



# USAID | ANGOLA

DO POVO AMERICANO

## Country Development Cooperation Strategy

2014-2017



*The true sign of **success** is not whether we are a source of aid that helps people scrape by - it is whether we are partners in building the capacity for transformational change.*

*- President Barack Obama.2009 Accra. Ghana*

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*First page caption: Ministry of Finance National Director for Studies and International Relations, Dr. Joao Quipipa, Mission Director, Teresa McGhie, and Department of Treasury Resident Advisor, Patricia Bacchi, at a joint GRA-USG facilitated Cash Management Seminar for Ministry of Finance and Health officials, July 2013*

## Acronyms & Abbreviations

CDC	Center for Disease Control
CDCS	Country Development Cooperative Strategy
CLA	Collaborating, Learning and Adapting
CSO	Civil Service Organization
DHS	Demographic Health Survey
DO	Development Objective
DOD	Department of Defense
DRG	Democracy, Human Rights and Governance
EG	Economic Growth
FP	Family Planning
FSN	Foreign Service National
GBV	Gender-based Violence
GHI	U.S. Global Health Initiative
GRA	Government of the Republic of Angola
HDI	U.N. Human Development Index
HRH	Human Resources for Health
ICASS	U.S. International Cooperation Administration Support Services
IR	Intermediate Result
MEL	Monitoring, Evaluation and Learning
MIC	Middle Income Country
MINFIN	Ministry of Finance
MINSA	Ministry of Health
MPLA	People's Movement for the Liberation of Angola (political party)
NGO	Non-governmental Organization
OE	Operating Expense

OTA	Department of Treasury - Office of Technical Assistance
P2P	Peer to Peer
PEPFAR	U.S. President's Emergency Plan for AIDS Relief
PFM	Public Financial Management
PMDS	Municipal Health Development Plans
PMI	U.S. President's Malaria Initiative
PMP	Performance Monitoring Plan
PMTCT	Prevention of Mother to Child (HIV)Transmission
PND	National Development Plan
PNDS	National Health Development Plan
PPP	Public-Private Partnership
QDDR	U.S. Quadrennial Diplomacy & Development Review
RH	Reproductive Health
SADC	Southern African Development Community
SIACS	Integrated Citizen Service Center
SPD	Strategic Partnership Dialogue
USDH	U.S. Foreign Service Officer (Direct Hire)
USPSC	U.S. Personal Services Contractor

## Executive Summary

The U.S. Agency for International Development's (USAID) five-year Country Development Cooperation Strategy (CDCS) recognizes Angola's growing economy, rising regional status, and remaining development challenges. As Angola emerges into the ranks of middle-income countries, it provides a genuine opportunity for USAID to begin a successful transformation of its relationship with this significant U.S. trading partner and important Southern Africa ally. This five-year strategy will chart the course for a transition from a donor/recipient relationship to one of development partners, where Angola will finance and manage its continued economic and social development with limited, catalytic technical assistance and direct engagement from USAID.

This CDCS signals the next phase of the U.S.-Angola development cooperation relationship and focuses on transforming the way in which USAID does business in Angola. During the next five years, USAID will respond to U.S. and Angolan priorities and challenges through a gradual transition to a new operational paradigm. USAID will directly engage with Government of Angola (GRA) counterparts, the private sector, and civil society to strengthen the ability of Angolan resources to meet the country's development needs. As the GRA assumes more responsibility and competence in development planning and implementation, USAID's footprint will decrease. USAID expects the GRA to assume full responsibility for development planning and implementation with minimal USAID assistance at the end of the five-year strategy period. USAID will reduce its emphasis on traditional approaches that involve funding grants and contracts with international NGOs and contractors, and will increasingly focus on development partnerships among the GRA, the private sector, and local non-governmental organizations.

USAID engagement will be two-fold: the first will be increased catalytic technical assistance to government ministries involved in public administration, financial management, and other pillars of health system strengthening; the second will be an expanded effort to engage the private sector and civil society in reaching the country's development objectives. To accomplish this transformation, USAID will continue to support the GRA's own institution building initiatives by providing technical assistance, training, and supportive supervision in the larger health sector. At the same time, USAID will launch a reinvigorated public-private partnership (PPP) strategy using a "shared value" approach where partnerships center on the intersection of development and business objectives, resulting in the GRA and other national stakeholders finding and implementing solutions together. During 2000-2005, USAID/Angola was perceived as an Agency leader in PPPs, something of a poster child for successfully using such partnerships and alliances to great programmatic effect. USAID will play an integral role in this process by bringing innovative solutions to the table and providing facilitation as well as catalytic technical assistance for sustainable development. Consultations with the GRA over this transformative CDCS have revealed a mutual desire to partner in development as proposed herein.

Moving forward, USAID will capitalize on its investments in strengthening systems to ensure sustainable platforms are built that will manage, oversee, and operate basic health care and services, primarily for malaria, HIV/AIDS, family planning and maternal/child health. This CDCS will emphasize women and girls as the primary focus of HIV/AIDS, malaria, family planning, and

maternal and child health programming. Meanwhile, USAID/Angola will continue the gradual transition from disease-specific service delivery models to a more comprehensive health service strengthening model in line with the National Health Development Plan (PNDS). USAID is successfully working with the GRA to increase its capacity and funding for commodities, and expects to be able to phase out of commodity procurement completely during the life of the CDCS. Resources will be focused on technical assistance and capacity building, critical to further the gains made in malaria and HIV, as well as systems strengthening which will allow both diseases to eventually be integrated throughout the public health system. A similar transition will take place in the area of Family Planning and Maternal/Child Health programming. Efforts will be concentrated on developing PPPs to increase the availability of quality commodities in the private sector and develop quality private sector service delivery.

This CDCS incorporates the objectives stated in the Presidential Policy Directive on Global Development and the Quadrennial Diplomacy and Development Review (QDDR) which emphasize sustainable outcomes, new operational models, and more effective partnerships. USAID/Angola's new operational model will support Angolan leadership in the implementation of the GRA's National Development Plan's (PND) and National Development Health Plan's (PNDS) strategies, with particular emphasis on investing in women and girls. The transformation of USAID's operational paradigm in Angola will lead to more genuine peer-to-peer (P2P) engagement resulting in a substantial reduction in the overall program budget by the end of the CDCS period.

To reach the CDCS goal, USAID/Angola will place USAID Forward at the center of the strategy, by focusing primarily on local solutions through: establishing country-owned, public-private partnerships; transforming innovative financing mechanisms such as USAID/Angola's Development Credit Authority program; and infusing catalyst innovations into national implementation plans that can be 'game changers' in terms of pace and impact of GRA development programs. Internally, USAID/Angola will continue to build and manage the talent of its Angolan staff, as they are best suited to analyze, stimulate and facilitate the development of local solutions with public and private stakeholders that lead to real sustainability and progress.

## I. Country Context

### *Understanding the Roots of Angola's Development Challenges*

Angola strives to emerge from a turbulent, violent history, complicated by its abundant natural resources and a substantial need to more equitably develop apace with the growth of its population and its economy. After a long and destructive civil war, complicated cold-war relationships, aborted peace accords, and failed elections, Angola is now at peace. Angola had two rounds of successful democratic elections, and has developed a new constitution. The political and economic systems, nascent though they may be, have evolved from what has been characterized as postcolonial Marxist-Leninism into a multiparty democracy and market economy. Yet the country struggles with poverty, an infrastructure network that is still being rebuilt, a system of public administration in need of modernization, and a seemingly variable space for dissenting voices.

To understand Angola's current development challenges, it is necessary to explore not only the devastating effect of the 27-years of violent conflict, but also the socio-economic conditions that prevailed at the start of the civil war. Under colonial rule, the Portuguese, to the exclusion of the African population, dominated all public administration and commercial activity. Angolans were denied education and were excluded from administrative functions and civic participation. Although Angola had been a net exporter of agricultural commodities, nearly all of the commercial production came from large, Portuguese owned and controlled enterprises. In 1975, when Angola gained independence after an armed struggle that lasted 14 years, most of the Portuguese abandoned their interests in the country taking with them the bulk of the institutional and commercial capacity. Plantations were abandoned, factories closed, and more than 30,000 skilled workers left the country. Trading was disrupted and public services were non-existent. Angola thus found itself without markets or expertise to maintain economic growth.<sup>1</sup>

Angola's internal conflict erupted soon after independence when the various factions that had battled for the country's liberation failed to reach a power sharing agreement. The result was a 27-year civil war in which over 700,000 people were killed: 400,000 became refugees in neighboring countries, and 4.5 million were internally displaced. Much of Angola's limited infrastructure was destroyed, including roads, bridges, and ports. The mass migration to urban areas further stressed the government's ability to maintain sufficient infrastructure or provide basic services. For years after the war ended, some parts of the country remained heavily land mined limiting economic activity, and Angola today remains one of the countries with the most unexploded landmines in the world.

Women played active roles in the Angolan war, as combatants in the armed wings of the political parties and civilian supporters. The legacy of the war left distinct marks on the lives of women. As many men lost their lives in war, the number of female-headed households increased and the workload placed upon women increased dramatically. Women have taken up additional

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<sup>1</sup> Vincent A. Mai and Friank G. Wisner, Council on Foreign Relations, *Toward an Angola Strategy: Prioritizing U.S.-Angola Relations*, p. 10-13.

responsibilities both in the household and the communities, fulfilling social and religious obligations. As a consequence, women have traditionally had limited access to education. Only 2% of women in rural areas have completed secondary school or higher while 40% have had no formal education at all. Nearly one-third of girls have a child before the age of 18, which corresponds with very high rates for maternal mortality and fertility. The lack of education limits opportunities for women and girls, their ability to be independent, and their access to information that can empower them. Low health and education levels, domestic violence and sexual abuse against women and young girls are daily struggles for women in Angola. Women remain reluctant to report violence due to subsequent association with social stigma, which leaves most victims silent for fear of not regaining social respect. As a result of limited education, poor health, and gender inequity, women feel isolated and disempowered to make changes that more positively affect their lives. This dynamic manifests in lower levels of women contributing to the economy and lower representation of women in the workplace and in other professional settings.<sup>2</sup>

Due to the challenging conditions resulting from its colonial legacy, coupled with the devastating impact of the prolonged civil war, Angola began its post-war recovery with some of the lowest development indicators on the continent. The mortality rate for children under five years of age was estimated at 250 per 1,000. Maternal mortality was at 1,450 deaths per 100,000 live births. Poverty was pervasive with 57 percent of the urban population and 97 percent of the rural population living below the national poverty line.<sup>3</sup>

Angola continues to suffer in other key development indicators. It remains in the lowest quintile of UNDP's Human Development Index with a ranking of 148 out of 187 countries. On the World Bank Doing Business Index it ranks 179 out of 189. Social and economic issues, such as high unemployment, cost of living, and land tenure are volatile concern. The lack of a modern workforce affects the growth of Angolan business and serves as a deterrent to foreign investment. Public health and health service delivery continue to present challenges. The country still has one of the highest rates of mortality among children under five years of age at the Ministry of Health (MINSA) reported level of 195 deaths per 1,000 births,<sup>4</sup> and lack of access to and/or understanding of modern contraceptives contributes high maternal mortality rates with only six percent of women of reproductive age using modern contraceptive methods. Roughly half of the population has access to safe drinking water and sanitation, 47% and 53% respectively.<sup>5</sup>

### ***The New Direction***

Today, after 11 years of peace and stability, Angola has made remarkable progress toward economic recovery. The Economist Intelligence Unit named Angola "the fastest growing economy in the world" in the decade from 2001-2011. Natural resources, specifically oil and diamonds, provide the primary basis for this economic success; Angola's oil generates billions of dollars a year. This

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<sup>2</sup> USAID Gender Assessment. 2013.

<sup>3</sup> World Bank, Country Partnership Strategy for the Republic of Angola (FY14-FY16) (World Bank CPS)

<sup>4</sup> Challenges with data quality in Angola affect indicators like children under five (CU5) mortality. WHO estimates the rate to be 161/1000. USAID's Malaria Indicator Survey in 2011 reported it as low as 91/1000.

<sup>5</sup> PNDS

remarkable recovery and vibrant growth have transformed Angola to a middle-income market economy in just over a decade.<sup>6</sup> The slower rate of improvement in the human development indicators belies the development progress that is actually taking place in Angola. The GRA has been investing significant resources into the country's development by building roads, modernizing and expanding ports, constructing schools, health clinics, and housing, and beginning to improve infrastructure that will provide expanded access to potable water. According to the World Bank, Angola invested \$150 billion on infrastructure and expansion of basic service since 2000 and the GRA has more recently turned its attention to the more difficult goal of institutional capacity building and improving the quality of services.<sup>7</sup>

While the percentage of Angolans living below the national poverty line remains high, the country did see a significant reduction in that percentage from 2001 to 2009.<sup>8</sup> Although basic education remains a challenge, Angola is one of the two most improved African countries in the percentage of girls enrolled in primary school with an increase from 35 percent in 2000 to 78 percent in 2011.<sup>9</sup> Health indicators are gradually improving as well. The per capita total spending on health is approximately \$186,<sup>10</sup> more than double the regional average.<sup>11</sup> Since 2001, maternal mortality has decreased from 1,450 to 450 per 100,000 live births and access to health care has improved from 30% in 2005 to 45% in 2012, as a result.

In some areas governance has visibly improved in Angola, particularly in fiscal management and transparency. In the 2013 budget, the GRA transferred the resources used for the quasi-fiscal activities of the state-owned oil company, Sonangol, directly into the national budget for the first time. Other key macroeconomic and fiscal policy reforms were put in place with the support of the IMF during the implementation of a Stand By Agreement.<sup>12</sup> The State Department determined in March 2013 that Angola was making sufficient progress in improving fiscal transparency to permit continued assistance to the central Government. The past two years have been pivotal in Angola's development. In 2012, the country held its second national election, a peaceful election that was deemed credible by the international community.<sup>13</sup> The ruling People's Movement for the Liberation of Angola (MPLA) party maintained its majority with 72 percent of the vote on a platform of "more growth and better distribution." Within three months of the election, the executive submitted a five-year PND to the Council of Ministers and then to the National Parliament for approval. The PND was paired with a 2013 national budget of \$66 billion, one third of which

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<sup>6</sup> According to the World Bank, the per capita GNI is \$4,580. However, that figure is somewhat misleading as there are stark differences between the GNI in urban and rural areas.

<sup>7</sup> World Bank, CPS

<sup>8</sup> It is difficult to draw a conclusion as to the actual percentage of the decrease. The 2001 figure was 62% based on the Household Income Survey using the national poverty line of 4,793 kwanza/month, which was approximately \$2.00/day at the time. At the current exchange rate, the same figure used to calculate the national poverty level is the equivalent of approximately \$1.60/day.

<sup>9</sup> Thomson Reuters Foundation, News, Information and Connection for Action, November 18, 2013 (citing the African Report on Child Wellbeing produced by the African Child Policy Forum, a research institute based in Ethiopia), also MCC Scorecard for Angola.

<sup>10</sup> This figure is the per capita health expenditure rate for 2011, the latest year available.

<sup>11</sup> World Health Organization, Angola Country Profile, May 2013.

<sup>12</sup> IMF Article IV Consultation. 2012.

<sup>13</sup> Angola Country Brief. World Bank. October 2012.

was earmarked for social sectors. In 2014, Angola will conduct its first national census since independence. Municipal elections have been planned for 2015. With or without local elections, fiscal decentralization opens the door for greater citizen input into government decision making.

Angola's PND identifies six prime objectives: 1) the preservation of national cohesion and unity; 2) guaranteeing basic goods and services; 3) improving quality of life; 4) engaging with youth; 5) developing the private sector; and 6) increasing Angola's presence on the international stage. Importantly, the PND goes beyond rhetoric in talking about development goals and also includes several concrete benchmarks. It specifically lists the goals of improving Angola's literacy rate from 65 percent to 75 percent, increasing per capita income from \$5,786 to \$8,268, and raising the percentage of women in parliament and the executive from 35 percent to 40 percent. For health, the government's two overarching targets are to reduce the current maternal mortality rate from 450 deaths per 100,000 live births to 250, and to reduce the current infant mortality rate from 98 deaths per 1,000 live births to 60 by 2017. The plan also states the goal of improving its aggregate score on the Human Development Index (HDI) from 0.508 to 0.540, a score that would significantly improve Angola's ranking. With both the national budget and the PND providing new emphasis on social sector development, the country is at a crossroads where USAID resources and programs closely align with the current direction of Angola's own development priorities.

The GRA has demonstrated its openness to outside assistance as it regularly procures technical assistance when it has discrete requirements for tasks beyond its existing capacities. The GRA has stated a desire to leverage more established bilateral governments, in particular the U.S., as it implements ambitious national development plans. Counterparts have identified the need to have direct government-to-government assistance that manifests in a peer-to-peer (P2P) relationship, where development strategies, opportunities, and areas of improvement can be discussed over a longer term.

### ***Angola's Importance to the U.S.***

Angola is one of only three African countries to share a strategic partnership with the United States. Former Secretary Clinton's designation of Angola as one of three strategic partners in sub-Saharan Africa — along with South Africa and Nigeria — reflects Angola's importance. Formalized in 2010, the Strategic Partnership Dialogue (SPD) provides a mechanism to engage Angola on issues of mutual interest, such as energy, maritime security, counternarcotics, geopolitical issues, health, agriculture, and trade and investment.

Angola's rich endowment of natural resources has fueled the country's strong economy and made it a major sub-Saharan trading partner. In fact, Angola rivals only Nigeria as the leading oil producer in sub-Saharan Africa. If the vast deep-water pre-salt oil deposits prove viable, Angola has the potential to significantly increase its oil production in the coming years. U.S. companies such as Chevron and ExxonMobil have benefited from Angola's resources and strong economy, but so have many other U.S. companies such as General Electric, which signed a \$150 million deal this year to export U.S.-made locomotive engines to Angola. Already the third largest economy in sub-Saharan Africa, Angola has set out on a program of economic diversification so that natural resource

extraction is not the only engine for growth. The PND includes a specific target to raise Angola's ranking on the World Bank's "Doing Business" report from 170 (out of 185) to 165. To reach this goal the PND calls for the government to improve many of its bureaucratic functions, including simplifying import and export customs procedures, reviewing and implementing the bankruptcy laws, and controlling monopolistic practices and the abuse of economic power, among other measures. Such reforms will increase opportunities for U.S. investors.

Angola has the potential to be a key U.S. partner in promoting peace, stability, and economic growth in the Southern African Development Community (SADC) and Great Lakes regions. One of the objectives of the PND is to strengthen Angola's competitiveness on the world stage. Results from this strategic goal are already evident, as Angola has substantially increased its activity in the international arena in 2013. The GRA is actively campaigning for a seat on the 2015-2016 UN Security Council, and it has announced plans to run for the vice-chairmanship of the Kimberly Process in 2014. President dos Santos has hosted two "Tripartite Summits" with the presidents of the Democratic Republic of the Congo (DRC) and South Africa to discuss the ongoing conflict in eastern DRC. The GRA is preparing to assume the rotating leadership of the International Conference of the Great Lakes Region and played an instrumental role in helping Nkosazana Dlamini-Zuma get elected as chairwoman of the African Union Commission. The GRA also recently stepped down as the rotational leader of the Gulf of Guinea Commission, a regional body in which Angola has shown a special interest.

Consistent USAID engagement will continue to improve US/Angola relations and will strengthen Angola's ability to meet its own development goals. The Council on Foreign Relations report, "Toward an Angola Strategy: Prioritizing U.S.—Angola Relations," suggests that:

*Human and institutional capacity building is a critical area in which there is convergence of what Angola wants and what the United States can help provide. Neither China nor any other country is significantly helping Angola meet its massive need for an educated and diversely skilled workforce, and the United States maintains a comparative advantage in the field of advanced education and training. Capacity-building assistance helps the United States maintain an entry point for serious dialogue with the Angolan government and indicates U.S. interest in helping Angola address its needs.*

## **II. USAID/ Angola's Strategic Approach**

This CDCS signals the next phase of the U.S.-Angola development cooperation relationship and focuses on transforming the way in which USAID does business in Angola. During the next five years, USAID will respond to U.S. and Angolan priorities and challenges through a gradual transition to a new operational paradigm. USAID will directly engage with GRA counterparts, the private sector, and civil society to strengthen the ability of Angolan resources to meet the country's development needs. As the GRA assumes more responsibility and competence in development planning and implementation, USAID's footprint will decrease. USAID expects the GRA to assume full responsibility for development planning and implementation with minimal USAID assistance at the end of the five-year strategy period. USAID will reduce its emphasis on traditional approaches that involve funding grants and contracts with international non-governmental organizations

(NGOs) and contractors, and will increasingly focus on development partnerships among the GRA, the private sector, and local non-governmental organizations.

USAID engagement will be two-fold: the first will be increased catalytic technical assistance to government ministries involved in public administration, financial management, and other pillars of health system strengthening; the second will be an expanded effort to engage the private sector and civil society in reaching the country's development objectives. To accomplish this transformation, USAID will continue to support the GRA's own institution building initiatives by providing technical assistance, training, and supportive supervision in the larger health sector. At the same time, USAID will launch a reinvigorated public-private partnership (PPP) strategy using a "shared value" approach where partnerships center on the intersection of development and business objectives, resulting in the GRA and other national stakeholders finding and implementing solutions together. During 2000-2005, USAID/Angola was perceived as an Agency leader in PPPs, something of a poster child for successfully using such partnerships and alliances to great programmatic effect. USAID will play an integral role in this process by bringing innovative solutions to the table and providing facilitation as well as catalytic technical assistance for sustainable development. Consultations with the GRA over this transformative CDCS have revealed a mutual desire to partner in development as proposed herein.

Moving forward, USAID will capitalize on its investments in strengthening systems to ensure sustainable platforms are built that will manage, oversee, and operate basic health care and services, primarily for malaria, HIV/AIDS, family planning and maternal/child health. This CDCS will emphasize women and girls as the primary focus of HIV/AIDS, malaria, family planning, and maternal and child health programming by helping to build an enabling environment to advance gender equality to increase access to and utilization of services by both men and women. USAID will support the GRA and its declaration by President dos Santos that 2014 be the year of the 'rural woman' by working with counterparts to identify and make plans to reduce gender disparities, reduce gender based violence, and increase the capability of women and girls to determine their life outcomes and influence decision making. Meanwhile, USAID/Angola will continue the gradual transition from disease-specific service delivery models to a more comprehensive health service strengthening model in line with the National Health Development Plan (PNDS). USAID is successfully working with the GRA to increase its capacity and funding for commodities, and expects to be able to phase out of commodity procurement completely during the life of the CDCS. Resources will be focused on technical assistance and capacity building, critical to further the gains made in malaria and HIV, as well as systems strengthening which will allow both diseases to eventually be integrated throughout the public health system. A similar transition will take place in the area of Family Planning and Maternal/Child Health programming. Efforts will be concentrated on developing PPPs to increase the availability of quality commodities in the private sector and develop quality private sector service delivery.

### **III. Strategic Rationale and Development Hypothesis**

#### ***Government of Angola resources:***

The recovery of the Angolan oil sector in recent years has allowed the Government to make a substantial increase in public spending, with this trend expected to continue over the next five years and beyond. Due to macroeconomic policy reform, Angola has a sizable fiscal surplus which, combined with significant savings and a low public debt burden (at around 20% GDP),<sup>14</sup> provides a realistic opportunity to diversify the economy. As such, Angola has financially crossed the threshold into ‘Middle Income Country’ status and is currently evaluating its needs in order to fully ‘graduate’ to a middle income country (MIC) in practical terms.

#### ***Government needs:***

Despite the GRA’s investments, challenges in policy development and implementation continue to hinder progress. While the Government recognizes that human capital is the critical path to providing the basic package of essential services and achieving universal health coverage, it lacks the requisite manpower to plan and budget at lower levels, utilize new equipment and technologies, operate new facilities, or monitor and evaluate its own programs and personnel. Through the PND and PNDS, the government displays an understanding that it must improve the following systemic issues to reach these targets: inadequate human resources; insufficient health facility coverage and maintenance, in terms of both numbers and professional training; inefficient referral processes among municipal/national health centers; ineffective information, logistical, and communication systems; insufficient financing and lack of a multi-year financial model; and unavailable water, sanitation and energy at the facilities level.

Meanwhile, recent fiscal decentralization reform granted municipal governments the authority to plan, manage, and implement an annual operational budget. The GRA piloted this approach in the health sector. In 2012, the GRA transferred over \$400 million dollars to 166 municipal governments.<sup>15</sup> Over the next three years, approximately \$2 billion will be allocated to municipalities to improve public service delivery in expanded areas, predominantly health, but also water and education. Although fiscal decentralization has been considered a mechanism to more effectively distribute resources to the people, its implementation has put strain on existing institutional challenges and human capital constraints in the short term. Furthermore, as Angola decentralizes, government and governance are brought ever closer to the citizenry, which creates increased expectations thus accentuating the need to strengthen the state-societal relationship. The population’s active and informed participation is part and parcel of the GRA’s accomplishment of its long-term development goals. The GRA has been active in supporting inclusive decision-making at local and provincial levels. The programs and mechanisms need additional targeted support in order to become institutionalized and internalized, and need higher quality and more timely feedback from citizens.

#### ***Government priorities:***

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<sup>14</sup> World Bank. Angola Economic Update. 2013

<sup>15</sup> In 2011 there were only 166 municipalities. As of November 2013, there are 167.

The 2013-2017 PND focuses on six key objectives for development in the medium-term, including: 1) the preservation of national cohesion and unity; 2) guaranteeing basic goods and services; 3) improving quality of life; 4) engaging with youth; 5) developing the private sector; and 6) increasing Angola's presence on the international stage. The plan's commitment to social and economic development, as opposed to a primary focus on the infrastructure projects that dominated development for the past ten years, compliments the nearly 50 percent increases given to these areas in the 2013 national budget when compared to 2012. In the health sector, the government's two overarching targets are to reduce the current maternal mortality rate from 450 deaths per 100,000 live births to 250, and to reduce the current infant mortality rate from 98 deaths per 1,000 live births to 60 by 2017. Other priority targets include: nearly halving malaria morbidity in the general population (21% to 12%); preventing any increase in HIV/AIDS prevalence (to remain at 2%); tripling the number of doctors per 10,000 citizens (1 to 3); increasing the number of female beneficiaries of micro-credit to 20,000 annually; substantially improving skilled birth attendance (from 49% to 70%); and exponentially increasing family planning uptake (from 6% to 45%) over the life of the strategy. The PND also identifies the intention to create a National Council to 'secure the link and participation' of civil society and other public organizations in the elaboration, implementation, and evaluation of national development policies and to establish sustainable financing pathways through the establishment of PPPs.

The PNDS outlines a more specific set of priorities over the medium-term. These include: increasing life expectancy; reducing maternal and child mortality and morbidity; improving Angola's status on the Human Development Index and for its Millennium Development Goals; consolidating legislative and organizational reform; strengthening institutional capacity at central, provincial, and municipal facilities; building stronger health networks at all levels; elaborating strategic plans for better professional training while aligning human capital to the objectives of the PNDS; adopting new incentives for health sector professionals; implementing new technologies; acquiring adequate and sustainable financing; and installing a modern and efficient management system. These priorities will be achieved through 47 'projects' that address the technical and administrative challenges affecting the Angolan health sector today. In sum, the vision of the PNDS is to:

***“uphold the constitutional right to health, with a view to universal access to health care, ensuring equity in access to care, improving the mechanisms for management and financing of the national health system, while offering quality, timely, and compassionate services, for combating poverty and enhancing the well-being of the population.”***

### ***Partnership & Transformation:***

To help the GRA address these needs and respond to these priorities, USAID will transform its business model. It will accelerate its shift towards a more agile and flexible team of technical experts that will help address policy reform and establish a range of creative partnership platforms, alliances, and mechanisms. This shift will create non-traditional partnerships and alliances that leverage resources and experiences, to first pilot and then scale innovative development solutions in Angola. The GRA has already displayed its willingness to use its own funds to seek development

counsel and solutions. When partnered with USAID’s technical experts, outcomes have been magnified. USAID’s support to the Ministry of Health (MINSa) for budget formulation of the PNDS exemplifies the type of partnership envisioned in this CDCS: country ownership; direct engagement; catalytic technical assistance; and development of local solutions. Within this five-year period, the GRA will have established the mechanisms and capacity to procure their own targeted, high-level technical assistance in the health sector. USAID’s utility will be measured by its ability to expand the flow of solutions and resources into a broader network of Angolan actors, including those in the private and commercial sectors, who all have a stake in promoting the most effective use of their nation’s resources towards societal and economic gain. To support and catalyze this diffusion, USAID will utilize and rely on its bureaus in Washington, its network of operating units worldwide including USAID/South Africa, and many other entities, including international organizations, universities, private sector companies and associations, non-governmental organizations (NGOs), and civil society. USAID will also continue to leverage development partners active in health, gender integration and governance for enhanced harmonization of activities and interventions leading to desired outcomes stated in the PND and PNDS, and eventual transition of activities to Angolan authorities.

***Development Hypothesis:***

In order to truly advance development outcomes in Angola, the approach must be integrated across sectors to reinforce inter-sectoral relationships that are required for socioeconomic progress. In this CDCS, due to Angola’s particular country context and the need to be selective and focused, USAID will concentrate on the interconnectedness of sustainable advances in health systems strengthening and governance.

The USAID/Angola development hypothesis is as follows:

***By leveraging the vast and growing investments of the Government of Angola and the private sector towards advancing health outcomes while also enhancing citizen participation, USAID can transform its partnership with the Government of Angola to support the effective and sustainable accomplishment of the nation’s own development goals.***

This strategic approach will support the GRA in pursuit of its own development goals. USAID will assist the GRA as it develops and implements policies, protocols, and programs in conjunction with non-government stakeholders. With minimal USG resources, USAID will maximize the added value that the USG can offer by leveraging its vast network of technical experts and five decades of overseas development experience. As a result, the USAID-GRA relationship will mature, to one that is based on facilitating and leveraging partnerships to improve the health and wellbeing of Angolans.

#### IV. CDCS goal

##### **USAID-Angola Relationship Transformed to Strengthen the Effective Use of Angola's Resources to Meet Development Needs**

The GRA has already displayed its willingness to use its own funds to seek development counsel and solutions. When the GRA knows what it wants, it has contracted for technical assistance to develop specific policy and resolve acute problems. Yet from CDCS consultations, it was clear that the GRA requests more P2P advice and assistance at the strategic level, to transform policy into implementation, through a longer term engagement. The World Bank captures this need well in the following synopsis:<sup>16</sup>

*“ensuring that new investment is directed to priority development objectives, that new spending is executed efficiently, and that lessons learned through past projects are applied to future efforts, will require enhancing the effectiveness of the public investment process.”*

In order to achieve this CDCS goal, the Mission will: amalgamate the last decade of USAID supply and demand side efforts; maximize the impact of policy reform; and galvanize a system for PPPs to help Angola transform its natural resource wealth into concrete economic and social prosperity for all. The Mission's efforts to show impact under the CDCS Goal will be continuously assessed, both qualitatively and quantitatively, through a collaborating, learning and adapting (CLA) framework. Additional information regarding the Mission's plan to measure the impact of the strategy is provided in the 'Monitoring, Evaluation, and Learning' section of the CDCS.

Likewise, USAID will harness evolving private sector involvement in Angola's development. This represents a substantial opportunity that will be featured throughout all programming and ultimately permeate USAID/Angola's operational transformation. Whether it be through formal PPPs between Government and corporate entities, or the development of market opportunities by private sector enterprises for a more modern and risk sharing health system, USAID will directly engage with stakeholders from both public and private sides of the table to help build sustainable, effective, and profitable development that advances the well-being of the economy and of society.

#### **Development Objectives (DOs)**

Two Development Objectives will contribute to this Mission Goal. Both closely follow the goals stated in the PND that call for a new phase (2012-2017) of modernization, sustainability and stability, necessary for transformational development as summarized by state authorities as 'stability, growth and employment' for all Angolans. DOs target the improvement of public administration and the development of civil society and the private sector, as means to improve equitable health outcomes, understanding the fact that health will not improve if there is no improvement in governance, education, water and sanitation, and economic growth.<sup>17</sup> In order to build stronger policies and institutions (both public and non-governmental), Angola will need: improved planning and spending; targeted priorities that contribute to overall health; bottlenecks

<sup>16</sup> World Bank. Angola Economic Update. 2013.

<sup>17</sup> Draft Impact Evaluation for Presidential Malaria Initiative Program

identified and removed from the system; increased coverage for primary care; reduced financial barriers; and improved knowledge and information availability. The skills built and lessons learned through the focus on health can and should extend to other sectors as the GRA hones its own planning, budgeting, implementation, monitoring, evaluation and overall high level analytic capacities.

USAID priorities in health are *Ending Preventable Child and Maternal Deaths* and an *AIDS free Generation*. Ending preventable maternal and child deaths is achieved by accelerating progress on maternal, newborn and child survival. This is a broad platform for integrating the many interventions that affect maternal, newborn and child survival. Major declines in under-five mortality require a dual emphasis on both the immediate causes of mortality and the underlying factors that perpetuate high rates of maternal and child mortality (i.e. access to clean drinking water, sanitation, nutrition, education, protective environments, etc.). An integrated approach to child survival requires concerted action across the full life cycle of a woman – starting with her education and opportunities for continued physical and intellectual growth in adolescence, through to the economic opportunities available to her in adulthood, and the quality of care afforded to her in her reproductive years. It also requires the participation of men who can serve as gatekeepers that often influence women’s ability to practice health behaviors and access critical resources. Their support is needed to ensure that both men and women can adopt healthier behaviors, access health information and care, and enjoy better health outcomes. In 2011, Secretary Clinton called on the world to create an AIDS free generation. USAID plays a key role in this effort, pursuing public health and human rights objectives through evidence based interventions that are innovative, comprehensive and culturally sensitive, particularly for gender-based violence (GBV). By addressing GBV, health programs may be able to enhance their effectiveness, enable women who have experienced violence to benefit from existing programs, and prevent the escalation of such violence. These efforts that USAID/Angola will support for the next five years are aligned with GRA, USAID, and USG priorities.

In early 2013, the GRA announced PNDS and PND strategic frameworks for comprehensively addressing its integrated development agenda for the country. These are well informed plans and while targets are ambitious, Angola is at a critical juncture in its development history to establish and build systems such that the country achieves equitable and sustainable development. The next five years will be important in helping ensure that the GRA’s five year plans can be implemented. USAID is well-poised to help with this important phase in Angola’s development, offering expert technical assistance in key areas to help Angola become a country with a well-functioning health sector that is responsive to the citizens. Through CDCS consultations with senior counterparts, the GRA understands the dynamic P2P assistance that USAID can offer, and endorses USAID’s transformation approach. Such partnership with the GRA in development will serve as a key pillar to reinforce diplomatic efforts in the country. A stronger bilateral relationship will not only benefit the entire population of Angola for years to come, but will also help develop Angola’s leadership potential for strengthened regional collaboration and security efforts.

**Mission Goal: USAID-Angola Relationship Transformed to Support the Effective Use of Angola's Resources to Meet Development Needs**

**DO 1: Health Status and Wellbeing of the Population Improved**

**DO 2: Responsiveness to Citizens' Needs Strengthened**

The CDCS Results Framework with indicators is in Annex 1

**V. Development Objective 1: Health Status and Wellbeing of the Population Improved**

***Rationale:***

After decades of civil war and recovery, the GRA has prioritized the health and wellbeing of the population as a critical path to accomplish goals set forth in the PND. The Angolan economy needs healthy and capable citizens that can contribute to sustainable and equitable growth within and beyond the energy sector.<sup>18</sup> Health indicators for Angola are currently at or below most other sub-Saharan African countries, despite substantial financial investment from the GRA. Angola understands that it needs effective and efficient health systems to provide quality services and products that are both accessible and available to its citizenry, including marginalized populations, such as rural women and girls. As all Angolans increasingly use health services, they become productive participants in society and the economy.

Though there has been significant public investment in infrastructure, results have yet to fully materialize, as numerous facility and infrastructure projects still dominate the rural development agenda. For example, in the PNDS, MINSA lays out plans for construction of nearly 4,000 new health facilities. While these facilities will most likely increase health services' utilization, it will be the quality of those services and the accessibility of medicines and supplies that will ultimately lead to improved health and wellbeing.

Health systems strengthening is imperative for Angola to realize true, felt middle-income status and living conditions. The economic momentum of Angola's new growth, coupled with recent commitments to policy reform and medium-term planning create a more positive enabling environment for this work. Approximately one third of Angola's \$66 billion budget in 2013 is devoted to social sectors such as health, education, and social protection. Angola's health sector budget, for instance, has increased 289% since 2009, climbing to \$3.7 billion in 2013. Although health sector funding as a portion of the national budget has only increased slightly to 5.5%, the government plans to honor its Abuja Declaration commitment of ramping up health spending to 15% of total spending.<sup>19</sup>

While Angola has the financial resources to scale up programs nationwide, institutional and systemic barriers must be overcome for this to become a reality. Through a guided technical

<sup>18</sup> Petroleum receipts accounted for over 80% of government income. IMF Country Report #12/215. 2012

<sup>19</sup> Budget execution in the health sector has ranged from 62 – 80% since independence, which, given the dramatic increase in the health sector budget since 2009, presents a significant implementation challenge to the GRA (e.g., quality and efficiency of spending) even at 5.5%. Source: USAID/Angola Health System Assessment 2010.

collaboration process with USAID, the GRA can develop and strengthen its health systems, which will lead to improved and more equitable health outcomes and an enhanced likelihood that supported health innovations deliver the desired development impact. Access to quality services has improved significantly (from 30% in 2006 to 45% in 2012<sup>20</sup>), but remains one of the government's top priorities, with technical and operational capacity limitations posing barriers. The government is addressing staffing levels in the health sector, with a planned 50% increase in technical staff by 2017; another 40% increase by 2025.<sup>21</sup> Yet, existing personnel must perform with limited experience, facilities, training, and support systems. Absenteeism and a lack of incentives for performance in the public sector reflect serious governance challenges that, while considered normal for countries recovering from decades of civil war, remain critical to address, or broad development progress will be stymied.

Fiscal decentralization was initiated with admirable intentions such as bringing government and services closer to the citizenry, yet difficulties in implementation have created turf wars and confusion among ministries given the vertical nature of GRA programs and systems. The modernization of public administration and its ultimate ability to serve the population are thwarted by these factors. Persistent nutrition insecurity and health financing are illustrations of the lack of convergence across key ministries, as well as the tensions between central and provincial authorities. The shortage of quality data, and limited expertise in its use, further impede evidence-based programming and informed policy reform. While these challenges inhibit the effectiveness of the supply side, this DO also attempts to address the corresponding demand side challenges such as low care-seeking behavior and lack of adherence to healthy behaviors. A priority factor addressed through this DO is the effect of gender norms and roles on the demand side of health service utilization and healthy behaviors.

During CDCS development, USAID and the GRA discussed the fact that USAID technical collaboration and assistance for systems strengthening would be phasing out at the end of the five year strategy period. Therefore, an objective of USAID's activities under DO 1 will be to assist the GRA to expand and improve existing mechanisms for seeking and obtaining technical expertise with its own resources. All technical collaboration will focus on supporting the GRA by building capacity for fully autonomous, financially sustainable and effective operation of relevant system components.

### ***Description of DO 1***

In DO 1 USAID recognizes the need to continue strengthening multiple components of the Angolan health system in order to ensure achievement of national development priorities and the overall goal of the CDCS. Without strong health systems, pilot health innovations will have less chance of being successfully scaled up, and critical strategic health challenges such as polio eradication and HIV/AIDS prevention may not be addressed successfully, leading to devastating consequences in the region. As reflected in the PND, strong systems are required for Angola to carry out effective, routine health operations and to achieve planned health objectives for its population. Likewise,

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<sup>20</sup> PNDS

<sup>21</sup> USAID/Angola Ampla Saude Final Report. 2013

human resources for health (HRH) and other health system strengthening components cannot sustainably develop absent strong and sound financial execution. This, in turn, must be informed by regular and constant feedback loops from the health systems themselves. To build these mutually reinforcing components, Angola requires sustainable platforms best built through domestic partnerships that eliminate need for external financing. USAID will work with the range of Angolan stakeholders to encourage, facilitate and nurture these partnerships during the course of the CDCS time frame.

Furthermore, USAID recognizes that women and girls are particularly disadvantaged in access to resources and services. The different roles and responsibilities of men and women in Angolan society have historically influenced their health-related behavior and use of services, limiting the return on investment made by the GRA since 2002. As such, women will be the primary focus of HIV/AIDS, malaria, family planning, and maternal and child health programming. Targeting males as heads of households or as community leaders is also critical given gender norms that equate men's health-seeking behavior as a sign of weakness. Men who report equitable attitudes are more likely to instill more comprehensive reproductive health behaviors such as using family planning methods or discussing condom use with their wives based on regional analysis.<sup>22</sup> USAID will collaborate with national stakeholders to strengthen equity in access to health care services between females and males, to add value to the gender equality targets referenced in the PND and PNDS.

The Intermediate Results (IRs) represent core health system strengthening and accountability objectives<sup>23</sup>, and as such are complementary. They have been explicitly established with strong direct linkage to the PND and PNDS. In doing so, USAID is directly demonstrating how it can contribute to Angolan goals through mutual targets and common expected results.

The IRs bring together numerous pathways to achieving capacity needed to address system efficiency and effectiveness, and thus priority health issues. They will support the GRA's efforts to increase quality service delivery to Angola's population, a key goal given the huge number of people currently living in poverty, especially women in rural areas and urban slums. The CDCS will focus on provinces and municipalities with high levels of preventable malarial, maternal, and child deaths under GRA direction, and activities will focus on addressing barriers to effective services, in terms of access, accessibility and quality. A particular focus on malaria, HIV/AIDS and family planning/reproductive health, will allow USAID to concentrate on major causes of under-five mortality while also addressing determinants of mortality, such as birth spacing, antenatal and early-child nutrition, and Prevention of Maternal to Child Transmission (PMTCT). To more completely strengthen health systems in Angola, USAID's support for modernizing public administration will require proficiency at all levels of government to properly plan for, execute and oversee health sector budgets.

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<sup>22</sup> 'What Difference Does Gender Make?' USAID Presentation, citing Middlestadt et al., 2007.

<sup>23</sup> World Health Organization defines a 'health system' as that which consists of all the organizations, institutions, resources and people whose primary purpose is to improve health. Strengthening health systems means addressing key constraints related to: health worker staffing, infrastructure, health commodities (such as equipment and medicines), logistics, tracking progress and effective financing.

### ***Intermediate Result 1: Sustainable platforms built for the supply and demand of health services in priority areas***

USAID will implement a new operational model by focusing primarily on the health sector under the principles of the QDDR and the Global Health Initiative (GHI). The strategy is based on USAID Forward reforms that promote local solutions, PPPs, innovative financing mechanisms and that foster Angolan solutions through applied scientific and technological breakthroughs.

As part of USAID's PPP strategy for Angola, USAID will seek to increase access to health commodities by transforming its provision of health commodities from the current subsidized approach into a predominantly market based approach. Over the life of the CDCS, USAID will gradually reduce funding for commodities; and progressively support local companies involved in the commodity market through the Development Credit Authority, Small-Medium Enterprise development, and the development of a strong commercial sector that is able to meet the needs of diverse quintiles with quality products and services. This approach will remain cognizant of gender inequalities that influence individuals' health risks and use of health services, and will promote the commercial sector's attention to gender-equitable delivery and women's equal access to products and services. USAID will also facilitate direct GRA contracting mechanisms with established USAID partners where there are opportunities to outsource technical assistance for health service improvements.<sup>24</sup> Through these activities, USAID will target PND goals for increasing the number of women and youth entrepreneurs.

USAID's PPP strategy for Angola will also target health workforce development activities that aim to increase the efficiency of health operations in both public and private facilities. With public sector – private sector collaboration, the ability to meet employment needs will be strengthened through networks that create and sustain equitable, effective workforce development programs for existing staff and youth coming out of technical schools and universities. Conditions will be created in institutions that facilitate female empowerment to fulfill their potential as full members of the workforce and of society.

As part of the transformational process, multi-year project focus, with implementation concentrated with international NGOs, will shift to USAID direct engagement with the GRA to consolidate gains made in these areas. USAID will work with provincial authorities and health officials to put in place policies and regulations that reflect the most effective and efficient platforms for delivering health services on a consistent basis. In addition, USAID will help the government authorities employ standard operating procedures to implement these policies and have standards by which to monitor implementation. These efforts will focus, where applicable, on linking the GRA's vertical programming with its cross-cutting initiatives for women and youth. Outreach and programming for both men and women will focus on education about health, disease prevention, elimination of GBV, and encouragement of their respective active roles in supporting their own well-being and monitoring health services in their communities. Attention will be given to structural barriers and gender norms that limit women's and girls' access to health services.

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<sup>24</sup> The Angolan National Bank (BNA) and Cardno are currently negotiating a follow up arrangement to the successful USAID 'Bankita' project that ended in 2012.

USAID will assist GRA counterparts to develop monitoring systems to track reductions in maternal and child morbidity and mortality and enable policy makers and financing authorities to reward progress and improve deficits.

To help the GRA address these needs and respond to these priorities, USAID will transform its business model. It will accelerate its shift towards a more agile and flexible team of technical experts that will influence policy and establish a range of creative partnership platforms, alliances, and mechanisms aimed at creating non-traditional partnerships and alliances that leverage Angolan resources and expertise to scale development solutions in Angola. Principles of gender equality will be incorporated as foundational principles of all such partnerships and alliances.

By the end of the strategy period, several of these pilots will have gone to scale, such as the adoption and use of Patient Assistant Facilitators for PMTCT, long-term family planning methods, and improved pharmaceutical data to aid the development of pharmaceutical policy and improve supply chain efficiency. The GRA will have established the mechanisms and capacity to procure their own targeted, high-level technical assistance in the areas of health. USAID's utility will be measured by its ability to expand the flow of solutions and resources into a broader network of Angolan actors, including those in the private and commercial sectors, who have a stake in promoting the health and wellbeing of the population for societal and economic gain.

A successful transformation of the USAID program will lead to a strengthened USG-Angola bilateral relationship through increased joint development efforts. USAID will continue to work with CDC, DoD, and the Embassy's political, economic, and public affairs sections to engage a 'whole of government' approach to develop sustainable platforms.

***Intermediate Result 2: Public administration modernized through targeted technical assistance (the PNDS characterizes 'human resources for health' as public administration)***

The PND's National Plan for 'Modernization of the Administration and Public Management' (PND 6.8) is driven by the Government's overarching need to progressively de-concentrate and decentralize service delivery as a primary objective under the Angola 2025 vision. In order to do so, the PND acknowledges, through its modernization process, a need to: elevate the delivery of quality services for its people, irrespective of gender, background, age or beliefs; strengthen medium-term planning for results; improve data availability and quality; and capacitate local governments for more efficient and effective service delivery to the majority of the Angolan population. The National Plan also seeks to utilize new financial instruments for public investments through public-private partnerships that result in more sustainable health sector finance and a more profitable health sector environment for the private sector.

In order to accomplish the HRH objectives and results targeted in the PND and PNDS, strong governance and accountability must keep momentum, and strong and effective systems must be operational. USAID will continue its direct and project-based activities that build the capacity of officials at all levels of government, to lead and manage health sector reforms responsive to both disease specific and management-focused projects and plans contained in the PNDS. Although such system strengthening efforts will continue, they will be complemented and accelerated by targeted,

intermittent technical assistance that will work upstream at the policy level to: strengthen incentives; introduce best practices adapted to the country context for management of HRH; and establish gender-sensitive monitoring and evaluation systems for the effective and equitable use of resources towards obtaining results. Strengthened governance and accountability within the GRA will improve the effectiveness of the health system, improve delivery and utilization of health services, and lead to reduced morbidity and mortality, especially among women and children.

Through the CDCS transformation process, USAID will shift all of its competency-based training and in-service training to Government authorities to increase the availability of high-quality health workers. USAID focus in this area recognizes that the significant number of newly recruited health care providers and those already employed in the Angolan public health system will require significant pre-service and in-service training to ensure that they are qualified for their positions. Training design and curricula will take into account existing constraints to women's training and practice in health professions and promote gender equality in HRH. Corollary investments in human resources systems and structures are required in order to ensure that training has the desired sustainable impact on health services and health outcomes. Therefore, USAID will continue to support the development and implementation of HRH policies, standards, and guidelines to ensure that all levels of the health system are staffed with highly-skilled, motivated and qualified staff, both in technical and managerial positions.

USAID will support the GRA to strengthen the country's health systems, with specific attention to policy and protocol development and advocacy activities. Support of HRH will continue to be the focus, including the updating of human resources plans, the revision of key health curricula for pre-service and in-service training of health providers and health technicians to support integrated services and task-shifting as well as the development of national-level training plans to help establish sustainable systems. When GBV is part of the educational curriculum, training will include attention to causes, consequences, treatment and prevention of GBV as part of an integrated services approach addressing the problem.

Technical assistance will be provided to improve the management skills of MINSA leadership at the provincial and district level, specifically in the areas of governance (planning, advocacy and oversight), finance (budgeting and execution), human resources (in-service training and supervision) and implementation of a health management information system. Barriers to the flow of resources needed at the health service delivery level will be identified and USAID will work with MINSA leadership to eliminate these bottlenecks. The execution of national policies and international best practices will be assessed and supported, particularly for those stated in the PND that promote equal opportunity and women representation. In-service training, job aids, supportive supervision and other human resources strengthening activities will be implemented in coordination with MINSA managers with the goal of improving the quality of services delivered at the health facility level. Behavior change communication and 'information, education and communication' materials developed at the national level will be prepared for distribution as appropriate. Gender norms, and structural barriers that limit women and girls' access to health services, including sexual harassment, will be identified and reduced, while the active involvement of men and boys in gender issues is promoted. The focus of these activities will be on increasing the

use of family planning and reproductive health services, increasing the quality of maternal and child health services, improving the diagnosis and treatment of malaria, and strengthening essential HIV prevention services.

In addition, there is a dearth of reliable data upon which to base decisions. For example, Angola has never undertaken a demographic health survey (DHS). The GRA has prioritized the national statistics system (PND 6.8) with the country's first, post-independence national census to take place in 2014. Development of the national strategy for statistical development and the implementation of the national statistical system are planned for 2014 as well. Convening the GRA and development partners in the coming five years for a DHS would be a key contribution of the USG in the health system strengthening efforts.

In support of this IR, USAID will also provide targeted technical assistance to the GRA's commodity logistics system, ensuring that quality health products are purchased and appropriate commodities are available to beneficiaries as needed. Technical assistance will be provided to MINSA programs to properly quantify, cost, and procure commodities to ensure sufficient supplies of essential medicines are available. Capacity building interventions will be closely coordinated with CDC and DoD under Embassy Luanda's Integrated Country Strategy to maximize effectiveness and efficiency.

## **VI. Development Objective 2: Responsiveness to Citizens' Needs Strengthened**

### ***Rationale:***

Strengthening the responsiveness of government to the needs of the citizenry, while also capacitating citizens – women and men alike – to productively engage within the governance system is critical for Angola's pursuit of its broad development goals and the highest level goal of this CDCS. Angola's broad development challenges and specific health sector issues are not only technical; they involve implementation of good governance principles, including sound public financial management (PFM). The health status and well-being of the population cannot sustainably be addressed without considering equity, rights, and obligations under the Angolan Constitution nor can Angolans enjoy their rights and freedoms if they do not have adequate health and well-being.

As Angola's democracy consolidates, creating an enabling environment where community leaders and the citizens at large can play an active role in their own governance, whether as individuals, communities, or in more formalized civil society organizations, will be a primary target of this DO. Constructive male engagement will be emphasized to transform inequitable gender relations to promote improved social status of women in their communities. Correspondingly, the government will need to enact plans to institutionalize citizen participation and community service providers within its planning, budgeting, and service delivery standard operating procedures. Conscious of the need to be selective and focused, USAID/Angola will pursue this DO predominantly through a health lens and through the health sector. The DO rationale is to assist the GRA and citizens of Angola in their pursuit of accountable, inclusive, and participatory health systems that increasingly respond to citizens' real needs, while incorporating the specific needs of women and youth. The mechanisms for strengthening public participation, though focused on health in this CDCS, need not

be limited to the health sector. Once empowered, informed, and capacitated, citizens and local government officials will be better able to apply their skills to other sectors. Participatory governance is a practical shift that the GRA and its citizens have identified in national plans. USAID's interventions would be targeted and supportive in nature. And, while focused on health they would ultimately achieve broader development impact because they are truly an investment in the Angolan people.

***Description of the DO:***

This DO aligns with the "U.S. Strategy Toward Sub-Saharan Africa", which identifies strengthening democratic institutions as one of its four main pillars. As a part of this pillar the USG's objective is to promote accountable, transparent, and responsive governance. Two fundamental components for good governance in Angola are strengthening the supply side of PFM within government institutions and strengthening public participation in the decision making process. These two components when pursued conjointly are necessary for achieving the Mission's transformation goal to strengthen GRA resource use to meet development needs.

To develop a sound PFM system, the GRA has stated specific needs that include: establishing fiscal discipline; allocating resources efficiently; and determining value for money.<sup>25</sup> The GRA has much incentive to improve the basic components of PFM<sup>26</sup> as it currently ranks 157 out of 176 countries in the latest Transparency International ranking.<sup>27</sup> Through targeted technical assistance, USAID will assist the GRA as it pursues PFM reforms and attempts to translate its large investments into real socio-economic advances and results. Combining this with citizen and civil society oversight, engagement, and participation is the crux of DO 2. This DO will also focus on strengthening the productivity of dialogue between civil society and government, particularly with women and youth associations. Such focus on the needs and rights of individual women and men can promote a more comprehensive reproductive health approach for example. This dialogue is fundamental to ensuring that citizens are aware of the services they are afforded, and are able to impact, through effective feedback mechanisms, the degree to which those services equitably respond to actual needs.

As such, USAID will generate development value, assisting the GRA to put in place measures to strengthen its PFM and increase the participation and engagement of civil society and the public sector. To ensure delivery of public goods and services such as health care, water and sanitation, emergency assistance, justice, and education for all, the PFM system must function effectively and equitably. In addition, the citizenry must effectively voice its concerns and needs to a government that is capacitated and incentivized not only to listen, but to act. This DO will include focal areas where health issues interplay with rights issues, for example, GBV, its impact on the spread of HIV/AIDS, as well as rule of law when GBV goes unpunished and causes an erosion of citizens' faith in the State.

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<sup>25</sup> Value for money refers to the effective, efficient and low cost delivery of services

<sup>26</sup> The basic components of PFM are: (1) budget formulation and preparation; (2) budget execution; and (3) effective internal and external audit and oversight systems

<sup>27</sup> Per Transparency International: Angola's score is 22 out of 100.

For its part, Angolan civil society, while still developing and consolidating, has been able to influence landmark government policies, such as the Land Law; Electoral Law (for the first time the law allowed for domestic election observation by local CSOs); HIV Law (workforce, patients' rights); and the Decentralization Law, which includes the civil society input mechanism "Conselho de Auscultacao e Concertacao Social" (CACs). This DO will work to further these gains while also strengthening existing participation mechanisms available to ordinary citizens. Given the overarching need identified in the PND and PNDS to build institutional and human capacity, modernizing public administration through capacity building will be required to improve public financial management, more effectively incorporate civil society feedback in policy and planning, and ultimately better respond to citizens' needs.

***Intermediate Result 3: Public financial management strengthened through targeted technical assistance***

The PND's National Policy Plan for 'Tax and Public Financial Management Reform' (PND 6.5) and 'Macroeconomic Stability and Regulation' (PND 6.4) seeks to ensure the provision of public goods and services to guarantee sustainable development over the long term. To accomplish sustainable development, the GRA realizes it must create financial stability from macroeconomic planning that will lead to non-oil economic growth, while improving budget policy coordination and increasing non-oil revenue. The GRA is in the process of developing its first medium term fiscal framework to guide this process. Other fiscal policy reforms instituted in the past three years include: the phasing out of the quasi-fiscal activities of the state oil company, Sonangol, and the gradual inclusion of these activities in the budget; strengthened tax administration to rebuild fiscal buffers and to make more resources available to priority social and development needs; and a package of structural measures developed to improve debt management capacity.<sup>28</sup> The implementation of these fiscal policy reforms envisioned over the CDCS period will set the course for how Angola intends to reach a more genuine MIC status, and for how it will develop a non-oil economy for the prosperity and well-being of future generations.

The PND also identifies a key pathway to eventual administrative decentralization through existing and planned fiscal decentralization initiatives. Currently, the central government is test piloting fiscal decentralization with direct budget allocations for health service delivery to the country's 167 municipalities in 2012 through its District Health Services Revitalization strategy.<sup>29</sup> While the government attempted to devolve decision making and financial authority to municipal administrators with good intentions, capacity and oversight mechanisms have not been fully in place since the onset. Difficulties in budget formulation, delays in budget execution and limited oversight of municipal health spending have led to prolonged periods of health commodity stock outs in municipal facilities, for example. These stock outs coupled with other budget fluctuations (e.g., water and electricity) have limited improvements in health service delivery despite a 289% increase in the health sector budget since 2009.<sup>30</sup> These issues also reflect the fact that line

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<sup>28</sup> Angola 2012 Article IV Consultation and Post Program Monitoring. August 2012.

<sup>29</sup> In 2009, the Ministry of Health launched a new 'revitalization' strategy aimed to strengthen and expand the delivery of the essential package of health services at the municipal level.

<sup>30</sup> Ministry of Finance Presentation at the Conselho Consultivo in Benguela, Angola. March 2013.

ministries have had difficulty executing budgets. Budget execution has varied from 62% to 75% since independence.<sup>31</sup>

An assessment of the Ministry of Finance in 2013 indicated that officials from the Ministry of Finance (MINFIN) and MINSA identified human and institutional capacity gaps in managing the fast growing economy and national budget at the national, provincial and municipal levels. These capacity gaps could lead to mismanagement of the substantial increase in resource allocation to social sectors intended to transform health and well-being outcomes stated in the PND and PNDS. Supporting the GRA in its efforts to reform PFM must be at the core of any programming that aims to achieve sustainability and the government's ownership of its development agenda.

Finance officials in MINFIN and MINSA are strongly committed to partnership with USAID for strengthening PFM in Angola. Through the CDCS transformation process, USAID will work with GRA counterparts to strengthen senior/mid-level executive PFM expertise through training and 'on-the-job' mentoring, linking finance officials between the two countries in an innovative, cost-sharing partnership, with a priority on developing female leadership skills. Technical, administrative and diplomatic skills will be taught, demonstrated and reinforced through a sustained P2P relationship. Barriers to the flow of resources needed at the health service delivery level will be identified and USAID will work with MINFIN, MINSA and other line ministries to eliminate these bottlenecks. Targeted intermittent technical assistance will be provided to diffuse these bottlenecks to strengthen inter-ministerial coordination in budget formulation, execution and oversight. As an illustration, USAID's support to the PNDS Secretariat in 2013 for budget formulation expertise and related training enabled MINSA to understand the medium-term fiscal resources required to achieve its overarching health targets for reducing maternal and child mortality. USAID helped bridge PFM connectivity with MINFIN utilizing the assistance of the Department of Treasury (OTA) through a cash management seminar using the health sector as an example. USAID and OTA will continue to provide a blend of training, technical assistance and P2P mentoring to help the GRA accomplish its PFM goals for endeavors such as a new PFM strategy, budget cycle and oversight strengthening, and health information strengthening, while leveraging the GRA's commitment to lead and finance the lion's share of the assistance. With improved PFM, MINSA and other line ministries will be able to more effectively and efficiently formulate and execute budgets, which will lead to higher quality and more responsive public services.

#### ***Intermediate Result 4: Mechanisms for public participation in government enhanced***

In addition to strengthening human resources through administrative reform, the PND's National Policy Plan for 'Modernization of the Administration and Public Management' (PND 6.8) also seeks to improve governance through support for the expansion and strengthening of civil participation at all levels of public administration. The GRA plans to develop 'Integrated Citizen Services Centers' (SIACs) to inform the administrative reform process in response to recent legislation enacted that formalize medium-term planning and PFM. New SIAC service units will improve the CACS process and will be implemented throughout the country.

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<sup>31</sup> USAID Angola Health System Assessment 2010.

The PNDS also highlights citizen participation in the development and launch of a standardized, municipal health development plan (PMDS) framework modeled after the PNDS. Building on the USAID-provided technical assistance to formulate medium-term budget plans at the central level, all 167 municipalities will develop individual PMDS budget and planning documents, with planned contributions through multi-sectoral municipal teams and the CACS – SIAC apparatus. This initiative will enable municipalities to budget according to their own needs and targets, rather than reacting to set central level allocations.

As these avenues for participation open, civil society's role in community mobilization, education, advocacy and oversight are at a critical crossroads for Angola's development. With the volume of public expenditure dominating the current development agenda, civil society, although nascent, must increasingly find its voice. Successful governance for health requires co-production as well as the involvement and cooperation of citizens, consumers and patients.<sup>32</sup> Where citizens have limited power and voice to articulate their needs and demands, the likelihood that the health sector will be accountable remains low.<sup>33</sup> This is often doubly true for women due to gender-based constraints to their access to health information and services. Furthermore, citizens need to understand the commitments made by the GRA through the PND and the PNDS. Data and analysis, in areas such as GBV research, generated by civil society needs to be disseminated through society, to strengthen citizen education, mobilize networks and organize communities to take action.<sup>34</sup> Ineffective civilian input can thus create a vicious cycle where services do not reflect needs, and as a result, citizens feel underappreciated and become less interested in utilizing public services. The GRA recognizes that the effective use of over \$2 billion dollars to municipalities in the coming three years will not improve public service delivery if meaningful public participation does not take effect.

Through this CDGS, USAID will support participatory gender-sensitive results-based budget formulation at the municipal level through increased civil society engagement, and developing corresponding capacity to monitor, analyze and report on the implementation of programs budgeted for at the municipal and national levels. USAID will also strengthen the link between civil society and oversight institutions by helping to develop an outreach program to bring the members of the National Assembly and other oversight bodies closer to their constituents.<sup>35</sup> Gender-sensitive awareness-raising programs through community radio and support to the media to cover health issues will be targeted to generate demand for services and influence healthy behavior. This IR will have a specific focus on women and youth. USAID will strengthen organizations and associations such as 'Rede Mulher' (Women's Network) in areas such as GBV prevention to inform national policy on the needs of young women, and separately the needs of young men. Activities will also strengthen the nascent Angola Youth Program launched under the PND which aims to mobilize young people, seeking their active and ongoing participation in the reconstruction and

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<sup>32</sup> World Health Organization: Governance for Health in the 21<sup>st</sup> Century. 2012.

<sup>33</sup> USAID Improving Primary Health Care by Strengthening Accountability in the Health Sector. 2006.

<sup>34</sup> Committing to Child Survival: A Promise Renewed. 2013.

<sup>35</sup> The USAID Angola Democracy and Governance Assessment (2010) states that the Assembly does have five members of parliament per province elected on a provincial basis, with a requirement that they must be in their provinces for 20 days a month

development process of the country. As administrative decentralization proceeds,<sup>36</sup> municipal administrations will have country-owned and locally developed systems in place that incorporate civic participation in fiscal processes and service delivery improvement that will lead to more accountable and transparent governance.

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<sup>36</sup> The latest projection for municipal elections is 2017, to coincide with the next national election.

## VII. Monitoring, Evaluation, & Learning (MEL)

Monitoring, Evaluation and Learning (MEL) is an essential tool to ensure that Intermediate Results stated herein achieve Development Objectives for improved health status and well-being, and strengthened responsiveness to citizen's needs, and that these Development Objectives contribute to the CDCS Goal of transforming the USAID-Angola partnership to strengthen the effective use of Angola's resources to meet the country's development needs.

MEL in Angola will track successes and shortcomings of all ongoing USAID-funded projects and programs to ensure Presidential Initiative and USAID targets are met through solid data collection and analysis, and regular USAID monitoring and evaluation to make adjustments to the program to ensure progress and achievement towards the CDCS Goal. MEL will specifically include tracking stated targets pertaining to increased gender equity and youth engagement. Considering the importance of meeting the capacity building and technical assistance needs of the GRA to effectively implement the National Development Plan, USAID will continue to strengthen its own internal capacity and that of its partners to better provide the required support. Illustrative indicators at the CDCS Goal, Development Objective, and Intermediate Result levels are found in Annex 1.

MEL will oversee the trajectory of US foreign assistance from its current project-based model to the transformational goal of having an effective P2P relationship in which GRA's incorporation of best practices and lessons learned are reflected in policy, projected in planning exercises, and implemented on the ground. Through a joint USAID-GRA endeavor, independent monitoring exercises of targets and indicators established in the PND and PNDS, and those that are unique to the USG, will be conducted. It will also provide the means for Mission management to monitor, evaluate and discuss progress in the larger health sector with counterparts and stakeholders, and make corrections for political disruptions, capacity hurdles or other assumptions that may have a deleterious effect on transforming the relationship.

In sum, MEL will enable USAID/Angola to serve two critical functions: 1) reinforce the national commitment to and existence of adequate financing, sustainable skills and leadership, and attention to underserved populations, and 2) test the development hypothesis of: *"By leveraging the vast and growing investments of the Government of Angola and the private sector in social services, USAID can elevate its partnership with the Government to continue to develop according to international best practices, yielding more effective and sustainable results."*

### Monitoring

USAID will ensure that all components of the program cycle are appropriately linked throughout the portfolio and that data and information flows are effective and interrelated. Performance monitoring will highlight the relevant differences between actual results and targets set at the beginning of the CDCS period through a continuous collaborative, learning and adapting (CLA) plan (see CLA section below). As USAID/Angola's role transitions to becoming more of a peer than a traditional donor, and taking into consideration the GRA's priorities under the PND (e.g., reducing maternal and child mortality and morbidity; improving Angola's status on the Human Development Index (HDI), over the medium term; etc.), robust CLA activities built on strong monitoring

platforms will determine the extent of progress made towards achieving impact in the health and well-being of the population and responsiveness to citizen's needs.

As the basis for observing progress and measuring results, USAID/Angola will identify performance indicators at the DO and IR levels with appropriate disaggregation for gender, age, regional differences, etc. These performance indicators will form the basis of the Performance Monitoring Plan (PMP) to be developed upon CDCS approval.

### **Evaluation**

Performance and/or impact evaluations will be undertaken on a selective basis throughout the CDCS period to measure the changes in the DOs attributed to the different interventions and its final effect on the mission goal. To measure the extent to which the DOs will positively affect the priorities set by the GRA through the PND, USAID will ensure that a set of appropriate communication strategies and evaluation mechanisms are in place for each DO of the CDCS.

For each of the DOs, the Mission has identified the following initial evaluation and learning questions below:

Mission level:

Which capacity building methodologies will result in the most rapid transfer of responsibilities to local partners and reduction in dependence on external assistance?

To what extent is capacity building assistance sufficient to ensure that Angolan institutions assume and sustain responsibility for public financial management systems?

What are the costs and benefits associated with a P2P relationship versus a traditional technical assistance/capacity building model?

### **DO 1: Health Status and Wellbeing of the Population Improved**

Possible transformational evaluation questions include:

- o What is the relative importance of key factors involved in improving utilization of health services (availability, quality, accessibility, costs, cultural issues), and what is the most cost-efficient mix of interventions to increase utilization of different services?
- o Is there evidence that access and utilization of health services has increased for marginalized populations such as women or youth?
- o All else equal, will economic growth and poverty reduction be significantly greater in locations that achieve significant improvements in health status?
- o Is there evidence that improvements in public participation and public financial management are correlated with significant improvements in health status?
- o What role does the status of gender and socio-economic equity and action for sexual/gender based violence play?
- o To what extent can sustainable platforms (e.g., PPPs) successfully contribute to improve the health status and wellbeing of the Angolan population?
- o As a result of USG interventions:
  - has availability of health products increased?
  - have healthy behaviors improved?
  - is high quality information and analysis used to for decision making?

## **DO 2: Responsiveness to citizens' needs strengthened**

### Possible transformational evaluation questions include:

- What factors determine the ability of civil society to play an effective oversight role?
- Will expanded participation, particularly by women and youth, lead to more equitable services for the population?
- Will improved public governance result in greater accountability and increased citizen confidence in government to deliver services?
- To what extent has the GRA implemented the PND and PNDS?
- Has budget execution in the health sector improved?
- How are citizens more engaged in decision-making at the three levels of government—either directly or through CSO intermediaries?

### **Learning through the CLA model: Collaborating, Learning, and Adapting**

Effective monitoring and evaluation (M&E) relies on the environment in which information is collected, understood and applied for all stakeholders involved. To ensure that M&E can influence decision making within USAID and among Angolan counterparts and stakeholders, the Mission will establish a Collaborative, Learning and Adapting (CLA) plan to guide how M&E will be analyzed, discussed, and incorporated into policy and plans. The central function of the CLA plan will be to ensure that progress towards development objectives is guided by analysis of a wide variety of information sources and knowledge: M&E data, innovations, and new learning, that brings to light new best practices developed locally or call into question traditional wisdom that may not be best applied in the Angolan context. The intent is to ensure that the causal pathway to desired outcomes is continuously assessed and adjusted to yield the most effective course of action, and to instill similar processes with Angolan counterparts to strengthen institutional capacity for CLA.

USAID will measure the transition of health system strengthening elements to more exclusive P2P engagement that will take place as a result of USAID's ongoing and transformational interventions. Utilizing the Health Sector Development Partner Forum and the revitalized 'Interagency Coordination Committee' (ICC) led by MINSA, both established in 2013, routine consultation will take effect with counterparts, development partners, implementing partners and private sector stakeholders. USAID leadership in these arenas will coordinate efforts to achieve its development objectives by improving basic information management and division of labor, with an ultimate goal to support the achievement of PND and PNDS goals. In order to bring transformation to fruition, USAID will adopt PND and PNDS targets to the furthest extent possible to reinforce the GRA's own MEL system and minimize confusion over targets that may result from multiple PMPs and agendas.

USAID will implement a CLA plan to specifically target opportunities for development with the GRA, in civil society and the private sector, and within the Mission. USAID will work with counterparts and stakeholders to develop knowledge systems that evolve on par with Angola's ambitious development agenda through local solutions that harness the power of civil society and the private sector. These systems will address new evidence, experiential learning, and emerging obstacles

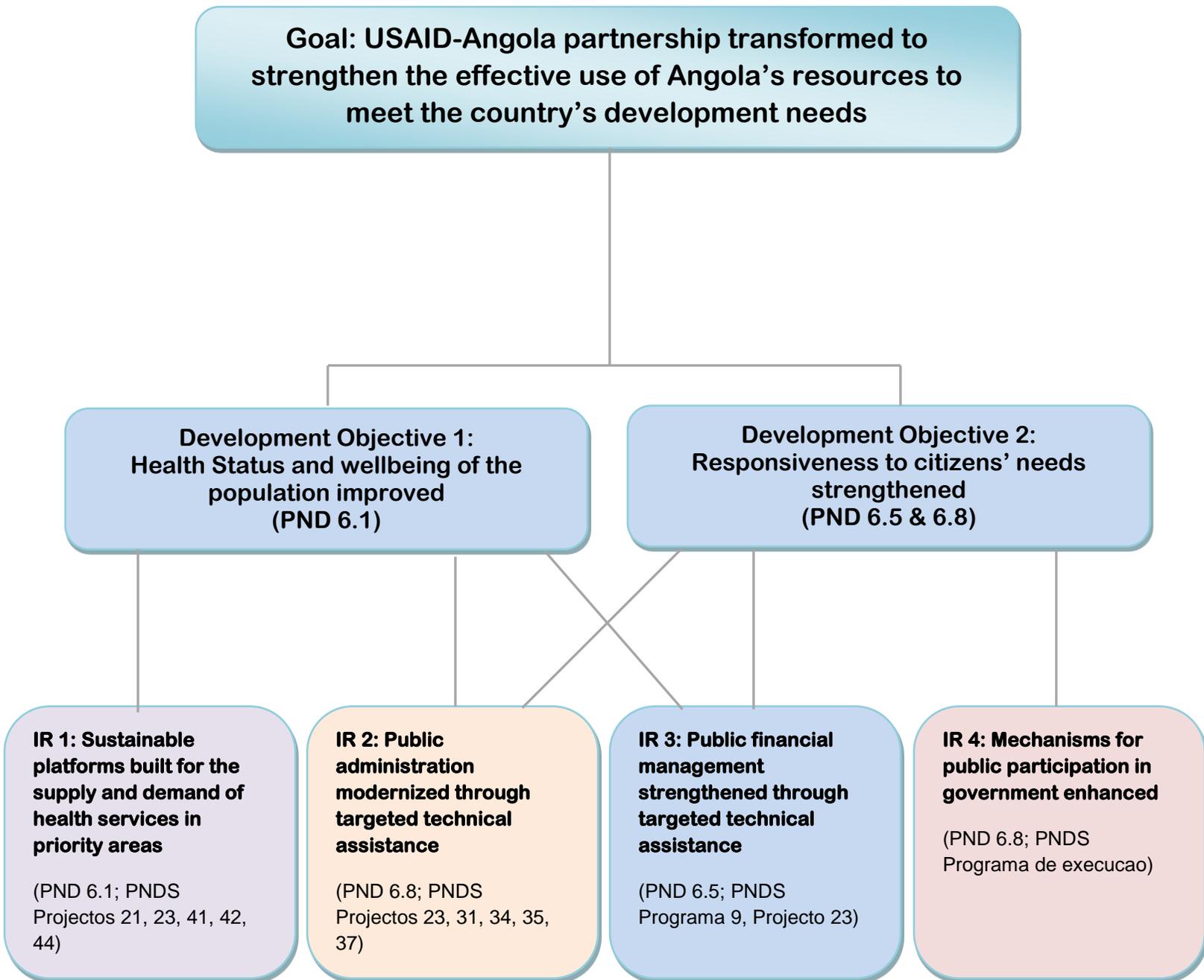
and/or solutions, to ensure that new learning is applied and shared broadly among stakeholders. In doing so, capacity will be built within the GRA for conducting its own self-reliant CLA activities. Finally, the Mission will adopt its own CLA agenda through continued Foreign Service National (FSN) skill development, focusing on applied mentoring and training (private sector development for example) from Washington and other field missions.

Illustrative CLA activities may include:

- Establishing DO learning teams in the Mission with FSNs in chair positions, to meet quarterly around emerging learning opportunities and obstacles;
- Enhancing existing fora and technical working groups (ICCs, partner working groups) with an emphasis on joint action plans;
- Engaging with key stakeholders around performance results to facilitate discussion and make recommendations on potential programmatic response;
- Strengthening the portfolio review process to focus on periodic review of the development hypothesis and assumptions, and develop corrective action when necessary;
- Participating in periodic assessments of GRA and civil society capacity; and
- Carrying out presentations and/or workshops after game changing or trigger events occur, to communicate and share innovations that can catalyze how other solutions are developed and pursued.

**Annex 1:**

**Results Framework and Illustrative Indicators**



### **Illustrative Indicators:**

The indicators identified below are illustrative and are subject to change as the Mission works with the GRA, the Global Health Bureau (GH), PMI and PEPFAR, as well as other Bureaus to define appropriate metrics for HSS and HRH, and to determine the most relevant indicators to use for ongoing monitoring and performance management. As indicators are refined and the PMP is developed, the Mission will work closely with GH to ensure consensus on the way forward is reached.

### **Goal: USAID-Angola partnership transformed to strengthen the effective use of Angola's resources to meet the country's development needs**

1. Total number of partnerships that support USG planned health outcomes (disaggregated by type of partner)
2. Value added: Increased Efficiency (Monitor funds, commodities, distribution networks or information networks that USG has leveraged through partnerships)
3. Value added: Increased Effectiveness (Monitor if USG has experienced any measures of effectiveness for policy dialogue, allocation of human resources to reach shared goal/ objective, through partnerships)

### **Development Objective 1: Health Status and wellbeing of the population improved**

1. Infant Mortality Rate
2. Contraceptive Prevalence Rate
3. Percentage of HIV-positive pregnant women who received antiretrovirals to reduce the risk of mother-to-child transmission

### **Development Objective 2: Responsiveness to citizens' needs strengthened**

1. Service specific readiness
2. National Health Accounts published within last three years

### **Intermediate Result 1: Sustainable platforms built for the supply and demand of health services in priority areas**

1. Number of PPPs established (# to be confirmed)
2. National medicines policy implementation plan exists

### **Intermediate Result 2: Public administration modernized through targeted technical assistance**

1. Number of health system performance measurement tools developed
2. National health statistics report updated and published annually

**Intermediate Result 3: Public financial management strengthened through targeted technical assistance**

1. Percentage of municipal health budgets executed in conformance to plans
2. Number of municipalities in which USG is supporting capacity building in health sector financial management

**Intermediate Result 4: Mechanisms for public participation in government enhanced**

1. Number of USAID supported laws, policies or budgets developed or modified with civil society input
2. Number of USAID supported interventions discussed in CACS-SIAC

## **Annex 2: Public Private Partnership Strategy**

Over the next five years, USAID/Angola will transform its approach towards PPP from a focus on corporate social responsibility towards outcomes that result in “shared value,” hitting the point where development and business objectives intersect.

USAID/Angola has a proud history on which to base its new, transformative CDCS. It has been considered a pioneer in its collaboration with the private sector. In 2002, the Mission launched the Agency’s largest ever partnership with Chevron valued at \$20 million with equal contributions from both sides. The collaboration funded the successful Municipal Development Program in support of the GRA’s initiative to decentralize authorities as the country emerged from decades of civil war. The project’s six-year effort resulted in the GRA funding \$11.5 million in municipal activities. The impact from this project has led to several foundational methodologies implemented by national and provincial authorities for planning and budgeting policy that have been formally adopted by the GRA and remain in place today. Several USAID/Angola activities are now working downstream of this policy to help municipal administrations implement these policies.

Unfortunately, the extreme staffing challenges that the mission experienced between 2011 and 2012 devastated this once dynamic program. A series of curtailments over that time period left relationships unattended and eroded the trust that the private sector held for USAID. Organizations like Exxon and Coca-Cola ceased to partner with USAID and contributions declined as a result. In FY10, current partnerships totaled \$5 million; by FY12, the amount had declined to \$500,000.

To reinvigorate this relationship with the private sector with the understanding of its importance to the CDCS, USAID/Angola sought the assistance of the Office of Innovation and Development Alliances Global Partnerships (IDEA/GP). Their work with the Mission resulted in a July 2013 assessment, “Private Sector Partnerships: Strategic Options for USAID/Angola.” After consultations with Mission staff, government officials and private sector contacts, the IDEA/GP team found that the environment in Angola remains ripe not only for pursuing the traditional focus on corporate social responsibility, but also for achieving partnerships that meet basic criteria for obtaining shared value. The assessment recognized that Mission leadership had put PPPs as a priority for the CDCS; Mission staff is enthusiastic; the Mission’s portfolio has excellent opportunity for private sector engagement; and the Mission has developed good working relationships with GRA counterparts, who have also identified the need to engage in PPPs as part of the PND and PNDS. Of the challenges, the assessment identified a lack of focus around partnerships, on-going internal staffing challenges and budget uncertainty.

In 2013, USAID/Angola began to revitalize its efforts in PPPs. The Deputy GDO devotes 50% of his efforts under the strategy towards PPPs with planned support from a future Sr. FSN dedicated to PPP development. The attention has already begun to bear fruit. Over the last year, the Mission launched two Development Credit Authority mechanisms that include scope to increase lending to small enterprises, such as pharmacies, that improve the delivery of health services to Angolans. The Mission also launched a \$1.5 million relationship with Angolan Liquefied Natural Gas (ALNG) to bring the Farmer-to-Farmer program to Zaire province, with a vision to improve the availability of

healthy foods in support of the provinces overlapping goals in health and agriculture. On three occasions, ExxonMobil has contributed \$500,000 in support of the malaria program, most recently for Angola's first universal long-life, insecticide treated, bednet campaign to reduce malaria prevalence in the country.

Looking forward, the Mission envisions a PPP strategy in which the early focus in the first two years will focus on revitalizing relationships with the private sector, increasing their investment with USAID and achieving successes that rebuild the trust lost in the years of inadequate staffing. In the third year of the CDCS and beyond, USAID will concentrate on developing the desired transformational outcomes of shared value, expanding partnerships to new Angolan stakeholders and reducing the USAID footprint in the process.

Illustrative activities for the next five years will focus on i) health information; (ii) social marketing of health commodities; (iii) development of SMEs and investment promotion in the health sectors by large companies; (iv) workforce development; (iv) continue to support existing and new CRS initiative. Ideas for partnerships that promote shared value include:

1. **Improved collection, analysis and dissemination of health information:** As the GRA moves from the current paper-based systems widely in place at many government health posts, there is substantial opportunity for partnering with the technology sector. Such opportunities include the introduction of mobile technology for case management, such as reminders for patients for their appointments and information/prevention campaigns for maternal and child health, HIV/AIDS and Malaria. As a result, the Mission will pursue applying the Mobile Alliance for Maternal Action and mPowering programs in Angola. The Information Technology (IT) sector is one that will see rapid expansion and the Mission is already working with the Global Health bureau to collaborate with the National Directorate of Drug and Medical Equipment (DNME) to organize drug data which are important for GRA and health companies.
2. **Improved availability of health commodities:** Increased demand for pharmaceuticals and the currently underdeveloped network of pharmacies in the country present great opportunities. PPP interventions will enhance USAID/Angola's ability to move away from the provision of health commodities, such as malaria medicines and test kits, condoms and family planning products to their sustained supply by the private sector and/or the GRA. As the Mission gradually eliminates funding for commodities, it can support the development of the local market through lending under existing DCA mechanisms and PPP interventions that develop the country's supply chain. Improvement in the availability and affordability of health commodities is an area where the engagement of the HIV/AIDS private sector forum 'CEC' plans to develop such partnerships.
3. **Improved availability of health insurance:** USAID/Angola and its DCA partner Banco Keve have started discussing ways of organizing a platform composed by private banks and the GRA to expand access to health insurance. Through utilizing a successful model from Kenya that tapped into DCA guarantees enabling low-income populations to access health insurance, a similar model could be replicated in Angola.

4. **Improved capacity of the health workforce:** A primary goal of the PND is to improve the capacity of its workforce. There are opportunities for collaboration between health companies and government institutions for shared business and development interest. The Mission's envisioned collaboration under the current IMS-USAID effort will involve training government staff to collect, analyze, process and use health drug data. The Mission is also pursuing engagement with Microsoft to bring cutting edge software to government training institutions. As the Mission moves forward with engagement with the private sector and GRA under the Young African Leadership Initiative, new opportunities for collaboration between USAID, the GRA and the private sector will continue to create and sustain equitable, effective workforce development programs for existing staff and new employees.

### **Annex 3:**

#### **Summary Observations from the National Health Development Plan**

The three primary cost centers for the 2013-2025 budget are: Program 5 for management and expansion of the health network; Program 3 for planning, management and development of human resources; and Program 1 for treatment and prevention of disease.

##### *Program 5: Management and Expansion of the Health Network*

According to national health mapping data obtained between 2007 and 2011, only 1,854 health units out of a total of 2,356 were considered functional. Only 712 had bathrooms, while only 245 had access to potable water. Others were not reported. Roughly 1,200 facilities do not have electricity. MINSA reports that most of these health centers have benefitted from rehabilitation or new construction since 2011 but many units still lack basic operating conditions and miscellaneous equipment.

There are 1,305 health posts, 291 health centers, 34 child care centers, 146 district hospitals, 22 general hospitals, 20 central hospitals, and 36 'other' health units that serve Angola's estimated population of 21.6 million (2013 Population Reference Bureau report). Of note, the national average for distance between households and facilities is 48 kilometers (total). In Cuando Cubango, the average distance is 122 kilometers. According to the organization 'Every Mother Counts,' the average distance to a basic health care facility in rural Africa is eight kilometers (one way). To reduce this logistical burden, the national plan envisions construction and expansion of 11 new central hospitals, 15 general hospitals, 40 district hospitals, 74 health centers and 4,344 health posts.

The national plan identifies a shortage of health services to meet basic needs. Only 18% of health facilities offer family planning services and only 21% offer childcare services "for a country where most of the population is under 15 years of age." The country's first national census post-independence is schedule to be conducted through May 2014. Only 160 health facilities offer basic obstetric care, largely due to lack of equipment. According to the national plan, roughly 60% of health units have no stethoscope, 53% have no scale to weigh babies, and 57% do not have blood pressure meters. MINSA is currently developing a standard architectural model and more explicit rules for all health facilities.

Program 5 resource levels are projected to increase so that by 2015, over 95% of health units are functional and have monitoring systems in place. Also by 2015, health facilities are to be using a standardized information system with key statistical indicators informing decision making and enabling flow of information to central authorities. All health units are expected to have water, power and medical waste facilities on site by 2015. By 2017, 60% of health facility staff will have equipment to match their needs, 100% by 2025. As a result of these efforts, the ratio of the

population served per health unit will be 1 health facility per 15,000 citizens, to 1 central hospital per 1 million citizens. User satisfaction is targeted to be 60% in 2017 and 90% by 2025.

*Program 3: Planning, Management and Development of Human Resources*

MINSa admits that the distribution of human resources for health (HRH) is uneven and is due in part to the lack of incentives for recruitment, motivation and retention, especially in the more remote locations such as Cuando Cubango in the south where there are only 0.42 doctors per 10,000 citizens. The Ministry is in the process of launching a new HRH strategy which it plans to unveil at an inaugural HRH Forum in February.

MINSa plans a 50% increase in technical health staff between 2013 and 2017, and a 90% increase by 2025. As part of the HRH strategy, it will establish and implement a system of subsidies and incentives, including housing and transport benefits for more remote facilities, while simultaneously ensuring adequate expertise is available at the facility level through foreign outsourcing (see Comment).

There is no systematic system of performance evaluation in the health sector at present. Health professionals are evaluated according to a decree established in 1994. In 2014, MINSa will undergo a study on performance evaluation models and will have completed a pilot study in three provinces by 2015. The new policy is expected to roll out in 2016.

The GRA has recently created five new medical schools in the provinces of Cabinda, Benguela, Huambo, Huila, and Malanje. MINSa reports that in 2012, 1,540 medical students were enrolled in higher education programs. In 2014, the first 250 graduates from these five new medical schools are expected to begin their medical careers. By 2020, the GRA targets 1,000 doctors graduating per year. Also in 2012, the GRA established 13 Technical Training Schools for Health (EFTS) and the Higher Institute of Nursing Sciences. There are currently 2,086 nurses undergoing formal training, although MINSa identifies a need to provide more specialized training, in areas such as nephrology, neonatology, geriatrics, public health, and community health. MINSa wants to establish management and information system training programs, and to develop tele-education and telemedicine in health education programs. In the Ministry of Defense, there is a plan to create the 'Practical School of Military Health.' To keep track of progress in post-graduate education, MINSa will establish a tracking and audit program.

For continuing education opportunities, the National Directorate of Human Resources plans, organizes and coordinates annual courses in Angola and abroad for provincial and municipal health workers. By 2014, MINSa plans to construct Extension Centers of Continuing Education but the numbers have yet to be finalized. There is also an immediate plan to consolidate and expand continuing education to all municipalities with an emphasis on: management and leadership; basic and advanced service delivery for doctors and nurses; epidemiology; statistics; and research. MINSa plans to develop tools for monitoring and evaluating the impact of these continuing education programs.

*Program 1: Treatment and Prevention of Disease, primarily for Malaria and HIV/AIDS*

The national health plan identifies malaria as the number one cause of death in Angola. It is also the primary culprit for professional and school absenteeism. Malaria represents roughly 35% of the demand for curative care; is responsible for nearly 20% of all hospital admissions; claims 40% of all perinatal deaths; and results in approximately 25% of all maternal mortality cases. Nearly 3 million suspected malaria cases were reported in 2011, although only 67% were confirmed by lab analysis, and only 45% were determined to be positive by either thick film or rapid tests. Treated mosquito net coverage increased from 27.5% in 2006 to 34.5% in 2011, with a significant jump expected in 2014 after the first universal bed net distribution campaign is finalized. The treated net utilization rate in children under five years increased from 18% in 2006 to 26% in 2011; in pregnant women, from 22% to 26% over the same period. Only 18% of pregnant women receive intermittent preventive treatment of malaria (IPTp).

The national health plan targets Artemisinin-based Combination *Therapy* (ACT) for 50% of all malaria cases diagnosed by 2017; 90% by 2021. Of those cases diagnosed, 80% are to be determined by rapid test or laboratory analysis; 90% by 2021. MINSA expects to have distributed treated nets to all children under five and pregnant women, and to be administering sulfadoxine and pyrimethamine to all pregnant women attending prenatal consultations by 2015. MINSA also plans to carry out health promotion and social mobilization campaigns to communities to better understand the symptoms of malaria, and how to seek services for proper and timely treatment. MINSA plans to update technical standards and training for integrated vector control; improve entomological and epidemiological mapping of municipalities for better planning and analysis; integrate quality control standards in laboratories and case management; and will conduct a study for the introduction of a malaria vaccine (if available).

According to the national health plan, the estimated HIV prevalence in Angola is 1.98% and is expected to remain stable through 2015. HIV incidence is 0.2% and is slightly higher in urban areas than rural (0.4% versus 0.16%). HIV transmission is predominantly heterosexual, responsible for 79.2% of all new infections.

The national health plan estimates that the facilities offering counseling and testing services have increased from 8 in 2003 to 811 in 2011. At these facilities, MINSA has recorded a decreasing trend in the percentage of positive tests between 2004 and 2011, from 9.7% to 4.8%. The 2011 coverage rate provided antiretroviral therapy (ART) for 46,942 people living with HIV and AIDS out of a total of a known 97,407 infected. The PMTCT program tested 1,118,392 pregnant women from 2004 to 2011, with 27,222 testing positive to HIV. MINSA has established new services at 304 facilities since 2004 for the estimated 20,428 pregnant women who have tested positive for HIV.

MINSA targets significant increases (25% to 50%) in the number of facilities offering services for: counseling and testing; antenatal care; PMTCT; and ART, by 2017, and again by 2021. It targets the reduction of HIV transmission from mother to child by 85% in 2017, by 95% in 2021. Coverage for

mothers receiving therapy or perinatal antiretroviral prophylaxis is expected to increase to 80% by 2017, to 90% by 2021, as is coverage for HIV positive people eligible to receive antiretroviral treatment. By 2021, MINSA expects an increase by 80% of the number of people aged 15-24 who know about HIV transmission and prevention, and who can report having used a condom during their last sexual intercourse. By 2025, the GRA plans to distribute 80 million condoms annually.

In terms of HIV/AIDS prevention, MINSA expects to conduct studies on supply chain and distribution of condoms; provide training for health technicians in care and treatment practice; expand care and treatment services in antenatal care environments; and establish a supervision program for HIV/AIDS services. Among other activities, MINSA proposes that it will empower activists in HIV/AIDS networks, as well as civil society and the Church.

For the provision of health care for maternal, newborn and child survival, MINSA will strengthen the basic health service package for maternal and neonatal health; provide health units with basic equipment and means to expand basic and comprehensive obstetric and neonatal emergency care; and acquire and distribute the drugs and educational information needed to meet provincial and municipal objectives. It will strengthen capacity for supportive supervision, monitoring and evaluation, community outreach, and the program for integrated management of childhood illness (IMCI). MINSA will put in place the National Technical Committee for the Prevention and Audit of Maternal and Neonatal Deaths with support to the implementation of provincial and municipal committees with civil society. Among other planned activities, the school health program will be revitalized; materials will be developed for training in comprehensive care for children and newborns; and MINSA will implement a child health card program in accordance with the new WHO growth curve program.