Corporate Social Responsibility

Current Situation in Angola

Full Version
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Luanda

Angola

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1 Executive Summary

1.1 Why the study?

The stability brought by the peace process set Angola into a clear path towards recovery, from a country with difficulties and limitations in basic social conditions, to one of the most growing economies in Africa. When compared with other countries of Sub-Saharan Africa and other countries with low Human Development Index (HDI), Angola is showing a progressive evolution. HDI is a metric to evaluate progress in the long term in the three basic dimensions of Human Development: long and healthy life expectancy, access to education and a decent standard of life, and is used to provide a complementary perspective to more common indicators as Gross National Product (GNP) per capita, which considers only the economic dimension of development.

Despite of all positive signals, according to the report of Global Human Development in 2013 the country is still far from the average value of the Human Development Index, currently occupying the 148th position out of 187 countries, with and HDI of 0,508. The HDI of Sub-Saharan Africa as a region increased from 0,366 in 1980 to 0,475 (in 2013), positioning Angola above the regional average, and above the group of countries with low human development (with a HDI value of 0,466). In Sub-Saharan Africa, Angola’s nearby countries in terms of ranking in the HDI and population are Senegal and Zambia with a HDI ranking of 154 and 163 respectively. The trends of the HDI show an important evolution, both at national and regional levels, although highlighting significant gaps in quality of life and development opportunities.

1 The Global Human Development Report 2013 shows the values and rankings of the Human Development Index for 187 countries and recognized territories by the United Nations. This edition also presents the HDI proportioned to the inequality of the (HDI) in 132 countries, the Index for Gender Inequality (IGI) for 148 countries, and the Multidimensional Poverty Index (MPI) for 104 countries. The values and ranking published in the Human Development Report of 2013 are not comparable with previous reports due to a change in database and calculation methods. In order to allow the progress in the HDI, the report in 2013 includes the calculations since 1980 to 2012.
Since 2000, Angola has showed improvements on its HDI and is currently placed just above of the HDI of the lower value in the world and of the HDI of Sub-Saharan Africa. Even so, still far from the world’s average.

The following graph is based on indicators, methodology and consistent temporary series, showing in this way, real changes in the values and evaluation in the long term, which reflects the actual progress made by the countries.

**Trends in the components of the index of the HDI of Angola 2000-2012**

![Graph showing trends in components of HDI](image)

The value of HDI of Angola for 2012 is 0.508 - in the category of the low human development - positioning the country in the 148th place out of 187 countries and considered territories.

Between 2000 and 2012, the value of HDI in Angola increased from 0.375 to 0.508, registering an variation of 35% (annual average growth of 2.6%).

Between 1980 and 2012, the life expectancy in Angola increased 0.3 years and the expectancy of school years increased to 6.0 years. The Gross National Income per capita of Angola increased 74% between 1985 and 2012.
In addition to the role played by the Angolan Executive, contributing to the strong economic growth of Angola and for the improvement in HDI, there are also significant contributions by companies, non-governmental organizations (NGO’s) and other entities. All of these entities have their own strategies and approaches to combat poverty, protect the environment and promote sustainable development.

In this context, the United Nations Development Program (UNDP) with the support of the Spanish Agency for Cooperation and Development (SAICD) considered relevant to conduct a study to assess the current state of Corporate Social Responsibility (CSR) in the country.

On the other hand, while conducting this assessment of CSR practices, it is expected that a common ground between the different parties is established, that leads to effective cooperation between the government, businesses, NGOs and other partners around the Corporate Social Responsibility in Angola. Therefore, only with a joint effort and unification of all entities it will be possible and enhance human development in Angola.

The following graphs present diverse perspectives of analysis on different dimensions which characterize the development of societies and countries, namely others countries of Sub-Saharan Africa, such as South-Africa, Nigeria, Zambia and Ghana.

![Graphs showing different dimensions of development](Source: hdr.undp.org)
In all past analysis, Angola occupies an intermediate place in terms of development compared to other African countries in Africa, either in health, education or natural resources depletion. Furthermore, Angola shows a positive value in the GDP per capita among the countries in Sub-Saharan Africa, strongly potentiated by the contribution of the oil sector. Hence, despite low development mirrored from the analysis of these indicators, the wealth of the country, materialized by the GDP per capita has placed Angola in advantageous position face its counterparts in terms of potential growth.

The index of macro-economic development of Angola enabled the Political Committee for Development (PCD) of the United Nations Economic and Social Counsel (UNESC) to consider Angola as eligible to migrate from the list of the Less Advanced Countries (LAC) to countries with average income from 2015, confirming Angola’s potential development and economic growth.

1.2 Methodological Approach

Market Analysis

For the development of the Corporate Social Responsibility study, several public and private companies with representations in the Angolan market were analyzed, in terms of the volume of business, in nine sectors and distinct activities, ending in a sample of 100 companies selected. The development of the study started with a benchmark analysis of public information available regarding corporate social responsibility practices, in Angola. The sources of information used were institutional websites and public reports publicized by the organizations, in terms of corporate social responsibility or other available material referring to this type of information.

From the benchmark analysis, it was possible to identify a set of relevant themes which reflect the different areas of corporate performance in terms of Corporate Social Responsibility in Angola. Such areas of performance were combined into three dimensions of analysis: social, economic and environmental dimensions. The allocation of themes in these three dimensions was based on the alignment of the pillars of sustainable development which benefits the equilibrium between economic growth, social promotion and environmental preservation.

<table>
<thead>
<tr>
<th>Sector</th>
<th>nr Companies</th>
</tr>
</thead>
<tbody>
<tr>
<td>Construction</td>
<td>12</td>
</tr>
<tr>
<td>Telecommunications</td>
<td>8</td>
</tr>
<tr>
<td>Transports</td>
<td>8</td>
</tr>
<tr>
<td>Energy&amp;Water</td>
<td>3</td>
</tr>
<tr>
<td>Mining Industry</td>
<td>9</td>
</tr>
<tr>
<td>Beverages</td>
<td>4</td>
</tr>
<tr>
<td>Retail</td>
<td>8</td>
</tr>
<tr>
<td>Finance</td>
<td>31</td>
</tr>
<tr>
<td>Oil &amp; Gas</td>
<td>16</td>
</tr>
<tr>
<td>Diverse</td>
<td>1</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>100</strong></td>
</tr>
</tbody>
</table>

Table 1 – Nr of companies analyzed by sector
Definition of the vectors of analysis

The relevant themes were achieved through a bibliographical research conducted in reference to documents in the area of corporate social responsibility and from documents which describe Angola's social, economic and environmental context.

Fig. 2 – Relevant topics and e vectors of analysis (Source: KPMG Analysis)

Stakeholders Consultation and Questionnaire

According to the vectors of analysis, a questionnaire was developed regarding CSR practices and made available to 77 companies from the sectors with more representation in the Angola market. The rate of response was 30%. Due to response rates it was only possible to analyze the results for the Oil and Gas, Construction, Banking and Transports sectors in an independent way.

Other responses were combined in an aggregated group (“other sectors”) which comprises the responses from companies from sectors such as: Insurance, Telecommunications, Mining, Beverages, Infrastructure and Agro–industry.

In addition, more than 20 face-to-face interviews with companies and 14 interviews with ministries and different entities of the civil society (among universities, development agencies and NGOs) were conducted.

1.3 Main Conclusions

Distinct levels of maturity in business performance

It can be observed that there exists a considerable maturity breakdown between the practices of corporate social responsibility of companies from the different sectors analyzed and also inside
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Each sector. In sectors such as Oil and Gas, it can be observed that there is an accentuated maturity in the management of corporate social responsibility themes. In the case of international companies within this sector with operations in Angola, the design of a local strategy can be observed, aligned with international strategy. It is evident the existence of a high level of understanding and experience in the implementation of projects in the social sphere which is transversal to the majority of companies operating within the sector.

In the others sectors such homogeneity cannot be observed. Certain companies are assuming a leading position while others act as followers, not displaying the same degree of involvement and maturity of communication of CSR practices. This conclusion is partially supported by the low adherence demonstrated in the participation in this study in certain sectors.

In general, a positive evolution of the social responsibility paradigm can be verified. The perspective of assistance and charity, for example, through donations or construction of infrastructure is outdated. Companies are increasingly focused in developing integrated projects that essentially focus on people development and economic growth, through training and capacitation of people to identify and work on opportunities to overcome poverty.

The external communication developed by the companies is not efficient, making it difficult for stakeholders to access information regarding the initiatives developed.

**Education and Health are the areas where companies are keener to invest**

It was found that there is a considerable alignment of practices with the themes identified as the most relevant and that reflect the social, economic and environmental context of Angola. Education and Health are the areas where most initiatives are developed with particular emphasis on the initiatives related with alphabetization and schooling, retention and academic success, and also, training and promotion of workers health and safety.

In the social scope, the promotion of equality between genders and the initiatives directed specifically to the youth are the areas with less investment from companies.

The least frequently mentioned initiatives (mentioned by less than 40% of the companies) within CSR activities that were consulted were: training of health professionals, information technology capacity, youth access to culture, financial literacy, promotion of national languages, promotion of woman’s culture, support of mine-clearing operations, development of infrastructure (housing and energy), environmental awareness of partners and the support of war veterans.

The existence of these areas denotes that, despite the alignment of the companies with relevant topics, there are still aspects which have been less explored and supported and can be incentivized in a logic of promoting government goals and market differentiation of companies through their CSR strategies.

**The environmental liability mainly as a response to legal requirements**
The recent legal and environmental regulatory context created in Angola, induces a reduced pro-activity from companies in promoting environmental protection. The basic population needs, at a social level, to make environmental investments and efforts seem secondary. The current challenge, in the scope of environmental responsibility, is essentially related with the commitment with legal compliance and regulatory frameworks, for example developing environmental impact studies and ensuring proper compensatory measures.

**Challenges and future path**

The main challenges pointed out by companies are related with the lack of strategic guidelines and knowledge, know-how to define CSR projects, identifying trustworthy partners for the development of initiatives, and the tools to measure the impact in the communities and return the social investments. The communication reinforcement occurs as a way to promote the exchange of practices, experiences, competences and the possibility to identify synergies between partners and as a mechanism to promote participation from all companies and the widening of the spectrum of partners for projects development.

According to the areas of investment, despite the existent alignment with areas with more needs in the Angolan society, the strategic approach of the initiatives should be reinforced in a way that enables such initiatives to be even more aligned with the business, in order to ensure its sustainability and the existence of internal competences for the implementation and accompaniment of the projects.

On the other hand, the Executive position lacks leadership and cooperation with the different entities involved, in order to generate mutual trust and capacity that can be translated in a definition of a clear and transparent CSR agenda.

**1.4 Sector Analysis**

From the information gathered, the different sectors were analyzed in terms of their maturity of CSR practices, focusing on themes such as:

- The existence of a structured corporate social responsibility strategy;
- Existence of specific internal competences to manage these issues;
- Number and relevance in the areas of intervention;
- Alignment with the international principles of reference.

On the other hand, the practices of external communication were also analyzed, namely the existence of information related with corporate social responsibility practices, through the percentage of companies from each sector that publicly disclose information about their corporate social responsibility practices.

**Leader sectors**

The leader's have the ability to make the most of their
CSR practices, through active and transparent communication. They display a strong alignment with the relevant issues within the context of Angolan society and with the United Nations Global Compact Principles. The CSR governance model is normally centered in the Communication, Marketing and Social Responsibility departments. Such departments have demonstrated knowledge and specific competences for the definition of CSR strategies and to ensure its effective implementation; they exchange efforts and support other partners with recognized know-how on these matters, such as international development agencies and NGOs. In terms of communication, they publish specific reports about the CSR practices for different stakeholders and are transparent in the communication that they publish in their website.

Conservative sectors

They have a considerable degree of maturity in the practices, they develop and define areas of intervention that are aligned with stakeholders expectations and with material issues, however assuming a conservative attitude in respect to communication. They have an aligned strategy with the CSR goals that are defined in function of local context.

Opportunistic sectors

The organizations that fall under this category are those that take more risks of overseeing their strategies and compromises in CSR associated on its majority to practices of communication focused on publicity, brand notoriety and investment in advertisement. Such practices of communication are commonly defined as “Green washing” or “Social washing” and causes perception distrust from the different interested parties involved in the projects of CSR and society in general. The issues addressed may not be totally significant for society and do not ensure total alignment with the Global Compact principles. The companies with an opportunistic profile are focused on communicating results, taking advantage to reach efficiently its stakeholders and positioning themselves as socially responsible through aggressive and persistent communication. The risks are incremented with increasing scrutiny from its investors, clients and competitors.

Followers sectors

The companies which represent this group of sectors do not show reports or practices of systematic communication about the activities developed under CSR scope. The implementation of its strategies is supported on its majority in autonomous structures, such as: institutions and nongovernmental associations in order to develop social responsibility projects. There is a partial alignment with the principles of Global Compact and material issues are not addressed. Typically, companies which represent such sectors have a reactive attitude to development of CSR projects and the projects they develop are less integrated on its strategies and business goals.

The profiles of action on CSR of business sectors in Angola

The Oil and Gas sector is where this issues display more maturity and where the positioning is most uniform in the company’s analyzed. Usually in the companies of this sector there exists a department of social responsibility or sustainability which, in conjunction with other areas and the Board define and implements a strategy of corporate social responsibility. They are globally aligned with the 10 principles of Global Compact. The areas of action are diverse in terms of the relevance of issues and in terms of geography. In terms of communication there are already
some practices of communication and report although not yet transversal to all companies within this sector, but in which there is still potential to capitalize.

### Oil and Gas Sector – Key facts

- 100% of the companies analyzed state that they are aware of and assure compliance with the principles of *Global Compact*.
- 100% of the companies analyzed have a department of sustainability or Corporate Social Responsibility to lead these issues.
- It is the sector that most invests in corporate social responsibility activities, in part because of the legal and contractual framework.
- Areas of greater investment are Education (on average 40% of the CSR budget) and Health 22%.
- The CSR initiatives that are more transversal to the sector are the fight against HIV/AIDS and training programs for employees.

The **Construction** sector is in a less mature stage than Oil and Gas sectors. Despite a wide participation in terms of areas of action and having demonstrated practices of communication and alignment with the principles of *Global Compact*, it can be seen a considerable dispersion between companies within this sector, thus reflecting in general in a less consistent evaluation. On the other hand, most of the companies analyzed still not have a strategic framework relative to the initiatives of social responsibility, reflected in the percentage of companies in this sector which declare not yet to have a CSR strategy. On the other hand, these issues are still associated in the organization to areas of communication and marketing, and consequently less integrated in management practices and business of companies.

### Construction sector – Key facts

- 75% of the companies analyzed state to be fully aware and aligned with the Global Compact Principles.
- 50% of the companies’ analyzed have a Sustainability or Corporate Social Responsibility department to lead these issues.
- The areas where investment is higher are education (on average 54% of the budget of the CSR) and health (26%).
- The CSR initiatives that are more transversal to the sector are health programs for employees, programs for training and promotion of youth employment (developed by 100% of the surveyed companies), and also to stimulate the local economy.

In the Banking sector, which is aligned in terms of maturity with the construction sector, corporate social responsibility issues are typically under Communication and Marketing departments or are dealt by foundations that implement the strategy outlined. There is a partial alignment with the principles of Global Compact and almost total alignment with relevant issues.
The Transportation sector presents less maturity in the definition of a CSR strategy; in many cases the responsibility for these topics is not formally attributed in the organizational structure. The initiatives do not yet cover all the issues and do not reflect the stakeholder’s expectations. The communication that is made of initiatives undertaken is also still very incipient.

Banking sector – Key facts

- 33% of the companies in the sector state to be aware and ensure compliance with the Global Compact principles. The remaining declares that they partially know these principles.
- 33% of the companies in this sector have a Sustainability or Corporate Social Responsibility Department to lead these issues.
- The CSR initiatives that are more transversal to the sector are initiatives related with training and health of employees. For the community they reveal to make a strong investment in culture. All companies analyzed refer to promote transparency and ethics in way they conduct of business.
Transport sector–Key facts

- Companies surveyed refer to know part of the principles of the Global Compact.
- Companies surveyed do not have an area or specific department for corporate social responsibility or sustainability.
- The initiatives undertaken by all companies in the sample are related to education, literacy and promoting maternal health.
- The areas of greater investment are education, health, culture, environment and economic development (represent approximately 14% of the budget for CSR by companies in the sector).

Note that relatively to “other sectors”, for which the analysis was not developed in a disaggregated way due to lack of representation (composed by companies in sectors such as: Telecommunications, Beverages, Insurance, Mining, Infrastructure and Agro-industry) it can be verified that, in average, there is already significant level of maturity and significant practices of corporate social responsibility. In these sectors there is, however, a considerable disparity among companies and sectors which they represent, in regards to the maturity of the CSR practices. In general, the communication in these organizations is also still very incipient.
2 Background

2.1 What is Corporate Social Responsibility

Although the concept is being developed since the 70s, there is not a single definition universally accepted. However there is a consensus that it results from a balance and equitable concern between the three fundamental dimensions of economic development, social promotion and environmental preservation. In this sense, the concept is based on the following assumptions:

- Responsible management towards the employees - An adequate corporate governance should be ensured, transparent and with ethical principles, as well as conditions and labour rights for the employees, training and development opportunities;
- Engagement with internal and external stakeholders - maintain a close and cooperating dialogue with key stakeholder groups, listening to their main expectations;
- Economic development at a local and national level – Promotion of economic development through hiring of local labor, selection of local suppliers and generation of business of support;
- Commitment to the society in which it operates – Primarily develop projects with high social return and impact;
- Respect in the use of natural resources and minimization of impacts - creating awareness of the impact that businesses have on the use of natural resources, either by degradation or unsustainable use.

The integrated approach of these aspects necessarily makes the companies’ management more responsible, with a holistic view of the main risks and opportunities at a social, economic and environmental level.

The World Business Council for Sustainable Development (WBCSD) defines CSR as “the commitment of business to contribute to a sustainable economic development while increasing the quality of life of its employees and their families, as well as the community and society in general”.

The European Commission defines Corporate Social Responsibility as “the companies’ responsibility for their impacts on society, and the development of a process to integrate social, ethical, human rights considerations and consumer concerns into business strategy and operations”. From the perspective of the United Nations, the concept of CSR can be interpreted in the light of the principles of the Global Compact. (See box)

Perceived as a mechanism for social progress, CSR helps companies to achieve their responsibilities as global citizens and adapt to a changing world, and should not be confused with the moral ethical duty, charity or mere philanthropy.
The challenge of Corporate Social Responsibility

CSR is on the agenda at national and international level, and the social, economic and environmental challenges that affect the developing countries have a direct impact on the competitiveness’ capacity of companies in position themselves in a global market without borders. In this chapter, Angola and Angolan companies have the opportunity to enhance their image in terms of human rights issues, working and labor practices and environmental preservation. Simultaneously, the Angolan companies are increasingly assuming an active stance as investors in international markets, already accounting for significant investments in corporations outside of Angola. This reinforces the need for Angola to assume its role in corporate social responsibility.

In Angola, the pressures for a sustained and sustainable development poses challenges for which companies need to build a structured and consistent response. Economy's diversification, the need for training and specialization of human resources, development and construction of infrastructures, the development of legislation, the increasing pressure from customers, access to resources and raw materials and the inclusion of citizens in formal economy, are just some of the challenges, to which more competitive companies can now give a coherent and sophisticated answer to.

Some of the challenges that companies face in defining and implementing a social responsibility strategy, relate with the following aspects:

- Identification of suitable partners;
- Obtaining priority guidelines;
- Projects’ monitoring;
- Assessment of the project’s feasibility;
- Long-term sustainability;
- Approval from the governing bodies;
- Lack of infrastructure support.

The value proposition of Corporate Social Responsibility

The origin of corporate social responsibility is born from the sense of “moral obligation” from companies, to return or deliver to the community part of the business’ results, as a
consideration for the use of human, natural, physical and financial resources of the regions where they operate. The social challenges that Angola faces in terms of poverty, health, education, infrastructure, gender equality, youth, economic development, among others, causes organizations to have an increasing awareness of this responsibility, allocating part of their annual budgets to these matters. In this perspective, it is noteworthy the commitment of businesses to contribute to these causes, and in many cases, there is already the sense that CSR shouldn’t be merely social investment, but should also bring value to companies in the medium-long term.

International studies on Corporate Social Responsibility, refer that the value created from the development of a corporate social responsibility strategy can be materialized in several aspects, among which we highlight:

- Reputational gains and strengthening relationships with stakeholders - Reputational gains and brand awareness among key stakeholders such as local communities, authorities and customers, and assigning social responsibility values to the brand. Moreover these actions also reinforce the ties with these stakeholders;

- Innovation and development - The opportunity to invest in innovation in terms of products and services with features social responsibility features (eg. financial products of micro-credit or micro-insurance) and development and demand for business models that ensure value creation in several dimensions;

- Risk Management - The integration of social and environmental responsibility in the risk management strategy is also an opportunity to consider less traditional aspects of risk management, like the risks of climate change and the availability of natural resources;

- Attraction and retention of employees – in a market where the competition for human resources is high, there is an increasing interest in companies that share values and a corporate culture of social responsibility;

- Enhance market growth - In the economic and social context of Angola, corporate social responsibility is also seen as a means to enhance economic development, particularly in areas where organizations are present for example through the creation of employment or hiring and training local suppliers and partners.

2.2 The international context

Internationally, pressure towards sustainable development is also increasingly, and is felt by organizations, governments and international development promotion agencies. Angola has been giving a number of important steps towards the commitment in promoting the social development, setting goals and concrete objectives in the medium term.

Angola signed, in September 2000, together with 190 other states worldwide, the Millennium Declaration of the United Nations and adopted the Millennium Development Goals. The document resulting from the evaluation of the member states’ progress, published in September 2005, reaffirmed the joint commitment of the United Nations and its member states in achieving the goals by 2015. In terms of working conditions, is important to highlight the fact that Angola
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has ratified the eight core conventions of the International Labour Organization (ILO), while undertaken commitment by the Executive to improve the issues of Human Rights, Forced Labor, Child Labor and Conditions labor.

Like other United Nations’ agencies (funds and programs), the United Nations Development Program (UNDP) derives its Action Plan (CPAP) from the UNDAF, the framework document in which the United Nations reflect their contribution to the Government and the people of Angola, through its specific contribution to the implementation of national priorities (NDP). The program of the UNDAF (2009-2013) was built around six priorities of the national medium-term plan:

- To promote unity and social cohesion, consolidation of democracy and national institutions;
- Ensure a sound and healthy economic development with stability at the macro-economic level and the transformation and diversification of the economic structures;
- To promote the welfare and human development;
- Encourage the development of the private sector and the national entrepreneurship;
- Promote the equitable development of the country;
- Promote competitiveness to enter Angola in the context of international markets.

The United Nations seek also to influence private actors, namely companies, to act more proactively in these subjects. One of the main tools for doing so are the Principles of the Global Compact, a set of 10 principles that define guidelines and “no go zones” for companies seeking to be aligned with the contribution to the economic, social and environment development where they operate.

In the realm of environmental issues, Angola has shown willingness to follow the global agenda for sustainable development, through its adherence to international commitments of environmental sustainability, including the United Nations Framework Convention on Climate Change, the Vienna Convention on the Protection of the Ozone Layer, the UN Convention to Combat Drought and Desertification, the Convention on Biological Diversity (UNCBD), among other.

Within the international agenda for climate change, the Kyoto Protocol's challenge remains, however, in the near future, its review, or the post-Kyoto may involve the requirement to comply with the reduction targets for CO₂ emissions for developing countries. On the other hand, the result from the discussion in relation to funding models to develop a cleaner energy matrix in developing countries, may also have a significant impact on the Angolan economy, contributing to the resolution of the energy deficit at the level of production and the high dependence on fossil fuels.

These commitments have been being materialized internally through the creation of legal mechanisms that seek to promote and develop policies and regulation of activities with a high
environmental impact. The effectiveness of this enforcement is cited as one of the main challenge currently sensed.
2.3 The Angolan context

2.3.1 National Strategy for Development

The Angolan Executive’s strategy is translated in the National Medium Term Development Plan (2013-2017), which is based in the long-term strategic framework established by the National Strategy “Angola 2025” laying down the broad guidelines for the development of Angola. The National Development Plan (NDP) for 2013-2017, which starts a new cycle of history, is the first medium-term plan prepared under the new Constitution of the country and after the approval of the Law on General of the National Planning. It complements the effort made to rebuild the country, to a phase of Modernization and Sustainable Development, focused on stability and growth and enhancement of the Angolan nationality. This valuation is based, first, on the literacy and education of Angolan citizens, which are the basis for the training and technical-professional qualification and advanced training of its frames, essential to the Sustainable and Equitable Development in Angola.

National Objectives for medium term contained in the NDP:

1. Preservation of unity and national cohesion;
2. Guarantee of the basic assumptions necessary for the development;
3. Improved quality of life;
4. Inclusion of youth in the labor force;
5. Private sector development;

It is noteworthy that in 2012, social expenditure budgeted grew by 1.6%, representing 33.3% of the overall investment, doubling what is spent on security, defense and public order. The budgets allocated for education and health increased by about 10%. After 30 years of less attention during the civil war, education has seen an increasing public investment. The government also expanded the technical and vocational education in order to address the massive skills shortage.
2.3.2 Economic Development

The early period of peace allowed a consolidation of national unity, foreseeing future growth opportunities, strongly underpinned by the country's reconstruction, the exploitation of natural resources and the increase in exports.

In recent years, Angola registered an average growth of about 12% (Source: National Development Plan), and the forecast is that this growth will continue. However, the basis of the Angolan economy remains mainly based on the oil sector, diamond and gas (capital-intensive sectors), allowing the generation of wealth available to finance other sectors of the economy more labor intensive, thereby contributing to improve the employment levels.

![Evolution of Real GDP (%)](image)

Source – KPMG’s Analysis (Data from the National Development Plan 2013 - 2017)

<table>
<thead>
<tr>
<th>Sector</th>
<th>Year</th>
<th>2007</th>
<th>2008</th>
<th>2009</th>
<th>2010</th>
<th>2011</th>
<th>2012 (Estimated)</th>
<th>Average annual Growth (07/12)</th>
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<td>Fishing and derivatives</td>
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<td>-8.7</td>
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<tr>
<td>Diamonds and other</td>
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<td>4.6</td>
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</tr>
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<td>20.4</td>
<td>12.3</td>
<td>-5.1</td>
<td>-3.0</td>
<td>-5.6</td>
<td>4.3</td>
<td>4%</td>
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<tr>
<td>Manufacturing</td>
<td>32.6</td>
<td>11.0</td>
<td>5.3</td>
<td>10.7</td>
<td>13.0</td>
<td>6.0</td>
<td>13%</td>
<td></td>
</tr>
<tr>
<td>Construction</td>
<td>37.1</td>
<td>25.6</td>
<td>23.8</td>
<td>16.1</td>
<td>12.0</td>
<td>7.5</td>
<td>20%</td>
<td></td>
</tr>
<tr>
<td>Energy</td>
<td>8.6</td>
<td>26.1</td>
<td>21.3</td>
<td>10.9</td>
<td>3.5</td>
<td>11.7</td>
<td>14%</td>
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<tr>
<td>Market Services</td>
<td>21.8</td>
<td>26.9</td>
<td>-1.5</td>
<td>8.7</td>
<td>9.5</td>
<td>10.0</td>
<td>13%</td>
<td></td>
</tr>
<tr>
<td>Other</td>
<td>4.5</td>
<td>1.9</td>
<td>5.9</td>
<td>4.7</td>
<td>9.6</td>
<td>4.3</td>
<td>5%</td>
<td></td>
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<tr>
<td>GDP at market prices</td>
<td>23.2</td>
<td>13.8</td>
<td>2.4</td>
<td>3.4</td>
<td>3.9</td>
<td>7.4</td>
<td>9%</td>
<td></td>
</tr>
<tr>
<td>Non-Oil GDP</td>
<td>25.4</td>
<td>15.0</td>
<td>8.3</td>
<td>7.8</td>
<td>9.7</td>
<td>9.1</td>
<td>13%</td>
<td></td>
</tr>
</tbody>
</table>

Table 2 – Growth rates of GDP by sector (Source: National Development Plan 2013-2017)
Economic Diversification

Over the past five years, Angola's economy has grown at an average rate of 9.2% per year. When we consider only the non-oil economy, we observe that the average growth rate was 12.0% in the same period, having doubled in the last five years.

The 2009-2010 period, was characterized by a decrease in oil production due to the reduction in demand, accompanied by a reduction in the growth rate of other important sectors in the GDP structure, such as agriculture and market services. The reduction in the pace of economic growth has brought great challenges to the economic policy (diversification of the economy, structural reforms, public debt management, price controls, exchange rate management, improving external competitiveness indexes, etc...), since the significant economic and social gains achieved in previous years could not be wasted. The success of a broad government program implemented between 2009 and 2012 that aimed to ease liquidity pressures, restore market confidence, reestablish the excellent macroeconomic position prior to the global financial crisis and major structural reforms, supported by the International Monetary Fund based on a Stand-By Arrangement (through which the Government of Angola received funding of USD 1,4 billion), and in particular the completion of major investments, led to the third phase (2011-2012), characterized by a stabilization of the rate of growth of non-oil sector around 9.5%, which was evidence that the non-oil economy is gaining sustainable levels that allows Angola to be increasingly less dependent on the oil sector.

Economic activities are mainly concentrated in Luanda (which currently has a third of the population), related with financial services, construction and manufacturing sector, representing about 40% of GDP in 2012. The diagnosis of the socio-economic IBEP 2008/9 indicates that 36.6% of the population lives below the poverty line of 2 USD / day. This figure rises to 58,3% in the rural population, compared with 18,7% in urban areas. Other disparities between urban and rural populations include:

1. Access to electricity (66,3% versus 8,6%);
2. Regular access to water supply (59,7%versus 22,8%) and;
3. Basic sanitation (84,6% versus 31,1%).

The Government has put in place policies to counter the rural exodus and stimulate employment, mobility and geographical rebalancing of the population - opening vocational training centers, many in rural areas, in conjunction with the private sector for training programs aimed to empower young people and college students to gain experience in the labor market. On the other hand, one of the national policy 2013 - 2017 NDP’s Objectives is to promote the emergence of new national based companies and support companies with a majority of Angolan capital, to overcome the competitive gap that separates them from competing international references.

Potentials and weaknesses by Sectors
Agriculture
+ Potentials
- Agri-food cluster considered a priority, soils with high agricultural potential and high biodiversity;
- Abundant water resources;
- A high proportion of the population whose activity is directly related to agricultural production.

- Weaknesses
- Subsistence agriculture production practiced by farmers with low education and literacy;
- Existence of mines in certain areas which slows agricultural development;
- Low agricultural productivity and lack of experience in the business sector.

Oil
+ Potentials
- Large reserves of oil resources to explore and discover of new fields of production, including in the pre-salt layers;
- High potential for the production of alternative renewable energy as well as LNG;
- Increase of the refining capacity with the construction and operation of the refinery in Lobito.

- Weaknesses
- Lack of integration of the Distribution Network Director Plan in the Oil Sector (DNP);
- Financial resources shortage to allow the development of the Biofuel strategy;
- Occurrences of mechanical malfunctions in some processing units as well as emergency stops of some platforms, and hydrates and condensate deposition in lifting gas lines.

Geology and Mining
+ Potentials
- Big diamond concessions potential already discovered and yet to be discovered;
- Ore runoff possibility through rail and waterways.

- Weaknesses
- Insufficient coverage and knowledge of the geological park of the country;
- Lack of geological and transport infrastructure (railway lines);
- Lack of technical, material and human resources for the full implementation of the tasks related to the mining and environmental compliance.

Manufacturing
- Potentials
- Executive guidelines for the sustainable development of the manufacturing industry in the period 2013-2017 focused on innovation skills and inter-sector cooperation;
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- Suitable conditions for the implementation of industrial development centers;
- Rehabilitation of infrastructure, especially roads, railways, bridges and supply sources of electricity and water;
- Launch of new funding programs to the MSMEs.

- Weaknesses
  - Lack of schools, training centers, centers of expertise and innovation, business incubators and other tools to support the development of national industrial enterprises;
  - Lack of a Strategic Plan and Program for the industrialization of Angola, in a medium and long term, in line with other relevant sectors;
  - Recurring problems in equipment clearance due to lack of definition in the respective process;
  - Need to complete the Tax Reform and celebrate agreements aimed to avoid double taxation with the major source of foreign direct investment countries (FDI).

Commerce
+ Potentials
  - Launching of the Logistics Platform National Program;
  - Organisation of the Rural Commerce;
  - Program "Train for Trade" to develop the business capacity.

- Weaknesses
  - Shortage of qualified staff with academic, financial, business, professional, vocation and / or cultural commerce in most of the traders and local businesses;
  - Absence of a Credit Guarantee Fund for Commercial Activity;
  - Lack of legal framework for the sale of properties in the commercial sector, still owned by the state to strengthen the patrimonial bargaining power of Angolans traders.

Health
+ Potentials
  - Municipalization of health services, promoting integrated interventions and in conjunction with public policies and funding for primary health care provided directly to municipalities;
  - Existence in all Provinces, of sanitary maps used as a tool for the development and management of the health network.

- Weaknesses
  - Great scarcity and asymmetric distribution of skilled human resources at all levels, inadequate health coverage and difficulty in maintaining the existing health facilities;
  - High rates of maternal, infant and juvenile death rate, as well as high level of malnutrition in children under 5 years;
  - High incidence of chronic non transmissible diseases, infectious and parasitic, with emphasis on the major endemic diseases, respiratory diseases and diarrhea as well as the persistent of cholera, rabies and measles outbreaks.

Education
+ Potentials
  - Primary school implementation and extension of compulsory education;
  - Strong commitment to the development of vocational technical education.

- Weaknesses
  - High rate of illiteracy, particularly in rural areas;
• Difficulty in recruiting national teachers for technical subjects;
• Lack of minimum conditions in the educational environments for the development in the educational process.

Water
+ Potentials
• Existence of 47 major river basins;
• Perspective of expanding the supply of drinking water to the entire population;
• Existence of the “Water for All” program.

- Weaknesses
• Inadequate pricing mechanism;
• Dependence on foreign markets for the acquisition of materials and equipment, accessories and parts;
• Lack of technical staff and local resources, making the management and sustainability of the systems installed harder.

Construction
+ Potentials
• Substantial improvement of road infrastructure in most of the territory, allowing the restoration of circulation among all provincial capitals;
• Housing Cluster prioritized and availability of land reserves;
• Need to complete the national road network, in particular connecting the municipal and communal lines.

- Weaknesses
• Shortage of national qualified manpower;
• Existence of mines in areas intended for construction projects;
• Reduced domestic supply of local materials for construction, with a strong impact on the construction costs.

Telecommunication and Information
+ Potentials
• Fast expansion of ICT (Information and Communication Technology) demand, at the individual, corporate or institutional;
• Implementation of the e-Government Program;
• Operationalization of the “Proximity Mail” and the “Multifunction Stations” concepts, which could serve as important tools in setting the populations in their areas of origin.

- Weaknesses
• Shortage of human resources, both in quality and quantity in the specialties of the sector;
• Shortage of postal infrastructure throughout the country as well as insufficient rolling technology means for the transportation of mail bags and mail distribution;
• Lack of integration with other cooperative entities running similar programs to the infrastructure sector and difficulties in the acquisition of way and surface rights.

Transportation
+ Potentials
- Priority sector with important structural projects at the levels of structure, system and logistics;
- Re-launching of the national maritime sector, for national and international shipping;
- Expansion of political agreements with the Southern African Development Community (SADC) and the Economic Community of Central African States (ECCAS).

- Weaknesses
- Poor Conservation of the existent infrastructure;
- Lack of infrastructure and equipment to support mass public transportation of passengers;
- Deficit Situation of companies in the transport sector.

Employment

Although the economy is still heavily leveraged in the oil sector, this is a sector that is capital intensive, vertical and with no major direct links to the real economy, employing less than 1% of the total workforce. Such facts do not power the much needed economic diversification and job creation. The unemployment rate is estimated at 26% in 2012 (Source: African Economic Outlook).

As a result of the level of skill gaps against the requirements of the labor market, most of the skilled labor in Angola comes from other countries, despite the quota system to safeguard the employment of national citizens. Angola occupies a low place in the Doing Business 2012 report, the World Bank, the 178th place in "employing workers", the lowest in sub-Saharan Africa.

Economic growth and the change of composition of the national GDP, is due to the growth and development of the sectors that most employ as the construction, agriculture and livestock and services, directly affecting the expansion of employment in the period 2000-2008, according to the Progress Report on the Millennium Development Goals, 2010. The parallel growth of informal sector activities in the Angolan economy aggregates from self-employed, micro-enterprises in the informal trade services and small clothing.

The proportion of unemployed shows however large spatial disparities, since the numbers show that it is more pronounced in urban areas. This can be explained by the rural exodus of the province population to the capital in search for better opportunities.

On the other hand, also according to the Survey on Integrated Wellness Population (IBEP), the proportion of self-employed workers and unpaid ones was 66%, of which 87% are located in rural areas. Furthermore, as expected, the self-employment and the family one is even more pronounced in women and older workers. In the current days of peace, some citizens have begun to return to their home provinces, though some provinces do not yet have the same structures and opportunities as the capital. Some companies are creating conditions for employment and development in the agriculture sector, however, the lack of skilled manpower, lack of means of transportation of goods and the long process of demining in certain regions, are the main challenges for the development in the agricultural sector.
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Fighting Poverty and Hunger

Despite the substantial progress recorded in the improvement of social conditions since 2002, the country still faces enormous challenges in reducing poverty and improving human development.

Poverty still remains a major challenge for the Angolan government and for society in general, but recent data shows significant progress in this field, however, rural regions have worst rates of poverty than urban ones.

According to the IBEP results (2008-09), the proportion of people with income below 2USD per day decreased from 68% in 2001 to 37% in 2009. The percentage of people who eat less than three meals per day in the urban region is almost twice the rural one, with 51% of the Angolan population in this condition.

Hunger and child malnutrition remain critical issues for the economic and social development of Angola that can only be effectively fought through a multi-sector and multidisciplinary approach, such as the Integrated Program to Fight Poverty and Rural Development which aims to tackle three national inter-related problems: Poverty, Malnutrition, and Low Productivity of Agriculture.

Issues such as access to food and essential public services in rural areas will promote attraction of population that previously would have sought better conditions in the capital or in urban areas, and will now be able to remain with their families in home rural areas and contribute to its development.

Promoting social entrepreneurship and rural credit will enable the population living in rural areas to develop a sustainable business. Increasing literacy by improving access to primary and secondary education will be the basis for the population to be responsive and follow-up development projects in the country.
Food Security and Agriculture

The conflict in Angola led to the destruction of physical infrastructure of agricultural production support, as well as the disintegration of rural households and reduction of their income, and this combined contributed to the drastic reduction in the levels of agricultural production. The malpractices in terms of food care, low awareness regarding the nutritional value of some food and poor access to health care are issues that adversely affect the health of the population, with impact on the development of the national food sector.

The Government aims at taking advantage of the enormous hydro potential through the National Irrigation Plan which seeks the planning and integrated management of these resources for food and industrial production. In addition other programs are being implemented to facilitate the access of farmers to financing (directly contributing to the improvement of the living conditions of communities), through the extension of services of education, health, promotion of adequate housing, drinking water, electricity and sanitation.

Angola has developed its National Strategy for Food Security and Nutrition (NSFSS) which aims to promote a comprehensive and transversal approach of the complex issue of food security. The common objective of the Government, civil society and the private sector is to achieve the eradication of hunger and reduce significantly the poverty in Angola. The ENSAN is articulated with programs such as Poverty Reduction Strategy and the Integrated Program to Combat Poverty and Rural Development.
Access to Water, Energy and Sanitation

Access to drinking water, security of its supply and electricity are key issues in terms of economic development, for the impact they have on the quality of life of communities and its functioning and competitiveness. Angola experienced a significant improvement in the supply of drinking water to populations in major urban centers, suburban and rural areas. It is worth highlighting the implementation of the "Water for All" program which features coverage of 47.5% of the rural population. The National Development Plan aims to ensure the integrated management of water resources with the creation of entities with priority watershed management master plans and the implementation of adequate tariffs to allow the coverage of operating costs to ensure the sustainability of public service. The aim is to promote the development and management of water resources, land use, with the aim of maximizing economic and social welfare without compromising the sustainability of ecosystems and the environment, through an Integrated Water Resources Management (IWRM).

The availability and lack of quality of drinking water are the factors that most contribute to the high rates of deadly diseases that occur in Angola. A deficiency or absence of infrastructures for water and sanitation translates into the need for the public to access to this in a precarious way and without minimum conditions of safety and hygiene. Companies aware of this reality invest in social projects, building distribution networks for water and community sanitation, mainly in suburban and rural areas, where conditions are worse.

Energy security has been defined as the access to reliable and affordable energy to ensure the activities of households and companies, such as heating, lighting, communications and productive uses (UN), and as "the uninterrupted physical availability of energy at price that is affordable, while respecting environmental concerns ".

Between 2002 and 2011, the production of electricity increased 3.2 times. This increase was due to the construction and early operation of the hydroelectric exploitation of Capanda. However, the percentage of population with access to electricity remains low (about 30%) and still very concentrated in Luanda Province. The priorities outlined in the National Plan of Development in the energy sector are to increase production capacity, with the resource recovery and construction of new hydroelectric and thermal power plants, developing the National Transport Network, with the rehabilitation and construction of power lines and substations including interconnection North - Central - South and promote the rehabilitation and construction of distribution networks for electricity in urban, suburban and rural areas with the use of more economical technical solutions. The objective is to ensure supply of water and electricity to 80% of the cities by 2017.

The availability of uninterrupted power supply currently represents a challenge for citizens and a barrier to the growth and expansion of companies operating in Angola. Access to energy conditions the standards of quality of life and well-being to citizens and society, since everything depends on power availability: communications, industries, transport, products, services and companies. The installed capacity to answer the demand for energy is currently insufficient to meet the requirements.
Access to new Technologies

Access to new communication technologies is also crucial for the development of the country, contributing greatly to social and technology inclusion. In the case of Angola, the rate of access to the fixed network is practically null. Of the existing phone line, 79.4% are in the urban area while 18.1% is in rural areas. (Source: Progress Report on the Millennium Development Goals, 2010).

According to the International Telecommunication Union (ITU) data, the penetration rate of mobile services in 2011 was approximately 50% of the population with access to mobile.

It should be further noted the evolution of companies providing internet services which increased by 369% between 2009 and 2011 (Source: Ministry of Planning).

Building people’s capacity on information technologies, through digital inclusion, allows development to occur for the introduction of new technologies in the country. The National Development Plan has as a priority to ensure the expansion of quality infrastructure support services, information and communication, in all regions of the country at affordable prices to the public, in order to promote the development of society through the minimization of digital exclusion and the expansion of e-governance projects, ensuring quality training that will be able to empower and support central government.
Institutional Capacity

The institutional capacity to ensure the effective implementation of the Executive’s policies in all areas is often referred to as one of the most significant risk and challenge of sustainable development in Angola.

According to a study by the World Bank, following the lack of skilled labor, the bureaucracy associated with the processes of government is a major obstacle to the economic competitiveness of Angola and its ability to attract investment and foreign companies.

The institutional capacity, training and schooling are seen as the biggest risk that endangers the success of a sustainable economic development, and have been the focus of growing concern of the Government of Angola. Education is the basis for a more humane, healthy and able to meet future challenges in its different dimensions.

Economic Development - Key Challenges

- Regional and sector diversification of an economy fundamentally dependent on the Oil & Mining, fostering the development of the 3rd sector (apart from construction)
- Capacity and training of people at all levels of education so that they can respond to the challenges of society
- Development of an agricultural sector that promotes rural development, the establishment and development of these communities, launching the basis for the development of a local economy that contributes to reducing the levels of poverty and hunger
- Promotion of economic conditions for employability, especially for the youth through programs of education and higher and technological training
- Adjustment of the development of infrastructure such as roads, treatment systems and distribution of electricity, water and sanitation to the needs of a growing economy
- Ensuring the existence of transparent governance processes, effective to promote economic competitiveness of Angola and its ability to attract investment and foreign companies

2013 - 2017 NDP’s Objectives for the Economic Development:
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- Increase to 2,200 the number of businesses created with mostly Angolan capital with programs to support entrepreneurs, operationalize the fund for business promotion, strengthen the system of micro-credit, adopt specific measures to support the creation and competitiveness of Angolan companies, structuring and supporting the entry into running entrepreneurial schools and introduce mechanisms to support Angolan companies and import control;

- Increase the rate of non-oil GDP growth up to 10.4% by 2017. Strategies will be devised for the diversification of the economy, ensuring coordination between public and private investment, perform sector studies on the value chain, in particular for priority clusters;

- Increase the overall employment rate to 75% by 2017, adopting legal measures that allow the predominant access of Angolans to the jobs requiring high qualifications, establish mechanisms for consultation and vocational and professional guidance and combat long-term unemployment.

2.3.3 Social Development

Health

The Government has a strong commitment to investment in the health sector, particularly in infrastructures. However, it is still weakened by serious shortages of skilled health personnel that translate into a reduced access of the population to quality services. Currently, only 30% of the population has access to health services. Recent data shows good progress in the last 10 years in various areas. Life expectancy at birth has been revised upwards to 52 years against 46 years in 2000, maternal mortality declined from 880 to 610 deaths per 100,000 live births, the infant mortality rate of children under five decreased from 21.2% to 16.1%, and prevalence of malnutrition in children under 5 years decreased from 37% to 27.5%.

These indicators, and mainly because they are multidimensional and dependent on numerous socioeconomic factors, such as maternal and child nutrition, vaccinations, educational, hygiene and sanitation, are key in assessing the level of development of each country.

The fight against malaria in Angola has been predominantly focused on prevention, with significant contributions from international NGOs. Malaria is responsible for around 11% of
mortality in children under five years of age, 25% of maternal mortality, and is the leading cause of mortality, sickness and absence from work and school.

The main challenges for the reduction of diseases among children are the ongoing effort to vaccinate children living in rural areas, the improvement of access to drinking water and increasing investments in the collection and disposal and improvement of sanitation.

In terms of HIV prevalence, Angola has the lowest prevalence rate in southern Africa, with about 2% of the adult population infected, and partly explained by the low mobility of the populations over the past 30 years. While there are medical centers in 18 provincial capitals of Angola, which provide anti-retroviral therapy (ART), only 24% of HIV-infected people are currently receiving ART. It's estimated that in 2011 there were over 12,000 deaths related to AIDS, and in relation to adolescent women is estimated that there are 120,000 women aged 15 years old living with HIV.

Negligence of action and unconscious human behaviors, enhance the proliferation of serious diseases and inhibit future generations of improved levels of quality of life.

Programs of corporate involvement in health are mainly related to the provision of basic health care and prevention programs, and combat malaria and HIV-AIDS.

2013 - 2017 NDP’s Objectives on Health

- Increase the rate of access to appropriate sanitation up to 70%. The key measures would be to establish a National Strategy for Solid and Urban Waste, Implement Urban Environmental Management System, promote the construction of infrastructure sanitation for urban and rural level and update the Wastewater Master Plans in the Capital Cities of Provinces and Municipal Headquarters.

Education, Training and Youth

The Education in the form of guaranteed access to primary education is also one of the millennium goals for 2015.

The biggest challenge for education in Angola relates to the need to increase the quality of education at all levels, with particular focus on strategies for attracting faculty
professionals with expertise and scientific profiles, technical and appropriate teaching. Without the creation of a faculty capable of addressing the challenges of Education in Angola, it is not possible to guarantee the sustainability of compulsory schooling, a factor that determines in the medium term the fragility of human capital.

Regarding some indicators, the trend was significant with the number of students enrolled in primary education increasing about 206% between 2001 and 2009 (IBEP). However, some challenges still remain to be addressed, namely, ensuring that students stay in school and have positive results. According to the IBEP, success rates, and abandonment are still lagging behind.

The indicator of average schooling shows in fact that, besides the problem of primary education, it is also necessary to create the conditions for students to stay in school.

Productivity Indicators of the educational system present an approval rating of 60% in 2009 with the goal of the government in 2015 being 80%. The number of teachers for primary education in 2009 was 109,977 and the number of rooms was 46,608, according to the Progress Report of the Millennium Development Goals, 2010.

The literacy rate of young people in Angola stands at 76.9% for the 15-19 and 74.8% for young people aged 20-24 (IBEP 2008-2009). Here also the regional asymmetry is evident with a literacy rate of only 56.3% in rural areas, according to the Progress Report of the Millennium Development Goals, 2010.

The biggest challenges in the education system concern the level of productivity, where there is a need to improve indicators of completion, approval, abandonment contingent, and the number of students lagging behind the academic years that would be recommended for their age. It would also be important, in order meet the needs of the educational sector, to enhance international cooperation to finance the technical and pedagogical exchange in the areas that concentrate the major obstacles to the expansion and improvement of the national education quality level.

The challenges facing the level of Education of young people end up having an impact on the unemployment rate, one of the main problems in the Angolan economy. The promotion of the informal economy and marginalization are some of the consequences of youth unemployment, which has been addressed through support schemes aimed at facilitating the integration into the working life. The Executive Plan of the Government of Youth Support (EPGYS), in partnership with various institutions, business and civil society, had a significant impact in reducing the rate of youth unemployment as a result of improved living conditions and their active participation in reconstruction and development of the country.

2013 - 2017 NDP’s Objectives for Education
- Elevate the adult literacy rate up to 75% until 2017, with literacy programs for adults and specific literacy programs in the Rural Environment;

- Achieve the number of 70 thousand degrees for Technical-Vocational Education with the expansion and improvement of the school network for vocational technical education and respective equipment to ensure the training of the respective teachers;

- Increase by 2017 the number of higher education graduates up to 20,000. To achieve this goal the Development Plan aims to implement programs such as the National Training Plan, Higher Technological development, promotion and encouragement of postgraduate training in higher education teachers and construction of homes and boarding schools for higher education students.

2013 - 2017 NDP's Objectives for Youth

- Increase the employment rate to 55% (for young people between 15 and 25 years), with the implementation of vocational training programs for young people and promotion of the youth employment and its proper transition from an education system to the active life;

- Increase the number of young adherents to the "My Business My Life" program up to 45 thousands participants. The objective of this program is to support young entrepreneurs, ensuring access to subsidized credit for small businesses and organize and implement internship programs for the youth.
Gender equality

In addition to the geographical disparities, gender equality remains a challenge across the country, particularly in terms of access to school and employment opportunities.

The Angolan society has high levels of inequality, with a Gini coefficient of 55.0 in 2011. (Report: Education in Emergencies and Post-crisis Transition, UNICEF).

The model and values of the Angolan family are based on strong traditions and social pressures that tend to devalue the rights of women.

In the post-war period, there was a growing need for Angolan women to take an active role in society. However, gender inequality remains a key development challenge. According to the Index of Global Gender Parity, from the World Economic Forum, Angola occupied the 106th position in 2009.

Women constitute 52% of the population and 24% of Angolan families are headed by women. The average age at which women have their first child is 18 years old and have an average of 2.7 children. An estimated 9.8% of Angolan men (aged 12 and over) living with more than one woman. Only 51.9% of women with 15 or more years are literate (against a national average of 65.6%), but this is expected to improve since 75.4% of girls (6-11 years) are enrolled in primary school (the national average is 76.3%). Girls constitute 50.5% of students enrolled in primary and 50% in the secondary education. The recent quota system helped increase the political representation of women in senior positions in the Government to 30%. Currently, women represent 38.6% of the member of parliament, the second highest rate of SADC, after South Africa, but still only 1.2% at the local government level, the lowest rate in SADC (Source: Exame Angola).

In the more rural areas, the Angolan woman takes an almost residual participation in the decision making organs. It is essential to maintain investment in institutional capacity of the structures related to the family, including their well-being and improved quality of life.

Family and Women Promotion

+ Potentials
  * Women’s organizations Movement mobilized towards the main concerns of women and society (human rights, violence, participation in economic development);
  * Publication of the SADC Protocol on Gender and Development and its implementation strategy;
  * Strengthening partnerships with UN agencies and other organizations.
- Weaknesses
  - Lack of Family Counseling Centres to support victims of domestic violence;
  - Lack of institutionalization of the practice of Planning and Budgeting in a Gender perspective in the framework of the Convention on the Elimination of all forms of discrimination Against Women (CEDAW);
  - Lack of institutionalization of the practice of Local Economic Development in a Gender perspective and Solidarity Economy as a methodology for strengthening peasant family units and Rural Associative Micro Enterprises (MERAs).

2013 - 2017 NDP’s Objectives for Gender Equality

- Increase the participation rate of women in Parliament and Executive to 40%. The measures are fundamental in promoting gender equality in access to employment and vocational training, organize awareness action towards the role of women in public life and community and apply Policies on Gender Equality.

Culture and Sport

Culture is one of the fundamental pillars for the development of a society. It is interpreted in developed societies as a synonym for knowledge, development, maturity and intellectual capacity. It is this premise that should be pursued in developing countries, through the construction of identity, culture and traditions that reflect the particularities of nations and represent an attraction for the world. In Angola the priority areas of intervention are at creating infrastructures that may support the sharing of different forms of art, culture and social intervention.

The data related to this field, such as the number of visitors of museums or readership reveals a long way to go.

In respect to sports, companies show a clear focus on children and youth, and the importance that sport takes on education of the younger generations. The development of physical capabilities enhances cognitive abilities of young people and contributes to the creation of a culture of responsibility, discipline and competition, which induces a winning spirit. It is this culture that aims to take root in the new generations. There is still insufficient in terms of conditions and material and human resources that allow sports. It is necessary to ensure the construction of new sports centers with geographic spread to the provinces. Currently the corporate support is focused in promoting sports like Football or Basketball, through partnerships with schools or community centers.
Youth and Sport

- Potentials
  • Ability to promote sport values and develop skills in the field of social relations (competition, cooperation, leadership, discipline, among others);
  • Existing sports infrastructures in the country constitute an asset and there is organizational capacity accumulated in performing various competitions and regional and international sports events.

- Weaknesses
  • Insufficient infrastructure and youth sports centers in communities, compounded by poor management, and maintenance of the same;
  • Difficulty in integrating young people into the sporting life;
  • Reduced number of national technical staff.

Culture

+ Potentials
  • Culture as a major incentive for tourism;
  • Increasing outreach, national and international culture and Angolan art;
  • Significant contribution to national unity by promoting patriotism.

- Weaknesses
  • Lack of financial and human resources required for a qualified cultural development of the country;
  • Lack of registration and organization of intangible cultural heritage;
  • Space restrictions on the National Library, preventing the expansion of the collection and admission of a greater number of readers and visitors in general;
Social Development – Main Challenges

Health
- The existent infrastructures and qualified medical staff dictate a low level of access to health care, especially in rural areas;
- In some regions, the low levels of education, health and hygiene conditions, maternal and child nutrition are crucial in worsening health issues. It is therefore necessary an ongoing effort to vaccinate children living in rural areas, the improvement of access to drinking water and increasing investments in the collection and handling of waste, improving basic sanitation.

Education and Youth
- Success and school retention, conditioned by the lack of qualified teachers at all levels;
- The level of development of infrastructures in some levels (water, energy) conditions school activities;
- Misalignment between the contents and the teacher capabilities also conditions school’s activity;
- The lack of skills of young people, mostly in urban areas leads to unemployment and the prevalence of an informal economy.

Gender equality
- Ability to change mentalities and social habits and promotion of women’s rights;
- Promotion of Maternal Health and Education to ensure minimally decent social conditions for all women;
- Promotion of entrepreneurship and women’s culture as a way of generating income that allows to leave the cycle of poverty.

Culture
- Development of adequate infrastructure and training, creation and dissemination of culture in its various forms;
- Preservation of local and regional cultures that reflect the Angolan identity by transforming these cultural activities into economically sustainable ones;
- Ensuring the existence of trainers / teachers qualified and able to cultivate interest and arouse the sports and cultural talent of young people.
2.3.4 Environment

The environmental area has a very recent legal framework and in this sense, companies still assume its mere compliance as their main responsibility for the preservation and promotion of the environment.

Angola is in the development phase of the structural policies and programs in various sectors, including in environmental matters. Over the past 10 years, Angola has institutionalized the Ministry of Environment, which has been developing the regulation of the activity of the various sectors, establishing diplomas that regulate environmental protection in favor of a sustained economic growth. However, there are still deficiencies that are felt at the level of more structural issues, such as: ensuring the existence of systems of waste collection, water treatment and sanitation, among others, which represent the priorities of action for the impact they have on the country's economic development.

One of the conclusions drawn in the study on the Human Development Index, points to a clear link between the Multidimensional Poverty Index (MPI) and the effects of negative environmental impacts on populations. Environmental degradation affects people in many ways beyond income, producing negative effects on health and Education and other dimensions of well-being, reflecting direct and indirectly in the economic development.

Angola is amongst the top 10 countries with the highest rate of deaths attributable to environmental causes as a result of extreme drought, pollution, floods, and other natural disasters.

Fig. 6 – Fatalities attributable to environmental causes (Source: Human Development Report, 2011.)
Natural Resource Management

Angola is a rich country in natural resources, namely water resources, biodiversity, forest and valuable raw materials such as diamonds and oil. From the forest resources, amounting to 43% of the country's surface, only 2% are forests of high productivity and biodiversity. These forests are currently under a significant amount of pressure, both from timber harvesting and agricultural conversion, highly conditioned and inefficient due to the difficulties associated with lack of transport infrastructure. On the other hand, the use of biomass as fuel in suburban and rural areas is also contributing to the deforestation. It is estimated that there has been a 3.7% decrease in forest area between 1990 and 2008 (Source: World Bank). The Angolan government is working towards the creation of new parks and conservation areas.

According to the study conducted by KPMG - Expect the Unexpected - the mining sector, very relevant to the Angolan economy is exposed to significant environmental risks, particularly the shortage of materials and natural resources, water scarcity, and climate change.

Climate Change and CO₂ emissions

The climate change challenge must be addressed from two perspectives: (1) the impact of climate change in the region, society and business, and (2) the contribution of these agents to combat climate change by reducing greenhouse gas emissions.

Climate change is regarded as a factor of major impact, especially in less developed countries, for their lower ability to respond to crisis or emergency situations, but also by the impact they have on crops, the main livelihood of the rural areas as a result of extreme drought, floods, storms, and other phenomena.

Right now, a strategy of the adaptation to climate change is being developed and embedded in policies and national development plans. On the other hand, and in response to the need to mitigate emissions, it's urgent to implement low carbon development solutions that don't compromise economic development.

In Angola, the main sources of emissions are associated with the flaring of gas associated with the extraction of Oil and other sources to meet the energy requirements of the population. It is currently underway the development of other energy production technologies with lower environmental impacts associated, as natural gas or hydro-electric production.

According to data from the 2013’s Human Development Report, CO₂ emissions in Angola grew at an annual rate of 2.2% between 1970 and 2008, currently standing at 5.1 tons of CO₂e per capita, a value superior to most economies of the world, much explained by the activity on the Oil and gas sector.
By consulting the 2013-2017 National Development Plan, it is noticeable the Executive’s ambition to integrate environmental concerns into the different existing programs. The education and training program for environmental management (which aims to raise awareness, education and train people in different areas of the environment), and the Environmental Quality program (which formulates policies and legislation to prevent pollution and any harmful action towards the environment), among others, are examples of initiatives to promote the use of clean and eco-efficient technologies.

Still, Angola lacks management systems to support the environmental aspects, both in terms of prevention and minimization of impacts. The country is rich in natural resources and it is therefore urgent to ensure the preservation of biodiversity, ecosystems, water resources, soils, atmosphere as well as the need to control the production of waste, as result of the increasing economic development. The most polluting industries such as mining and exploitation of natural resources have played a key role in incorporating responsible practices for controlled and efficient management of resources. Developing countries should consider in their growth strategy the use of cleaner technologies, allowing the achievement of economic efficiency and environmental gains.

It is still not possible to have data that objectively characterizes the current situation of the country in terms of environmental indicators, which difficult their control and monitoring.

**Environment**

- **Potentials**
  - Growing interest in environmental issues and the need for protection, preservation and conservation of environmental quality;
  - Valuation of the national assets of the communities;
  - New methodologies for analyzing the economic and environmental feasibility, as well as the mandatory submission of presenting environmental impact studies for investment projects.

- **Weaknesses**
  - Lack of technical staff to implement projects in the sector;
  - Weak Environmental Education, poor sanitation and lack of climate impacts’ monitoring;
  - Environmental degradation through desertification.
Environment - Key Challenges

- Development of infrastructure and adequate mechanisms for the installation of technologies and eco-efficient practices, for example in terms of transport, waste recycling and other
- Ability to monitor the environmental performance and ensure compliance with environmental legislation
- Changing the mindset from an exclusive legal compliance to a culture of more environmental responsibility
- Community awareness towards environmental aspects

2013 - 2017 NDP's Objectives for Environment

- Increase the access rate to drinking water to 55%, with improvements in the quality of water services in most populated areas, complete the implementation of the "Water for All" program and implement a National Water Quality Monitoring program for human consumption.
3 Characterization of the current situation of CSR in Angola

3.1 The Private Sector

CSR and value creation

When questioned about CSR concept with which they most identify, the sample of companies surveyed, revealed an almost global alignment, basing their concept of sustainable development on the three pillars of development, clearly distancing themselves from an approach to welfare, charity or philanthropy that characterized these actions in the past. The answer for the concept that was more consensus was that corporate social responsibility includes taking "commitment in supporting and developing communities" (considered very important by 87% of respondents), "Being socially and environmentally responsible and contribute to economic development" (considered very important by 74% of respondents) and "Be transparent and ethical in conducting business" (considered to be very relevant by 74% of respondents). The concept of "Protecting the Environment" was considered slightly less relevant than other definitions.

Average rating of each definition of CSR according to the companies surveyed

- Commitment to the support and development of communities: 3.9
- Be transparent and ethical in business: 3.8
- Being socially and environmentally responsible and contribute to economic development: 3.8
- Provide products and services accountable and inclusive: 3.7
- Commitment to employees: 3.7
- Protecting the environment: 3.1
- Grant funds and practicing charity: 2

Refers to the average of each response relative to the total universe of responses where 1- Non Relevant ---- 4- Extremely Relevant
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On the other hand, it’s also important to reveal the prominence given by the interviewees, to the importance of implementing CSR programs that create value for the various stakeholders external to the organization, but also to create value for the organization itself, critical to ensure that the programs have continuity in time. This can also be translated by the importance given to the concept of “providing inclusive products and services” in the context of CSR activities.

These results suggest that there is already a clear definition of the role of corporate social responsibility and that it is not limited to the business of philanthropy or charity. The culture of corporate social responsibility stems from a moral and ethical obligation of organizations, but has evolved into an activity whose purpose is social investment, which implies that there is an actual return to society and that this also contributes to the value and return of the organization.

The alignment with the Global Compact

Given the importance of the Global Compact (GC) principles as a reference for companies in sustainable development, an analysis was performed about the knowledge and level of adherence to these principles.

The results show that for the sample consulted, there is a tendency to align with the principles of GC, especially with fundamental rights (human rights work - principles 1-6) with which, on average, 86% of the companies believe to be aligned or fully aligned with these principles.

What is your level of alignment with the principles of GC from 1-6 - Fundamental Rights?

In respect to the principles relating to the environment, the conclusion is that companies are aware that there is still a long way to go. Only 66% of companies claimed to be aligned with the GC principles concerning...
environmental responsibility and diffusion of environmentally friendly technologies, which is indicative of the work to be done to raise awareness of the civil society to the importance of the environment.

What is your level of alignment with the principles of GC from 7-9 - Environment?

![Survey Results](image)

Regarding the principle No. 10 concerning promotion of mechanisms to prevent and fight corruption, 74% of companies prefer not to answer, while 15% say they are aligned or fully lined.

**Sectoral Analysis – Level of alignment with the Principles of the Global Compact (Principles from 1 to 9)**

It appears that the banking sector is declaring a greater alignment with the principles of GC, and the construction and oil and gas show a trend slightly lower. This alignment is farther with respect to the principles relating to the prevention of the environment.

*Telecommunications, Insurance, Beverages, Mining, Infrastructure e Agro-industry

**The definition of a Social Responsibility Strategy**
The dimension of corporate social responsibility should be defined in strategic way to enable value creation both for society and for the company with medium-long term vision.

We found that the majority of companies surveyed already have developed a strategy in order to allocate efforts and resources to corporate social responsibility initiatives, and have an area or department that is dedicated to these actions. In most cases this responsibility rests with the department of communications, marketing and institutional relations.

In the Oil & Gas sectors, 50% of the respondents have defined strategies internationally with major guidelines that are adapted to the local context. The high maturity in managing this corporate social responsibility issues results from two main factors: on the one hand, because these are multinational companies that have been operating for many years in the context of developing countries, which explains the high expertise capitalized on these areas, on the other hand, the obligations derived from the concession contracts under the Local content and license to operate, makes CSR an intrinsic reality to the sector, that has been part of business since the beginning of their operations.

As for those responsible for defining the strategy and implementing the projects, it appears that there is a considerable dispersion across companies. Only about half of the companies surveyed have a specific area dedicated to corporate social responsibility and sustainability.

The departments of communication / marketing are those that are more often referred as the ones responsible for developing the Corporate Social Responsibility's strategy, although there are already a high percentage of companies that claim to have a department of social responsibility that is exclusively dedicated to the delineation and implementation of the organization’s CSR strategy. Note also that about 26% of firms report the involvement of top management, including the Board of Directors, in developing their corporate social responsibility strategies and in 70% of the cases the Board of Directors is the responsible for approving the plans and investments.

In sectoral terms, we find that the Oil and Gas sector to be the most mature, and all companies...
analyzed have departments for social responsibility and sustainability, and in some cases both. In the case of banking and construction sectors this percentage is 33% and 50% respectively. In these sectors, Communication Departments often have this responsibility.

Alignment with the action areas

Note that while many organizations are active only in certain provinces of Angola, their corporate social responsibility activities tend to cover a larger portion of the territory. About 13% of companies claim that their CSR activities covers only Luanda while almost half said that their CSR activities include at least the regions / provinces where they are present.

With respect to the alignment with the material issues, we find that there is a global alignment by the companies analyzed, and the majority of companies support health, education and economic development through their CSR plans. Only about half the states have initiatives under environmental protection. Specific initiatives for youth and gender inequality fight are not addressed by about 25% of respondents.

Health

We found that, under the Health themes, the companies’ most representative area of activity is at the level of the health programs for its employees and HIV AIDS prevention. On the other hand the less privileged areas are programs directly linked to the health of children, training of health professionals and provision of medicines (all mentioned by less than 45% of companies).

The development of health programs for employees, mentioned by many respondents, derives from the need to mitigate the risk and the operational impact in the business in the sense of what health issues implies in terms of employees’ availability, (attendance), for the development of their work activities. There is also often verified that the infrastructure developed for the companies’ employees will ultimately also be used by other members of the community, resulting in an indirect benefit.
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The sectoral analysis of this information was limited to the sectors of Construction, Oil and Gas, Banking and Transportation because only for these sectors there was representation in terms of responses.

We found that the majority of companies in the Oil and Gas sector in the sample considered, develop programs to prevent HIV-AIDS (80%), and there is also some convergence with the other areas of intervention, developed by more than half of the companies (including: malaria, child health, health infrastructure, training of health professionals and health programs for employees).

In the construction sector, it appears that all the sampled companies develop health programs for employees, most of which also include programs of providing medicines to prevent malaria and HIV AIDS.

In the banking sector, 60% of companies have also declared to have health programs for their employees and 40% state to have programs to combat malaria and making donations for Health sector initiatives.

Concerning public transportation companies, represented here by two companies, it's referred that their main activities focus on maternal health and the training of health professionals.

Initiatives most frequently mentioned by the company related with Health per Sector (% of firms per sector)
The construction company Conduril, which has developed a training program accredited by INEFOP, is a partner of the Ministry of Education on literacy scope.

Education

Education is also an area of major investment by firms with CSR activities. Again, the training programs developed within CSR result from the need to train their own employees. Precisely for this reason, we find that 74% of companies highlight the training given to employees as an area of action. It was also found that the majority of businesses that operate in Education seek to promote education and literacy, encouraging the retention and academic success.

Also worth noting, that most of the respondents mentioned the participation of officials in the development of these programs, in many cases within a partnership framework, to ensure alignment with government policies and objectives.

Some examples of "Other" areas of activity referred to by the companies comprehend the "Human rights training", "Promotion of vocational training" and "Education in the context of culture."

Initiatives most frequently mentioned related with Education (% of firms)

<table>
<thead>
<tr>
<th>Initiative</th>
<th>% of Firms</th>
</tr>
</thead>
<tbody>
<tr>
<td>Education and Literacy</td>
<td>52%</td>
</tr>
<tr>
<td>School Infrastructure</td>
<td>35%</td>
</tr>
<tr>
<td>Programs Success / Training</td>
<td>65%</td>
</tr>
<tr>
<td>Training Employees</td>
<td>74%</td>
</tr>
<tr>
<td>Computer Training</td>
<td>35%</td>
</tr>
<tr>
<td>Other</td>
<td>43%</td>
</tr>
</tbody>
</table>

Sectoral analysis of this information was limited to the sectors of Construction, Oil and Gas, Banking and Transportation, because only these sectors had representation in terms of responses.

The initiatives of companies engaged in Oil and Gas concerning Education, are distributed in various areas of action, mainly in the field of employee training programs, success and student retention, education and literacy. Note also the "other" initiatives, related primarily to support employees through scholarships for higher education. Construction firms act mainly in the same areas, and only 25% of the companies refer the improvement of infrastructures in the scope of their CSR agenda. In the banking sector, 83% of surveyed companies invest in training for employees, and only 17% claimed to be working within the education and literacy scope. The enterprise sector of public transportation refers primarily to act within the education and literacy.
"Acreditar" Programme - Odebrecht

Objective: It is a Social Responsibility Program, focused on training and developing people, which seeks to support the Angolan youth in gaining their first job through concrete interventions in the communities where it operates.

Results: To date, the program has included the enrollment of more than 6,200 people, 2,900 having been formed in the provinces of Benguela, Kwanza Norte and Luanda. Other companies began to hire qualified professionals for the program ACREDITAR.
Regarding the development of initiatives for young people, about 78% of the companies surveyed reported supporting this area. Many initiatives are related to education and training of young Angolans, with emphasis in initiatives related to new technologies training and also with support in higher education. The awareness to sporta practice is also a strong area of activity by firms.

Other initiatives highlighted are programs of financial literacy, which despite not being widely disseminated, are important since they aim to convey the concepts of managing finances and household budgets to youth. The promotion of culture amongst the youth is one of the least supported actions by companies.

The sectoral analysis of this information was limited to the sectors of Construction, Oil and Gas and Banking, because only these sectors presented representation in terms of responses.

Based on the information reviewed it was found that in the construction sector, companies operate mainly within the education and training of young people. As it has been mentioned in the context of health, construction companies, because they develop their activities in more remote provinces, have the need to develop these initiatives risking otherwise failure to operate, due to the context of lack of skills from local employees.
Concerning the Oil and Gas sector, the companies have different action areas ranging from Education and Training of Youth, to Sport's Awareness and donations.
Gender Equality

On the topic of gender equality, 78% of companies surveyed claimed to have specific CSR programs aimed at promoting the fight against inequality between man and woman in the Angolan society.

CSR initiatives in this area are delivered through Education and development programs. The development of health programs and employability, especially targeting women are also some of the initiatives that are developed. This area is primarily developed by the Oil and Gas companies, where companies report their involvement with organizations that promote women's rights in the civil society, to the development of projects of Training, leadership and budget management. We found that these initiatives are particularly relevant in rural development context, where the Education and Health conditions act as barriers to equality.

Culture

Under the culture promotion scope, we found that 83% of the companies analyzed are active in the field of culture, and from these the majority supports some kind of cultural event (theater, music, exhibitions). Most initiatives are related with the awareness of employees themselves. The less transversal initiatives refer to the promotion of the national language learning, developed by only 21% of companies.

The development of reading programs and cultural development specific youth are held by 47% of companies.
The analysis of this information in sectoral terms was limited to the sectors of Construction, Oil and Gas and Banking because only these sectors had representation in terms of responses.

We found that cultural initiatives are developed by only 60% of companies in the oil sector, 75% of companies in the construction sector and of 83% of companies in the banking sector. In all cases, there is the dispersion in different areas of the actions of action.

The Oil and Gas sector operates mainly in the development of cultural initiatives. The construction sector operates mainly in the field of awareness (of women, youth and the employees themselves) as well as in the promotion of reading. In the banking sector, the most active sector in the cultural scope, states to act within the awareness of the employees themselves.

Note the high percentage of companies in all sectors that report the allocation of donations and sponsorships as a way to act in the field of culture.

**Economic Development**

Concerning the development of a sustainable economic development, companies which have CSR operations have been acting in various fields, particularly in terms of employability initiatives, product safety and boosting the local economy. About 75% of companies surveyed consider to be promoting the revitalization of the local economy through hiring of local labor and training of local suppliers, reflecting also in the employability of young people. Also worth noting, the low percentage of companies that claim to be acting in the field of demining (which may be attributable to the high effort that was concentrated on this aspect in the past) and housing infrastructure.
The analysis of this information in sectoral terms was limited to the sectors of Construction, Oil and Gas, and Banking as only these had representation in terms of responses.

It's observable that the Oil and Gas sector has a large dispersion in the areas of intervention, with 75% of companies acting on water and sanitation infrastructures, transparency and ethics, product and food safety and employability young.

Concerning the Construction sector, there is greater concentration in the areas of intervention, since all firms surveyed refer to act in terms of boosting the local economy, employability and economic diversification. It is also interesting to highlight the low percentage of companies in this sector acting on infrastructures from a CSR perspective (only 25% of construction companies refers to act on supporting the development of housing infrastructure or energy), an area that would be assumedly near the sector's business activity.

In the Banking sector, priority has been given to promoting transparency, ethics and business conduct as well as to youth employability. Note the low percentage of companies in the banking sector that stated to develop inclusive products associated with micro-finance, an essential tool for the development of entrepreneurship, financial inclusion, diversity and formalization of the economy.
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Oil & Gas
- Other
- Food Safety
- Economic Diversification
- Infrastructure for water and sanitation
- Transparency, ethics and business conduct
- Youth Employability
- Development of products/services inclusive
- Safety of products available
- Promoting the local economy

Construction
- Plans and/or supporting emergency and crisis situations
- Demining
- Food safety
- Economic Diversification
- Infrastructure for water and sanitation
- Transparency, ethics and business conduct
- Youth Employability
- Safety of products available
- Promoting the local economy

Banking
- Infrastructure energy
- Donations
- Food safety
- Economic Diversification
- Infrastructure for water and sanitation
- Transparency, ethics and business conduct
- Youth Employability
- Development of products/services inclusive
- Safety of products available
- Promoting the local economy
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Drinking Water Supply Program – Statoil

**Objective:** This project aims to supply drinking water to villages of Cuio and Tonhola, Commune of Dombe Grande, municipality of Baia Farta in the Benguela Province, with the aim of improving the sanitary/health conditions of the population targeted by the project (approx. 1719 inhabitants).

**Results:** A set of infrastructure was installed for the obtainment of drinking water for these villages, a group of community members was trained to become responsible for the maintenance and management of the water system and for ensuring the continuity of the project. The new conditions have attracted more people to the area, increasing from 1,719 inhabitants prior to the implementation of the project to the existing 6,363 inhabitants. In addition, there was the reinforcement of social cohesion among the beneficiaries, through the Community share in the management and maintenance of the infrastructures.

Environment

The Environment is the area that generates the least consensus in terms of performance under CSR scope. Only 52% of companies claim to have some kind of activity related with environmental protection.

Still, for companies that claim to have these environmental practices, the most common are related to biodiversity conservation and pollution prevention. Only 50% of these companies have developed some activity related to renewable energy and emissions mitigation. Note also that only 58% claim to be working within the environmental awareness of communities.

**Initiatives most frequently mentioned related with the Environment (% of firms)**

- Pollution Prevention: 67%
- Environmental awareness of communities: 58%
- Natural resource management: 58%
- Waste Management: 50%
- Mitigating the effects of climate change: 50%
- Renewable Energy: 50%
- Environmental awareness of partners: 42%
- Biodiversity conservation: 75%

In sectoral terms we found that the majority of businesses that state to be active in environment aspects belong to the Oil and Gas sector, and that the initiatives are mainly focused in the preservation of biodiversity. Also important to highlight is the fact that all surveyed companies in
the sector of Transportation, reported to have initiatives and environmental related actions, concerning pollution prevention.

Regarding the Construction sector, only one company stated to develop initiatives in the environmental scope.

The main difficulty identified by companies in implementing programs at the environmental level, is partly due to the absence of partners with expertise in this area and, in addition to the low awareness and capacity of local communities to this issue, which jeopardizes their success.

**Amounts and Investment Areas**

In terms of the amounts of investment, most of the companies that responded to the questionnaire invest annually between 2 and 10 M USD in CSR activities, highlighting some disparity on the range of investment between the companies analyzed.
In terms of areas benefited, we found that Education is the most favoured area. Along with the Health and Economic Development, these areas account for more than 70% of annual CSR budget for the companies surveyed.

Youth and gender equality are typically the areas that companies least invest, and initiatives related with the environment and the culture represent only 7% and 6% respectively.

Average percentage of each area of activity in the annual budget of the company for CSR (%)

* Not including the banking sector for lack of answers. In reference to an universe of 15 responses.
Note: The values represent means of financing, so the sum does not total 100%.

In sectoral terms, we find that the Construction sector is the one in which Education has the greatest weight in terms of financial investment. The largest contributor to the health and gender equality promotion is the Oil and Gas sector. In the Transportation sector, the environment and culture are most important.

Average distribution of CSR Budget by sector and area of operation

3.2 The contribution of other agents in the CSR agenda

The importance of partnerships

Corporate Social Responsibility assumes a complex and transversal nature of action, which necessarily requires the involvement of different actors from the civil society. The challenge that the implementation of CSR actions and projects faces today, lies also with the identification and selection of the most trustworthy and capable partners, that will contribute for the success of the projects and the creation of a positive impact on society that lasts over time. The involvement of
different actors in society allows, on the other hand, the achievement of complementarity of action in terms of defining the scope, implementation of actions, monitoring the project and financing, which otherwise would not happen.

From the consultation of different stakeholder groups in the preparation of this study, it’s unanimous the importance of joint action, regardless of the area of operation. It’s interpreted as a relationship with bilateral gains. If on one hand there is the guarantee of funding that enables NGOs to implement projects and cover their own operational costs, on the other, companies, ensure the required know-how for the realization of projects as well as an on-site continuous presence and monitoring of their projects.

Given the level of maturity in terms of CSR in Angola, naturally, Health and Education are the areas in which companies develop most partnerships. The groups most frequently identified as partners are public entities (in the area of youth, education and economic development) and ministries (particularly in the areas of culture and the environment). It is also interesting to observe the high percentage of companies that partner with other private entities, especially in the health area. The low percentage of partnerships with NGOs, especially in the area of economic development, youth and education, also shows that there is need for greater involvement by the private entities in promoting partnership projects in these specific areas that will also help to develop critical skills in the non-governmental entities.

In the environmental area, most of the initiatives are developed in partnership with the Ministry of Environment, which was justified by some companies and confirmed by the Ministry of Environment, by the absence of other capable partners to implement initiatives, such as environmental NGO’s.

It’s also important to highlight the fact that only 24% of the companies claim to have established partnerships in projects related to gender equality.
**Corporate Social Responsibility**

**Current Situation in Angola**

### Main partners for Culture Initiatives

- **Ministries**: 12%
- **Provincial Governments**: 21%
- **Communes**: 0%
- **Other Public Entities**: 14%
- **Other Private Entities**: 8%
- **ONG**: 17%
- **Others**: 29%

### Main partners for Youth Initiatives

- **Ministries**: 17%
- **Provincial Governments**: 6%
- **Communes**: 5%
- **Other Public Entities**: 17%
- **Other Private Entities**: 17%
- **ONG**: 0%
- **Others**: 55%

### Main Partners for Economic Development Initiatives

- **Ministries**: 17%
- **Provincial Governments**: 4%
- **Communes**: 17%
- **Other Public Entities**: 9%
- **Other Private Entities**: 9%
- **ONG**: 12%
- **Others**: 0%

### Main Partners for Environmental Initiatives

- **Ministries**: 19%
- **Provincial Governments**: 12%
- **Communes**: 31%
- **Other Public Entities**: 0%
- **Other Private Entities**: 25%
- **ONG**: 13%
- **Others**: 0%
Several different actors and entities were mentioned as being involved in Corporate Social Responsibility projects:

<table>
<thead>
<tr>
<th>Entity</th>
<th>Mentioned Examples</th>
</tr>
</thead>
<tbody>
<tr>
<td>Ministries</td>
<td>Ministry of Family and Women Promotion, Ministry of Culture, Ministry of Youth and Sport, Ministry of Agriculture and Rural Development, Ministry of Economy and Finance, Ministry of Higher Education</td>
</tr>
<tr>
<td>Other Private Entities</td>
<td>Other companies, foundations, private universities</td>
</tr>
<tr>
<td>NGOs</td>
<td>Child Fund, Xá de Cachinde, Rede Maiombe, FMEA</td>
</tr>
<tr>
<td>Development support agencies</td>
<td>United Nations – UNICEF, PNUD, World Bank</td>
</tr>
<tr>
<td>Other</td>
<td>Religious Congregations, Youth Associations</td>
</tr>
</tbody>
</table>

The role and perception of the different agents

As a result of the limitations of the Government’s actions to eliminate the rooted and symptomatic problems of the Angolan society, companies have gradually assumed the responsibility of promoting social, environmental and economic causes. They assume a responsibility that is imposed upon them by the deilities of the Angolan social context at various levels, both in health, education, water and sanitation, basic infrastructure, among other. It is found that the intervention of the companies has been mainly through funding of social projects conceived and implemented by third parties. In few cases there is greater involvement namely in the design, implementation and monitoring of projects. This situation results in part from the absence of internal skills and capabilities to develop these projects, and it means that the main challenge companies face is the difficulty in identifying suitable partners for the implementation of its social responsibility projects, and of course also the monitoring and assessment of the results. On the other hand, the knowledge about the reality of the local context, where these projects are developed, confers these agents, (such as NGOs and local authorities) a crucial importance in the implementation of corporate social responsibility projects.

It also demonstrates the concern and need for improving the communication of the initiatives of the various ministries in order to capture potential partners from the business sector and ensure the alignment and coordination with the local authorities. The Executive’s perception is that companies still invest small amounts in certain areas of corporate social responsibility (like support for the elderly, specific programs for children at risk, demining). In the environmental area, the perception is that there are still few non-governmental potential partners to implement projects, which causes companies to resort to official entities as main partners.
The role of national governance entities, represented by the Ministries, has been essentially one of defining a political and legal framework appropriate to social and economic needs, while investing in institutional structures and infrastructure to support the sustainability of the projects, concerning its implementation feasibility and continuity in time. However, there is the perception that, in relation to corporate social responsibility issues, the State and particularly the Ministries have adopted a more passive position. In the Oil & Gas sector in which there is a contractual framework that establishes the CSR investment plans, it is agreed that policies should be set at a macro level and the implementation of social investment projects should be accompanied by officials so to ensure not only the alignment with the policies of the executive but also to maximize the impact of initiatives.

The Executive should assume a leadership role in the coordination of all stakeholders (including funders) and in the allocation of human and financial resources, according to the definition of priorities in the National Development Plan. The majority of companies surveyed stated that a significant number of social responsibility projects developed or financed have the involvement of ministries of the respective intervention areas, and at the local level, the involvement of the Provincial Governments and Municipal Administrations. The current involvement of the Executive somehow ensures the alignment with the priority areas, namely those set out in the National Development Plan 2013-2017. A strong, proactive and responsible State develops policies aimed at developing both public and private sectors, on the basis of leadership and long-term vision, norms and values, as well as rules and institutions that promote trust and cohesion. A lasting transformation requires nations to define an approach to consistent and balanced development.

About 50% of companies stated that the absence of guidelines is an issue, most of which state that the Executive should have a guiding role in defining the priority areas in social responsibility, ensuring a synergic and methodological approach between different civil society actors.

The provincial governments and municipal administrations are an essential support for the implementation of projects of social responsibility in order to decentralize companies’ CSR activities. A decentralized authority ensures an important support to the local communities through a participative approach and community training on the process of planning, developing, implementing, monitoring and assessing the project. As key stakeholders in the development of projects in their respective provinces or regions, they are compelling partners and must be involved from the start in order to ensure the viability and the future sustainability of the project. Local authorities have a key role in the accountability of beneficiary communities in the pursuit of successful initiatives. On the other hand, it is also often referred that it is increasingly important the partnership that should be established with the communities, as they will have the responsibility, in many cases, to manage and ensure the sustainability of the projects.

The presence of development support agencies, results from the need to intervene in times of conflict, post-conflict or humanitarian emergencies, with the aim of promoting reintegration, reconstruction and rehabilitation of infrastructure, job creation, universal access to basic social services, and contribute to the social, economic and environmental development. The challenge that Angola currently faces, is the need to adapt the strategy and modus operandi of these agencies, moving from a conflict based scenario to one of fast pace economical development. The economic and financial context of the country influences, to some extent, the eligibility to
receive support and international funding aimed at development. In this context, Angola has to justify the presence and intervention of international development agencies, despite the “positive” indicators of wealth per capita.

On the other hand, the very high operating costs and the lack of funding dictates that many of these agents are forced to leave the country. It’s a known fact that the country still lacks support and funding for the promotion of the fight against extreme poverty and hunger and other basic development services, which require that these agencies, along with private companies, assume themselves also as international financing channel for social responsibility projects, as well as an active and intervening role in the projects.

For non-governmental organizations of social and environmental focus, the main role they are expected to deliver is the implementation of high standard social and environmental programs that require specific knowledge and expertise and that address specific communities needs. These agents represent a driving force in the dynamics of political and business decision-making, as well as promoting the involvement of local communities, generation of ideas and promotion of the discussion of relevant issues that impact on the whole society. It is also important to emphasize that the perception of difficulty in engaging some sectors (for example the construction and mining sector) still exists, which illustrates that there is some mutual advocacy work to be done in order to build the trust required to develop common projects. In another hand, it is perceived that companies, having a limited CSR budget, preferably decide to support various projects and initiatives that ensues the marketing return and visibility, but sometimes failing to deliver the social impact needed.

Religious congregations are also recognized for their ability to act with needing communities, and because of the strong reputation and credibility that characterizes them, these entities are regarded as preferred partners. Its role is crucial for the communities in transmitting structuring values and establishing the foundations of social educational development which are the basis for any social development project.

Academic institutions are a source of knowledge and the vehicle for training, education and development of skills of the population, and in particular of young Angolans. The involvement of these partners in social responsibility projects is important in the sense that it contributes to the medium-term sustainability of economic growth and development of the country. One of the most important roles that are played by universities is the one of training and creating awareness for young people and future Angolans workers in their field of expertise and also the awareness for the human values and social responsibility as a form of being in business, academic world and society.

The training of Angolan workers is one of the challenges that companies face today, as they are confronted with the need for business growth and growing market competitiveness that requires industry expertise and highly skilled workers. One of the difficulties mentioned by the stakeholders consulted has to do with the placement of new Angolan graduates in internships that complement their theoretical training. According to these stakeholders companies should be more open to the promotion of internships for young graduates as part of their social responsibility programs.

Alignment between agents
It is generally agreed that companies should reinforce their strategic alignment with the priority areas of action and that they should have in its genesis, an alignment with the Angolan Executive’s goals for the development of the country as well as the identification of key partners in the pursuit of social plans and projects. Private entities shouldn’t however be the only ones to have the burden of this alignment. The social entities and agencies that seek to promote development should also, along with its counterparts, seek ways to optimize efforts, identify best practices and give credibility to the third sector. It is also necessary to strengthen the communication mechanisms, improve the ability to communicate and promote the transparency, of the private, public sector and non-governmental sectors.

A clear commitment from Government is relevant in the development of an appropriate policy framework that promotes social and economic recovery, poverty alleviation, reduction and improvement of the governance model, supported by substantial allocation of internal resources, in order to provide the confidence for strong partnerships between government, donors and the different social partners. To be able to develop integrated corporate social responsibility projects, it’s essential that there is a significant investment by the Executive in the areas of education and training of public institutions in order to guarantee the tracking, monitoring and growth of projects. It is necessary to strengthen the capacity of key institutions of society, mainly the government institutions and strengthen the involvement of civil society expressed through non-governmental organizations and universities in order to diversify the number of potential partners for companies and also to ensure the diversification of areas and regions of action.
4 Risks, Challenges and Opportunities associated with CSR

4.1 Key opportunities

In order to assess the sensitivity of the business sector towards opportunities perceived to be most relevant while implementing CSR programs, companies were asked to point out the main opportunities they identified.

There is consensus among sectors that the existence of policies and practices of CSR can bring several benefits. It is interesting to observe that the benefits of "tactical" nature are most frequently mentioned, showing a high degree of maturity in the perception of the potential positive impacts to the organization of having a solid CSR agenda.

The point referred by companies as the most relevant in terms of benefits is "Strengthening stakeholders relations", was rated as "very important" by about 87% of companies. Besides this, other relevant aspects, such as improving relations with the government and the market growth potential were also pointed out.

Other aspects mentioned as opportunities to capitalize were the "Attraction and Retention of employees" and "Innovation and Learning".

On the other hand, the aspects considered less relevant by the organizations, are: “Improved market share and shareholder return”, "Access to international capital" or "Cost Reduction"
4.2 Key Challenges

Companies were also asked about the relevance of the main challenges they feel when implementing their corporate social responsibility’s strategy.

Among the key challenges mentioned in implementing a CSR program, it’s highlighted the identification and existence of partners for the implementation of CSR projects, lack of guidelines, together with the difficulty in monitoring the impact of initiatives undertaken. It is also important to mention the perception of lack of knowledge and know-how to implement corporate social responsibility programs, considered as a “relevant” or “extremely relevant” challenge by 73% of companies surveyed.

It’s also worth mention that among the “other” challenges, the one that was most frequently identified was the lack of coordination and alignment of efforts amongst all players in order to address social issues in a more effective manner.

Awareness of civil society

Underlying the challenges in finding partners to implement corporate social responsibility programs and of the identification of areas of action is also the need to create awareness on the civil society. Currently the involvement of civil society in the implementation and management of social responsibility issues is limited to a set of agents that are not completely representative of the Angolan society, and that can result in lack of the context in which it is developed. The awareness is assumed relevant both from the perspective of raising awareness among companies and organizations for the funds available for investment in the areas of social responsibility, as well as the importance of the beneficiaries, namely the local communities, to obtain an understanding of the social contribution and the economic development of these actions. On the other hand, it is important the external communication practices of corporate social responsibility, as an effective way to create visibility and to build a culture of awareness in society.
It is essential that a clear perception about the role and responsibilities of each party exists, from the promoter or recipient, in order to create a common understanding and agreement on key objectives and expected results. It is also crucial to identify and to communicate the priorities for action in social terms by the different parties. The internal exercise made by the companies in identifying the relevant areas must ensure the expectations of main stakeholders and the official entities are met and also to ensure the transparency in areas they perceive as most in need and where companies can actually make a greater contribution and difference.

Along with the corporate communications, media plays a crucial role in the dissemination of concepts, reference projects and areas of activity that are targeted for investment and involvement from the different partners.

**Training and skills in CSR**

Training and awareness on CSR is an ongoing process in which individuals and communities become aware of their environment and learn the culture, knowledge, values, skills, experience and also the determination that will enable them to act individually or collectively, in addressing the present and future problems.

Over 70% of respondents believe that "knowledge and know-how to implement CSR practices", is a relevant or a very relevant challenge that companies face today. The specificity of the issues, the knowledge of the social context in which they operate, the priority needs for action, the alignment with business strategies, suitable partners and channeling funding are some of the responsibilities that are required of professionals that manage Corporate Social Responsibility in companies. In response to these challenges, we can observe a tendency for the existence of independent organic structures in current organizational models of the companies, which assume responsibility for monitoring the CSR projects, with its respective allocation of human, material and financial resources. There is also a clear tendency for projects to be developed and implemented by third parties with specific skills and the ability to implement locally the conceptualized initiatives. This implies the existence of internal skills for a critical evaluation of these projects, not only in order to assess its relevance for the company itself and to control the investments, but also in order to ensure the maximization of social return.

CSR training is a way to develop these skills and create awareness on the employees in the context of creating a culture in social responsibility, alongside economic growth.
Monitoring and sustainability of CSR programs

About 73% of companies state the monitoring of impacts, as one of the major difficulties (stating this issue as "extremely relevant" or "relevant"). On the other hand, about 43% of the respondents believe that there is a lack of institutional capacity to ensure continuity and sustainability of the projects. In fact, the Angolan weaknesses when it comes to infrastructure, such as schools, hospitals and human resources capacity, shown, for example through the lack of teachers or doctors, hampers, in some cases the viability and long term sustainability of CSR projects (61% of companies assume the difficulty associated with infrastructure and logistics as a "relevant" or "extremely relevant" challenge). This fact coupled with the difficulty in collecting reliable statistical information and with the absence of standardized tools and methodologies, complicates the effective assessment of social impact of initiatives.

NGOs have been assuming the role of monitoring and controlling the projects as a result of their direct involvement in the projects and because of their monitoring capacity, however it is important that companies assume this part of monitoring as a privileged tool of assessment on the social value creation and in order to help decide on which projects to allocate the budget.

Monitoring the impact on society of CSR projects is for the time being, limited to assessing the effectiveness and success in the implementation of the projects planned initiatives. Currently, there only a few cases in which there are in place indicators to evaluate the social return in the medium and long term of CSR projects. The monitoring and impact assessment of projects results require a commitment from both parties: financier and beneficiary. Those who benefit from the financial support to implement projects have to be accountable for this support and have to be able to evaluate results, in order that companies supporting can assess impacts and determine strategies of allocating effort and resources.

Active participation and engagement with society

In societies it is generally agreed that in order to achieve the country's development, the active participation of all citizens is required as they represent human capital, labor, knowledge, skills and productivity. The successful development of CSR projects requires the involvement and partnership with different stakeholders in society, through the sharing of efforts and responsibilities, in order to facilitate solutions, create synergies and ensure that all stakeholders achieve the purpose for which they propose.

The relationship with the various stakeholders, it is also a mechanism of involvement, participation and consultation of the expectations of different agents.
Financing

About half of the respondents believe that funding represents a constraint to the implementation of CSR practices. It’s verified, however, that this difficulty is naturally, more pronounced in smaller companies. For this reason, and in order to make corporate social responsibility more transversal to the business community, it is essential to define a clear communication of the strategic areas of action, benefits and the financing channels available to implement these programs.

Companies operating in Angola believe that they should give back to the community part of what nature, communities and resources have provided for them. This premise is the basis of the values and the organizational culture that instigates the strategic investment in CSR practices. The challenge for companies is to guide and direct investments to projects that create a greater value for society and that will allow a return in a medium/long-term.
5 The Future Path - CSR as a development tool

The path of CSR must move towards the social, economic and environmental development. The sustainability of investment in CSR is based on creating impact on society and the ability of ensuring the impact is continuous over time. For companies to be able to capitalize the most out of the investment made, it should be ensured the monitoring and tracking of projects. It is necessary to understand the social and political dynamics, aspirations and beliefs that motivate the behavior of each party, and only then, under a plan of mutual understanding and shared interest, can it be outlined a strategic plan that will achieve these objectives.

The evolution from a crisis and emergency scenario of to one of growth, is currently posing challenges and opportunities never before seen in the Angolan society and its companies. It is therefore urgent to seize this opportunity to establish a framework that defines CSR guidelines of each of the agents, the main areas of action and the key partners.

5.1 The answer to the challenges

Areas of Action – Reinforce the Strategic alignment

Although generally aligned with the most relevant topics, companies also identify the lack of guidance as difficulty in the development of CSR projects. Many of these guidelines must be set by the company itself. Strategic alignment is a crucial for CSR measures, and should result in a correct internal and external reflection concerning the expectations of different stakeholders, so that the CSR measures can have continuity and impact.

If the plan of corporate social responsibility is not aligned with the companies’ objectives, there is a risk of being discontinued. In order to ensure adherence to the communities, this plan should reflect their needs. It is therefore essential to ensure the auscultation of the stakeholders’ expectation and effective involvement and commitment to the projects developed.

In this sense, organizations should ensure the mapping of their key stakeholders and make the exercise of identifying relevant issues in order to ensure proper allocation of efforts.

Training for Corporate Social Responsibility – Create an Advisory Board on Corporate Social Responsibility
It is interesting to observe that the main difficulties highlighted by companies in the design and implementation of their CSR projects, were quite unanimous. One of the themes identified as a difficulty is related to the lack of alignment in the private sector, probably resulting, from the lack of knowledge from projects that are implemented by different entities. Another recurring issue is the absence / difficulty in identifying credible partners for the realization of projects, as well as the knowledge of methodologies / tools for measuring the impact and know-how for the implementation of projects.

Like in some countries that rely on the presence of national delegations of the World Business Council for Sustainable Development (WBCSD), it’s considered that it would be relevant the existence of an advisory board or a corporate social responsibility network at the level of the sectoral organizations, which would account with the active involvement of the Executive and other entities of civil society as a way to streamline the creation and development of a culture of corporate social responsibility, continuous sharing of experiences and good practices of responsible management and disseminate knowledge among its peers.

**Mission**
- Disseminate good CSR practices among companies of different sectors by fostering communication and identification of synergies and opportunities for collaboration.
- Disclosure of main lines and primary investment areas that may impact the scope of social development initiatives.
- Disseminate policies, practices and procedures of the Executive that may impact the CSR activities that companies are developing.
- Supporting the development of grant of non-governmental organizations and other entities that have the capacity and credibility to the implementation of social projects / environmental.
- Encourage the development of non-governmental entities with the ability to act in areas currently less developed (such as environmental issues, children, etc.).
- Encourage critical capacity with the Executive to assess the implementation and impact of CSR projects.
Strategic Partners – Redefining roles

It is also understood as a result of the study, that a reflection should be made concerning the roles that each entity should assume in the CSR playing field.

Assuming that emergency aid *modus operandi* is no longer applicable nor makes sense, what is expected is that official entities have the real capacity to define priorities of effort in each of the critical areas and develop the ability to provide guidelines to the agenda of social investments (as in the case of the Oil sector), for those enshrined under concession contracts.

Companies should engage in projects with higher added value and that require greater commitment, particularly in terms of training, even if it confers an increased effort and probably less public recognition. On the other hand, they should assume, beyond the role of mere financiers, also supporting role in the conceptualization of projects, and especially in the establishing the framework to monitor its impacts. In this field, public companies should become the example in the sectors where they operate, positioning themselves as socially responsible companies, serving as a tool to support the social, environmental and economic policies from the Executive, functioning as stimulators of these practices in the market, encouraging others to follow their lead.

The different civil society organizations, namely the academic institutions should, in addition to providing training and awareness in these fields, enhance their involvement with companies and other entities within CSR, acting as partners as well as potential project implementers.

### 5.2 Lines of action

Following the analysis made during the study and the stakeholders' expectations expressed through questionnaires and interviews, a list combining a set of guidelines was put together,
which reflect not only the expectations of these stakeholders but also the critical analysis of KPMG in respect of them.

These guidelines are structured according to the different entities that may have a key role according to high-level objectives that address the key challenges that were identified in the study.

<table>
<thead>
<tr>
<th>Entity</th>
<th>Objective</th>
<th>Lines of action</th>
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| Central and local       | Strengthen its intervention and leadership capacity in the investment agendas                       | • Strengthen the capacity of data collection in respect to social, economic and environmental development;  
| authorities             |                                                                                                      | • Outline high-level guidelines for companies seeking to develop CSR programs;                    
|                         |                                                                                                      | • Report benchmarks and disclose reference projects.                                              |
|                         | Ensure the sustainability of projects                                                                | • Ensure the involvement and input by the official authorities in the most significant CSR projects.|
| Private Entities        | Reinforce the strategic alignment of the initiatives                                                | • Reflect the CSR goals on business strategy,                                                    
|                         |                                                                                                      | • Define strategic areas of action and identify synergies among their peers and "niche areas";    
|                         |                                                                                                      | • Balancing the communication of initiatives avoiding the non-communication that can be seen as lack of transparency and green-washing;  
|                         |                                                                                                      | • Strengthen the environmental pillar as a strategic area of development.                         |
|                         | Measure the impact of its initiatives                                                                | • Monitor more closely the implementation of social projects;                                
|                         |                                                                                                      | • Ensure the accountability by those responsible for the implementation of projects;             
|                         |                                                                                                      | • Develop partnerships with universities and other organizations to develop tools that enable the quantification of the impacts;   
|                         |                                                                                                      | • Conducting "audits" to the results of social investments.                                         |
|                         | Ensure the sustainability of the projects                                                             | • Change the investment paradigm in infrastructure to effectively invest in the promotion of human development;  
|                         |                                                                                                      | • Involve local communities in projects to develop and focus on the training of local communities.|
| Non governmental        | Awareness of the population and the business community                                               | • Increase visibility of the activity of non-governmental stakeholders to others;             
| entities                |                                                                                                      | • Promote capacity building and training of NGOs and other entities so that they can respond company’s needs;   
|                         |                                                                                                      | • Promote the development of a qualification process for partners to act in the social sphere.   |
|                         | Measure the impact of its initiatives                                                                | • Establish partnerships with universities and other organizations to develop tools that enable the quantification of impacts. |

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An increasing scrutiny over the value chain of the CSR projects and social investments is demanded. This implicates that, in order to maximize the positive impact its necessary to quantify the results obtained and properly monitor and control of the information provided by different stakeholders. Communication should be encouraged, based on principles of transparency and alignment of stakeholders’ expectations.
6 Glossary

In the development of this study, it was considered relevant to include the concept underlying the relevant topics and areas of activity used as a basis for analysis and reflection on social responsibility.

Health

- Fighting HIV - prevention and treatment programs for HIV, including awareness sessions and other initiatives to fight AIDS and the subsequent social problems.
- Fighting Malaria - prevention programs and treatment of malaria in children, youth and others.
- Health workers - Programs to improve the health of the worker, such as clarification of disease and access to health services (eg. consultations and screenings).
- Health Infrastructures - Programs and projects to improve health infrastructures such as, rehabilitation or construction of new hospitals and clinics, provision of equipment, beds, and improving rooms, among others.
- Access to medicines - Programs to improve the availability of medicines in hospitals, clinics and access to health services.
- Training of health professionals - Programs to promote the availability and training of physicians.
- Maternal health - programs to promote the health of pregnant women from early pregnancy until childbirth and in the first months of the children’s life.
- Child Health - Programs that promote child health and combating major diseases (eg, malaria), and malnutrition affecting children, including vaccinations, feeding programs, among others.

Education

- Education and literacy - programs aimed to increasing the rate of schooling and literacy of the population. Includes access to primary, secondary and university levels.
- School success - Programs that aim to increase the approval rate, average schooling and student’s retention in school.
- Infrastructure school - Programs to improve school conditions, which may include the construction and rehabilitation of schools, with better classrooms, books, equipment, among others.
- Training of employees - Programs for the education and training of employees both within their profession as well as under their capabilities scope, to enhance their skills and preparation for the labor market.
- Training in information technology – Programs to increase information technology literacy or facilitate access to internet and computer facilities.
Gender Equality

- Education of women and young women - Programs to improve women's access to primary, secondary and higher education.
- Maternal Health - Program for monitoring a pregnant woman from the beginning until the end of pregnancy and until the end of the first months of a child's life.
- Promotion of women culture - Programs for the inclusion of women in cultural themes.

Culture

- Awareness of young people towards culture - Programs for integration and awareness of young people to cultural themes.
- Raise awareness of culture among women - Programs for integration and awareness of women to cultural themes and promotion of female artists.
- Sensitize employees to culture - Programs for integration and awareness of employees to cultural themes.
- Develop cultural initiatives - to promote cultural projects in areas such as theater, music and museums or others.
- Donations and sponsorships - Programs donations and sponsorships for the implementation of cultural projects and raising awareness towards Angolan culture.
- Promotion of reading habits - Incentive programs for the population to visit libraries and promote reading habits.
- Promotion of the national language - Incentive programs for the dissemination of national dialects.

Youth

- Education and training of young people for the labor market - youth training programs in technical, higher education and knowledge of foreign languages, entrepreneurship.
- Financial literacy - programs to educate young people about the basics of finance so that they have tools to manage the family budget and know the inherent principles of banking products (such as credits and loans).
- Raising awareness of sports - Programs to promote sports activities for young people.
- Primary School - Programs to promote access to primary and secondary education.

Other Themes

- Human Rights - Initiatives aimed to promote respect for human rights, support organizations, partners and communities where the organization operates.
- Rights of employees - Programs that promote equality and other rights of employees and combat forced labor and child labor.
• Job security - Programs that promote a work environment that contributes to the elimination of the risk of accident to workers.

• Involvement with local communities - programs that promote the integration of institutions into the communities where institutions operate (eg promoting visits to the organization, among others).

• Support war veterans - Programs that support war veterans, such as access to housing, education and integration in the labor market.

**Economic Dimension**

• Support the development of infrastructure for water and sanitation - Programs that promote improvements in water supply, storm water management, collection and treatment of sewage, street cleaning.

• Security and power supply - Programs to provide access to electricity to the community.

• Promoting transparency, ethics and conduct - Programs to establish and promote transparency, ethics and conduct in the manner of operation of the institutions.

• Development plan to support emergency situations - Development of emergency response plans, to ensure business continuity, risk mitigation and support to communities.

• Diversification of the economy - Support for regional and sectoral diversification of the economy. Supporting entrepreneurship and SME development and formalization of business activities.

• Development of inclusive products and services - Development of products and services specifically aimed at the people who traditionally do not have access to them (eg microfinance, micro insurance, specific services for war veterans, etc).

• Employability of youth - Programs that promote academic training of youth-oriented entrepreneurship and facilitating access to the labor market.

• Stimulation of the local economy - Programs that promote the work of the community, institutions and suppliers in the region where the institutions operate.

• Food security - Programs aimed to ensure the standards of production, transportation and storage of food ensuring their suitability to the final consumer. Programs to fight hunger and support development of small agricultural explorations.

• Housing conditions - programs to ensure people's access to housing, such as building and access to finance.
Environmental Development

- Pollution prevention - programs that minimize the emission of pollutants affecting water, soil and the atmosphere.
- Land use management - Programs to fight deforestation and programs that envisage water management.
- Preservation and management of natural resources - Programs that promote the sustainable use of natural resources such as minerals and fossils.
- Preservation of biodiversity - Programs that promote the preservation of flora and fauna such as the preservation of natural parks.
- Renewable energy and emissions minimization - Promoting the production and use of renewable energy instead of fossil energy.
- Environmental education in the community - programs that promote community awareness of the importance of the environment in terms of resource conservation and sustainable use through them.
- Environmental education for suppliers and other partners - Awareness programs for suppliers and other partners so that they are aligned with the organization's environmental practices.
7 Methodological Approach

7.1 Companies Consultation

Initial Sample

The first phase of the study on Corporate Social Responsibility consisted in a consultation of the public information available from companies operating in Angola with regard to social responsibility practices. The universe considered comprised 100 public and private companies, with the largest volume of business and representativeness in 9 sectors. The sources of information were the institutional websites and public reports disclosed by organizations in terms of corporate social responsibility.

From the benchmark analysis performed, it was possible to identify a set of relevant topics that reflect the different areas of business activity on Corporate Social Responsibility in Angola.

Interviews

After the research of publicly available information from companies, face to face interviews were conducted with 23 companies, with the areas responsible for CSR. These interviews were conducted in order to obtain qualitative information regarding their corporate social responsibility initiatives. These interviews covered topics such as:

- The concept and definition that each company has regarding CSR;
- The strategy for defining the areas of activity and the amount invested;
- The projects undertaken in the areas of education, health, youth, gender equality, environment and economic development;
- The geographical coverage of the projects in the Angolan territory;
- The main challenges or barriers that affect the performance of the company's social responsibility in Angola;
- The partnerships developed by the companies with other stakeholders like Official Entities, NGOs, Ministries and others.
List of companies interviewed:

<table>
<thead>
<tr>
<th>Company</th>
<th>Sector</th>
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<tbody>
<tr>
<td>ODEBRECHT</td>
<td>Construction</td>
</tr>
<tr>
<td>Mota-Engil</td>
<td>Construction</td>
</tr>
<tr>
<td>Soares de Costa</td>
<td>Construction</td>
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<tr>
<td>Conduril</td>
<td>Construction</td>
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<tr>
<td>Unitel</td>
<td>Telecommunications</td>
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<tr>
<td>TAAG</td>
<td>Transportation</td>
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<tr>
<td>Caminhos de Ferro de Luanda</td>
<td>Transportation</td>
</tr>
<tr>
<td>Catoca</td>
<td>Mining</td>
</tr>
<tr>
<td>Refriango</td>
<td>Beverages</td>
</tr>
<tr>
<td>Grupo Mitrelli</td>
<td>Miscellaneous (Infrastructure, agro-industry)</td>
</tr>
<tr>
<td>Banco Espírito Santo Angola</td>
<td>Financial</td>
</tr>
<tr>
<td>Banco Angolano de Investimentos</td>
<td>Financial</td>
</tr>
<tr>
<td>Banco de Fomento de Angola</td>
<td>Financial</td>
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<tr>
<td>Banco Atlântico</td>
<td>Financial</td>
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<tr>
<td>Banco Millennium Angola</td>
<td>Financial</td>
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<tr>
<td>ENSA</td>
<td>Financial</td>
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<tr>
<td>Chevron</td>
<td>Oil &amp; Gas</td>
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<tr>
<td>Statoil</td>
<td>Oil &amp; Gas</td>
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<tr>
<td>Maersk Oil</td>
<td>Oil &amp; Gas</td>
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<tr>
<td>Angola LNG</td>
<td>Oil &amp; Gas</td>
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<td>Esso Angola</td>
<td>Oil &amp; Gas</td>
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<tr>
<td>Total E&amp;P Angola</td>
<td>Oil &amp; Gas</td>
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<td>BP Angola</td>
<td>Oil &amp; Gas</td>
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Release of the questionnaires

At the same time we developed a questionnaire that was made available to a universe of 77 companies. The questionnaires were available in paper and electronic format.

The questionnaires were used to consolidate and systematize the following information:

- Enterprises, sectors, number of employees, turnover and geographic coverage;
- Concept of social responsibility strategy, identifying areas for action;
- Alignment with the principles of the Global Compact;
- Project and practices carried out in the areas of education, health, youth, gender equality, environment and economic development in the context of social responsibility;
- Amounts invested in each area and project;
- Key challenges and opportunities considered by the company in the practice of social responsibility;
- Relationship with the partners in developing each project.

In the table below is shown the response rate by sector in terms of number of companies. For the purpose of analysis were considered the sectors of Construction, Oil & Gas, Banking and Transportation. The remaining sectors were grouped under “Other”.

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The results and conclusions presented in this document are restricted to conclusions that it specifically formulated and reflect the perception of the stakeholders who participated in the study. Extrapolation of the results presented to all companies and agents of each sector of society, is subject to the limitations arising from the representativeness of the respondents.

7.2 Other stakeholders consultation

In order to get a broader view and with different perspectives, other public and private entities were consulted, such as Ministries, Agencies for the Promotion of Development, NGOs, universities, foundations and religious associations.

This consultation was aimed not only to understand the vision of these entities on what has been the role of companies, but also to identify the challenges and opportunities associated with CSR in their view.

<table>
<thead>
<tr>
<th>Type</th>
<th>Entity</th>
<th>Areas of Action</th>
</tr>
</thead>
<tbody>
<tr>
<td>Ministries</td>
<td>Ministry of Environment: (National Directorate for Biodiversity and Conservation, Division of Prevention Impacts and Environmental Audits, Environmental Education, Research and Planning)</td>
<td>Promoting compliance with environmental regulations and environmental responsibility</td>
</tr>
<tr>
<td>Ministries</td>
<td>Ministry of Oil (Research Office, Inspection, Directorate of Oil and Biofuels, National Directorate for the Promotion of Angolanization)</td>
<td>Monitoring social development of the industry; Angolanization</td>
</tr>
<tr>
<td></td>
<td>Ministry of Education</td>
<td>Education, Training, awareness of culture, among others</td>
</tr>
<tr>
<td></td>
<td>Ministry of Commerce</td>
<td>Economic and business activities, economic diversification, promotion of small and medium enterprises</td>
</tr>
</tbody>
</table>
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**Ministry of Assistance and Social Reintegration**
- Children at risk, the elderly, the unemployed and other disadvantaged groups

**Ministry of Health**
- Programs to combat diseases;

**UNICEF**
- Health, education, welfare and safety of children

**Maiombe Network**
- Environment

**World Bank**
- Economic development

**Industrial Association of Angola**
- Promoting best practices in the Industry

**Methodist University**
- Training and awareness programs, CSR research

**Foundation Art and Culture**
- Promotion of Culture, training and education of young people.
8 Acronyms used

• SAICD – Spanish Agency for International Cooperation and Development
• NAPI – National Agency for Private Investment
• NSFSS - Strategy for Food Security and Nutrition
• IMF – International Monetary Fund
• IRWRM – Integrated Water Resources Management
• HIV – Human Immunodeficiency Virus
• IBEP – Integrated Wellness Population Survey
• HDI – Human Development Index
• ITU – International Telecommunication Union
• RAME’s – Rural Associative Micro Enterprises
• MPI – Multidimensional Poverty Index
• MSME’s – Micro Small and Medium Enterprises
• ILO – International Labor Organization
• NGO – Non Governamental Organization
• NMP – Network Masterplan
• ERDP – Extension and Rural Development Program
• EPGYS – Executive Plan of the Government of Youth Support
• GDP – Gross Domestic Product
• GNI – Gross National Income
• NDP – National Development Plan
• UNDP – United Nations Development Programme
• CSR – Corporate Social Responsibility
• SADC – Southern Africa Development Community
• SADCE – Economic Community of Central African States
• SBA – Stand-By Arrangement
• ITC – Information Technology and Communication
• UNCBD – United Nations Convention on Biological Diversity
• UNDAF – United Nations Development Assistance Framework
• NIPT – National Institute of Professional Training
• UNICEF – United Nations Children Fund
• WBCSD – World Business Council for Sustainable Development
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Websites:

- UNDP – Angola
- UNICEF
- United Nations
- World Bank Statistics
- World Economic Forum
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10 Case Studies

1. Conduril - Construction

Initiative's Name: Academia Conduril

Main Partners: Ministry of Education, Professional training program for the Job market

Scope of the Initiative: Education (literacy and vocational training)

Project's main goal:

The CONDURIL ACADEMY has as primary mission to deliver training to all employees of Conduril Engineering SA in Angola and simultaneously collaborate on literacy of its employees thereby improving the quality of life locally and nationally. The main objectives of the program are to increase the technical skills of their employees, continuously disseminate the Principles and Values of Conduril, enhance the stability and satisfaction and contribute to the social and economic development of Angola.
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Brief description of the Project

Conduril Academy operates nationwide with its two main programs of action:

- The Training and Professional Development program of its employees;
- Literacy Program and School Acceleration.

The Education and Training program has a team of certified trainers according to Angolan law that belong to the National Trainers Pool. The team offers training in a technical and professional way to Conduril technicians in the branch of Industry and Public Works for the categories of drivers, warehouse operators, supervisors and team leaders, administrative staff, laboratory technicians and operators. The success of the training program was higher than expected, which led the Conduril Academy to currently undergo a restructuring phase in order to be able to provide this program to the universe outside Conduril’s employees.

The Literacy program started in the Conduril Academy in October 2011 from a partnership with the Ministry of Education that assumes the responsibility for monitoring, providing technical and methodological support, while Conduril assumed the role of domestic support for the sustainability of the literacy program, preventing students from falling behind, ensuring the existence of teaching resources, and teachers for tuition. Since its implementation until the present time, 172 Group employees have been enrolled in this project. It’s also important to point out the consolidation of the relationship of Conduril Academy with other public and private entities, national and international, that has contributed for the achievement of the education and adults training policy objectives.

There are two literacy modules from the 1st to the 4th grade. In the Benguela province, 15 workers have completed the module I in July 2012 and received certificates of qualifications that allow for equivalence to the 2nd grade of primary school.

Also in the scope of the Literacy Program and Acceleration school, Conduril committed to building local communities where it operates a place of learning offered to local authorities.

The structure of Conduril Academy is directed to on-site training leading the faculty to the construction area.
Main Conclusions:

This project in conjunction with other initiatives related to the promotion of reading (as the Traveling Library and the production of educational content), are part of the goals and objectives set by the Strategic Plan for Revitalization of Literacy (2012-2017) of the Ministry of Education in Angola. It’s also aligned with the Millennium Development Goals, the Dakar Framework for Action and the United Nations Decade for Literacy.

With respect to training activity developed in 2012, 307 employees were registered and 197 certificates of training were issued with a total of 35,965 hours of training.

On the other hand, for Conduril, these initiatives have the advantage of enhancing the qualifications and satisfaction of their employees that have a positive impact on their effectiveness, productivity and job satisfaction. The interest that the program has generated among colleagues has led to a positive contamination.
2. Odebrecht – Construction

**Initiative’s Name:** ACREDITAR

**Scope of the Initiative:** Education and training of the communities

**Project’s main goal:**

The program BELIEVE is a social responsibility program, focused on training and developing people with the aim of supporting the Angolan youth in obtaining their first job through concrete interventions in the communities where it operates.

**Brief description of the Project**

The program ACREDITAR is present in the provinces of Benguela, Kwanza Norte and Luanda and is structured in two training modules, the Basic and the Specific module.

The Basic Module addresses the themes of learning Safety, Environment, Psychology at Work, Health and Quality. These topics that are widely investigated and discussed during the 60 hours of courses.

In Specific Module, the courses have a workload between 140 hours and 260 hours on topics related to civil construction.

The pedagogical organization of the Specific Module is structured through meetings theoretical and practical study in three environments. In the room, the focus is on solving problems through access to information and knowledge of everyday profession. In laboratory, the employee is exposed to an environment with high technology that offers the opportunity to experience virtually situations occupation. Finally, in the field or workshop, real work situations are simulated using specific work equipment.

Once a week, each trainer or monitor has a one hour meeting to plan and evaluate their teaching practices and make necessary adjustments. Each month a report is made for registration, reflection and analysis of the educational process where all the trainers and mentors receive reviews of their practices to the growth and development of the program.
Main Conclusions:

Up to date, the program has enrolled more than 6,200 people with 2,900 graduates in the provinces of Benguela, Kwanza Norte and Luanda. Other companies began to hire qualified professionals from the ACREDITAR program, which also allows the growing inclusion of women in the labor market in Angola.

The size in terms of number of people covered means that there is a real impact on the communities where Odebrecht is operating. Thus, the company has developed a way to overcome the difficulties in obtaining skilled labor and capitalizing on the resources invested, also enabling the development of young people who are not employees of the company, but also benefit the program.
3. Unitel – Telecommunications

Initiative’s Name: e-NET Program

Main Partners: Ministry of Education, Huawai (private entity)

Scope of the initiative: Education and Youth (computer training)

Project’s main goal:

<table>
<thead>
<tr>
<th>The e-NET program has as main objective: Provide Angolans secondary school students from general education and public and private schools the access to resources of internet as a tool for academic research, knowledge of general culture, and as a mean of communication and social interaction.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Unitel want this action to promote the habit by academic research through the internet, encourge the use of this tool for communication and social interaction and further promote and popularize Unitel’s products and services.</td>
</tr>
</tbody>
</table>

Brief description of the Project:

<table>
<thead>
<tr>
<th>As responsible for the program, Unitel assumes the role of the internet service provider and its direct partner, Huawei provides the computers and equipment.</th>
</tr>
</thead>
<tbody>
<tr>
<td>The e-Net is shaped as islands of computers where properly trained supervisors / monitors, instruct students as to how to search and filter information on the Internet, looking for information for academic research, create and send email and use social networking to communicate.</td>
</tr>
<tr>
<td>The project is aimed at public schools, the 2nd cycle of general education subsystem running at least 2 class periods (in the morning and afternoon). Each school in the program receives one (1) island comprising a computer (1) CPU, 9 monitors, keyboards and mouse devices. Unitel will provide every school with a 1 month free internet card for the period of one (1) year. Up to date 10 classrooms have already been equipped.</td>
</tr>
<tr>
<td>This service is available for students during 9 hours per day, it is spread over three shifts for equal periods of time in an enclosed space inside the school, allowing all students in a given school unit to have access to the same content study with the same workload.</td>
</tr>
<tr>
<td>Monitoring of activities is made quarterly with the assessment of the program implementation vs the agreement, and through the production of progress reports.</td>
</tr>
</tbody>
</table>

Main Results:
The program developed by UNITEL, in partnership with the Ministry of Education and a private partner, had its started in 2012, so its results and impacts are still difficult to measure. However, it is important to highlight that this initiative is aligned with the strategic lines of action of the Government, which is the Computer Training on various fronts, including the youth. In this sense, this nationwide program works as a mechanism that accelerates technology skills for youth information Angolans, with positive impacts in terms of their abilities and skills, while making room and path to market growth of some services provided by Unitel.
4. Refriango – Beverages

Initiative’s Name: Taça Super Cuia Palanquinhas (Football championship)

Main Partners: Angolan Football Federation (FAF) and the Government of Angola

Scope of the initiative: Youth (create sport awareness)

Brief description of the Project:

The project Taça Super Cuia Palanquinhas championship is a completely free football championship for children between 7 and 8 years old (male and female). This project covers the provinces of Luanda, Namibe, Moxico, Benguela, Kwanza Sul, Zaire, Cabinda, Lunda Norte, Huambo and Bie. In this league 10 rounds and 1 grand final among 352 teams area held. The project is sponsored by the BIC Bank, Unitel, Zap, Sporting Clube de Portugal, TAAG and Bom Sucesso Physiotherapy. This championship offers the opportunity to the most outstanding players of the championship an internship at Sporting Clube de Portugal. The project honors the 3 best teams, the best guard network, top scorer and player development at national level. All equipment and logistic support for this project are made available by Refriango, the Angolan Football Federation and its sponsors.

Main Results:

Project Super Cuia Palanquinha in 2012 comprised:

• 352 teams
• 3,520 participants
• 728 Games

At the press conference the official presentation of the project on June 16, 2012 soccer figures, government entities and other entities such as the Ministry of Youth and Sports, President of FAF, the SFC Chairman and former players of Sporting club Portugal were present to promote the sport at national youth.
5. Total – Oil & Gas

**Initiative's Name:** Escolas Eiffel (Schools)

**Main Partners:** Ministry of Education, Provincial Government of Bengo, Malanje, Kwanza Norte and Cunene; French Secular Mission (MLF) - French NGO dedicated to the education sector.

**Scope of the initiative:** Education (Secondary school)

**Brief description of the Project:**

The Eiffel Schools are public and result of a tripartite agreement signed in May 2008 between the Ministry of Education, TOTAL E & P ANGOLA and the French Secular Mission (MLF). The academic program of the Eiffel Schools was established by the Ministry of Education, under component “Quality Education”, while TOTAL financed the construction of four schools and continues to fund the operation of these schools under the management of MLF.

The Eiffel Schools cover the second cycle of secondary education (10th, 11th and 12th) and are present in the provinces of Cunene, Bengo, Kwanza Norte and Malanje.

Schools are equipped with laboratories for Physics, Chemistry and Biology, Room Documentation and Internet, harboring 24 students per class with a total capacity of 576 students enrolled annually.

Also under the agreement, the provincial governments should appoint teaching staff, administrative and technical teaching.

Over the past two years the schools had already two groups of finalists with 172 graduates each.

**Main Results**

**Academic Results**

- Success rate in the final examination of 12th class: 98.8%.
- School retention rate: 100%
- 347 students finished the 12th grade until the current academic year (2013).
- From this number, over 100 students enrolled in higher education.

More than half of these have received internal and external scholarships awarded by Total E & P Angola and their partners: Prezioso, Schlumberger, Friedlander
6. ENSA, Seguros de Angola, S.A. – Insurance

Initiative’s Name: ENSARTE Award

Main Partners: Ministry of Culture / French Allianz

Scope of the initiative: Culture (promotion of the visual arts in Angola)

Brief description of the Project:

The ENSA INSURANCE ANGOLA SA, organized since 1991, the biennial ENSARTE, a contest that marks its pioneerism in promotion of Arts.

The Award initiative grew out of an exhibition from seven Angolan painters: Viteix, Henrique Abranches, Augusto Ferreira, Jorge Gumbe, António Ole, Telmo Vaz Pereira and Jose Andrade, as part of celebrations of the 12th anniversary of ENSA.

It is the only national competition for fine arts (painting and sculpture) existing in Angola.

This event, which annually takes place in the 15th of April, the anniversary of ENSA, consists essentially in financially supporting the organization, record and preserve the works of young and/or renowned national artists.

By supporting this project, ENSA takes the initiative of cultural patronage, support for the development of fine arts in Angola.

According to the opinion of the media, the ENSA – Art Prize establish itself as one of the most important events in the Angolan cultural movement and its prestige has grown with each edition.

Result of this success, the ENSA has today one of the most valuable collections of the country, which has more than 150 works of art, having earned several awards and recognition at the institutional level and in terms of the artistic partners.

Results

The social premium ENSA-Art is evidenced by the fact that it is a vehicle for the promotion and dissemination of contemporary art in Angola, nationally and internationally, and because its characteristics make this initiative unique a distinctive in Angola.
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7. Statoil – Oil & Gas

**Initiative’s Name:** Water Supply Project to the villages of Cuio and Tonhola, Commune of Dombe Grande, Municipality of Baia Fara in the Bengula’s Province

**Main Partners:** Norwegian Church Aid (AIN) and the Evangelical Congregational Church in Angola (IECA)

**Scope of the initiative:** Economic Development – Water infrastructure. Installation of a Water Supply System in the communities of Cuio and Tunhola, and in the Commune of Dombe Grande, municipality of Baia Fara in Benguela Province. The project aims to improve the hygienic sanitary conditions of the target population of the project (approximately 1,719 inhabitants).
Brief description of the Project:

The project aims to supply water to the villages and Cuio Tunhola located in Baia Farta, coastal Benguela, providing drinking water to these communities in order to improve the hygienic conditions of health of some 1,719 beneficiaries. The two communities were identified after a survey by the implementing agency of the project, the NGO Norwegian Church Aid (AiN), which identified the area have a high rate of mortality due to periodic outbreaks of cholera, with strong influences on rainy periods, in an area with limited water resources. The community was the consumption of water from a well which totally hygienic conditions were deplorable. The use of another source of water in these communities was made from a river located between 7-6 Kms away from communities. Another source of water was the use of motor pumps installed on irrigation farms in the surrounding communities. This water was sold to a value between 50 and 70 Kz with twenty liters or was exchanged for fish. The long distances carrying water in their head made mainly by women and children was one of the aspects that the project is proposed to reverse, bringing water closer to those who needed it.

Started in 2008, the project came to completion in 2009, with the following infrastructure built:

- 1 water pumping system from a submersible pump powered by a generator.
- 1 large tank
- 3 Fountains
- 2 Laundries

The Project has the particularity to be community property, which makes it totally self sustainable. The community was fully engaged in the project from conception to completion and participated in excavations for plumbing pipe, which strengthened in all its members a sense of belonging to the project. A group of members of the same community was built and trained to maintain the infrastructure, through groups of Water and Sanitation (GAS). These groups are responsible to ensure continuous maintenance and administration of the water system with the participation of the whole community. Throughout this process the local authorities are involved, through its Municipal and Communal Administrations, which guarantees all their institutional support.

Results

This project has produced among others the following results:

- Drinking water 24 hours a day over seven days a week.
- Improvement of hygienic conditions and consequently reduce diseases related to lack of water and the consumption of non-potable water, particularly cholera outbreak (which before very common during rainy season).
- Significant increase in activities such as construction, livestock, better conditions for drying fish and other profitable activities in the beneficiary communities.
- Increased saving financial resources of the beneficiaries before for the purchase of water and curing diseases arising from the consumption of drinking water.
- Substantial reduction of distance to collect water, leaving more time for women and girls devote themselves to other useful activities.
- The new conditions have attracted more people to the area, increasing from 1,719 inhabitants
prior to the implementation of the project to the existing 6,363 inhabitants.

- Strengthening social cohesion among the beneficiaries through Community participation in the management and maintenance of infrastructure.
- The experience of success in the management and administration of the water system in a sustainable and lasting has been regarded as an example of good practice and therefore the model has been followed by other communities.