Economic Research Office
Contact: +244 222 696 462
E-mail: dfi.gee@bfa.ao

FLASH NOTE

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Diversification programme with slow implementation

Plan is relatively well designed but lacks steady communication and realistic goals

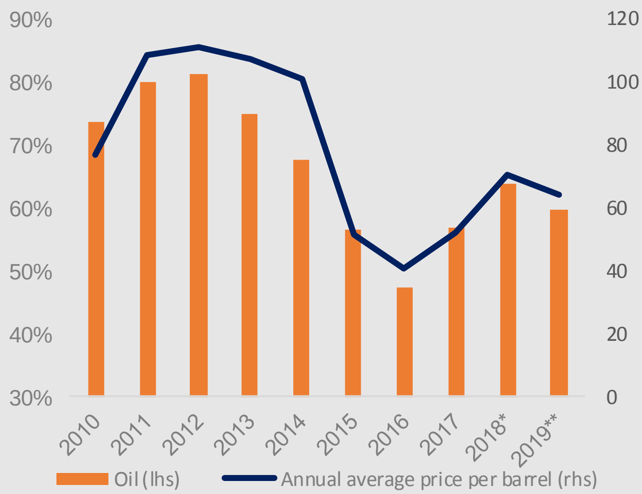
A. DESCRIPTION

1| PRODESI - Production Support, Export Diversification and Import Substitution Programme – is the name of the Programme created by the Angolan Government to support economic diversification in the country. The main objective of the program is to reduce the country's high economic dependence on the oil sector; in 2018, according to central bank data, hydrocarbon exports accounted for 96.7% of total exports of goods.

On the other hand, the Government also seeks to achieve a more sustainable and less volatile tax collection. In 2018, 63.8% of budget revenues derived from oil taxes; this fact makes the Angolan public accounts very dependent on the oil sector, with all the volatility associated with this factor. As can be seen from the graph, even the percentage of budget revenues collected in oil taxes fluctuates greatly, due to the variation in oil prices.

Oil taxes are the main source of budget revenue

Percentage of budget revenue; USD per barrel



*Estimates **Forecast Source: Min. Fin.

2| Firstly, PRODESI proposes a set of measures aimed at improving the conditions for private investment, and the business environment in general. The Government recognizes the need to foster a competitive business environment, and ensure regulatory and infrastructure improvements. In particular, the Government acknowledges the weak business conditions in Angola, as described by the Doing Business (World Bank) and Global Competitiveness (from the World Economic Forum) indexes, where the country ranks respectively 177/190 and 136/141, according to the latest figures released this month.

For example, according to data from one of the largest companies in the agricultural sector, a power connection to a new unit may take up to 22 months.[1] Other problems related to obtaining financing are equally serious: there is still a very poor property record, preventing the use of property as collateral for loans; on the other hand, insolvency resolution is practically non-existent. Thus, the Government hopes to foster economic activity, and in particular diversification, by improving market conditions in various areas. 97 measures are planned as part of 7 cross-cutting initiatives:

a) Improve the business environment;
b) Encourage private investment;
c) Consolidate physical infrastructure;
d) Strengthen the organizational and digital capital of the state;
e) Intensify economic diplomacy;

1 Http://www.bna.ao/uploads/%7B4429e093-5c29-4357-97b4-1d221dadb51c%7D.pdf

f) Train and qualify Human Resources;
g) Promote the Establishment of Strategic, National and International Business Partnerships and Public-Private Partnerships.

3| On the other hand, in addition to a more general approach, the Programme proposes specific measures for the promotion of export production or the substitution of imports in concrete production chains[2]. Although the Government recognizes that "the path should be towards [the State] (...) assuming a regulatory and coordinating role, progressively moving away from the role as economic operator", the document stresses that the State "can play a key role in accelerating economic development", focusing on encouraging the development of clusters[3].

Production clusters of PRODESI	
With potential for exports	With potential for import substitution
Banana	Food and beverages cluster (in particular staple basket)
Coffee	Industrialization of corn (gritz, bran and others), sugar, chickens, meat and eggs
Cereals	Wood pellets
Textiles	Phosphate fertilizers; phosphoric acid complex; asphalt rock
Woods	Industrial Products
Ornamental rocks	Gasoline, diesel
Cement	Iron and Steel
Fishing and Aquaculture Products	Clothing (school, civil and military uniform)
Tourism	Footwear (sandals, flip flops, military boots)

Source: PRODESI

In particular, the Government intends to encourage the emergence of sectoral and/or geographical agglomerations of production, in a rage of pre-defined products, deemed to be prioritary: these are distributed in the sectors of Agriculture and Fisheries, Mineral and Oil Resources, Industry, and Tourism. In that sense, aside from the 97 broader initiatives, PRODESI includes specific measures for the promotion of 9 export clusters; furthermore, at the initial document, the Government was in course of identifying appropriate measures to stimulate production in 9 additional import substitution clusters. In total, in the range of potential exports and import-substitution, 54 specific products are identified.

4| In terms of financing, the Programme includes a credit line (PAC), which replaces the now defunct *Programa Angola Investe*. The PAC aims to facilitate access to credit for companies willing to devote themselves to the production of goods which are part of the specific 9 export clusters and 9 import-substitution clusters, with a priority to staple basket products and other essential goods. The Government agreed an amount of AOA 141 billion in 2019, guaranteed by eight Angolan retail banks.

5| The coordination of the Programme is directly dependent on the Economic Commission of the Council of Ministers (chaired by the President of the Republic). The executive coordination of the implementation of the program will be the responsibility of the Ministry of Economy and Planning, while the technical coordination of the Program will be in charge of the PRODESI Technical Unit (UTPRODESI). The program encompasses initiatives that began in December 2017 and should be completed by April 2022.

2 Value chain of a productive process of a good or service.
3 Concentration of similar companies, suppliers and institutions associated with a given production process, which tend to benefit from increased competitiveness and productive capacity through agglomeration economies resulting from knowledge spillover effects and infrastructure sharing synergies physical and human.

B. ANALYSIS

1| The perspective of the Government on PRODESI is based on the logic of creating productive clusters. According to the information provided by the Government, the choice of these clusters resulted from the data collection work of a multisectoral group consisting of seven ministerial departments and 19 business associations. Since the model prioritizes import substitution sectors, for a better choice of the 54 priority products, a cross-match was made between staple goods and the most imported products that are locally produced or imported but packaged internally, with export potential.

Thus, albeit using simple methodology, the Government aimed to identify goods and services that have potential for internationalization. On the other hand, it also identified goods and services that weigh heavily on total Angolan imports. The aim is that these clusters can gain robustness and intersectoral density, thus creating synergies.

2| In order to verify the progress of the Programme, we individually assessed each of the 97 planned cross-cutting measures, the results of which are attached. In particular, we verified the implementation of the 71 measures that should have been implemented by May 2019. From this analysis, it appears that slightly less than half of the planned actions were fully implemented. On the other hand, a little more than half of the rest are partially implemented, with some intermediate steps already completed.

For example, in order to improve the business environment, the Government aimed to improve property registries, by publishing official statistics on the number of transactions in the Registry Office – expectedly, the Programme anticipated this to be ensured by May 2019, but this has not been the case; however, several steps were taken to complete it, according to information provided by the Government, namely:

- Implementation of the electronic protocol designed by the Ministry of Economy and Planning for the monitoring and control of the issuance of the Building Certificate;
- Statistical analysis of the percentage of digitized registrations started, compared to the universe of registrations in the Luanda Land Registry Office;
- Implementation of application in the Land Registry Conservatories, which makes it possible for the Notaries to promote the registration acts, pursuant to Law 11/11.

On the other hand, there is a significant share of measures, a little over one quarter of the total, for which there is no (public) evidence of implementation. We concede that some actions have been taken in those regards. **However, the lack of information disclosed so far regarding these particular measures, and the progress of the Programme more generally, testifies in itself to a lack of accountability and public communication of the process.**

3| The highest completion rates are seen in the business environment initiatives, private investment stimulus, and promotion of public-private partnerships. On the other hand, cross-cutting initiatives related to physical and digital infrastructures, as well as training and qualification of human resources are the ones that made the least progress. **In particular, progress has been faster in measures mostly related to legislation, rules and initial program structuring.** Examples are: Revision of the Private Investment Law; Structuring of credit lines; creation of guarantee funds and program-oriented investment funds; etc. **On the other hand, the measures not yet implemented are mainly linked to the construction or improvement of physical or digital infrastructures.** As an example, the Government is yet to achieve a significant cost reduction of electricity grid connection work – this is certainly a field where larger efforts are required, and where the relatively low operational capacity of SOEs is relevant; **one should also note that Angola's restrictive fiscal constraints are likely part of the reason for the weak implementation of some more costly and/or complex measures.**

4| A more detailed look of the PAC credit line is insightful: as mentioned above, this is a financial programme for private investment projects in the identified export and import-substitution clusters of PRODESI. PAC is divided into two financing modalities: micro-enterprise subsidization, directly through State Budget funds; and the main component, commercial credit, through retail banks. PAC is expected to run from 2019 to 2022; in 2019, in its commercial credit arm, 8 retail banks have commited a total of AOA 141 billion (around USD 30 million, at the current exchange rate): BAI, BFA, BIC - each one with 21.3% of funding; Standard Bank Angola - with 14.2% of financing; Millennium Atlântico - with 10.6% of financing; BNI and BCH - each with 4.3% of funding; and BCI - with the remaining 2.8%.

There are 3 mechanisms through which the State supports this credit line:

- **A state guarantee of up to 75% of the loan capital is granted, up to or equal to USD 5 million, provided through the Credit Guarantee Fund (FGC);** companies must provide their own guarantees in a minimum of 10% of the capital; also the FGC shall be remunerated at an annual rate of 2% relating to the amount guaranteed by the Fund;

- **There will be a mechanism for financing part of the interest (and insurance premiums) by the Development Bank of Angola (BDA), which will allow subsidizing and deferring the payment of these by companies:** there will be a grace period for the payment of the capital owed to commercial banks; however, interest will be repaid from the very beginning of the loan – to alleviate that, BDA will finance 50-75% of interest (and insurance premiums), which will be repaid only after the original loan between firm and retail bank has matured; **in essence, this mechanism will make it possible to delay interest payments considerably over time, making credit more attractive;**

- **Finally, the Economic Diversification Investment Fund (FIDE) will invest in up to 10-30% of the capital of companies financed under the PAC, although it is not yet clear how this investment will be negotiated.**

In comparison to the previous *Angola Investe*, this Programme shows various improvements. In particular, the requirement for own guarantees, together with the payment of commissions on the FGC guarantee, are factors that discourage borrowing for projects that are too risky and/or without economic rationality. Further and more stringent monitoring and requirement by the State for project risk assessment is also foreseen. **However, so far there has also been some confusion regarding the responsibilities of each institution, adding complexity to the process.** In that sense, it will be important to keep track of the future implementation of the Programme, taking into account its slow start.

BOX 1 – Other credit support measures

There are several relevant factors that inhibit lending, particularly the rather high level of interest rates. In this sense, and taking into account the pace of the slowdown in inflation, last year the BNA began a cycle of gradual easing of monetary policy. After two declines in rates last year, the benchmark rate also fell twice this year, in January and May, falling by 100 basis points to 15.5%. The monetary policy easing cycle initiated by the BNA aims to increase banks' 'money making' and above all signal to the market that there is an intention to lower rates. **This fall in the reference rate, together with the fall in interest rates on domestic debt, has influenced the fall in interest rates in the interbank market;** LUIBOR overnight decreased from 16.75% at the end of 2018 to 13.5% in September 2019 - several banks use LUIBOR to index rates on customer loans.

Economic Research Office
Contact: +244 222 696 462
E-mail: dfi.gee@bfa.ao

However, accompannying the changes in the exchange rate regime (confirmed at the extraordinary Monetary Policy Committee session held on October 23rd), the central Bank will again pursue a tightening of monetary policy, reflected in the increase in the required reserves ratio in local currency. The BNA has announced that the Kwanza should move to a floating exchange rate regime; in addition, the local currency mandatory reserves ratio was increased from 17% to 22%, which, among other measures, should draw liquidity from the economy. **With this change, the course of monetary policy during 2020 will mainly depend on movements in the foreign exchange market, so it will be necessary to wait for the market evolution so that a more complete assessment can be made.**

On the other hand, BNA published a regulation requiring banks to grant credit for the production of staple goods, at a minimum volume of 2% of the assets of each bank of the end of 2018, at a maximum cost of 7.5% per annum (interest rate and commissions). 17 types of goods are identified, mainly food. Restructuring of current loans can also be included. In order to offset the exposure that banks will face, the total amount of loans conceded under this regulation will be deducted from the value of the mandatory reserves. **Despite the potentially negative effects on the banking sector (with possible losses for banks given the spread between interest charged on these loans and interest paid at current deposit rates), this is a relatively limited amount.** On the other hand, the banks may justify the possible non-compliance with the 2% target, and so far no penalties for non-compliance have been detailed. **With this initiative, the BNA intends to bring about AOA 195 billion in credit to the production of these goods.**

In addition, there are other private sector financing lines of different modalities negotiated between the Government and international institutions, namely: a USD 1 billion line agreed with Deutsche Bank in conjunction with several commercial banks; a USD 230 million line for commercial agriculture support, funded between the World Bank and the French Development Agency, expected to be launched during 2020.

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Contact: +244 222 696 462
E-mail: dfi.gee@bfa.ao

5| We also looked at the quantitative objectives expressed in PRODESI, which are presented in the table below; although at first glance they may seem ambitious, the analysis in detail below shows us that in fact some of these objectives are insufficient.

PRODESI macro objectives, indicators and targets

Objective	Indicator	Metric	Target vs 2017 2018	2020	2022
Increase production in the priority clusters	Annual output in existing companies as of 31/12/2017 in priority clusters (value broken down well into good)	Qty. (Tons)	+15%	+25%	+50%
	Total Sales in priority productive clusters	AOA	+15%	+25%	+50%
Reduce spending of foreign exchange in staple basket goods	Foreign exchange resources spent annually on staple basket goods	USD	+15%	-15%	-15%
	Annual national production of staple basket goods (value broken down well into good)	Qty. (Tons)	+15%	+30%	+50%
Increase delivery and diversify exchange sources	Value of exports from priority clusters	USD	+15%	+30%	+50%
	Number of export licenses issued per year	Qty. (#)	+10%	+20%	+30%
Increase sources of foreign investment	Annual Foreign Direct Investment excluding Oil & Gas Sector	USD	+15%	+30%	+60%
Improve the business environment	Position of Angola on the World Bank Doing Business	Ranking	+ 5 positions	+ 10 positions	+ 15 positions
	Position of Angola on the Global Competitiveness Index indicator	Ranking	+ 5 positions	+ 10 positions	+ 15 positions

Source: PRODESI

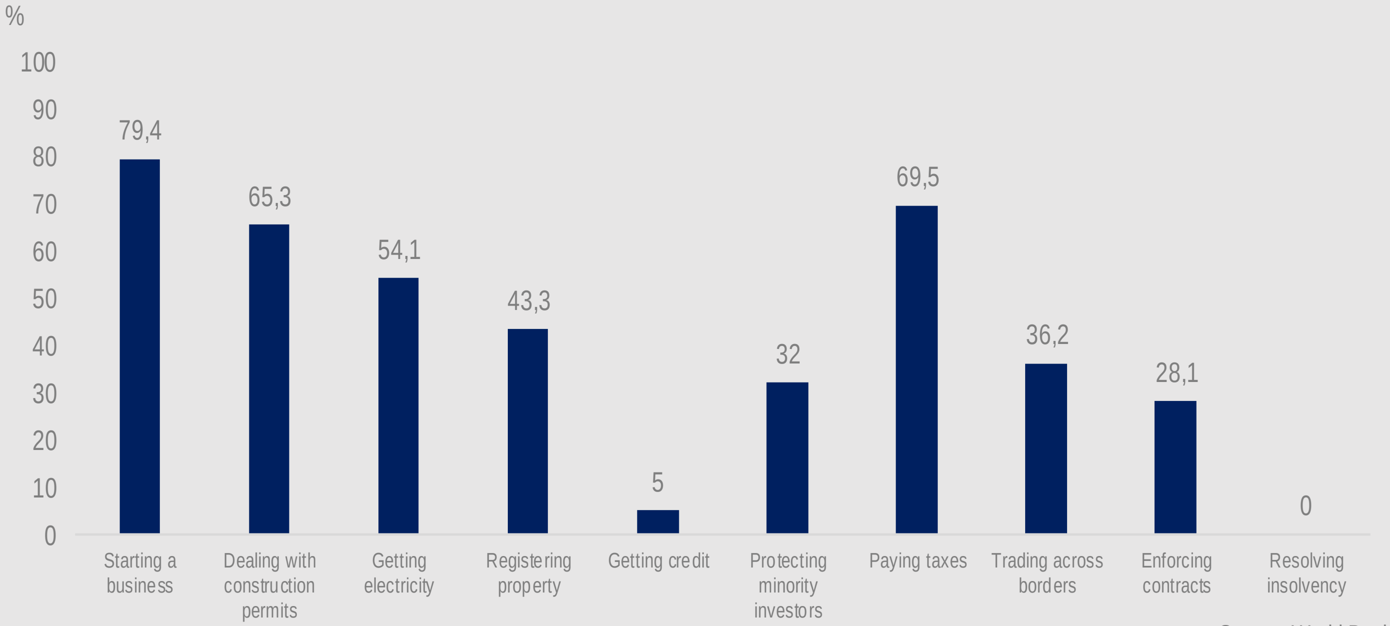
6| Regarding the quantitative targets for exports and production, the data available is still not enough for an evaluation to be made. On the other hand, evaluation the spending of foreign currency in the purchase of staple goods is equally challenging. While it is true that the country is spending less on imports of consumer goods compared to 2014, one cannot identify which of these imports correspond to staple goods.

Imports of consumer goods around USD 2 billion per quarter

Source: BNA

7| Although not yet attributable to PRODESI, it was encouraging to see an early improvement in Angola's positioning in the Doing Business ranking - yet the country is clearly at the bottom of the table. In the last three years, Angola has risen 5 places in the ranking, between the 2017 (182nd place) and the 2020 ranking (177th place). Looking at the objective of improving the business environment, the 2018 target (to rise 5 positions compared to 2017) was completed, as in 2018 Angola ranked 175th - 7 places above 2017. To meet the 2020 target (10 positions), Angola would have to have ranked 172nd in the 2020 report. Oppositely, the country fell four positions in the ranking published on the 24 October 2019.

Insolvency regulation is one of the areas where Angola has a poor performance in the Doing Business ranking, along with obtaining credit



Source: World Bank

The drop was influenced by a revision of the ranking criteria and underlines that the country needs even more significant improvements. The 2019 report highlighted the lack of adequate institutions to deal with insolvency as the most negative aspect, leading to a weak credit recovery ratio. This negative aspect remained unchanged in 2020 - according to the IMF, new legislation is being prepared with World Bank assistance, but its approval is expected only mid 2020. Similarly, the reports emphasize getting credit as a factor that inhibits investment in the country's economy. In the 2020 report, contractual security slightly decreased from the previous year. On the other hand, there were also slight improvements in three sectors over the last year: business licensing, building permits and shareholder protection. The 2019 report had noted improvements in electricity distribution and monitoring as well as ease of cross-border trade.

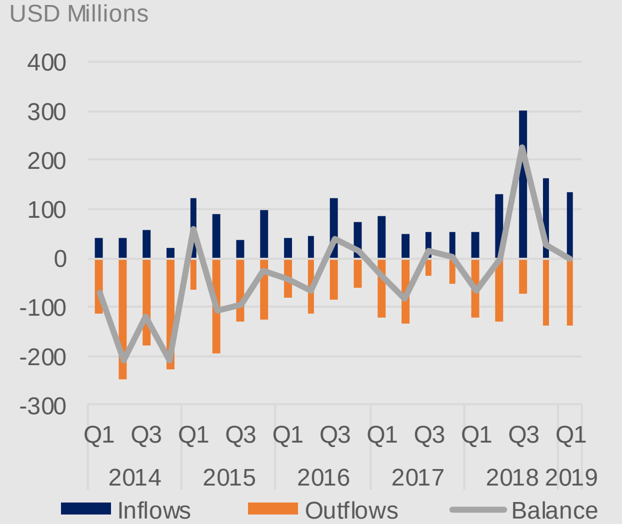
In the case of the World Economic Forum report, the Global Competitiveness Index, Angola was included for the first time in the 2018 ranking at 137th place (out of 140 economies assessed) - the Government expects a similar developments as in the Doing Business, which would imply reaching 127 in the 2020 ranking. However, in the 2019 ranking, the country climbed only one spot in the ranking.

8| On the other hand, the increase in Foreign Direct Investment (FDI) in the non-oil sector will clearly be one of major challenges of PRODESI. Notwithsatnding, since 2012 (the year the BNA statistical series begins), 2018 was the year with the largest inflow of foreign capital outside the oil sector:

Economic Research Office
Contact: +244 222 696 462
E-mail: dfi.gee@bfa.ao

USD 647.8 million - 2012 was the previous high, with entry of USD 486.4 million; moreover, non-oil FDI inflows have exceeded USD 100 million per quarter in all quarters since Q2 2018. In addition, the non-oil FDI balance was positive by USD 185 million last year; it had been negative between 2013 and 2017. **Non-oil FDI growth targets seem ambitious but a more detailed look counters that view:** +15% in 2018, +30% in 2020 and +60% in 2022; in 2018, the target was met (+169% compared to 2017), which speaks to low relevance of the target. To illustrate this point, it should be noted that these amounts are largely insufficient to help the country achieve external equilibrium: the decline in oil production in the coming years should drag the economy back into current account deficits, which will have to be offset by the capital account, through FDI; moreover, in the oil sector the balance between inflows and outflows has been negative in recent years; in particular, we expect the current account balance to return to a deficit of more than USD 5 billion by 2022; thus, FDI inflows (non-oil and oil csector alike) would need to grow at a significantly high rate, certainly to the tune of several billion Dollars – the PRODESI targets translate into a non-FDI flow of about USD 0.6 billion by 2022, hardly covering these needs. It will then be important to revise these targets to make them realistic in view of the actual needs of the country.

Foreign Direct Investment in non-oil sector recovered in 2018



Source: BNA

BOX 2 – Paths to internationalization: Banana as a case study

Angolan banana exports are still quite small, with poor infrastructure (water and energy) constraining production growth. According to data from the Atlas of Economic Complexity, in 2017 Angola exported USD 328,000, amouting to only 0.16% of all Angolan exports from the agricultural sector (including fisheries), which were USD 199 million in that year. As a percentage of total exports, banana sales accounted for only 0.0009% in 2017. By comparison, Mozambique, with a similar population and smaller area than Angola, exported USD 27.7 million in bananas in the same year; banana accounted for 2.3% of the total agricultural sector and about 0.47% of Mozambique's total exports of goods.

Assuming that Angola can indeed ramp up production of bananas, to which countries can Angola sell more bananas?

Angola already exports bananas, concentrating these exports (99.6% of them) in 3 destinations: Portugal (USD 277,000, 84.4%), Spain (USD 25,500, 7.8%) and Namibia (USD 24,400, 7.4%). Thus, a small part of the market opening effort is already made with these 3 destinations. There is certainly room for exponential growth in exports for each of them: in Portugal, Angola still represents only 0.3% of the banana import share; In Spain, Angola accounts for only 0.01% of these imports, and there is already a history of African banana imports - 13.5% of banana imports to Spain come from Ivory Coast, 6.8% from Cameroon, and 1.5% of Ghana; in the case of Namibia,

Banana exports in 2017 by destination (thousands of dollars)

Country	% of total	Value	Share*
Portugal	84,4%	277,0	0,3%
Spain	7,8%	25,5	0,0%
Namibia	7,4%	24,4	0,7%
Total		**328,1**	

* Percentage of imports from Angola in total banana imports from Angola

Source: Atlas of Economic Complexity

Economic Research Office
Contact: +244 222 696 462
E-mail: dfi.gee@bfa.ao

Angolan banana imports are 0.7% of the total, with 99.2% coming from South Africa.

On the other hand, banana exporters should look at the rest of the European Union: given the current capacity to meet phytosanitary and other requirements for Spain and Portugal, Angolan bananas can certainly find a place in other EU markets. Of the 10 countries in the European Union that most import bananas, there are 4 whose imports of African bananas account for more than 10% of the total: in particular, France imported USD 231 million (30.7% of total banana imports) from African countries, Belgium imported USD 197 million (16.4% of the total), the United Kingdom imported USD 90 million (12.1% of the total), and Spain, mentioned above, imported USD 53 million (21.8% of the total). These 4 markets could be solid bets for Angolan exporters.

Top 10 banana importers in the European Union (billions of dollars)

Country	% worldwide	Value	Share of África	Value
Germany	9,6%	1,53	1,8%	0,03
Belgium	7,5%	1,20	16,4%	0,20
France	4,7%	0,75	30,7%	0,23
Netherlands	4,7%	0,75	0,0%	0,00
United Kingdom	4,7%	0,75	12,1%	0,09
Italy	3,1%	0,50	1,0%	0,00
Poland	2,6%	0,42	1,8%	0,01
Czech Republic	1,7%	0,28	6,7%	0,02
Austria	1,5%	0,24	0,0%	0,00
Spain	1,5%	0,24	21,8%	0,05
Total	**41,6%**	**328,1**		

Source: Atlas of Economic Complexity

Within the SADC, three countries stand out as banana importers: South Africa (USD 32.9 million), Botswana (USD 6.0 million) and Namibia (USD 3.4 million); these last two countries import almost all of their bananas from South Africa, while South Africa itself gets 79.2% of its imports from Mozambique. These 3 markets may also contain good opportunities for the Angolan banana.

Finally, one should look at strong African banana exporters as examples, in order to compare productivity rates and other market features; in Africa, the largest banana exporters are Ivory Coast (USD 340 million, 46.2% of African banana exports), Cameroon (USD 271 million, 36.8%), Ghana (USD 62 million, 8.4%), Mozambique (USD 28 million, 3.8%) and South Africa (USD 11 million, 1.5%). It is likely that, in these are markets, there are experienced partners which could be able and interested to invest in Angolan agriculture.

C. CONCLUSION

1| PRODESI is accurate in identifying Angola's main constraint for economic diversification: a very difficult business environment. On the other hand, the plan has likewise listed a set of measures that, if effectively implemented, will surely be successful in improving the business environment. Moreover, a detailed listing of goals, along with deadline, allows for a document like this, and for an evaluation of the Programme's implementation: in itself, that is a tangible improvement over previous Angolan official plans.

2| From our assessment, the implementation of the Programme is being slower than expected. These delays are particularly relevant if we consider that the nature of the measures will take time to pay off; it should be noted that, on the Government's side, there seems to be a political will to implement the Programme; however, its reliance on the actions of many different institutions, together with budgetary constraints, may be conditioning its timely competion.

On the other hand, the lack of publicly disclosed information to date is clearly a flaw in accountability and public communication of PRODESI implementation. Although we were provided some information from the Goverment side, the existence of public progress reports would be key to PRODESI's success. **In particular, the positive effects of the Programme itself will be larger if there is credible and timely disclosure of the measures implemented.** Firms' investment deceisions depend not only on existing regulation, but to a large extent depend on the information that exists about such regulation.

3| Despite the lack of implementation of many measures, there are anecdotal indications of improvements in the business environment: on the other hand, the Doing Business 2020 report (which reports to information up until May 2019) points only to small improvements in business licensing, building permits and shareholder protection.

4|Part of the problem of timely implementation may be related to the governance model of the PRODESI, which, as in previous Government plans, is very dependent on central government. It may be beneficial to have greater accountability of the lower hierarchies of the Programme. In fact, PRODESI depends on the effective implementation of the measures by various State institutions: greater involvement and accountability of these institutions would be important.

5| It is too early to assess the achievement PRODESI's quantitative goals; if, on the one hand, implementation is being slow, on the other hand, the nature of these reforms will tend to show non-immediate results. Still, we still think it would be necessary to present revised targets for several of the objectives, adapted to the reality of what can be achieved, and more importantly, of what needs to be achieved. For example, a 60% growth in FDI inflows into the non-oil sector seems ambitious, out of context; however, having in mind the very low level of non-oil foreign capital inflows between 2012-2017, and the country's future capital needs, it would be useful to aim to 10-20 times larger capital inflows, which in percentage corresponds to a growth of 900-1900%.

6| With regard to the PAC credit line, it is worth mentioning that the plan does contain improvements in comparison Angola Investe, which should help to allocate funds on rational investments, while discouraging non-compliance. However, the complex design of each institution's choreography of responsibilities, along with some existing confusion about what their roles, is leading to a rather slow start of credit disbursements.

Economic Research Office
Contact: +244 222 696 462
E-mail: dfi.gee@bfa.ao

D. Annex – Cross-cutting initiatives of PRODESI

Cross-cutting initiatives	Objective	Measures	Date	Status
Improve the Business Environment	Create a new private investment management framework and an express road for all legal and regulatory handling of private investment	Review private investment law and related regulation	Feb.18	1- Applied
		Competition Law Approval	Feb.18	1- Applied
		Create a physical (and digital) platform for legal and regulatory formalization of private investment	Apr.18	2- Partially applied
		Simplify the administrative processes of public administration areas that promote investor understanding	Apr.18	3- Not applied
	Facilitate business start-ups	Bring all information about the opening process online and easily available in GUE	May.18	1- Applied
		Allow online verification of company name availability and eliminate the requirement to obtain a certificate	May.18	2- Partially applied
		Enter electronic signature and enable online payments for business start-up procedures	May.18	2- Partially applied
		Create an online platform for business registration	May.18	1- Applied
		Introduce a risk-based approach to business licenses and eliminate the Commercial Trading Permit requirement for low-risk general business activities	May.18	2- Partially applied
	Facilitate building permits	Improve the availability of information on building sector regulations	Apr.18	1- Applied
		Review building permit approval procedures and introduce risk criteria	Apr.19	1- Applied
		Strengthen the professional qualifications of public officials in the various areas	Apr.19	2- Partially applied
		Introduce mandatory latent defect insurance to cover potential structural failures or problems in the building after occupancy	Apr.20	Later deadline
	Facilitate electricity procurement	Consolidate the calculation of SAIFI (measures the frequency of power supply interference) and SAIDI (measures the duration of power supply interference) indicators	Apr.18	2- Partially applied
		Reduce the cost of network connection jobs	Apr.18	3- Not applied
		Review requirements for requesting a new connection	Apr.18	2- Partially applied
		Improve the quality of services provided by electrical equipment companies with a rating system	Apr.19	2- Partially applied
		Automate the process of connecting to electricity	Apr.20	Later deadline
	Improve property registration	Reduce the time to obtain the matrix certificate	Apr.18	1- Applied
		Publish online the list of required documents and costs for all services of the Land Registry Office	Apr.18	1- Applied
		Publish official statistics on the number of transactions at the Land Registry Office	Apr.18	2- Partially applied
		Set a deadline for issuing the building certificate	Apr.18	2- Partially applied
		Expand Land Registry and Registration Coverage	Apr.19	2- Partially applied
		Establish an independent and specialized mechanism for filing land registration complaints	Apr.20	Later deadline
		Continue modernization of the land information system	Apr.20	Later deadline
		Publish publicly available statistics on the number of first instance land disputes	Apr.20	Later deadline
	Facilitate access to credit	Strengthen BNA's public credit registry	Apr.19	2- Partially applied
		Review the legal and regulatory framework for transactions guaranteed	Apr.19	1- Applied
		Create a geographically unified borrower indexed movable collateral register	Apr.19	3- Not applied
		Enter a private credit reporting agency	Apr.20	Later deadline

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E-mail: dfi.gee@bfa.ao

Cross-cutting initiatives	Objective	Measures	Date	Status
Improve the Business Environment	Improve investor protection	Review the legal framework to strengthen shareholder protection against conflicts of interest	Apr.19	2- Partially applied
		Review the legal framework to strengthen the accountability of administrators and approval body members	Apr.19	3- Not applied
		Review the legal framework to strengthen corporate governance	Apr.20	Later deadline
		Disseminate and train on good corporate governance rules	Apr.20	Later deadline
	Simplify and improve tax payment	Simplify Tax Payment	Apr.19	1- Applied
		Enter Value Added Tax	Apr.19	1- Applied
		Strengthen strategic communication with taxpayers	Apr.19	1- Applied
	Boost International Trade	Reactivate National Trade Facilitation Commission	Apr.19	3- Not applied
		"Identify opportunities to streamline requirements documents for export and import (eg centralize SIACs, Customs Offices, etc.) "	Apr.19	2- Partially applied
		Reduce export and import costs	Apr.19	1- Applied
		Complete implementation of ASYCUDA Automated Customs Data Processing System	Apr.19	1- Applied
		Enter a single electronic window	Apr.19	1- Applied
	Promote compliance with contracts	To put into operation the rooms specialized in commercial matters and industrial and intellectual property by Law 2/15 of 2 February	Apr.18	3- Not applied
		Promote the use of alternative conflict resolution mechanisms	Apr.19	2- Partially applied
		Improve the efficiency and effectiveness of courts	Apr.20	Later deadline
	Promote insolvency settlement	Conduct a diagnosis to identify the most appropriate debt recovery mechanisms and reasons for the failure of the current framework	Apr.18	2- Partially applied
		Develop the legal and regulatory framework for insolvency	Apr.19	2- Partially applied
		Develop training and a campaign to promote issues related to the legal treatment of insolvencies	Apr.20	Later deadline
Encourage Private Investment		Structure credit lines, guarantee funds and mutual funds programme oriented	Apr.18	2- Partially applied
		Encourage the creation of financial products traded in the Securities Market aimed at hedging foreign exchange, physical and commercial transaction risk	Apr.18	1- Applied
		Create incentives and concrete projects to reduce the degree of informality of economic activities by reconverting the informal economy, especially in activities that generate high employment (informal economy reconversion subprogram)	Apr.18	1- Applied
		Implement a mechanism for prioritizing the allocation of foreign exchange resources to Priority Economic Diversification Programs	Apr.18	2- Partially applied
		Encourage the creation of financial products to support Angolan companies' internationalization projects, aimed at the installation of production facilities for processed goods made in Angola in other countries	Apr.18	3- Not applied
		Increase financial support for export of services, mainly transport services and ICT services	Apr.18	3- Not applied
		Create state funding mechanisms for state projects and for specific projects	Apr.18	1- Applied
		Update the Angola Investe Programme (PAI) by renewing it and creating the Credit Support Programme (PAC)	Apr.18	1- Applied
		Encourage credit creation to protect businesses against the commercial risk of non-receipt	Apr.19	1- Applied
		Encourage the creation of consignment export support financial products by positioning the storage of products made in Angola in strategic locations with large and traditional consumers to ensure their rapid distribution	Apr.19	3- Not applied
		Foster the creation of financial products in the banking and insurance sector tailored to the needs of operators and with the active participation of business associations in their respective sectors	Apr.19	1- Applied
		Create tax incentive legislation to promote the economic interest of local production oriented towards import substitution, providing for the creation of expedient mechanisms for the attribution of incentives, the monitoring of their implementation and the monitoring and evaluation.	Apr.19	1- Applied
		Set the paradigm and implement agreements to avoid double taxation, prioritizing their gradual implementation	Apr.20	Later deadline
		Create tax incentive legislation to promote the economic interest of export-oriented local production, providing for the creation of expeditious incentive allocation, monitoring and enforcement and monitoring mechanisms	Apr.20	Later deadline

Economic Research Office
Contact: +244 222 696 462
E-mail: dfi.gee@bfa.ao

Cross-cutting initiatives	Objective	Measures	Date	Status
Consolidate Physical Infrastructure	Make the Public Investment Program and Public Private Partnership modalities compatible with the operational and logistical needs of priority productions, ranks and clusters	In the energy and water sector	Apr.18	1- Applied
		In the construction sector	Apr.18	3- Not applied
		In the transportation and infrastructures sector	Apr.18	3- Not applied
		In the telecommunications sector	Apr.18	1- Applied
		In the logistics sector	Apr.20	Later deadline
	Foster the creation of dry and cold warehouse marketing networks	Encourage the creation of commercial networks based on dry and cold warehouses that rationally cover the selected geographical areas for the deployment of priority clusters and the development of their productive lines, including solutions for the maintenance and operation of the most intensive roads of traffic	Apr.19	1- Applied
	Boost export-oriented and import-substitution PDIs, ZEEs and Free Zones	Study the impact of export-oriented free zones on Angola's competitive position in attracting foreign capital	Apr.18	3- Not applied
		Study the impact of installing in areas adjacent to airports, railways and industrial complex ports and logistics centers for the processing of exportable products, free of customs barriers.	Apr.18	3- Not applied
		Create a central information service for geographic areas that are available to host investment in priority sectors to accelerate economic diversification	Apr.19	3- Not applied
		Create a 'land exchange', ie a brokerage service for landowners and potential interested parties to promote ventures promoting export diversification and import substitution	Apr.19	1- Applied
		Boost Luanda's EEZ as a priority industrial hub for the program's priority ranks and analyze how to boost Catumbela and Namibe poles in the same direction	Apr.20	Later deadline
Strengthen the digital and organizational capital of the State	Strictly enforce civil service and simplify administrative procedures with cross-cutting impact on all sectors of the economy	Identify and implement expedited customs clearance mechanisms, reducing bureaucracy procedures	Apr.19	2- Partially applied
		Restrict the space for administrative practices that collide / subvert the regulations, penalizing them strongly and in an exemplary manner, and creating control mechanisms for them in the future.	Dec.19	Later deadline
		Consolidate, replace and eliminate administrative procedures underlying the value-added export process at the level of all entities involved	Dec.19	Later deadline
	Create a Commodity Exchange in Angola	Create a price comparison database of priority imported inputs for domestic production, allowing price comparison in different markets and systematically perform a competitive benchmarking analysis	Apr.19	3- Not applied
		Introduce an electronic bidding system, open to economic agents, in Angola and abroad, of foreign exchange resources to import raw materials for the production of basic basket goods or basic basket goods whose production does not yet exist in Angola	Dec.19	Later deadline
		Create a commodity exchange that facilitates commodity transactions and acts as a "barometer" of significant business operations, providing transparency and guiding investment decisions	Dec.19	Later deadline
	Strengthen the role of the National Quality System and Quality Certifications	Strengthen the network of laboratories and research centers to support existing productive activity and boost the emergence of new agents, ensuring improved technical reliability of more competitively priced services	Apr.19	2- Partially applied
		Provide means to competent public authorities to certify the national product as a quality and reliable product for the final consumer - whenever necessary to develop sectoral partnerships with recognized international entities for credibility	Dec.19	Later deadline
		Implement a program to improve and adapt the quality of products made in Angola to the requirements of the international market	Dec.19	Later deadline

Cross-cutting initiatives	Objective	Measures	Date	Status
Intensify Economic Diplomacy	Renew the brand "Made in Angola" and apply "Designations of Origin" and Create an Export Portal	Strengthen the process of identifying distinctive national products with the "Made in Angola" brand, attested by the National Quality Certification System, and introduce the "Denomination of Origin" component	Dec.19	**Later deadline**
		Create a portal for the promotion of Angola's productive capacity to make national products, reference prices, companies, export processes, export support infrastructures, fairs and other commercial initiatives known, promoting trade relations between national companies and international investors	Dec.19	**Later deadline**
	Boost diplomatic and commercial efforts abroad	To promote national products roadshow initiatives in foreign markets, increasing market shares and attracting qualified investments in the respective areas to the country.	Dec.18	**2- Partially applied**
		Develop new economic and trade partnerships with strategic countries for priority products / clusters, prioritizing Bilateral Agreements at regional level	Dec.19	**Later deadline**
		Broadly disseminate the Priority Diversification Programs to promote exports and increase domestic production, in particular for the staple basket goods	Dec.19	**Later deadline**
Train and qualify Human Resources		Promote the creation of undergraduate and certified postgraduate degrees in International Trade, Marketing, Commercial Management and Economic Diplomacy	Feb.19	**3- Not applied**
		Promote the training, through Technical and Vocational Education, of professional technicians, namely, in techniques of International Trade (Impose-Expose), Market Analysis and Sales Promotion	Feb.19	**3- Not applied**
		Promote the training and empowerment of entrepreneurs and entrepreneurs, particularly young people, in International Trade, Marketing and Sales Techniques	Feb.19	**3- Not applied**
Promote the establishment of Strategic Business Partnerships , National and International, and Public-Private Partnerships		Boost the Office for Public-Private Partnerships of the Ministry of Economy and Planning	Apr.18	**1- Applied**
		Develop the legal framework for Business Partnerships and Business Cooperation Systems and their system of technical, financial and fiscal incentives.	Sep.18	**3- Not applied**
		Create incentives and concrete projects to reduce the degree of informality of economic activities by reconverting the informal economy, especially in activities that generate high employment (informal economy reconversion subprogram)	Dec.18	**1- Applied**
		Strengthen and update the legal framework for public-private partnerships (PPPs) and their different models.	Dec.18	**1- Applied**
		Develop the General Program of PPP (PGPPP) and operationalize its implementation, maintaining close control over the assumption of future responsibilities by the State	Dec.18	**3- Not applied**
		Promote the articulation of PPPs with other newer and more innovative project financing modalities available in the international financial system ("Blended Finance", "Project Finance" "European Fund for Sustainable Development"...)	2018-2022	**Later deadline**
		Support the creation of Angolan Business Associations, National and International Business Cooperation Offices and Business Information Systems	2018-2022	**Later deadline**

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