**PROJECT DOCUMENT**

**GROWING SUSTAINABLE BUSINESS (GSB)**

**FOR POVERTY REDUCTION IN ANGOLA**

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### Brief Description

The purpose of this 30 month project is to implement the Growing Sustainable Business (GSB) initiative in Angola. The GSB seeks to broker public-private partnerships that enable the private sector to engage in specific pro-poor investment projects that are both, commercially attractive and address local development needs.

The overall goal of the project is to broker and facilitate linkages between large businesses, potential investors and local partners, to strengthen and expand the local MSME sector, contributing to income generation opportunities by the poor, and facilitating the development of new products and services which address their needs. Investors will be approached individually and jointly with networks of local partners, to discuss and find innovative and efficient solutions to investment projects that align financial viability and promote equitable local economic development. UNDP will play the role of a broker and facilitator, linking large companies, local entrepreneurs, Government representatives, civil society organizations and other donors. The multi-stakeholder nature of the initiative will reduce the risks and transaction costs of specific investment projects. UNDP is well positioned to perform this role because of its convening power, development track record in the participating countries, impartiality, reputation, brand, political reach and access to regional and global development networks.

The GSB delivery mechanism involves a full-time broker, a policy research platform, and a technical assistance platform, almost always resourced locally. The GSB Broker acts as a convener and intermediary for business, Government, civil society, potential sources of finance and development partners. GSB provides co-funding for product specific marketing and feasibility studies, which inform specific pro-poor business plans. Through capacity development, GSB helps prepare local stakeholders, in particular local entrepreneurs, Government and NGOs, to play a role in the implementation of GSB investment projects. The GSB project will take advantage of ongoing UNDP initiatives, namely those in the private sector, such as the Angola Enterprise Programme, the Employment Observatory or the Entrepreneurship in Education initiative.

GSB contributes directly to the UN Development Assistance Framework for Angola through the outcome related to advocating for pro-poor growth and accountable macro-economic management aimed at the achievement of the MDGs with the engagement of public and private stakeholders. More specifically it contributes to UNDP’s country programme outcome for enabling business environment to promote pro-poor private sector development.

The total project costs amount to USD 6,125,000 USD over 30 months.

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1 Numerous examples of so called ‘bottom of the pyramid’ business models are contained in, C.K. Prahalad: *The Fortune at the bottom of the pyramid. Eradicating poverty through profits*, Wharton School Publishing, 2004
PROJECT DOCUMENT
GROWING SUSTAINABLE BUSINESS (GSB)
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Project Title
Growing Sustainable Business (GSB)
for Poverty Reduction in Angola

UNDAF Outcome 4:
Strengthened pro-poor economic growth and accountable macroeconomic management and integrated rural development, natural resources management to promote environmental protection and adaptation to climate change.

Expected CP Outcome(s):
Enabling business environment to promote pro-poor private sector development

Expected Output(s):
Private sector development and entrepreneurship promoted

Implementing partner:
UNDP Angola

Programme Period: 2009-2013
Programme Component: Poverty Reduction and Achievement of the MDGs
Project Title: Growing Sustainable Business (GSB) for Poverty Reduction in Angola
Project AWARD: 00050950; Project ID: 00063205
Project Duration: March 2011 to September 2013
Management Arrangement: UNDP Direct Implementation Modality (DIM)

Total Budget 6,125,000 USD
Allocated resources:
- Government
- Regular UNDP - 500,000 USD
- Other:
  - Donor AECI – 5,625,000 USD
    (4,000,000 EUROS)
  - Donor __________
- In kind contributions __________
- Unfunded budget: __________

By Signature Date Name and Title
Governent: __________ __________ ______________________________
UNDP: __________ __________ ______________________________

2 Note: UNDAF and CPD Outcomes are from draft versions of the 2009-2013 documents, and may be subject to refinement.
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1. SITUATION ANALYSIS

1.1 Poverty in Angola - A brief overview

Despite its huge and valuable natural wealth - Angola being the fourth largest oil producer in Africa and the fourth largest diamond producer in the world - Angola is paradoxically a poor country in the sense that around 2/3 of its population is deemed poor. The poorest are small-scale farmers and unskilled urban workers who are scraping a living in the informal sector.

Small-scale farmers are poor because they practice subsistence agriculture on small land plots and have low productivity. The average size of smallholders’ land plots is about 1.6 hectares. The productivity is generally lower than the African average; for example, yields of crops such as maize, millet and beans are 50% below the African average (cf. Table 1).

Smallholder’s productivity is affected by low levels of instruction, very limited access to improved seeds, fertilizers and financial resources, as well as restricted access to market due to absence of infrastructures. Even when they have access to the market, smallholders often face lower bargaining power against better-informed traders and other processors. Their productivity is also constrained by the fact that they usually have no access to most public utilities.

In the urban sector, the main cause of poverty is unemployment. The 2001 household income and expenditure survey, IDR 2001, revealed that 40% of the heads of household do not have any professional occupation. The urban unemployment rate is estimated at 46% to 48% but these rates should be considered conservative estimations as no new data on household income and expenditure has been produced recently.

The scarcity of formal employment, especially in the urban areas, forces most people to rely on informal employment – self-employment or privately owned micro-enterprises, operating informally – with low earnings, which fuels “working poverty”. The working poverty rate in Angola was estimated at around 32% a decade ago (ECA 2005).

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3 The last household survey, Inquérito sobre Despesas e Receitas (IDR), carried out in 2001 showed that 68% of the Angolan population – 95% in rural areas and 57% in urban areas – lives below the poverty line which was estimated at around USD 1.70 at that time.

4 The concept of small-scale farmers here includes: agriculturers, livestock raiser and artisan fishermen. The proportion of population involved in fishing is relatively small compared to agricultural activities. More than 5 million adults work in the primary sector. Direct employment in the sea fishing sector – industrial, semi-industrial an artisan fishing – was estimated at about 31,500 persons in 2004. But using FAO’s broader definition, the employment in the sea fishing sector is estimated at about 235,000 persons, doing catch and processing. FAO also estimates that inland fishing employs 150,000 persons.

5 Source: “The Least Developed Countries Report 2006: Developing Productive Capacities”. Estimates made by UNCTAD Secretariat, based on FAO, FAOSTAT online data. UNCTAD calculated the size of agricultural land per agricultural worker. Here, assumption is made that there are two agricultural workers, on average, per household.

6 Figures correspond to the situation that prevails in Luanda.

7 An empirical study based on five African cities showed “high proportions of informal sector workers earnings less than the minimum wage” (ECA 2005).

8 “Working poverty” refers to the status of people who yield income from work but whose earnings is below the poverty line. These workers generally work in the informal sector and do not have adequate income, social protection, decent working conditions, ….  

Beyond the destruction of the country’s production capacity during the war, the dramatic situation of employment in Angola is a reflection of the structure of Angolan economy itself: a polarized economy relying almost exclusively on oil revenues and where agriculture and manufacture shrunk dramatically due to the decades of civil war. Only after the end of the war in 2002 has it been possible to attempt to revitalize these sectors.

Box 1. Impact of war on employment

War in Angola caused at least 1.5 millions deaths and displaced another 2 to 4 million people, whose participation in the country’s productive activities was severely curtailed. In an environment of insecurity and economic meltdown, the majority of the population – even those not displaced – witnessed a severe reduction in its capacity to engage in productive activities. Moreover, the destruction of infrastructure in war economies wipes out the foundations of employment generation. For the 470,000 Angolans who returned from neighboring countries at the end of the country’s 30 years war, chances are slim for finding jobs that can provide for their family’s basic needs.

Source: Economic Report on Africa 2005

Indeed, the oil sector, which accounted for more than half of GDP, 78% of Government revenues and 96% of exports, is capital-intensive and employs almost exclusively high-skilled workers. It constitutes an enclave economy with a very little interaction with the other sectors of economic activity. As a result, the oil sector presently creates almost no direct opportunity for the poorest sections of the population.

Another important factor that explains the situation of poverty in Angola is the marked inequality that characterizes income distribution. Recent studies conclude that unequal access to key economic assets such as land, education and financial resources determines economic opportunities. When a country’s assets and wealth are concentrated, growth benefits only a minority. Inefficient distribution of assets causes particularly jobless growth.

Highly skewed distribution of income is stated to be at the root of poverty in Sub-Saharan Africa. With a Gini coefficient estimated at 0.64 in 2001, Angola has an overall unemployment rate of 27%. Namibia and South Africa who have some of the highest rates of income inequality in the world, respectively 0.74 and 0.59 have also high unemployment rates, 34% and 30%

Inequality in Angola is a direct consequence of the structure of the economy. The oil sector, employing an estimated 12,000 people, less than 3% of the working force, generates more than 54% of the value added whereas the agriculture sector, which employ 70% of the population generates, provides less than 10% of the value added. These figures attest to one of the main causes of poverty in Angola and represent the principle challenge to a pro-poor development of the country.

1.2 The role of the private sector in poverty reduction

One of the most noticeable tendencies in development thinking, in the recent years, is the recognition of the central role that the private sector can play in reducing poverty. The business sector is the main factor of economic growth. It can alleviate poverty by creating jobs and income opportunities for the poor. It also empowers the poor by providing products and services that contribute to improving the quality of life for the poor.

Aid agencies are adjusting their approach and are increasingly taking into consideration in their assistance strategy the fact that the private sector is an important factor in achieving the MDGs. While aid focused essentially on infrastructure projects and social services (education and health), more and more, the

10 Source: Ministry of Planning
development of vibrant private sector is a focus area within the assistance package proposed by development partners.

In 2004, former UN Secretary-General, Kofi Annan, created the Commission on the Private Sector and Development to reflect on the way to “unleash” the potential of the private sector and entrepreneurship in developing countries and on ways of engaging the private sector in meeting the challenge of the MDGs.

The Commission came out with the report titled “Unleashing Entrepreneurship: Making Business Work for the Poor”\(^\text{12}\), which formulates recommendations on “how the major actors—Governments, public development institutions, the private sector and civil society organizations—can modify their actions and approaches to significantly enhance the ability of the private sector to advance the development process”.

The report suggests that further steps are needed to really engage the private sector into poverty reduction, and expand its contribution to the realization of the MDGs, beyond “pure” corporate citizenship and “pure” social corporate responsibility.

Scaling up the response to the MDGs challenge in Angola implies the development of a vibrant business sector that creates jobs and livelihood opportunities for the poor, and provides affordable goods and services that help improve the welfare of the poor.

In Angola, the relatively recent transition to a market-economy after a long period of central planning presented an important challenge to Angolan society as well as its economy given that the creation and establishment of an enabling environment for genuine private sector growth would require vigorous institutional and legal reforms.

In addition, there is a generally recognized need to deal with the factors that have lead to an oil-polarized economy.

Since the start of the transition to a market-economy in late 1980’s, important efforts have been deployed in the country to reinforce the foundation of the private sector and fortify the pillars of entrepreneurship, through a series of Government institutional and legal reforms. However, there are still many challenges in order to accelerate the creation of an enabling business environment in Angola, and to make the private sector really work for the poor.

More precisely, what is needed is the promotion of innovative business models that serve the poorest – e.g. through employment, income generation opportunities, low priced products and services – while at the same time, generating profits for the companies themselves, in typical win-win scenarios.

Accordingly, the GSB project will act as an interface that will identify investors and invite them to work in partnership with local development actors and MSMEs, on a project-by-project basis, to identify economic activities that maximize benefits for investors and local communities. The companies’ assets will be harnessed to develop the capacity of the local MSME base, building on ‘fit to supply’ principle, or fostering MSME growth by linking it to the commercial opportunities that FDI brings. This will be done in partnership with local communities that bring to bear local expertise, networks and knowledge.

Therefore, the launch of the Growing Sustainable Business initiative (GSB) in Angola should stimulate this debate, by promoting the expansion of pro-poor business models and scaling-up the contribution of the private sector to poverty reduction in the country.

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1.3 The private sector in Angola

The private sector in Angola faces a very challenging environment. The country ranks at the near bottom of all major recent surveys of business climate, economic freedom and corruption. According to the 2008 edition of the “Doing Business” report by the World Bank, the country ranks 167 out of 178 economies in overall “ease of doing business”\(^\text{13}\). It ranks 143 out of 157 countries in the index of Economic Freedom compiled by the Heritage Foundation\(^\text{14}\), and 147 out of 179 on the Transparency International 2007 Corruption Perception Index survey\(^\text{15}\). Particularly striking are the costs and time involved in, e.g. registering property, which takes an average of 11 months and costs over 11% of the property value. Opening a business involves 12 procedures, and takes an average of 119 days. Obtaining necessary licenses involves 14 procedures, taking up to 337 days to comply with all the required steps.

As a reflection of the structure of the economy, the private sector in Angola is typically dualistic. It is made up of two bold categories of enterprises:

- On one hand, big companies operating in the extractive industry, as well as financial and construction sectors that are well structured and using sophisticated management systems, but are rather capital intensive.
- On the other hand, small sized enterprises operating mostly in the informal sector, and mostly occupying the sector of commerce. 65% of businesses in urban areas are in the informal sector.

The missing middle – the void left by the medium sized enterprises – and the sector gap – quasi-absence of a local manufacturing sector – largely explain why there are limited employment and income generation opportunities for the poor in Angola.

In 2002, for example - apart from the relatively few employment created by big companies of the extractive, financial and construction industries - the majority of 340,000 people employed by the some 19,119 private firms\(^\text{16}\) worked in the commerce sector.

For the Angolan private sector to better serve the poor, one of the main challenges to be addressed is the creation of a more friendly business environment that can help increase the capacity of the formal sector to create more jobs, especially in labor intensive sectors, such as agriculture and tourism.

To assess the efforts to improve the business environment in Angola, the framework described in the UN report titled “Unleashing entrepreneurship: making the private sector work for the poor”, is used. It particularly highlights the pillars of entrepreneurship and the foundations of the private sector.

Importantly, since the end of civil war in 2002, Angola has indeed embarked in bold reforms aimed at creating strong foundations for the domestic macro-environment, physical and social infrastructure and reinforcement of the rule of law. Improvements are also observed in the pillars for entrepreneurship, namely: a level playing field, access to finance, and knowledge and skills.

\(^{13}\) Source: http://www.doingbusiness.org/ExploreEconomies/?economyid=7
\(^{14}\) Source: http://www.heritage.org/index/country.cfm?id=Angola
\(^{15}\) Source: http://www.transparency.org/policy_research/surveys_indices/cpi/2007
\(^{16}\) Source: INE enterprise census.
However, one of the main constrains named almost unanimously by small entrepreneurs, is the level of difficulties encountered in accessing credit. On the other hand, financial institutions often complain about the low quality of the project proposals received for credit analysis. The mismatch between credit availability and the ability to develop high quality proposals is a critical factor already identified by key stakeholders, and that is currently generating action in the form of capacity development initiatives for local institutions, in order to improve the overall level of quality of proposals submitted to financial institutions.

1.4 Brief description of the sector(s)

The GSB initiative in Angola will focus its attention on the sectors that offer the possibility of having a more significant pro-poor impact. In this context, scoping missions performed by UNDP17, as well as previous research undertaken by other development and Government partners, indicate a number of potential sectors which will likely become the focus of the GSB in the country, namely, agriculture/agro-processing, water resources, tourism and construction. Obviously, given the importance of the extractive industries to the national economy, opportunities to develop projects around its value chain will also be investigated – in particular around linkages opportunities in the alluvial diamond mining sector, given its labour intensive business model.

A more in-depth country analysis of investment opportunities will be undertaken, once the GSB broker is deployed on the ground. This analysis will build on existing studies and will also take into account:

- Sectors that bring benefits beyond the immediate commercial returns – e.g. industry sectors that leverage local labour skills, create significant new employment opportunities and foster innovation and creativity;
- The need to promote linkages between large investment projects (especially FDI) and MSMEs, creating a spill-over effect of FDI in the local economy through the procurement of goods and services with local businesses.
- Interests expressed by potential investors;
- The potential of the local MSME sector;
- The need for coordination with other donor funded investment and MSME promotion programs;
- The need to promote intra-regional investment, and opportunities in the provinces, building on current state decentralization efforts.

1.5 Target groups and partner organisations

The main partners for the project will be:

<table>
<thead>
<tr>
<th>Micro, small and medium sized enterprises</th>
<th>As sub-contractors to investors (i.e. supply chain linkages)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Local and foreign investors</td>
<td>Seeking new investments and markets</td>
</tr>
<tr>
<td>National Government and its agencies, including the national investment promotion agency (ANIP) and BDA (Development Bank of Angola)</td>
<td>To assist in the process of promoting greater diversification of the economy, improve the business environment and investment promotion, to foster sustainable local economic development and job creation</td>
</tr>
<tr>
<td>Non-governmental organizations, civil society organizations</td>
<td>To facilitate dialogue between the private and public sectors</td>
</tr>
<tr>
<td>Donors, targeting organizations and institutions that are already working in the region. In particular those with ongoing PSD programs (e.g. USAID)</td>
<td>Interested in economic development in the region, broad based and inclusive economic growth</td>
</tr>
</tbody>
</table>

17 See Annex 4 for list of companies visited during the scoping mission.
The target beneficiaries for the project will be:

| The poor and unemployed | New job opportunities due to investments and growth of MSME sector, and access to more, new or less expensive products and services |

1.6 **Summary of problems to be addressed / development needs**

In Angola, economic recovery is well under way. Since 2002, and except for 2003, the country has been registering two-digit growth rates, driven by steep increases in oil production and prices, and fuelled by the resulting growth in domestic demand.

In 2007, the Angolan economy grew by 24.4%, one of the fastest growth rates in the world, and the fastest in Sub Saharan Africa. However, with a Human Development Index (HDI) of 0.429 Angola is classified by UNDP among the countries with ‘low human development’ in the 2007/2008 Human Development Report. And as highlighted in the situation analysis, severe unemployment affects more than half the population, with over 60% living below the poverty line.

The factors behind low earnings in small scale agriculture and in urban informal sector are many. One factor however appears to be critical in the Angolan context: the little or even absence of linkage between the mainstream economic circuit and the poor’s economic circle.

The poor in Angola are poor because they are involved in self-helped or self generating production activities: subsistence livelihood in the rural areas and self-helped informal activities in urban areas. Thus, they are trapped in a spiral of low productivity, low earnings and low investment, which makes it difficult for them to escape poverty.

The oil sector, which accounted for more than half of GDP, constitutes an enclave economy with very little interaction with the other sectors of economic activity, thus creating no income opportunity for the poor.

Initiatives such as GSB which establish links between the micro businesses run by the poor and bigger enterprises have been proven to be effective in reducing poverty, and most importantly in addressing the social problems caused by the rising levels of income inequality. Recognizing the macro-economic stability and the fast economic growth rate, GSB is ideally placed as the instrument for addressing issues of income generation for the poor.

1.7 **Other linked or complementary interventions**

In recent years, the development of the Angolan private sector, particularly of MSMEs and the promotion of an enabling environment for private sector growth and investment has been the focus of a series of interventions by a wide-range of development stakeholders. Consequently, the promotion of pro-poor business through the GSB initiative represents a unique opportunity to build on and reinforce existing interventions especially as the initiative is based on brokering and building multi-stakeholder network(s) for the purpose of facilitating specific business partnerships.

As a result of the scoping missions and the in-country research conducted and already mentioned above, an analysis was conducted mapping GSB-like initiatives in Angola, demonstrating and making recommendations on how GSB can fit into the private sector development in the country and how it can build on the existing initiatives and what synergies and complementarities can be developed between existing initiatives and GSB.

The methodology for the mapping exercise consisted of identifying the most important features that characterize a pro-poor business, which include the following:

- *Engagement with the poor*: first, it is about private sector engagement with the poor;
- **Win-win situation**: it is about a real business involving a win-win situation in the sense that it benefits both the poor and the companies involved;
- **Typical business model**: it is based on a typical business model that seeks to respond to the needs of the poor, especially one that is founded on the development of partnership with a wide range of actors;

And aggregating GSB-like initiatives into three categories:

- **Broadly GSB-like** initiatives are initiatives that bear most of the features of a typical GSB-like initiative, namely the promotion of private sector engagement with low income communities, the development of business linkages and support to the implementation of typical business model, but may differ from the GSB in some specific details regarding the business scheme under consideration and the nature of interventions. Basically, such initiatives generate pro-poor business situations.

- **GSB-oriented** initiatives are initiatives that carry one key feature of a typical GSB-like initiative, namely, the development of market linkage, but lack other important aspects, especially the engagement with the poor. These initiatives do not necessarily create pro-poor businesses, but carry opportunities for such outcome through the expansion of the linkages towards the poor.

- **A Potentially GSB-like** initiative refers to an initiative planed or being implemented that displays the potential to create pro-poor business situations, but that has not yet brought into being such a situation, even partly, because all of the links are still to be built.

Using the criteria and the three categories, the mapping exercise of linked or complementary interventions highlighted the following:

- The initiatives that have been identified to be **Broadly GSB like** include:
  - the Cabinda Agribusiness Development Alliance (CADA)
  - the Rural Group Enterprises and Agricultural Marketing in Angola (RGE/AMOA)
  - the Programa de Reestruturação do Sistema de Logística e de Distribuição de Produtos Essenciais à População (PRESILD)
  - the Coca Cola distribution initiative

- The initiatives that have been identified to be featuring the main characteristics of **GSB-orientated** included:
  - UNDP’s Angola Enterprise Programme
  - USAID’s “Market-oriented Economic Analysis” Programme
  - Projecto de desenvolvimiento da participacao national (PDPN)
  - CAE (Center of Business Support)
  - Programa de Desenvolvimento dos Negócios or Business Development (BD)

A more detailed description of the mapping exercise has been produced by UNDP Angola, and should be used as a reference document. It is envisaged that the “indicative list” of complementary interventions will be enlarged by the work of the GSB broker in the initial stages of the assignment, to account for the remaining relevant initiatives, such as the recent World Bank’s Market Oriented Smallholder Agriculture Project.

### 1.8 UNDP Approach

UNDP’s main objective is to assist partner countries to meet the eight Millennium Development Goals and and promote sustainable human development. The first of the eight goals is reducing poverty, while the eighth is the development of international partnerships to achieving development goals. This is further
complemented by the UN created and supported Global Compact, an initiative that advocates for an enhanced role for businesses in the development process.

The GSB Initiative uses a methodology that has been developed by UNDP, and successfully implemented in other world regions. This project is also in line with UNDP’s Private Sector Division strategy which identifies the engagement of the private sector community in pro-poor investment projects as a key priority.

UNDP’s core strengths in promoting pro-poor business partnerships in Africa are set out in the table below:

<table>
<thead>
<tr>
<th>UNDP value added</th>
<th>Details</th>
</tr>
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<tbody>
<tr>
<td>Neutral brokering role</td>
<td>UNDP has experience in bringing together different stakeholders, such as local and national Governments, civil society organizations, other multilateral donors and development agencies, as well as the private sector, in efforts where joint collaboration is required to ensure impact</td>
</tr>
<tr>
<td>Credibility</td>
<td>UNDP enjoys close relations with national and local Governments and civil society. In all targeted countries, Government partners expressed an interest in working with UNDP on private sector development and public private partnerships</td>
</tr>
<tr>
<td>Knowledge/ experience</td>
<td>UNDP’s extensive on-the-ground presence in the country and has enabled it to build strong local relations, and a deep knowledge of the local development needs. Also, UNDP has been specifically targeting post-conflict countries in the African continent. In addition, UNDP Country Offices in the region have experience in working in partnerships with businesses</td>
</tr>
<tr>
<td>Co-funding</td>
<td>UNDP CO has committed to contribute financially towards promoting GSB in Angola a total of 1,000,000 USD, (200,000 USD for 2008, 400,000 USD for 2009 and 400,000 for 2010). At the same time, UNDP CO and the broker are committed to mobilizing resources for GSB initiative through aid agencies and other development stakeholders.</td>
</tr>
</tbody>
</table>

2. OVERALL STRATEGY FOR GSB ANGOLA

(A Logical Framework can be found in Annex 1 of this project document.)

The GSB initiative grew out of the 2002 Global Compact Policy Dialogue on Business and Sustainable Development. It was conceptualized by the private sector, announced and launched at the World Summit for Social Development in Johannesburg 2002. The initiative is a key response to the report by the Commission on the Private Sector and Development - Unleashing Entrepreneurship, 2004, which highlighted the importance of the private sector for development.

The GSB Initiative is a business-driven program. It facilitates partnerships between companies and relevant actors from the public sector and civil society to develop and undertake commercially viable investment projects that have a positive impact on local economic development and poverty reduction. The GSB Initiative focuses on creating new and innovative business models for pro-poor, commercially viable investments that show impact through replication and scaling up of best practices.

The GSB therefore leverages the convening power of UNDP and its role as facilitator of partnerships, assuming the role of a neutral and fair broker. The GSB Initiative supports the development and implementation of investment projects through:

- **A full time broker**: A full-time GSB Broker acts as a convener and intermediary for business, Government, civil society, potential sources of finance, and development partners. S/he helps identify, develop and support specific sustainable business investment projects.
• **Research Platform:** GSB provides co-funding for socio-economic and feasibility studies, which inform specific business plans related to a potential investing company’s core business or value chain. Such studies will be co-funded with the participating company, and the resulting information would be basic socioeconomic data, environmental/social impact assessments, feasibility studies etc.

• **Technical Assistance & Capacity Development Platform:** GSB helps prepare local stakeholders, in particular local entrepreneurs, local Government and local NGOs that might be expected to play a role in the implementation of any given GSB investment project. Financial support from GSB/UNDP could be considered to provide technical assistance & capacity development related to a specific investment, as a public sector funded and implemented component in support of the investment project.

Proposals for GSB projects in Angola should be carefully evaluated and should comply with the following criteria, further to having a clear pro-poor impact and being commercially viable:

1. Complement existing activities of UNDP and/or partners, especially the AEP (Angola Enterprise Program), and related activities by other UN agencies (UNIDO, UNCDF, UNCTAD, ILO, etc.)
2. Catalyze new pro-poor business investments and attract commercial interest to new areas of business activity which companies would not enter without support from the GSB.
3. Have a systemic impact and create business models that clearly contribute to development, e.g. through ob creation, income generation opportunities, low priced products and services and value chain improvements, etc. Priority will be given to projects which directly contribute to the achievement of one or more of the MDGs.
4. Show impact within a clearly defined timeframe based on the service offer of the GSB and the support of committed partners.
5. Projects should be aligned with the countries strategic priorities including Angola’s Long Term Strategy for Development (ANGOLA 2025), Angola’s Medium Term Development Strategy (2009-2013) and Angola’s Poverty Reduction Strategy, as well as the UN’s Development Assistance Framework (UNDAF). Wherever possible, projects should make the link with these strategic documents in order to ensure consistency with the Government of Angola’s and the UN’s development policy priorities.

The GSB shall consider the following as cross-cutting issues:
- Gender
- Human Rights
- Capacity Development

Both the GSB Broker and the Project Board should consider these cross-cutting issues by developing and implementing multi-stakeholder partnership projects that are targeting these in an innovative way, and these should remain a focus of GSB throughout the project cycle.

**2.1 Primary Goal**

The purpose of this 30 month project is to implement the Growing Sustainable Business (GSB), an initiative for brokering investment projects that aligns commercial benefits of investors with local economic development needs and is carried out in broad based multi-stakeholder partnerships.

It is anticipated that resulting new investments will grow the national MSME sector by strengthening their capacity to supply larger companies (i.e. supply chains), while growth in the local private sector will create new employment opportunities and provide better and cheaper goods and services to particularly poor populations in Angola.
The project will take advantage of ongoing UNDP initiatives, namely those in the private sector, such as the Angola Enterprise Programme, the Employment Observatory or the Entrepreneurship in Education initiative.

The project’s outputs and activities are described in the Results and Resources Framework.

2.2 Exit Strategy

As mentioned in the Results and Resources Framework (Output 4) starting in January 2009 the GSB Broker will work continuously in engaging local stakeholders to raise awareness for the long-term sustainability of GSB in Angola. This will result in GSB being phased out from Direct Implementation by UNDP to National Implementation by planning (starting in 2010) the handover of the programme to a suitable Government Institution or Professional Association. This exit strategy will include a capacity-development component whereby the Broker will provide training and know-how to the new owner of GSB.

3. MANAGEMENT ARRANGEMENTS

3.1 Organizational arrangements

UNDP Angola Country Office: Will provide the overall day-to-day operational management and coordination of the GSB project, in line with the GSB Operations Manual and the chosen implementation modality (DIM). Specifically, this will be assured by the UNDP CO Project Manager under guidance of the DCD/P. Decision making and day-to-day management of programmatic issues will be assured by the UNDP CO Project Manager, whereas the Broker will deal directly with the GSB HQ team and the DCD/P for more strategic and technical considerations. It is expected that UNDP CO will provide necessary support to the country broker, consolidate/document and share information and lessons learnt, attract and provide funding for the project, communicate and report on progress to GSB HQ and other project partners.

UNDP Private Sector Division (GSB HQ): A unit within UNDP that has developed and successfully tested GSB projects in other countries will provide overall support to ensure management standards, and to safeguard integrity and effectiveness of the project. In particular, the GSB HQ team will provide general guidance to the broker, especially during the initial stages of the project, provide project assurance and appropriate monitoring and reporting tools for monthly tracking of progress, provide technical assistance to the broker whenever needed, and tap UNDP global network of business partners.

GSB Broker: The Broker will act as an intermediary for business, Government, civil society, potential sources of finance, and development partners. S/he will help identify, develop and support specific sustainable business investment projects. The broker will create (or attach, depending on circumstances) the Project Board and Investment Working Groups to bring together the relevant stakeholders, and provide them with a forum to forge partnerships, raise issues, solve problems and engage the Government. The broker plays a key role in problem solving, easing potential conflicts, and is the liaison with the UNDP country office. Once an investment has been decided upon, the broker will monitor and evaluate the investment project. S/he will report on all progress to UNDP CO and GSB HQ as per GSB Operations Manual reporting requirements, this dual reporting line will be reflected in the Broker’s RCA. In addition, it is expected that the GSB Broker will also assume the role of special advisor to the Country Director on Private Sector Development questions.

The GSB Project Board will act as a board of directors for the GSB, and provide the main forum for highlighting investment projects opportunities, discussing relevance to local development, organizing implementation, measuring and evaluating progress and communicating results to the local population. The Board, chaired by the UNDP Country Director, will bring together local stakeholders: local entrepreneurs, Government, NGO and donor supported PSD projects (e.g. AEP); and its members should be proactive in adopting a gender sensitive perspective. The Board is an open and inclusive body and thus ensures that

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18 Draft ToRs in Annex 5.
institutions are transparent and relevant to local development needs and priorities. It will be supported by the GSB broker. Where ever possible, GSB will join-in a similar existing body at country level, to avoid duplication.

**Project Assistant**: A project assistant will be hired to support the broker with the day-to-day administrative and operational tasks related to project implementation, providing back office support and ensuring that the majority of the broker’s time is focused on identifying potential GSB project opportunities, business facilitation, as well as developing strategic partnerships for successful implementation of the project.

**National Officer/Focal Point**: A National Officer will be hired to support the broker in defining the institutional linkages between INAPEM (National Institute for Support to Small and Medium Enterprises), specifically on the provision of support for capacity development and technical assistance for Government counterparts, NGOs and Medium and Small Enterprises. The role of the national officer is to act as focal point for INAPEM and provide strong linkages with existing programmes which support the Medium and Small Enterprises. The Terms of Reference for the National Officer will be defined by the Broker and INAPEM.

**Donor Private Sector Working Group / Coordination Forum**: Given the increase of donor programs targeting private sector development, it is advised that UNDP takes the lead in establishing a donor private sector working group, which would function as a coordinating and discussion forum for donors to discuss and explore potential synergies between the various programs and better coordinate their respective actions in order to improve effectiveness of their aid resources. The GSB broker, in its role as Senior Advisor for PSD to UNDP’s Country Director, would lead this process and engage other donors in order to establish the working group. Effort should be made to have gender balance in the Forum.

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**Internal Management Organisational chart**

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19 Draft ToRs in Annex 6.
4. MONITORING & EVALUATION

4.1 Monitoring

The GSB Broker will prepare a detailed annual work plan within 2 months of the start of the project. Monthly progress reports will be developed by the GSB Broker in line with GSB HQ guidelines, and quarterly reports will be done for joint review by UNDP and the GSB Project Board with the participation, as appropriate, of representatives of relevant stakeholders. These quarterly reports will cover at minimum the progress made on the implementation of the work plan, the problems encountered and how they were overcome (or suggestions for the same), key results obtained and impact expected, human resource development achievements and, if appropriate, updates to the work plan. These reports will also include quarterly expenditure reports, to facilitate ongoing financial management of the project. GSB project profiles and periodic reports will be made available to the public through regular website updates.

4.2 Evaluation

Towards the end of the project, UNDP will develop a final report summarizing the overall achievements, impact and sustainability, efficiency, effectiveness of interventions and lessons learned. It will include a survey of the project beneficiaries to collect data to assess the impact, effectiveness, efficiency and sustainability of the project activities. This evaluation process will be transparent and will be made available to general public.

5. LEGAL CONTEXT

This document together with the CPAP signed by the Government and UNDP which is incorporated by reference constitute together a Project Document as referred to in the Standard Basic Assistance Agreement (SBAA) and all CPAP provisions apply to this document.

Consistent with the Article III of the Standard Basic Assistance Agreement, the responsibility for the safety and security of the implementing partner and its personnel and property, and of UNDP’s property in the implementing partner’s custody, rests with the implementing partner.

The implementing partner shall:

a) put in place an appropriate security plan and maintain the security plan, taking into account the security situation in the country where the project is being carried;
b) assume all risks and liabilities related to the implementing partner’s security, and the full implementation of the security plan.

UNDP reserves the right to verify whether such a plan is in place, and to suggest modifications to the plan when necessary. Failure to maintain and implement an appropriate security plan as required hereunder shall be deemed a breach of this agreement.

The implementing partner agrees to undertake all reasonable efforts to ensure that none of the UNDP funds received pursuant to the Project Document are used to provide support to individuals or entities associated with terrorism and that the recipients of any amounts provided by UNDP hereunder do not appear on the list maintained by the Security Council Committee established pursuant to resolution 1267 (1999). The list can be accessed via http://www.un.org/Docs/sc/committees/1267/1267ListEng.htm. This provision must be included in all sub-contracts or sub-agreements entered into under this Project Document.
6. PROJECT RESULTS AND RESOURCES FRAMEWORK

**Intended Outcome as stated in the Strategic Results Framework:** UNDAF Outcome 4.
Strengthened pro-poor economic growth and accountable macroeconomic management and integrated rural development, natural resources management to promote environmental protection and adaptation to climate change.

**Outcome indicator as stated (slightly modified) in the Regional Programme Results and Resources, including baseline and target:**
Private sector development and entrepreneurship promoted.

**Partnership Strategy:** This project will be implemented in close and active collaboration with the Country Office. External to UNDP, the main national partners are the Ministry of Planning, and the Angola Investment Promotion Agency. The project will be implemented in cooperation with business, civil society and Government. Cooperation will be sought from donors and institutions that are already working in the region.

**Project title and number:** Growing Sustainable Business for Poverty Reduction in Angola

*Note: UNDAF and CPD Outcomes are from draft versions of the 2009-2013 documents, and may be subject to refinement.*

<table>
<thead>
<tr>
<th>Project Outputs</th>
<th>Output Indicators</th>
<th>Indicative Activities</th>
<th>Responsible Parties</th>
<th>Timeframe</th>
<th>Budget Total (USD)</th>
</tr>
</thead>
</table>
| **Output 1: GSB set-up finalization and launch** | Indicator 1a: Annual Workplan finalized  
Baseline 1a: n/a ; target 1a: Annual Workplan delivered | Recruitment of Broker, Project Assistant and National Officer/ Focal Point | UNDP Angola | Set up April-May 2010 | 727,000 (Total cost of Staff for duration of project, 30 months) |
|  
Indicator 1b: Realization of launch event | Training of broker in GSB methodology to attract and facilitate new investments. | GSB HQ | May- June 2010 | |
|  
Baseline 1b: n/a ; target 1b: Launch event realized | Delivery of detailed project Annual Workplan, final quantitative targets for the Project Outputs, and situation analysis, including evaluation of capacity needs | Country Broker | June-Aug 2010 | |
|  
Official launch of the GSB in the country. | Support and coordinate the GSB initiative, organizing outreach activities, workshops, and meetings | UNDP Angola, with support from the broker | Sept-Oct 2010 | 30,000 |
|  
Indicator 1c: status of GSB institutional settings | | | | |
|  
Baseline 1c: n/a ; target 1c: GSB Project Board and Donor-Private Sector Working | | | | 250,000 |

**Set-Up Costs:**
- **UNDP Province Office, including Travel Costs:** 120,000 USD
- **UNDP National Office, including Travel Costs:** 100,000 USD
- **External Costs:** 70,000 USD
- **Total Cost:** 390,000 USD

**Note:**
- **UNDP Province Office, including Travel Costs:** 120,000 USD
- **UNDP National Office, including Travel Costs:** 100,000 USD
- **External Costs:** 70,000 USD
- **Total Cost:** 390,000 USD
| Output 2: Identification, development and support to viable, pro-poor, GSB-like investment projects | Indicator 2a: Volume of new GSB-supported projects between local MSMEs and larger companies  
Baseline 2a: n/a; target 2a: 2 GSB projects to start implementation phase within the 1st year, minimum of 6 in total by 2010; identification of 5-7 potential projects within the first 9 months) | Identify and compile opportunities for GSB partnership with domestic and foreign private sector companies, mapping sources of technical assistance and funding at the country level | For duration of project, with annual targets  
Country Broker | 200,000 |
| Indicator 2b: Increase in employment in the MSME sector  
Baseline 2b: n/a; target 2b: 2000 | Facilitate MSME-FDI linkages, through matchmaking and proactive promotion of Angolan MSMEs among large scale projects, including listed companies from the initial GSB scoping mission | Country Broker | 1,700,000 |
| Indicator 2c: Expansion in set of affordable products and services available to the poor  
Baseline 2c: n/a; target 2c: 30 | Monitor (gender disaggregated) investment projects’ results, accounting for the poor and vulnerable involved in GSB projects | Country Broker |  |
| Indicator 2d: Expansion of links between micro-businesses and bigger businesses  
Baseline 2d: n/a; target 2d: 50 | Develop capacity of local stakeholders, in particular local entrepreneurs, local Government and NGOs to play a role in the implementation of GSB initiatives | Country Broker, with support of UNDP Angola |  |
| Indicator 2d: Number of socio-economic feasibility studies that analyse financial viability and development impact of potential GSB-like investment projects  
Baseline 2d: n/a; target 2d: minimum of 15 | Commissioning of studies to investigate commercial and developmental viability of investment opportunities  
Provision of co-funding to potential investors for feasibility and socio-economic studies  
Documenting resulting information on public record to increase the knowledge among the Government, donors and other stakeholders, and advocate for more GSB-like investments | Country Broker, supported by GSB HQ and UNDP Angola | Sept 2010 – Aug 2012 | 2,698,000 |
### Output 3: Increased awareness among local companies on the role of private sector in development

**Indicator 3a: Number of companies signing to the Global Compact in Angola**

- **Baseline 3a:** 0; **target 3a:** 25

**Sensitize companies and promote signature of the Global Compact**

**Organize advocacy activities (Workshops, publications, etc) to raise awareness of businesses on the role of private sector in development**

**Country Broker, with support of UNDP Angola and GSB HQ**

<table>
<thead>
<tr>
<th>Period</th>
<th>Budget</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sept 2010 – Aug 2012</td>
<td>70,000</td>
</tr>
</tbody>
</table>

### Output 4: Improved national capacity to promote GSB-like initiatives and exit strategy

**Indicator 4a: Number of MoUs aiming at enhancing partnerships between Government, businesses, and/or NGOs to work with investors**

- **Baseline 4a:** 0; **target 4a:** 6

**Advocate for national engagement in GSB-like initiatives as key element of an exit strategy of the project**

**Enhance public-private partnerships, through local ‘agreements’ (MoUs) between Government, businesses, and/or NGOs to work with investors (minimum of 6 in total)**

**Promotion of the assessment of national capacity for GSB-like initiatives and its development, including technical capacities for public-private partnerships**

**Support to initiatives by Government and agencies to coordinate GSB-like initiatives**

**Provide training and develop capacity of Government agencies on value chains, pro-poor business models and Bottom of the Pyramid initiatives.**

**Facilitate the handover of GSB portfolio from UNDP to the chosen Government agency**

<table>
<thead>
<tr>
<th>Period</th>
<th>Budget</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sept 2010-Aug 2012</td>
<td>100,000</td>
</tr>
</tbody>
</table>

### Monitoring and evaluation

<table>
<thead>
<tr>
<th></th>
<th>Budget</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Project Unit</strong></td>
<td></td>
</tr>
<tr>
<td><strong>Operational Costs</strong></td>
<td>200,000</td>
</tr>
<tr>
<td><strong>Miscellaneous</strong></td>
<td>50,000</td>
</tr>
<tr>
<td><strong>TOTAL BUDGET</strong></td>
<td>6,125,000</td>
</tr>
</tbody>
</table>
Note: Quantitative targets for each of the outputs will be refined by the Broker within 2 months of start of the project and shall be updated into the annual workplan and the Results and Resources Framework of the Project.

### Contribution by partner towards activities

<table>
<thead>
<tr>
<th></th>
<th>USD</th>
<th>Approximate %</th>
</tr>
</thead>
<tbody>
<tr>
<td>UNDP Angola</td>
<td>500,000</td>
<td>10%</td>
</tr>
<tr>
<td>Mobilized: Contribution by Cooperação Espanhola (AECI)</td>
<td>5,625,000</td>
<td>90%</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>6,125,000</strong></td>
<td><strong>100%</strong></td>
</tr>
</tbody>
</table>

### Preconditions and accompanying measures

Once the funding is made available and the project has been approved and endorsed by Ministry of Planning the project should be carried out within the 30 months period.
Annex 1. Logical Framework of Intervention

External influencing factors

Project success is sensitive to the following external factors:

Political stability:
Angola will hold legislative elections on September 5, 2008, the first since 1992. Presidential elections are planned for 2009, with municipal elections to follow. Opportunities for civic engagement and participation are increasing, and participatory processes are benefiting from the decentralization process in progress. While there is at the moment no particular reason for suspicion of instability during elections or the period to follow, recent election-related events in other Sub-Saharan countries demand that particular attention is given to this issue.

Corruption:

Business environment:
The Government is taking steps to improve the investment climate, to diversify the economy and promote employment, in order to better deliver services, and attenuate the dependency on the oil and diamond sectors. There is much room for such initiatives, given the diverse natural resources in the country, the climatic variability, and strategic location in Africa. To reduce the cost of doing business, the Government is improving on aspects such as infrastructure, electricity generation and transmission, customs services, and the environment for the provision of financial services. However, more needs to be done to promote private sector development, namely at the legislative and regulatory levels, procedural mainstreaming and simplification, and institutional capacity development.

Size of the market:
Angola’s population is estimated at around 16 million. According to data from 2001, 68% lived below the poverty line, with 15% of households living in extreme poverty. Poverty is more prevalent in rural areas, where 94% of households are poor. With at least 9 million living in poverty, there is broad demand for pro-poor business initiatives. On the supply side, there is great interest from companies in investing in Angola (private investment grew at an average 29% between 2002 and 2007, when it amounted to $5800 million), mostly in the areas of natural resources, construction, manufacture and electricity. The fast pace of growth increases the set of opportunities available for GSB projects.

Risks and assumptions

The following simplified matrix identifies potential risk factors that may impede the project as well as envisaged mitigation efforts.

<table>
<thead>
<tr>
<th>Risk factor</th>
<th>Mitigation</th>
</tr>
</thead>
<tbody>
<tr>
<td>Reputation risk</td>
<td>Careful selection and screening of company partners and investment projects – criteria developed. Respect for the Global Compact principles of corporate social responsibility. Careful selection of country broker to ensure transparent and ethical behaviour. If national candidate, importance of screening for potential conflicts of interest.</td>
</tr>
<tr>
<td>Duplication with other initiatives</td>
<td>Initiatives with similarities and complementarities have been identified in advance, at national level.</td>
</tr>
</tbody>
</table>
Failure of supported investment projects

Inevitably some investments will fail to achieve their fullest commercial or development potential. This is part and parcel of operating in the commercial sphere where all investments entail risk and potential investors will be made aware of this.

Availability of qualified human resources

The availability of national expertise is an issue in Angola. There is rough competition for experts in the country, and experts are co-opted by better paying jobs (e.g. oil companies), making it generally difficult to find people available to undertake works in the area of public policy. In such case, recourse on international experts is inevitable.

Inability to impact policy change

UNDP may have to engage high level management in case of pushing for policy reform.

Detrimental investment and business climate

The GSB seeks to redress specific barriers to investments supported by the program. In addition, the GSB initiative will coordinate with other projects that are addressing systematic barriers to investment and business development.

Sustainability

Political support

The ambitions of the current project are better achieved and will have greater impact with political support. Even if not operationally dependent on it, it is most beneficial to the project to hold a sound, advantageous relationship with official institutions such as the Agency for Private Investment (ANIP). It is highly advisable to assume, more particularly, that the GSB approach to promote employment and income opportunities for the poor and vulnerable receives strong backing from the political sphere, particularly from Ministry of Planning who has an overall coordinating role for development initiatives and stakeholders. The envisioned advocacy activities will contribute to produce such effect.

Technology

UNCTAD, UNDP and the Government have recently concluded a review of the Science, Technology and Innovation Policy (STIP) in Angola. The STIP review recognized that: 1) there is a need to diversify the economy, involving a shift of the allocation of resources into sectors such as agriculture and manufacturing; 2) innovation should be demand driven and that development of capacity in STI and private sector development should be mutually responsive and supportive; 3) improvements are needed in the functioning of the country’s innovation system and in its building blocks to achieve these aims. Both Government and UN are committed to help the country address these challenges, and further programmes are expected to draft an action plan and support activities that promote innovation and science and technology.

Environmental support

The country is still preparing the National Environment Programme/Strategy, which is supposed to address the compatibility of investment and businesses with the protection of the environment. Nevertheless given that several GSB countries have successfully assisted projects in the areas of waste management, recycling and other environmentally related areas, this project should also actively look for opportunities to offer environmental support.

Socio-cultural aspects

Although not a direct focus of the project, the project will however recognize and analyse the impact it may have on one or more regions of the country, and should promote cooperation between regions and Provinces wherever possible.

Gender dimension

Again, although not a specific focus of the project, GSB will however promote the inclusion of a gender focus in the discussions of the criteria for the projects and the investments as well as seek greater impact for women who are key players in the micro and small enterprises in Angola.

Institutional and management capacity development
Since the nature of the project is one of public-private partnerships, it will help to develop the capacity of local Government to take part in such partnerships. In addition, it is anticipated that investors will help to upgrade the management capabilities of local MSMEs.

**Economic sustainability**

Economic sustainability is at the heart of the GSB project. The partners/stakeholders of the GSB are organizations that currently exist and will continue past the project’s life (albeit better able to meet its mandate). Most importantly, the main partners/stakeholders are private sector companies whose impetus is economic sustainability; consequently any projects developed by the GSB will have to be economically viable because it is the private sector that will be the main financier and implementer of any investment project.
# Annex 2: Detailed Financing Plan – Activities Budget

<table>
<thead>
<tr>
<th>Item</th>
<th>Description</th>
<th>Cost USD</th>
<th>Units</th>
<th>Total USD</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Staff costs</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Broker’s salary</td>
<td></td>
<td>17,767</td>
<td>30 months</td>
<td>533,000</td>
</tr>
<tr>
<td>Project Assistant’s salary</td>
<td></td>
<td>2,470</td>
<td>30 months</td>
<td>74,000</td>
</tr>
<tr>
<td>National Officer</td>
<td></td>
<td>4,000</td>
<td>30 months</td>
<td>120,000</td>
</tr>
<tr>
<td><strong>Capacity Development, Technical assistance and research</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Coordinate the GSB initiative: including: travel of project staff, both domestic visits to provinces as well as broker’s training abroad, DSA payments, and other misc costs</td>
<td></td>
<td>250,000</td>
<td></td>
<td>250,000</td>
</tr>
<tr>
<td>Capacity development of target groups: primarily for Government counterparts and NGO’s to assist in CSR, Global Compact, as well as business linkages (local MSMEs/FDI) advocacy efforts.</td>
<td></td>
<td>1,700,000</td>
<td></td>
<td>1,700,000</td>
</tr>
<tr>
<td>Identification and monitoring of investment projects</td>
<td></td>
<td>200,000</td>
<td></td>
<td>200,000</td>
</tr>
<tr>
<td>Support to the development of national coordination of GSB-like initiatives</td>
<td></td>
<td>100,000</td>
<td></td>
<td>100,000</td>
</tr>
<tr>
<td>Socio-economic/feasibility studies. Costs shared with the private sector. Assumes an average of 6 new socio-economic and/or feasibility studies per year.</td>
<td></td>
<td>2,698,000</td>
<td></td>
<td>2,698,000</td>
</tr>
<tr>
<td>Official launch</td>
<td></td>
<td>30,000</td>
<td></td>
<td>30,000</td>
</tr>
<tr>
<td><strong>Advocacy &amp; Communications</strong></td>
<td>Communication and dissemination - including advocacy events, printed materials about GSB and GC, newsletter and website.</td>
<td>50,000</td>
<td></td>
<td>70,000</td>
</tr>
<tr>
<td><strong>Project Unit Operational Costs</strong></td>
<td>Operations costs: IT equipment, rental, office costs, communications</td>
<td>200,000</td>
<td></td>
<td>200,000</td>
</tr>
<tr>
<td><strong>Monitoring and Evaluation</strong></td>
<td>Contractual services for independent M&amp;E, travel, and other M&amp;E related expenses</td>
<td>100,000</td>
<td>Mid-Term and Final Project Evaluations</td>
<td>100,000</td>
</tr>
<tr>
<td><strong>Miscellaneous</strong></td>
<td>Unforeseen programmatic or operational costs</td>
<td>50,000</td>
<td>N/A</td>
<td>50,000</td>
</tr>
</tbody>
</table>

**Total project costs USD**: 6,125,000

**Contribution by partner towards activities**

<table>
<thead>
<tr>
<th></th>
<th>USD</th>
<th>Approximately %</th>
</tr>
</thead>
<tbody>
<tr>
<td>UNDP Angola</td>
<td>500,000</td>
<td>8%</td>
</tr>
<tr>
<td>Mobilized: Contribution by Cooperação Espanhola (AECI)</td>
<td>5,625,000</td>
<td>92%</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>6,125,000</strong></td>
<td><strong>100%</strong></td>
</tr>
</tbody>
</table>
## Annex 3: Timetable and Financing Plan

<table>
<thead>
<tr>
<th>Activities</th>
<th>Responsible party</th>
<th>2010-2012</th>
</tr>
</thead>
<tbody>
<tr>
<td>Map local stakeholders from Governments, civil society, the private sector and donor community. Explore synergies between GSB and other relevant initiatives in the country/region. Finalize detailed 2010 AWP</td>
<td>Country Broker, with support of Angola CO (Economic Unit)</td>
<td></td>
</tr>
<tr>
<td>Official launching of the GSB in Angola, including establishment of a Project Board and a Private Sector Working Group (for donors w/ active in PSD projects)</td>
<td>Country Broker</td>
<td></td>
</tr>
<tr>
<td>Identify opportunities for GSB partnership with domestic and foreign private sector companies.</td>
<td>Country Broker</td>
<td></td>
</tr>
<tr>
<td>Provide continuous support to GSB in the country</td>
<td>GSB HQ</td>
<td></td>
</tr>
<tr>
<td>Commission socio-economic feasibility studies that analyse the financial viability and development impact of potential investment projects.</td>
<td>Country Broker, w/ support of CO</td>
<td></td>
</tr>
<tr>
<td>Support capacity development of target groups: Government counterparts and NGOs to support advocacy efforts for broader understanding of GC and CSR principles</td>
<td>Country Broker</td>
<td></td>
</tr>
<tr>
<td>Regular reporting on the progress to the GSB HQ in NY. Regular liaison with the GSB Team Leader, GSB network (especially Africa region), for sharing lessons and resolving common challenges.</td>
<td>Country Broker</td>
<td></td>
</tr>
<tr>
<td>Monitoring and Evaluation</td>
<td>GSB HQ, Angola CO and external</td>
<td></td>
</tr>
</tbody>
</table>
Annex 4  List of companies visited during scoping mission

- TERRA VERDE - Greenhouse producer of fresh vegetables and poultry and eggs producer;
- FRESHMARK – subsidiary of ShopRite Group for procurement and distribution of fresh vegetables and fruits;
- ANGONABEIRO - Coffee Producer, Importer and Distributor
- ENDIAMA Group - National Diamonds Concessionaire and Producer;
- SONANGOL/ SONAREF Project – National Oil Concessionaire and Producer and New Refinery Project Sponsor ;
- BCI – Commercial Bank ;
- ANGOLA TELECOM - National Public Fixed Telecom Backbone, Cable Operator and Investor in Mobile Operator ;
- GRUPO SISTEC – Seller of Computer products and IT systems;
- ANGONET ISP focusing on Non Governmental Organizations Segment
- BECTHEL Angola – General Construction subsidiary of Betchel USA for the LNG Angola Project;
- ALCATEL ANGOLA – Seller of Telecom System and Communication Services;
- ODEBRECHT ANGOLA – Civil works engineering and construction as well as owner and developer of mining interests;
- ESSO ANGOLA – Exxon Mobil Oil Production Subsidiary;
- CHEVRON ANGOLA – Chevron Texaco Oil Production Subsidiary;
- Group Castel: Cuca, BGI & EKA – Leading Brewery and Distribution;
- IT- Tecnologias Integradas – Emerging Niche IT Services to Oil Industry;
- ATENA – Telecom Call Services Provider and Equipment Maintenance Operator ;GSB Scoping Mission to Angola II- January 8 2008
- NSANGI Ltd – New Construction Materials Gravel Company in Soyo to Supply Angola LNG Project;
- ECOMAR- Distributor and Service Maintenance provider of electric generator, cisterns and water pumps;
Annex 5 Draft ToRs for GSB Broker in Angola

UNITED NATIONS DEVELOPMENT PROGRAMME
GROWING SUSTAINABLE BUSINESS IN ANGOLA

I. Post Information

<table>
<thead>
<tr>
<th>Post Title:</th>
<th>GSB Broker, UNDP Angola</th>
</tr>
</thead>
<tbody>
<tr>
<td>Pre-classified Grade:</td>
<td>To be allocated</td>
</tr>
<tr>
<td>Supervisors</td>
<td>GSB HQ (NY), UNDP Angola DRR-P</td>
</tr>
<tr>
<td>Location:</td>
<td>Luanda, Angola</td>
</tr>
<tr>
<td>Period:</td>
<td>2 years (possibility of extension)</td>
</tr>
<tr>
<td>Languages Required:</td>
<td>English and Portuguese (fluent – written and spoken)</td>
</tr>
</tbody>
</table>

II. Organizational Context

The Growing Sustainable Business (GSB) initiative seeks to broker “pro-poor” investments that are both commercially attractive and address local needs. By focusing on specific investment opportunities, this project complements the efforts of other government and donor projects to improve the business and investment environment and address other macro-economic factors.

The GSB initiative adds value to companies along three core areas: information (highlighting opportunities, providing case studies of successful business models); local relationships (brokering relationships with local partners, engaging government to address regulatory barriers) and capital (co-funding feasibility studies and capacity development, bridging access to development finance). These activities serve to reduce the risk for business to make these investments and help prove the viability of the commercial case for the investment. Revolving around the trust placed in UNDP, its country office network, its impartiality, and its unique ability to convene, facilitate, and create space, the GSB initiative stimulates market driven solutions to poverty through concrete business investments.

Worldwide the initiative is active in 14 countries and in 54 projects with partners from the local and international private sector. The GSB initiative is now on the process of being launched in Angola.

Therefore, UNDP seeks to hire an experienced professional to initiate, establish and coordinate the GSB initiative in Angola.

For more information on the GSB initiative worldwide please check at our website: www.undp.org/partners/business/gsb
III. Functions / Key Results Expected

Under the overall responsibility of the Deputy Resident Representative Programme of the UNDP Country Office and the GSB HQ in New York, the Broker is expected to:

1) **Analyse the current Private Sector Development landscape in Angola in order to identify the potential for implementation of investment projects within the GSB selection criteria:**
   - It is expected that the broker will engage in a detailed fact-finding, including a critical analysis of existing pipeline ideas to assess the viability and timelines for potential GSB partnership projects. This will serve to define realistic expectations with regard to investments that can be initiated.
   - This will include a special focus on the needs for further TA and capital and an assessment of the potential for partnerships to provide these.

2) **Broker new GSB investments:**
   - Engage prioritized potential projects/companies in discussions and negotiations; present to target and intermediary organizations – this will likely include some research and customizing of materials for key meetings.
   - Follow up, monitoring, supplementary research and other actions required to pursue negotiations and bring companies into the GSB process (e.g. accepted by the GSB steering committee)
   - Facilitate contacts between the private sector, government, civil society and financing partners

3) **Ongoing Operational Support for GSB:**
   - Engage and sensitize all major stakeholders while establishing and maintaining close relationships with relevant companies, NGOs, business associations, donors, and UN agencies.
   - Establish and maintain the GSB project in the country of assignment, including organisation of relevant meetings and establishment of a Steering Committee, setting up project alliances, and provision of secretariat support.
   - Provide continuous support to GSB project alliances in terms of facilitation and provision of needed knowledge and administrative support.
   - Ensure coordination and maximize synergies between GSB with other ongoing UNDP and other donors PSD initiatives, such as AEP (Angola Enterprise Program).
   - In addition, it is expected that the broker will assume the role of Special Advisor to UNDP Country Director on matters related to Private Sector Development.

4) **Support UNDP Country Office in mobilizing resources for the GSB:**
   - Support the UNDP Country Office efforts in mobilizing resources for the GSB project.
   - Help the UNDP Country Office to define a business model to support the medium-term sustainability of the GSB operation.

5) **Reporting and Communications:**
   - Regularly liaise with the GSB HQ-team, and other national GSB brokers in order to share lessons and resolve common challenges – it is expected that the broker will contribute to the intellectual development of the GSB project with new
ideas/suggestions based on field experience.

- **Reporting:** The broker will have a dual monthly reporting relationship with:
  1) The UNDP Deputy Resident Representative Programme through and in collaboration with the UNDP CO Project Manager
  2) The global GSB Program team: Direct reporting line to the GSB Global Program Manager who has overall responsibility for the program.

- Report on a quarterly basis on progress vis-à-vis a clear outline expected results and on general level, report on annual basis on work plans and elaborate yearly work plans for the Deputy Resident Representative Programme in CO.
- Report to the local Project Board on a quarterly basis.
- Preparation of various communication initiatives, including a GSB brochure, newsletter and input to the GSB website.

6) **Monitoring & Evaluation (M&E):**
- Track progress of the M&E indicators defined for the GSB projects in the pipeline against development objectives, expected impact and project timelines in line with GSB operational tools.

7) **Targets:**
- **Within the first 3 months:**
  - Detailed situation analysis, including assessment of investment opportunities on the basis of quantitative data, with the objective to define the scope for GSB to catalyze new pro-poor investments. This shall lead to the formulation of sound **project selection criteria** allowing the prioritization of partnership proposals.
  - Detailed Annual Workplan and Final Quantative Targets for the Project Outcomes and Outputs
  - Development of selection criteria: The analysis shall also serve to revise expectations and project targets as listed below and adjust if necessary.
  - Identification of 2-3 viable GSB project ideas with partners firmly committed to undertake investments within 9-12 months. Clear specification of requirements for these investments in terms of provision of capital and Technical Assistance.
  - Establishment of a Project Board

- **Within the first 9 months:** identification of 5-7 project proposals

- **Within 12 months:** at least 2 GSB projects should start the implementation phase.

### IV. Impact of Results

The GSB Broker is expected to successfully launch and implement the GSB initiative in Angola, including but not limited to the brokering of investment projects that have a direct and measurable impact in poverty reduction and contributes towards the achievement of the MDGs.

At the end of the 24 month assignment, it is expected that at least 4 investment projects will have been implemented, generating increased employment, better linkages between local companies and large FDI projects and an overall more inclusive private sector.
V. Qualifications, Skills and Competencies

- Master’s degree in business, economics, international development or international relations, with strong academic performance.
- Good knowledge of the local socio-economic and cultural context in Angola, including very good understanding of the business situation in the region and the opportunities for new investments (alternatively previous experience in post-conflict areas would be an advantage)
- Ability to broker and convene productive coalitions between business, government and development partners
- Substantial relevant work experience (at least 7 years); ideally significant business/private sector work experience in strategy/operations roles with some knowledge/experience in the region or similar environments; experience in investment promotion and other broker positions would be advantageous
- Good understanding of development policies in general and pro-poor private sector
- A detailed understanding of “pro-poor” investments and their potential to contribute to development; some understanding of contemporary thinking around corporate social responsibility (CSR) and its impact on business investment.
- Excellent relationship management, communication and analytical skills
- The ability to understand and provide critical analysis of business models, including thorough quantitative skills for the evaluation of investment projects. The candidate should be able to perform standard investment analysis (IRR, DCF, etc.) and financial modelling of business models; experience in evaluating/negotiating deals would be highly advantageous
- Interest in understanding the roles and values of UNDP as well as the UN Global Compact.
- The following would be strong assets:
  - Distinctive experience in working in the private sector on issues of business strategy, operations or new business development. Particularly some experience in the development of supply chains would be of advantage.
  - On-the-ground experience related to issues of economic development and entrepreneurship
  - Previous working experience in the country/region, and knowledge of the local business environment

Languages:
- Fluency in written and spoken Portuguese and English is required.
I. Post Information

Post Title: Project Assistant, GSB Angola  
Pre-classified Grade: G5  
Supervisor(s): GSB Broker  
Location: Luanda, Angola  
Period: 1 year (possibility of extension)  
Languages Required: English and Portuguese (fluent – written and spoken)

II. Organizational Context

The Growing Sustainable Business (GSB) initiative seeks to broker “pro-poor” investments that are both commercially attractive and address local needs. By focusing on specific investment opportunities, this project complements the efforts of other government and donor projects to improve the business and investment environment and address other macro-economic factors.

The GSB initiative adds value to companies along three core areas: information (highlighting opportunities, providing case studies of successful business models); local relationships (brokering relationships with local partners, engaging government to address regulatory barriers) and capital (co-funding feasibility studies and capacity development, bridging access to development finance). These activities serve to reduce the risk for business to make these investments and help prove the viability of the commercial case for the investment. Revolving around the trust placed in UNDP, its country office network, its impartiality, and its unique ability to convene, facilitate, and create space, the GSB initiative stimulates market driven solutions to poverty through concrete business investments.

Worldwide the initiative is active in more than 19 countries and in over 70 projects with partners from the local and international private sector. The GSB initiative is now on the process of being launched in Angola.

Therefore, UNDP seeks to hire a Project Assistant to provide additional support for the GSB broker, and to assist in the overall operational matters related to the project.

The Project Assistant will report to the GSB Broker, and will provide day-to-day support in assisting the GSB project portfolio, provide overall programmatic support to the GSB Secretariat, ensure proper organization of files and perform other support tasks as
III. Functions / Key Results Expected

Under the overall responsibility of the GSB Broker, the Project Assistant’s duties will include, but not be limited to:

- **Government & Private Sector Liaison Assistance:** Regularly liaise with the government and the private sector in organizing meetings, and maintain communication on matters related to the GSB project, this include support in public relations and assistance in answering requests from various stakeholders (internal and external);

- **Information Management:**
  
  *Manage databases:* Regularly update databases and matrices that track progress made on GSB projects and also develop templates for configuring data so that is suitable for the needs of government and the private sector, with particular focus on investment promotion, linkages opportunities and MSME financing programs;

  *Undertake data collection:* Collect data of existing MSME financing programs, both domestic and international, public (bilateral, multilateral, development banks, etc) and private commercial banks;

  *Produce minutes:* Record and write up minutes after various meetings, with particular attention to the proceedings of the GSB steering committee, in a timely manner and well organized;

  *Manage project files:* Collect, organize and safely store project files, reports, and other related documentation and GSB related data. Maintain an up-to-date database of GSB projects (current and potential) and assist with missions, when requested;

- **Translation:** Translate documents, proposals and other relevant written information from Portuguese to English and English to Portuguese as requested;

- **Monitoring & Evaluation (M&E):** Support in tracking progress of the M&E indicators defined for the GSB projects. Liaise and Support GSB broker on monitoring GSB priority projects. Help in monitoring and evaluation of GSB projects in the pipeline against development objectives, expected impact and project timelines in line with GSB operational tools.

- **Perform other tasks as required.**
- **Reporting:** The Project Assistant will report to the GSB Country Broker.

For more information on the GSB initiative worldwide please check at our website:

IV. Impact of Results

The GSB Project Assistant is expected to successfully support the launch and implementation of the GSB initiative in Angola, by assisting the GSB broker with project management and administrative support, as well as by supporting in the monitoring and evaluation of projects, outreach activities and public relations.

V. Qualifications, Skills & Competencies, and Languages

Minimum Qualifications:
- University Degree in Business, Economics or relevant field.
- Relevant work experience on mentioned duties.
- Understanding of the structure and operations of the Government of Angola
- Understanding of international organizations structure and operations is an advantage
- Fluency of English and Portuguese languages
- Knowledge of MS Office package

Skills & Competencies:
- Excellent administrative, analytical, office support and organization skills with attention to detail and ability to prioritize and deliver assignments in a timely manner.
- Understanding or Strong interest in Private Sector Development, business models and business development, deal-making, partnerships, and investment promotion;
- Understanding and interest in pro-poor business, corporate social responsibility
- Networking skills to engage with key internal and external partners
- Technologically savvy, excellent computer skills – especially MS Office package.
- Ability to work creatively and independently with little supervision
- Capacity to gather comprehensive information on complex problems or situations;
- Demonstrates openness to change and ability to manage complexities.
- Developed sense of responsibility/personal maturity
- Flexible, responsive and client oriented
- Positive attitude, reliability and resourcefulness and proven ability to work effectively in a team-oriented, multi-cultural environment. Good interpersonal skills

Languages:
- Full fluency in written and spoken Portuguese and English is required.