Reserves, with a total area of 156,910 km², representing 12.58% of the surface of the national territory. This however falls short of the target of 15% set in the NBSAP for 2012.³⁹²

The score on tree cover loss (rank 89) seems still reasonable but Angola's forest area has steadily decreased over the years, from 609.8 thousand km² in 1990 to 577.3 thousand

³⁸⁸ Negotiated Agreement text initialled by the EU and OACPS chief negotiators on 15th April 2021. Available at https://ec.europa.eu/international-partnerships/system/files/negotiated-agreement-text-initialled-by-eu-oacps-chief-negotiators-20210415_en.pdf

³⁸⁹ See earlier footnote UNCTAD (2018)

³⁹⁰ Yale (2020), Environmental Performance Index 2020: Angola. Available at <https://epi.yale.edu/epi-results/2020/country/ago>

³⁹¹ Ibid.

³⁹² Republic of Angola (2019). National Biodiversity Strategy and Action Plan (2019-2025).

km² in 2018.³⁹³ As concluded in the section on biodiversity, the percentage forest area significantly decreased over the years. Losses of woodland are by far the most obvious and conspicuous of changes in Angola. Much of this loss of forest area has been due to clearing for small-scale crop farming. Other losses have come from the harvesting of charcoal, wood fuel, timber production, and runaway bush fires. Fires have also been a main cause in grassland loss over the year (Mendelsohn 2019). Regulation on the protection and management of forest and wildlife resources has been updated in 2017 when Law No 6/17 was enacted. This Law applies also to biological diversity and related activities, but does not apply to aquatic biological resources, genetic resources and conservation areas that are governed by special legislation.³⁹⁴

Although the economic analysis shows that the impact of tariff changes related to EPA accession on Angola's GDP is negligible, it also identifies a potential increase in GDP from the SIFA. Such increase in GDP and therewith welfare could lower the pressure on low-efficiency use of natural resources for cooking, heating and lighting. On the other hand, this may threaten wetlands and other protected land areas as a result of the need to expand infrastructure to facilitate increased trade.

³⁹³ World Development Indicators. Available at <https://databank.worldbank.org/reports.aspx?source=2&country=AGO>

³⁹⁴ FAOLEX database, Angola Law No. 6/17 on Forest and Wildlife Basic Legislation. Available at <http://www.fao.org/faolex/results/details/en/c/LEX-FAOC162520/>

Annex G: Background Analysis for Administrative Capacity Assessment

1 INTRODUCTION

The methodology adopted for the assessment of Angola's administrative capacities for the implementation of the EPA consisted of several phases: the first phase was based on a macro analysis, that is, the organic composition of the central government and the institutional articulation between the various ministries were analysed, considering the number of ministries and their respective portfolios (section 2). The second phase, the results of which are presented in section 3, focused on a micro-analysis, i.e., an analysis of the organization charts and internal processes of ministries and other administrative and autonomous public sector bodies as well as an assessment of the specific technical capacities of civil servants. Recent and current initiatives by the Angolan government to reform the public administration and enhance human resources capacities were also reviewed; they are summarised, and the links with the EPA are drawn, in section 4.

The main source of information used for the administrative capacity assessment have been official documents published by the government. This was complemented with interviews of public sector representatives and staff to determine actual practices and implementation capacities.

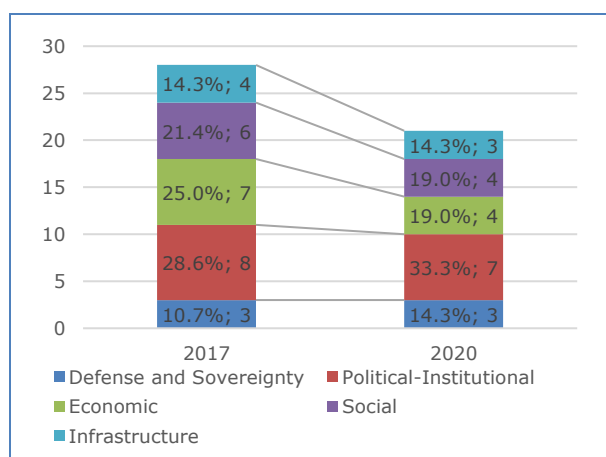
2 MACRO-ANALYSIS OF GOVERNMENT CAPABILITIES

2.1 Government bodies/ministries

2.1.1 Composition of the Angolan government

Traditionally, the central Angolan government was seen as a very heavy structure, because of the many ministerial bodies and a considerable number of autonomous public agencies and institutes, with several bodies often performing almost the same functions. In the past, the Angolan government had about 35 ministries. However, since 2014 there have been some mergers. Until 2017 there were 28 ministries classified into five categories (Figure 1): defence and sovereignty (3); the political-institutional sphere (8); the economic sector (7); the social sector (6); and the infrastructure sector (4). Since 2018, following the ongoing public administration reforms, some ministries have been closed others have been merged, resulting in a decrease of seven ministries (25%), leading to a total of 21 by December 2020. This consolidation affected the ministries of the economic sector more than others: their number declined from seven (25% of the total) to four (19% of the total).

Figure 1: Number of ministries in the Angolan government by category, 2017 vs. 2020



Source: MAPTSS (2019) and own preparation; see Table 6 in Annex.

Each ministry has one minister and two secretaries of state, as well as a number of national directors and heads of departments.

2.1.2 Institutional roles of ministries within the government

General assessment

Although by design, ministries are independent from each other, in practice frequent dependencies are important, and ministries do not have the same weight within the government in terms of policy-making and decision-making. Regarding the management of economic issues, the four ministries in this category are the Ministry of Mineral Resources and Petroleum, the Ministry of Tourism and Environment Culture, the Ministry of Industry and Trade, and the Ministry of Agriculture and Fisheries. However, the design of the strategies, the validation and execution of economic programmes depends on the Ministry of Economy and Planning and the Ministry of Finance, both of which belong in the political-institutional category. The Ministry of Economy and Planning is regarded as a “super ministry”, since it is the one that defines the reference framework for the national planning system, has the competence to validate the sectoral programmes of other ministries, and proposes the public expenditures, including public investment, on the basis of the objectives set out in the planning instruments.

Despite these (inter-)dependencies, institutional collaboration and coordination between ministries is limited. In the economic sector, there is hardly any coherence between the sectoral plans of the ministries acting upstream and those acting downstream within the production chain, for example agriculture and manufacturing. This lack of coordination also affects the country’s trade policy, and is also likely to affect the implementation of the EPA.

Roles in trade policy implementation

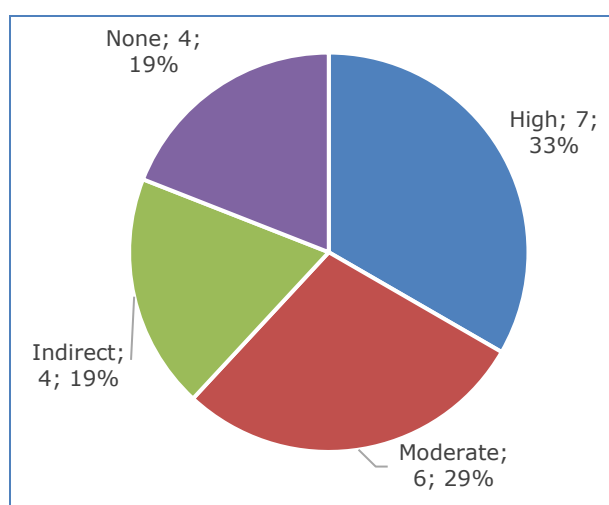
Based on the various issues covered by the EPA, the main institutions in Angola that are expected to participate directly or indirectly in its implementation, and in the management of trade agreements more generally have been identified. The degree of involvement of these institutions in the management of trade agreements was initially done through the analysis of the respective organic statutes published in the official journal by means of Presidential Decrees. The process consisted of evaluating the attributions of each ministry and assessing its binding or contribution in the implementation of the components of trade agreements, specifically issues related to tariffs; customs, trade Facilitation and rules of origin; SPS and TBT measures; and trade defence instruments.

On that basis, at government level our analysis shows that among the 21 Angolan ministries, seven have a high degree of involvement in the implementation of international trade matters, and another 10 have a moderate or indirect involvement (Figure 2; Table 8 and Table 9 in Annex provide more details).

The most important ministries for the implementation of commitments resulting from economic or trade agreements are as follows:

- The **Ministry of Economy and Planning (MEP)**, whose tasks cover three areas, i.e. i) national development planning; (ii) the national economy; and iii) economic integration, development cooperation and international business;

Figure 2: Degree of participation of Angolan ministries in international trade matters



Source: Ministries’ organic statutes; see Table 8 in Annex.

- The **Ministry of Industry and Trade (MINDCOM)**, whose tasks also cover three areas, i.e. (i) manufacturing and the provision of industrial services; (ii) trade; and (iii) other international economic relations;
- The **Ministry of Agriculture and Fisheries (MINAGRIP)** has attributions in the fields of i) agriculture, livestock and forests; and ii) fisheries, aquaculture and salt. The Ministry proposes, formulates, conducts, implements, evaluates, and monitors policies in the fields of agriculture, livestock, forests, food and food safety, management and planning of aquatic biological resources, fishing and aquaculture activities, production, research, experimentation and technological innovation in the area of the sea, exploration, use, exploitation and potentiation of aquatic resources, and a sustainable sea economy, with a development perspective.

It is easy to see that these responsibilities and function are closely related with each other. For example, there is no economic development without first planning, and there can be no trade and international relations without first promoting productive activity in agriculture, the industry sector, within the principle of cross-sectoral relations. At the same time, the portfolios of these ministries are not always clearly delineated, which may lead to disagreements over which ministry is in charge of certain policies. Table 1 lists the statutory functions of MEP and MINDCOM, which shows that the scope of functions is not always clearly separated, and areas of joint responsibility or functions are not always clearly assigned. For example, investment attraction and promotion of Angola's economic interests abroad are listed as functions of MEP (in cooperation with the Ministry of Foreign Affairs), but MINDCOM is not mentioned – although e.g. trade in services typically also addresses investment issues, trade performance is part of the wider economic interests, etc.

Table 1: Responsibilities of MEP and MINCOM in relation to trade and international economic relations

Responsibilities of the Ministry of Economy and Planning in the field of economic integration, development cooperation, and international Business	Responsibilities of the Ministry of Industry and Trade in the field of trade and international economic relations
<ul style="list-style-type: none"> • Formulate, in collaboration with the Ministry of Foreign Affairs and other Organs of the Central State Traction Administration, the policies, strategies and instruments of economic integration and development cooperation. • Coordinate the implementation of policies, strategies and institutions of economic integration and development cooperation. • Promote abroad, in collaboration with the Ministry of Foreign Affairs and other Organs of the Central Administration of the State, the economic potential of Angola and the attraction of foreign investment; • Make proposals for bilateral economic and business agreements. • Formulate and develop policies to facilitate access for domestic companies to foreign markets. • Coordinate the development of the "made in Angola" brand and its promotion abroad, contributing to an effective promotion of the value of the economy and national enterprises. 	<ul style="list-style-type: none"> • Formulate, coordinate, and implement, in collaboration with other state bodies, the national trade policy, including bilateral, regional, plurilateral and multilateral aspects. • Promote the increase and diversification of exports. • Promote bilateral, regional and international cooperation, and mobilize technical assistance in trade. • Ensure, in collaboration with other state bodies, compliance with the obligations arising from the country's membership in the WTO and other regional and international organisations specialising in the handling of trade-related issues. • Coordinate, propose and ensure within the limits permitted by international agreements, the implementation of trade defence measures whenever they harm the commercialisation of national production. • Propose the creation of trade services with the diplomatic representations of Angola abroad.

Source: Organic Statutes of MEP and MINDCOM

In sum, the lack of clearly assigned responsibilities and functions to ministries regarding international trade and trade-related matters, as well as the lack of well-defined collaboration and coordination rules and practices might lead to difficulties in policy formulation, administration and monitoring related to the implementation of the EPA. It is recommended that the Angolan government take measures to clarify responsibilities and

functions, as well as establish a framework for collaboration and coordination between relevant ministries; e.g. following the example of the National Trade Facilitation Committee (CNFC; see below).

2.2 Other public sector bodies

In addition to the ministries, the implementation of international trade (and trade agreements, including the EPA) involves numerous public authorities and agencies, but also private sector entities and, last but by no means least, businesses: producers, traders, and services providers. A comprehensive capacity assessment of all these different actors would go substantially beyond the scope of the SIA. We therefore concentrate on a number of key administrative bodies that will play a vital role in the implementation of the EPA.³⁹⁵ Table 2 lists 11 agencies, their lead ministries, and the EPA implementation areas in which they play a key role. These agencies, and their capacities to administer the mentioned trade issues, have been assessed.

Table 2: Key government bodies for the implementation of the EPA

Institution	Lead Ministry	Trade issues concerned				
		Tariffs ³⁹⁶	SPS & TBT	Customs control & rules of origin	Trade facilitation	Trade defence
General Tax Administration (AGT)	MINFIN	x		x	x	x
National Trade Facilitation Committee	Multisectoral				x	
National Institute for Quality Control of Industry and Trade (INACOQ) ³⁹⁷	MINDCOM		x		x	
National Institute of Quality Infrastructure (INIQ)	MINDCOM		x		x	
National Food Quality Control Services (SNCQA)	MINAGRIP		x		x	
Food Safety Office	MINAGRIP		x		x	
Codex Angola Executive Secretariat	Multisectoral		x		x	
National Authority for Economic Inspection and Food Security (ANIESA) ³⁹⁸	Multisectoral	x	x		x	
Investment and Export Promotion Agency (AIPEX)	MEP	x	x	x	x	
Regulatory Agency for Cargo Certification and Logistics (ARCCLA)	MINTRANS			x	x	
Banco Nacional de Angola (BNA)	Independent				x	

Source: Own preparation.

³⁹⁵ The analysis here does not comprise private sector bodies, including vital organisations such as the Angolan Brokers Association (Câmara dos Despachantes Oficiais de Angola, CDOA) or the (former National Shippers' Council).

³⁹⁶ Also covers quantitative restrictions and TRQs.

³⁹⁷ Instituto Nacional de Controlo de Qualidade da Indústria e Comércio, created by Presidential Decree 177/21 of 16 July 2021, and replacing the former National Laboratory (LANCOQ); see "Laboratório de Controlo de Qualidade deixa de supervisionar bens e consumo", ANGOP, 21 July 2021, <https://www.angop.ao/noticias/economia/laboratorio-nacional-de-controle-de-qualidade-deixa-de-supervisionar-bens-e-consumo/> [accessed 22 September 2021].

³⁹⁸ Autoridade Nacional de Inspeção Económica e Segurança Alimentar. ANIESA was created through Presidential Decree No. 267/20 of 16 October 2020 and results from the merger of sectoral inspection services in industry, trade, tourism, environment, transport, health, agriculture and fisheries. It also assumes the functions of the former consumer protection body.

3 MICRO-ANALYSIS OF ADMINISTRATIVE CAPACITIES

3.1 Internal public administration structures

3.1.1 Ministries

In terms of the internal organisation of public sector entities, the organic structure of the Central and Local Services of the State was defined by Decree-Law No. 3/13 of 23 August 2013. According to this Decree, the internal organisation of ministries and secretariats of state comprises the following types of organs: i) central organs of the Superior Directorate; ii) Advisory Support Bodies; iii) Direct Executive Services/Central Support Bodies; iv) Technical Support Services; (v) Instrumental Support Services; and vi) Local Executive Services. Table 3 provides examples of how different ministerial units, listed in the organic statutes approved by Presidential Decrees, relate to these types of organs.

Table 3: Organisation structures of Angolan ministries

Nature of organ	Examples of organs
Central Organs of Superior Management	<ul style="list-style-type: none"> Ministers and Secretaries of State
Advisory Support Bodies	<ul style="list-style-type: none"> Superior or Advisory Board Board of Directors
Technical Support Services	<ul style="list-style-type: none"> General Secretariat Legal Office Human Resources Office Office of Planning studies and statistics Information Technology Office Office of Institutional and Print Communication General Inspection or Inspection Office
Instrumental Support Services	<ul style="list-style-type: none"> Minister's Office Office of Secretaries of State International Exchange Office Document and Information Centre
Direct Executive Services or Central Support Bodies	<ul style="list-style-type: none"> National Directorates
Local Executive Services	<ul style="list-style-type: none"> Provincial Delegations

Specifically regarding matters relevant for EPA implementation, Table 4 compares the summary organisation charts of the MEP and MINDCOM.

Table 4: Core organisation structures of MEP and MINDCOM

Organ	MEP	MINDCOM
Central Support Bodies/ Direct Executive Services	<ul style="list-style-type: none"> National Directorate of Studies and Planning National Directorate for Economy, Competitiveness and Innovation National Directorate for Integration, Cooperation and International Business 	<ul style="list-style-type: none"> National Directorate of Industry National Directorate of Internal Trade National Directorate of Foreign Trade National Directorate for Rural Trade Development
Technical Support Services	<ul style="list-style-type: none"> General Secretariat Human Resources Office Legal Office Office of Organization and Information System Office of Institutional and Print Communication Office for Public and Private Partnerships Office for Population Policy 	<ul style="list-style-type: none"> General Secretariat Human Resources Office Office of Studies, Planning and Statistics Legal Office and Exchange Information Technology Office Office of Institutional and Print Communication

Source: Organic Statutes of MEP and MINDCOM

All ministries combined have a total of 222 technical support services, and 120 executive services. This indicates the greater effort that is placed on technical work rather than services of an executive nature.

Overall, based on the organic statutes, the Direct Central Public Administration has about 342 National Directorates and similar structures, 966 Departments, 201 Offices, and 1194

Sections, which makes a total of 2703 internal organic structures. However, this does not include the External Executive Services of the Ministry of Foreign Affairs, namely Diplomatic Missions, Permanent Missions, Temporary Missions, Consular Posts and Honorary Consulates. In total, the Public Administration has about 31,583 managers.

3.1.2 Other public administration bodies

In addition to ministries, autonomous public bodies make up the institutional weight of public administration. Public bodies include personalised services, public establishments, public funds, agencies, public institutions for scientific research and technological development, etc. Box 4 summarises their defining characteristics and principles.

Box 4: Defining characteristics and guiding principles of public bodies

The essential **elements** of public bodies are:

- **Nature:** legal person endorsed with legal personality of public law, which are part of the indirect administration of the State and take the form of personalised services, public establishments, agencies, and public foundations.
- **Purpose:** pursuit of specific administrative functions that are primarily entrusted to the State. They perform non-business (non-profit) functions.
- **Origin:** legislative act or by act of public power provided for by law: Presidential Decree of the Holder of the Executive Power.
- **Regime:** Public law.

The **guiding principles** of public bodies are:

- **Principle of specialty:** the specific purposes justifying their creation continue.
- **Principle of personality:** translated into the existence of own management bodies, and recognition of administrative, financial, and patrimonial autonomy, namely:
- **Administrative autonomy:** the right to carry out definitive and enforceable administrative acts subject to judicial review and revocation protection.
- **Financial autonomy:** the right to have own income from income from its assets or from payments paid by its bodies according to their own budget.
- **Property autonomy:** power to dispose of its own assets that is liable for debts legally attributable to public services.
- **Principle of guiding intervention or state control:** implemented through guardianship and oversight.

3.2 General personnel profiles and technical capabilities

In 2017, Angola's public administration had 385,423 employees, of which 12% are from the central bodies, and 8% hold managerial positions (Table 5).

Table 5: Employees in Angola's public administration by level of administration and level of assignment (2017)

Level of administration	Number of employees	%	Level of assignment	Number of employees	%
Central	47,021	12%	Employee/agent	353,840	92%
Local	338,402	88%	Managerial	31,583	8%
Total	385,423	100	Total	385,423	100

Source: MAPTSS (2019).

The sectors with the largest number of employees and agents are Education (169,280) and Health (88,264), followed by the Justice sector (9,607). Women represent 42% of all employees.

The composition of public administration staff consists of 12 categories and about 51 subcategories (Table 7 in Annex). The main categories are: a) Management and leadership personnel; (b) senior technical staff; (c) technical staff; (d) medium technical staff; e) Administrative staff; and f) Auxiliary staff. The category of "senior technical staff", which carries out most of the technical work, holds six positions, namely (i) Principal Advisor; ii) First Assessor; iii) Advisor; iv) Superior Principal Technician; v) Superior Technician of 1st Class and vi) Superior Technician of 2nd Class. Professional specialties vary according to the ministry, but the areas of social sciences (economics and management, finance, law,

sociology, political sciences), technical areas (engineering, medicine) and the scientific technical areas (chemistry, physics and biology) predominate.

With respect to human resources capacities needed to implement trade policies and agreement, there is some shortage in areas related to international trade, management, and implementation of economic partnership agreements. This limitation results from the fact that no Angolan university offers courses related to the area of international economics or international trade. On the other hand, some specialists educated abroad in these areas only have theoretical knowledge, lacking practical application capabilities.

Some senior technicians from MINDCOM have periodically attended WTO training courses, both physically in Geneva and in online format. However, their role in the formulation of strategies and plans related to the implementation of trade policy has still been limited, as the government has tended to outsource such work to external experts.

4 INITIATIVES TO IMPROVE INSTITUTIONAL CAPACITY

4.1 Public administration reform

Since 2018, the current government has been implementing reforms in various sectors with the aim of simplifying administrative processes and improving the business environment.

In terms of institutional organisation and improvements of administrative processes, the creation of the Inter-Ministerial Commission for State Reform through Presidential Decree No. 15/18 of 19 February 2018 stands out. This Commission has the duty to monitor the implementation of sectoral state reform programmes. To this end, five categories of planned reforms were defined, namely: (i) Reform of the Public and Local Administration; ii) Implementation of Local Authorities; (iii) Reform of Justice and Law; iv) Reform of the System of Planning, Development, and Spatial Planning and Land Reorganization; and (v) reform of the business environment, competition and market.

Under the Administrative Reform and Modernisation Program (PREA), a Study on the Macro-Structure of Angolan Public Administration 2000-2017 (Estudo Sobre a Macro-Estrutura da Administração Pública Angolana, EMEAP) was prepared (MAPTSS 2019), which comprehensively assesses the organic composition of the government, the organization, operation, legislation, career structure, remuneration, human resources management in the public administration, and identifies the areas of improvement and lists a series of recommendations to streamline administrative processes.

In the area of trade, such reforms have included the liberalisation and streamlining of a number of intermediaries in the trade process. For example, the regime for customs brokers was liberalised in 2006, leading also to a change in statute of the CDOA, which now acts as the Brokers Association.³⁹⁹ Similarly, the former National Shippers Council (Conselho Nacional de Carregadores, CNC) and the Lobito Corridor Agency were merged into the new Regulatory Agency for Cargo Certification and Logistics (Agência Reguladora de Certificação de Carga e Logística de Angola, ARCCLA) in early 2021.⁴⁰⁰

³⁹⁹ According to Article 36 of Decree 05/06, "the profession of broker is exercised in all customs posts, under a liberal profession and free competition regime, with no limitations on the maximum or minimum number of brokers, and brokers licensed by the National Directorate of Customs carry out its activity throughout the national territory". See <http://www.cdoangola.org>.

⁴⁰⁰ "Reguladora de Certificação de Carga surge para dinamizar rede logística", ANGOP, 12 February 2021, <https://www.angop.ao/noticias/economia/reguladora-de-certificacao-de-carga-surge-para-dinamizar-rede-logistica/> [accessed 12 August 2021].

Also in the framework of the reform programme, one of the most recent measures is the publication of the Draft Simplification of Procedures in Public Administration (called SIMPLIFICA), approved by Presidential Decree No. 161/21 of 21 June 2021. The SIMPLIFICA project aims to implement the nine principles described in Presidential Decree No. 189/20 of 23 July 2020 which sets out the guidelines for procedures for simplifying public administration procedures, specifically: i) simplification of procedures and modernisation of services; (ii) publicising procedures for the exercise of activities; (iii) services by appointment; (iv) discontinuity of the requirement of documents issued by the State in inter-administrative relations; v) integration of services; vi) municipalisation of services; vii) Prior Authorisation Scheme; (viii) extended or unlimited period of validity of documents. In general, the reform has the mission of leading to a more efficient, effective, unbureaucratic and modern public administration, in order to facilitate the lives of citizens and businesses through innovative solutions.

These reforms align well with the EPA and SIFA objectives of enhanced governance, transparency and predictability. As part of the negotiations between the EU and Angola, it could be considered to explicitly refer to specific reform measures, as well as foresee cooperation and assistance for further improving reforms in trade related areas, such as in the electronic publication of relevant norms or further measures to improve the electronic single windows already established.

4.2 Plans to improve human resources capabilities

In addition to the public administration reform measures, to strengthen technical human resources capacities the government conceived the "National Staff Training Plan" (Plano Nacional de Formação de Quadros, PNFQ) and created, through Presidential Decree No. 187/13 of 14 November 2013, the Technical Management Unit (Unidade Técnica de Gestão, UTG/PNFQ) for its operationalisation. The PNFQ has nine training programmes in different areas and for different audiences:⁴⁰¹

- Training for senior management;
- Training for middle management;
- Training and capacity building of teachers and researchers for higher education and the national system of science, technology and innovation;
- Training of faculty, specialists and researchers in education;
- Staff Training for public administration;
- Training in entrepreneurship and business development for businesspersons and youth;
- Supporting demand for higher education through scholarships; and
- Vocational training.

The complementary instrument for the implementation of the PNFQ is Presidential Decree No. 63/21 of 4 March 2021, which establishes a regime for granting internal and external scholarships for undergraduate and graduate courses. It is expected that the effective implementation of these training programmes will increase the supply of human resources with the skills to meet the economic development challenges that the country needs.

While this comprehensive training programme is commendable, it does not presently foresee specific training in issues related to trade or international business. For example, the entrepreneurship training focuses on management as well as finance and accounting. The negotiations about EPA accession would therefore provide a good opportunity to also discuss complementary training programmes – aimed at both public and private sector staff – that are specifically dedicated to trade issues, and which could be supported by the EU. Measures to introduce courses in international trade and economics in at least one Angolan university – e.g. through partnership with an EU university – could also be

⁴⁰¹ See <http://www.pnfq.gov.ao/programas-de-accao>.

discussed during the negotiations and agreed in a bilateral side agreement to the EPA.⁴⁰² A number of scholarships for public sector staff to participate in such training programmes should be considered.

ANNEX: TABLES

Table 6: Angolan ministries by category, 2017 vs. 2020/21

Organic classification	Ministries 2017	Ministries 2020/2021
Defence and sovereignty	1.1. Ministério da Defesa Nacional; 1.2. Ministério do Interior; 1.3. Ministério das Relações Exteriores.	1.1. Ministério da Defesa Nacional e Veteranos da Pátria; 1.2. Ministério do Interior; 1.3. Ministério das Relações Exteriores.
Political-Institutional	2.1. Ministério da Justiça e dos Direitos Humanos; 2.2. Ministério da Economia e Planeamento; 2.3. Ministério das Finanças; 2.4. Ministério da Administração do Território e Reforma do Estado; 2.5. Ministério da Administração Pública, Trabalho e Segurança Social; 2.6. Ministério do Ensino Superior, Ciência, Tecnologia e Inovação; 2.7. Ministério da Comunicação Social; 2.8. Ministério do Ordenamento do Território e Habitação.	2.1. Ministério da Justiça e dos Direitos Humanos; 2.2. Ministério da Economia e Planeamento; 2.3. Ministério das Finanças; 2.4. Ministério da Administração do Território e Reforma do Estado; 2.5. Ministério da Administração Pública, Trabalho e Segurança Social; 2.6. Ministério do Ensino Superior, Ciência, Tecnologia e Inovação; 2.7. Ministério das Telecomunicações Tecnologias de Informação e Comunicação Social;
Economic	3.1. Ministério dos Recursos Minerais e Petróleos; 3.2. Ministério do Ambiente; 3.3. Ministério da Indústria; 3.4. Ministério da Agricultura e Florestas; 3.5. Ministério do Comércio; 3.6. Ministério do Turismo; 3.7. Ministério das Pescas e do Mar.	3.1. Ministério dos Recursos Minerais e Petróleos; 3.2. Ministério da Cultura Turismo e Ambiente; 3.3. Ministério do Comércio e Indústria; 3.4. Ministério da Agricultura e Pescas
Social	4.1. Ministério da Saúde; 4.2. Ministério da Educação; 4.3. Ministério da Cultura; 4.4. Ministério da Acção Social, Família e Promoção da Mulher; 4.5. Ministério dos Antigos Combatentes e Veteranos da Pátria; 4.6. Ministério da Juventude e Desportos.	4.1. Ministério da Saúde; 4.2. Ministério da Educação; 4.3. Ministério da Acção Social, Família e Promoção da Mulher; 4.4. Ministério da Juventude e Desportos.
Infrastructure	5.1. Ministério dos Transportes; 5.2. Ministério das Telecomunicações e Tecnologias de Informação; 5.3. Ministério da Construção e Obras Públicas; 5.4. Ministério da Energia e Águas.	5.1. Ministério dos Transportes; 5.2. Ministério das Obras Públicas e Ordenamento do Território; 5.3. Ministério da Energia e Águas.

Source: MAPTSS (2019) and own development.

⁴⁰² The potential role of the National School of Commerce, created under Decree No. 25/85 of 17 March 1985, to administer short courses for domestic trade, should also be considered in this context.

Table 7: Classification of Civil Service Personnel (ministries)

Nr	Career	Position/category	Professional speciality
1	Direction	<ul style="list-style-type: none"> • Directors 	Several
2	Leadership	<ul style="list-style-type: none"> • Heads of Departments • Section Heads 	Several
3	Superior Technician	<ul style="list-style-type: none"> • Principal Advisor • First Assessor • Advisor • Principal Superior Technician • Superior Technician 1st Class • 2nd Class Superior Technician 	Several
4	Technician	<ul style="list-style-type: none"> • Technical Principal Specialist • Technical Specialist 1st • Technical Specialist 2nd • 1st Class Technician • 2nd Class Technician • 3rd Class Technician 	Several
5	Medium Technician	<ul style="list-style-type: none"> • 1st Class Senior Medium Coach • 2nd Class Senior Medium Coach • 3rd Class Senior Medium Coach • Middle Class Coach • 2nd Class Medium Coach • Medium 3rd Class Coach 	Several
6	Administrative	<ul style="list-style-type: none"> • Principal Administrative Officer • 1st Administrative Officer • 2nd Administrative Officer • 3rd Administrative Officer • Midshipman • Scribe typist 	Several
7	Treasurer	<ul style="list-style-type: none"> • Treasurer Home • 1st Class Treasurer • 2nd Class Treasurer 	
8	Driver	<ul style="list-style-type: none"> • Heavy Duty Driver (Main, 1st and 2nd class) • Driver of Cars (Main, 1st and 2nd class) 	
9	Operator	<ul style="list-style-type: none"> • Main Operator • 1st and 2nd Class Operator 	
10	Auxiliary	<ul style="list-style-type: none"> • Principal Administrative Assistant • Administrative Assistant of 1st and 2nd class. • Main Cleaning Assistant • Administrative Cleaning Assistant of 1st and 2nd Class. 	
11	Skilled Worker	<ul style="list-style-type: none"> • Incumbent • Qualified 1st and 2nd class worker 	
12	Unskilled worker	<ul style="list-style-type: none"> • Incumbent • Unqualified 1st and 2nd class worker 	

Source: Various Presidential Decrees creating ministries

Table 8: Participation of Angolan ministries in international trade matters

Nº	Ministry (2021)	Degree of Involvement	Trade issue concerned
1	Ministério da Defesa Nacional e Veteranos da Pátria	None	N/A
2	Ministério do Interior	Indirect	Trade facilitation (inspection services)
3	Ministério das Relações Exteriores	High	Trade negotiations
4	Ministério da Justiça e dos Direitos Humanos	Indirect	Trade facilitation (transparency, legal certainty)
5	Ministério da Economia e Planeamento	High	Trade facilitation (negotiations & business environment improvement), Trade defence
6	Ministério das Finanças	High	Tariffs, customs, rules of origin, trade defence
7	Ministério da Administração do Território e Reforma do Estado;	None	N/A
8	Ministério da Administração Pública, Trabalho e Segurança Social	None	N/A
9	Ministério do Ensino Superior, Ciência, Tecnologia e Inovação;	Moderate	Trade facilitation (skills improvement)
10	Ministério das Telecomunicações, Tecnologias de Informação e Comunicação Social;	Moderate	Trade facilitation (dissemination of information and process improvement)
11	Ministério dos Recursos Minerais e Petróleos;	Moderate	Trade facilitation (increase in exportable supply); sector support
12	Ministério da Cultura, Turismo e Ambiente;	Moderate	Environmental Impact Monitoring
13	Ministério do Comércio e Indústria;	High	Trade Defence, SPS, rules of origin, TBT, sector support
14	Ministério da Agricultura e Pescas	High	SPS, Rules of Origin, TBT
15	Ministério da Saúde;	High	SPS
16	Ministério da Educação;	Moderate	Skills Improvements
17	Ministério da Acção Social, Família e Promoção da Mulher;	Indirect	Export competitiveness (women exporters)
18	Ministério da Juventude e Desportos.	None	N/A
19	Ministério dos Transportes;	High	Trade Facilitation (Control of imported and exported quantities)
20	Ministério das Obras Públicas e Ordenamento do Território;	Moderate	Export competitiveness (infrastructure improvement)
21	Ministério da Energia e Águas.	Indirect	Export competitiveness (availability and cost of inputs)

Source: Own preparation based on the ministries' organic statutes (Presidential Decrees).

Table 9: Official Angolan documents regulating the management of international trade

Nr	Official Document	Objective /Regulates what?	Trade issue concerned
1	Plano Nacional de Desenvolvimento 2018-2022	Structuring document for the medium-term economic development strategy.	Economic Development and Integration
2	Estudo sobre a macro-estrutura da Administração Pública angolana 2000-2017	Program of Administrative Reform and Modernization (PREA)	Trade Facilitation
3	Decreto Presidencial nº 43/18 de 12 de Fevereiro	Approves the Organic Statute of the Ministry of Economy and Planning	Trade Agreement Management
4	Decreto Presidencial n.º 157/20 de 3 de Junho	Approves the Organic Statute of the Angolan Ministry of Commerce and Industry	Trade Policy Management & SPS
5	Decreto Presidencial n.º 257/20 de 13 de Outubro	Approves the Organic Statute of the Ministry of Foreign Affairs of Angola	Trade Agreement Management
6	Decreto Presidencial n.º 177/20 de 23 de Julho	Approves the Organic Statute of the Ministry of Agriculture and Fisheries	Trade Agreement Management & SPS
7	Decreto Presidencial n.º 81/18 de 19 de Março.	Aprova o Estatuto Orgânico da Agência de Investimentos e Promoção de Exportações (AIPEX).	Trade Agreement Management
8	Decreto Presidencial n.º 27/97 de 7 de Abril	Approves the Statute of the Chamber of Official Brokers of Angola.	Trade Facilitation
9	Lei nº 17/2 de 13 de Dezembro Lei dos Padrões de Peso e Medida	Regulates the use of units of measure, and instruments of measures in Angola	Normalization and Quality Control
10	Decreto Presidencial nº 53/04 de 13 de Agosto - Regulamento geral de controle metrológico.	Regulates metrological control applicable to instruments and measurement methods, materialised national or imported measures, involved in commercial, tax or wage transactions, as well as those employed in the field of safety, health, energy and in the determination of quantities of prepackaged products	Normalization and Quality Control
11	Lei 35/20 de 12 de Outubro – Lei das Zonas Francas.	Regulates the creation of free and similar zones (export processing zones, Free Ports and Free Enterprises)	Trade Facilitation
12	Lei nº 4/04 de 13 de Agosto - Lei da Sanidade Animal	Establishes the General Rules governing the production, trafficking, import and export of animals, their products and sub-products throughout the national territory	SPS
14	Lei nº 5/21 de 3 de Fevereiro – Lei da Sanidade Vegetal	It lays down the rules for ensuring plant protection of agricultural and forestry production and exploitation, as well as transit, trade, import and export of plants, parts of plants and regulated objects intended for marketing and consumption.	SPS
15	Decreto Presidencial n.º 104/15 de 12 de Maio	Regulation livestock farms	SPS
16	Decreto n.º 70/08 de 11 de Agosto - Regulamento da Lei de Sanidade Animal	Regulates established standards animal health law.	SPS
17	Decreto Legislativo Presidencial nº 10/19 de 29 de Novembro – Pauta aduaneira dos direitos de importação e Exportação (Versão 2017)	Nomenclature of the Harmonised System of Tradable Goods.	Customs tariffs
18	Decreto Presidencial nº 138/19 de 13 de Maio.	Organic statute establishing the National Food Quality Control Services (SNCQA) to ensure the coordination and management of food quality and health control.	SPS
19	Decreto Executivo n.º 265/ 18 de 19 de Julho - Regulamento Interno do Gabinete de Segurança Alimentar	Office which has the task of formulating, promoting and monitoring the implementation of policies and strategies in the field of food and nutrition security.	SPS
20	Decreto Presidencial nº 179/18 de 2 de Agosto – Regulamento sobre a sujeição de Análises Laboratoriais dos Produtos Destinados ao Consumo Humano e Animal	It lays down the rules applicable to laboratory analyses for products intended for human and animal consumption, with a view to safeguarding the public interest in the protection of public health and the environment.	SPS

Nr	Official Document	Objective /Regulates what?	Trade issue concerned
21	Decreto Executivo 186/13 de 31 de Maio	Rules of Procedure of the Executive Secretariat of CODEX Angola	SPS
22	Decreto Presidencial nº 324/14 de 15 de Dezembro – Aprova o Estatuto Orgânico da Administração Geral Tributária (AGT)	Settle and collect taxes and customs duties. Propose measures to regulate foreign trade. Control international freight traffic and means of transport;	Trade Defence, Trade Facilitation
23	Despacho Presidencial nº 15 /18 – Cria a Comissão Interministerial da Reforma do Estado	Monitorar a execução dos programas sectoriais de Reforma do Estado	Trade Facilitation
24	Decreto Presidencial nº 267/20 de 16 de Outubro – Estatuto Orgânico da Autoridade Nacional de Inspeção Económica e Segurança Alimentar (ANIESA)	Promote surveillance actions on all economic activities.	SPS
25	Decreto Presidencial nº 177/21 de 16 de Julho – Estatuto Orgânico do Instituto Orgânico de Controle de Qualidade da Indústria e Comércio (INACOQ)	Implementation of the general policy of conformity verification, control, and supervision of the quality standards of consumer goods circulating in the commercial network, food and beverage industry, catering and the like and respective production processes.	SPS
26	Decreto Presidencial nº 95/21 de 20 de Abril – Estatuto Orgânico do Instituto Nacional das Infraestruturas da Qualidade (INIQ)	Responsible for the political implementation of the Government in the field of Promotion, organization, development and assurance of quality infrastructures, the management of the Angolan Quality System (SAQ), as well as the recognition of the technical competencies of the conformity assessment bodies operating in the market, agreements with pre-established normative references, aligned with best practices and international standards.	SPS and Technical Standards.
27	Decreto Presidencial nº 176/18 de 27 de Julho – Regulamento do Comité Nacional para a Facilitação do Comércio	Establish the rules for the organization and functioning of the CNFC within the framework of trade facilitation agreements established between WTO members.	Trade Facilitation

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