

PUBLIC FINANCING OF THE SOCIAL SECTORS IN ANGOLA

August 2002

United Nations Development Programme (UNDP)
International Organization for Migration (IOM)
United Nations Children's Fund (UNICEF)
World Health Organization (WHO)

in partnership with:

Ministry of Education
Ministry of Finance
Ministry of Health

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ABBREVIATIONS

AIDS	Acquired Immune Deficiency Syndrome
BNA	Banco Nacional de Angola (National Bank of Angola)
BPC	Banco de Poupança e Crédito (Savings and Credit Bank)
CCA	Common Country Assessment
CS	<i>Centro de saúde</i> (health centre)
CUT	Conta Única do Tesouro (Single Treasury Account)
DME	Delegação Municipal da Educação (Municipal Directorate of Education)
DMS	Delegação Municipal da Saúde (Municipal Directorate of Health)
DNME	Direcção Nacional de Medicamentos e Equipamentos (National Directorate for Drugs and Equipment)
DNO	Direcção Nacional do Orçamento (National Budget Directorate)
DNT	Direcção Nacional do Tesouro (National Treasury Directorate)
DPE	Direcção Provincial da Educação (Provincial Directorate of Education)
DPF	Delegação Provincial das Finanças (Provincial Delegation of Finance)
DPS	Direcção Provincial da Saúde (Provincial Directorate of Health)
EC	European Commission
FAA	Forças Armadas Angolanas (Angolan Armed Forces)
FAS	Fundo de Apoio Social (Social Support Fund)
GDP	Gross domestic product
GEPE	Gabinete de Estudos, Planeamento e Estatística (Office of Studies, Planning and Statistics)
GNP	Gross national product
HDR	<i>Human Development Report</i> , of UNDP
IMF	International Monetary Fund
INABE	Instituto Nacional de Bolsas de Estudos (National Scholarships Institute)
INE	Instituto Nacional de Estatística (National Statistics Institute)
INEFOP	Instituto Nacional de Emprego e Formação Profissional (National Employment and Professional Training Institute)
IOM	International Organization for Migration
Kz	Kwanza
Kzr	Kwanza reajustado
MAPESS	Ministério da Administração Pública, Emprego e Segurança Social (Ministry of Public Administration, Employment and Social Security)
MDG	Millennium Declaration Goals
MEC	Ministério da Educação e Cultura (Ministry of Education and Culture)
MHC	Macroeconomic and Health Commission, of WHO

MICS	Multiple Indicator Cluster Survey
MINFIN	Ministério das Finanças (Ministry of Finance)
MINPLAN	Ministério do Planeamento (Ministry of Planning)
MINSA	Ministério da Saúde (Ministry of Health)
NCB	<i>Nota de cabimentação</i> (disbursement note)
NGO	Non-governmental organization
OD	<i>Órgão dependente</i> (dependent body)
ODA	Overseas development assistance
OGE	Orçamento Geral do Estado (General State Budget)
OS	<i>Ordem de saque</i> (payment order)
PAR	Programa de Apoio à Reconstrução (Reconstruction Support Programme)
PAV	Programa Alargado de Vacinação (Expanded Programme on Immunization)
PDS	Plano de Desenvolvimento Sanitário (Health Development Plan)
PHC	Primary health care
PIP	Programa de Investimentos Públicos (Public Investment Programme)
PMR	Programa de Micro-Realizações (Micro-Projects Programme)
PRC	Programa de Reabilitação Comunitária (Community Rehabilitation Programme)
PS	<i>Posto de saúde</i> (health post)
PUNIV	<i>Pré-universitário</i> (pre-university)
QF	<i>Quota financeira</i> (financial tranche)
SADC	Southern African Development Community
SIGFE	Sistema Integrado de Gestão Financeira do Estado (Integrated State Financial Management System)
SNS	Serviço Nacional de Saúde (National Health Service)
Sonangol	Sociedade Nacional de Combustíveis (National Fuels Company)
SOWC	<i>State of the World's Children</i> , of UNICEF
UN	United Nations
UNAIDS	United Nations Programme on HIV/AIDS
UNDP	United Nations Development Programme
UNESCO	United Nations Educational, Scientific and Cultural Organization
UNFPA	United Nations Population Fund
UNICEF	United Nations Children's Fund
UNITA	União Nacional para a Independência Total de Angola (National Union for the Total Independence of Angola)
UO	<i>Unidade orçamental</i> (budget unit)
VIH	Human Immuno-Deficiency Virus
WHO	World Health Organization

PREFACE

In the past decade, Angola has experienced some of the worst moments of its recent history, with two periods of war that affected the civil population more directly than ever before. The performance of the social sectors was seriously debilitated, in large measure due to the low level of public funding allocated to these services in the last few years. This situation had serious consequences for the state of health, education and general well-being of the population, resulting in Angola's social indicators being amongst the worst in Southern Africa.

Conscious of the need to improve the delivery of social services, the Government of Angola, together with four United Nations agencies, took the important initiative of sponsoring a detailed study on the public financing of these services, with the objective of making practical recommendations regarding the distribution of resources and budget management mechanisms.

On the Government side, the Ministries of Education and Culture, Finance and Health participated in the study. In addition, the United Nations Development Programme (UNDP), the United Nations Children's Fund (UNICEF), the World Health Organization (WHO) and the International Organization for Migration (IOM) joined this initiative.

Carried out between January and July 2002, the study was especially significant in demonstrating the excellent results that can be achieved when the Government of Angola and the United Nations work in partnership for development. These benefits are all the more important at a time when the country has the historical opportunity, due to the restoration of peace, to take advantage of the much more favourable conditions than in the past to overcome the problems of the social sectors. The study will contribute to a better planning and budget management framework for the social sectors and thereby help create the pre-conditions for recovery of education and health services, making it possible to move forward towards universal primary school enrolment and the reduction of the high rates of morbidity and mortality, in accordance with the Millennium Declaration Goals.

Among those who encouraged the launching of the study, I must highlight the leading role played by the Vice-Minister of Education and Culture, Pinda Simão, the Vice-Minister of Health, José Vieira Ván-Dunem, and the Vice-Minister of Finance, Abílio Gomes. The successful conclusion of the study was in large part due to the mobilization of their ministries, which made it possible to gather the necessary information and ensure the high quality of the analysis.

Besides their key role, I would like to extend my special thanks to those who directly assisted the conduct of the work, namely the Secretary-General of the Ministry of Education and Culture, Kavungu Baptista, the Director of the Office of Studies, Planning and Statistics (GEPE) of the Ministry of Health, Nzima Victor, and the National Director of Accounts in the Ministry of Finance, Joana Cordeiro. During the study, they facilitated the research and made extremely valuable contributions and suggestions for improvements in the text.

It is also incumbent on me to highlight the crucial role of the teams of technical personnel set up by the ministries involved in the study. In particular, I would like to express my

thanks for the contributions made by Isabel Brilhante and Pedro Fuca, technical staff of the National Budget Directorate (DNO) and National Accounts Directorate (DNC) of the Ministry of Finance, as well as Miguel Clemente and Paulo Morgado, technical staff of the GEPE in the Ministry of Health, and Mbala Zavanga, of the GEPE in the Ministry of Education and Culture. By sharing their deep knowledge of their respective areas of competence, they helped to shed light on the details of financial management in the social sectors. These professional officers also participated in the research visits to the provinces, contributing in a crucial way to recording the insights and concerns of technical staff in the field.

It is important also not to forget the contributions made by several staff members of the United Nations agencies that supported the study. I would like to express my sincere thanks to all those colleagues who not only contributed with their technical knowledge, but also demonstrated the best spirit of inter-agency cooperation. In this respect, I must make special mention of the support provided to the study by my assistant in the Resident Coordinator's Unit, Abel Piqueras.

The study was led by Lluís Vinyals Torres, an economist and established consultant in the health sector in Angola, who had earlier worked in the GEPE of the Ministry of Health, for the Post-Emergency Health Project. He had the advantage of being able to bring to bear a comparative perspective, drawn from his previous experience working for several years in the health sector in Mozambique. This previous experience in analysing the financing of the health sector in both countries was a major asset that helped contribute to the success of the work.

The conduct of the study resulted in the issue of social sector finances becoming an important question on the agendas of the participating ministries. The tremendous interest in this subject in these ministries was evident at the technical meeting held to discuss the preliminary results of the study, after the preparation of the first draft. There is growing interest in improving the financing of the social sectors, particularly with respect to basic services. It is a sign of recognition, on the part of the Government, of the importance of creating conditions to confront the challenges that the country will have to face in these sectors that are so critical for the well-being of the population and for national development.

Although the text was drafted by Lluís Vinyals Torres, the final version benefited enormously from the contributions of the various participants in the study, both from the ministries and from the United Nations agencies. I extend my thanks again to all those who, through the information, comments and advice they provided, contributed to the quality of the analysis and the pertinence of the recommendations. However, the final responsibility for the content of this book lies entirely with the author.

I have no doubt that this study is an exemplary contribution to the analysis of development policies and will be of vital importance for the development of the social sectors and the improvement of the living conditions of the Angolan people.

Erick de Mul
Resident Coordinator
United Nations System in Angola
Luanda, July 2002

GLOSSARY

Dollar. In this study, the term 'dollar' refers to the United States dollar, which is used as currency of reference. The following average exchange rates, in the official and informal (parallel) markets, were used for converting between kwanzas and dollars:

Year	Kwanzas/dollar	
	Official market	Informal market
1997	0.23	0.30
1998	0.39	0.61
1999	2.84	3.16
2000	10.2	10.6
2001	22.1	23.9

Manager (gestor). Concept employed in the budget classification system to designate the bodies responsible for management of funds. These are of two types: budget units (*unidades orçamentais*) and dependent bodies (*órgãos dependentes*) (see below).

Kwanza (Kz) and Kwanza reajustado (Kzr). Until December 1999, the kwanza reajustado was the national currency. The currency was replaced at that time by the kwanza at the rate of 1 million kwanzas reajustados for 1 kwanza. To facilitate the analysis, all data in kwanzas reajustados have been converted into kwanzas.

Notas de cabimentação (NCB). A financial control document, which contains the name of the beneficiary of an expenditure, the nature and value of the expenditure and its deduction from the balance of the respective budget allocation. The purpose of the NCB is to ensure that there are sufficient funds under a budget allocation. A payment order (*ordem de saque*) is issued on the basis of the NCB.

Ordem de saque (OS). A document which recognises a payment obligation on the part of the State for an expenditure contracted by a public institution with the right to make such an expenditure. These documents are issued by *órgãos dependentes* or *unidades orçamentais* and validated by the signature of the manager of the responsible *unidade orçamental*.

Orgão dependente (OD). A State body which has its own budget but does not have the capacity to make expenditures without the authorization of a budget unit (*unidade orçamental*). All *órgãos dependentes* are overseen by *unidades orçamentais*, which authorize payments for them. *Órgãos dependentes* are responsible for managing procurement on their own behalf.

Programa de investimento público (PIP). The Public Investment Programme is a Government instrument for the programming of investments in infrastructure and capital goods. The PIP is coordinated by the Ministry of Planning and executed by ministries and provincial governments.

Quota financeira (QF). A tranche of the approved budget that is made available to a *unidade orçamental* through a transfer of resources authorized by the National Treasury Directorate in the Ministry of Finance. *Quotas financeiras* may be of four types: for personnel, goods and services, transfers and investments. The QF for salaries are issued every month, but those for goods and services and for investments are not always issued on a monthly basis. In normal conditions, the *quotas financeiras* should correspond to one twelfth of the budget and be issued monthly.

Sistema Integrado de Gestão Financeira do Estado (SIGFE). The Integrated State Financial Management System is a set of procedures and information systems that regulates the revenues and expenditures of the State, integrating them in a single system.

Unidade orçamental (UO). The 'budget unit' is a State body or group of bodies or services of the State Administration, an institute or an autonomous fund to which budget resources are allocated, under law no. 9/97. The budget units directly receive resources from, and report to, the Ministry of Finance.

CHAPTER 1

INTRODUCTION

1.1 Context

The peace agreement signed by the FAA and the military forces of UNITA, in April 2002, opens up new opportunities for Angola's social and economic recovery and, at the same time, is creating new challenges. Although this is not the first peace agreement, the majority of observers are of the opinion that the politico-military situation has changed radically since the 1990s, making it likely that this will be a durable peace.

In this context, the country in general and the Government in particular must define a path for sustainable development, through which economic growth benefits the least favoured sections of the population, creating a more just society, for the well-being of everyone.

The social sectors are a key dimension of policies for the redistribution of wealth, acting as an instrument for the transfer of resources and, therefore, for social and territorial cohesion and stability. The Government, as the body responsible for the general good, is the actor that should play the leading role in managing these sectors, both as a direct service provider and as coordinator and principal guarantor that these services are provided in sufficient quantity and quality for the entire population.

Based on a study carried out by the Ministries of Education and Culture, Finance and Health, with the support of the United Nations, this book has the objective of reflecting on the current situation of these sectors, in terms of the resources made available to them and the mechanisms of budget management.

Starting with the transition to independence in November 1975, the history of Angola has been marked by almost three decades of civil war. This ruinous conflict was fuelled by the rivalries between the nationalist movements, by the external intervention of regional and international powers and by the country's enormous natural wealth, particularly its resources of petroleum and diamonds. Combined with the chaotic nature of the transition to independence, the lack of qualified personnel and shortcomings in management during the period of the centralized economy and one-party state (1975-91), the war had devastating effects on the Angolan economy and society.

Despite two attempts to restore peace (the Bicesse Accords in May 1991 and the Lusaka Protocol in November 1994), the country remained immersed in a highly destructive war until the beginning of 2002. Meanwhile, far-reaching economic and political reforms were introduced, from 1991 onwards, to bring about a transition to a market economy and a multi-party system.

The intensity of the war during the last decade triggered large population displacements, which accelerated the process of urbanization and worsened the social situation. By May 2002, the number of internally displaced persons (IDPs) had reached about 4 million, in other words almost one third of the national population. The country has been transformed from a predominantly rural society into one that is highly urbanized, with an urbanization rate estimated to be around 60% of the national population in 2001 (UN, 2002).

In parallel with the decline or stagnation of most sectors of the economy, the growth of the petroleum industry has been one of the features of the post-independence period. The oil sector has become the country's main source of export earnings and the main source of fiscal revenue for the Government. In 2001, the oil sector accounted for 61% of gross domestic product (GDP).

Table 1.1
General data on the Angolan economy, 1997-2001

	Source	Unit	1997	1998	1999	2000	2001
Population	INE	Thousands	12,262	12,630	13,009	13,400	13,808
GDP at current prices	IMF	Million \$	7,675	6,445	6,088	8,864	9,472
GDP per capita	CCA	\$	590	495	468	661	686
Inflation (annual, Luanda)	INE	%	148	135	329	268	116
Average exchange rate (official)	BNA	Kz/\$	0.23	0.39	2.84	10.2	22.1
Average exchange rate (parallel)	BNA	Kz/\$	0.30	0.61	3.16	10.6	23.9
Average petroleum price	IMF	\$/ barrel	18.6	11.9	17.6	27.1	23.0

The expansion of oil production, which has already reached 900,000 barrels a day, has provided the Government with large revenues, that exceeded \$3 billion in 2001 (IMF, 2002). This has resulted in Angola having one of the highest ratios of Government expenditure to GDP, among African countries.¹ On the other hand, the heavy dependence on oil makes the country vulnerable to fluctuations in petroleum prices. Thus, in the short term, there is considerable instability, from year to year, in the volume of resources available for the General State Budget (OGE), despite the prospect of a continued increase in fiscal receipts in the long term, due to the large investments in new oil-fields.²

Although the overall level of public expenditure has been high, the weight of the social sectors in this expenditure has been among the lowest on the African continent. This factor, along with the war and its direct and indirect effects, has left the country seriously lacking in the provision of basic social services to the population. As a result, Angola has some of the worst social indicators in Africa. The under-five mortality rate, which is estimated at 295 per 1,000 live births (UNICEF, 2002), is the second highest in the world, after Sierra Leone. With respect to primary education, the data of the Ministry of Education and Culture indicate that about half of Angolan children aged 6-11 are not attending school (MEC, 2001a).

Nonetheless, Angola has enormous opportunities to bring about the recovery of the social sectors and thereby improve the well-being of the population. Apart from the opportunities created by the return to peace, the high level of oil revenue (and the prospect of further large increases in the years to come) should make it possible to achieve substantial progress. In fact, Angola is relatively well-placed to finance post-conflict reconstruction and social and economic development with its own internal resources and to depend less on external aid than most other African countries.

¹ On average, Government expenditure over the five years from 1997 to 2001, has been equivalent to 48.9% of GDO, according to the IMF (2002).

² At the level of production achieved in 2002, an increase of \$1 per barrel in the price of petroleum results in an increase of \$160 million in Government revenue.

1.2 Objectives and structure of the study

Given the current situation and the new opportunities to overcome the problems inherited from the past, several ministries of the Government of Angola and United Nations agencies decided to join together to carry out a detailed study on the financing of the social sectors. The Ministry of Health (MINSAs), the Ministry of Education and Culture (MEC) and the Ministry of Finance (MINFIN) were involved in this initiative, along with the United Nations Development Programme (UNDP), the United Nations Children's Fund (UNICEF), the World Health Organization (WHO) and the International Organization for Migration (IOM).

Objectives

Based on consultations between the different partners involved in the study, the following objectives were adopted:

1. To present and analyse data on the overall expenditure of the Government and donors in the social sectors, with special emphasis on the education and health sectors;
2. To present the trends in the intra-sectoral distribution of expenditure in the education and health sectors and analyse these trends vis-à-vis the priorities set in Government policies and strategic plans;
3. To describe the budget management system, including the changes resulting from the decentralized administrative and budget management model adopted in the 1990s, and analyse its implications for policy implementation, planning and financing in the health and education sectors.

For the purpose of the present study, the social sectors in Angola include education, health, social welfare, housing, community services, social security and culture. The health and education sectors are the most important within the social sectors, both in terms of resource allocation and with respect to the development of the country and the well-being of the population. Their strategic importance was the motive for carrying out a more detailed analysis of these sectors.

Most of the study focuses on the expenditure budgeted and executed by the Government. However, it was decided to extend the analysis to the external aid provided to the health and education sectors in Angola, due to the scale of this assistance, particularly in the case of the health sector. On the other hand, it is important to make it clear that this study does not have the objective of covering the sectors' entire range of financing sources. It therefore does not take into account the private expenditure carried out by households, nor the expenditures made by churches, private and state companies and philanthropic, non-state institutions.

The study took into account the process of strategic change currently under way in the sectors. The education sector has begun a process of structural reforms, through a new basic law on the education system (law n.º 13/01), approved in 2001. This educational reform aims to modernize the organization of the education system (see Chapter 3). Meanwhile, the Ministry of Education and Culture drafted a strategic framework for the

development of the sector, with the objective of achieving education for all by 2015.³ This includes the specific target of ensuring that all Angolan children of primary school age are enrolled in school by 2015, which means that the number of children enrolled will have to rise from about 1.5 million in 2000 to 5 million in 2015, taking into account the growth in population (MEC, 2001a, 2001b).

For its part, the Ministry of Health is engaged in the preparation of a Health Development Plan (*Plano de Desenvolvimento Sanitário*), a document which aims to set out the strategies to follow in the next four years (2002–2005).

The present study contributes to the diagnosis of the sectors, by providing information on the resources that are currently made available to them, on the distribution of those resources within each sector and on the mechanisms of budget management.

Structure

The present study is organized in six chapters, which follow the same sequence as the objectives presented above. In the first chapter, the purpose and objectives of the study are outlined, along with the methodology employed and its limitations.

The second chapter presents data on social sector expenditure relative to total Government expenditure. It analyses the trends during the period from 1997 to 2001 and compares the average data for Angola with average data for other countries that belong to the Southern African Development Community (SADC). The chapter also presents the available data, limited to the year 2000, on donor aid flows to the education and health sectors.

The third chapter analyses in detail the distribution of resources within the education sector. The expenditures are presented, first of all, using the official classifiers of the OGE, that is, by programmes, provinces and economic categories (grouped in personnel, goods and services, transfers and investments). The sectoral data are then presented by levels of education. Following the presentation of the data, the expenditure pattern is analysed, in order to assess whether the intra-sectoral distribution of resources is consistent with sectoral priorities and with criteria of equity and efficiency.

The fourth chapter follows the same logical sequence for the health sector, with a presentation of the data on the intra-sectoral distribution of expenditure, by programmes, provinces, economic categories and levels of health care, and an analysis of the data vis-à-vis the sectoral priorities and the criteria of equity and efficiency.

The fifth chapter describes the system of State financial management and, in particular, the manner in which this affects the provision of resources in the social sectors. This chapter is divided into three parts. In the first part, the relations between the different bodies that constitute the health and education sectors are described and analysed, in general terms and with respect to financing mechanisms. The second part describes and analyses the process by which the OGE is prepared. The third part describes and analyses

³ According to the World Declaration on Education for All, adopted at the World Education Forum, in Dakar in April 2000, 'basic learning needs...comprise both essential learning tools...and the basic learning content ...required by human beings to be able to survive, to develop their full capacities, to live and work in dignity, to participate fully in development, to improve the quality of their lives, to make informed decisions, and to continue learning (article 1, paragraph 1).

the system of budget execution, in other words, the mechanisms by which funds are disbursed to the sectors.

The sixth chapter presents the general conclusions of the study and a series of recommendations for improvements in the distribution of resources and the systems and procedures of budget management.

Finally, in the annexes are a bibliography and a set of detailed tables, that serve as a data source on the public financing of the health and education sectors in Angola.

1.3 Methodology

The methodology used in the study combined quantitative tools, involving the creation of a data base, and qualitative techniques, in the form of questionnaires for interviewing technical personnel in ministries, provincial governments and sectoral institutions, such as schools, hospitals, health centres and health posts. Below, the nature of each of these instruments is discussed in further detail.

Data base

The basic source of data for the study was the Sistema Integrado de Gestão Financeira do Estado (SIGFE – Integrated State Financial Management System).⁴ The management of this system is located in the information technology department of the Ministry of Finance, where all the information regarding the financial management of the OGE is centralized. In the SIGFE archives, there is a budget data-base for every year.

These data-bases are classified by provinces, functions, budget units (*unidades orçamentais*), dependent bodies (*órgãos dependentes*), projects/activities and economic categories, each with their respective codes. In other words, each budget accounting entry is classified by these six variables, making it possible to organize the expenditures from six different perspectives. Expenditures are registered in the OGE on the basis of the classification system defined by law n.º 9/97 of 17 October (Government of Angola, 1997), in the following manner:

- a) Institutional classification, which corresponds to the array of *unidades orçamentais* and *órgãos dependentes*;
- b) functional-programmatic classification, which relates expenditures to Government activities, objectives and targets and has three levels of aggregation:
 - classification by functions, which corresponds to the highest level of aggregation of governmental activity, in the different sectors;
 - classification by programmes, which are defined in terms of “final outputs” and may be detailed in sub-programmes;

⁴ SIGFE is a set of procedures and information systems for State revenue and expenditure, integrated into a single system.

- classification by activities or projects;⁵
- c) economic classification, which includes two categories:
- current expenditure (personnel, goods and services, transfers);
 - capital expenditure (investments).

Although not formally required by law to do so, SIGFE also classifies expenditures by provinces, while the expenditures of institutions with a national character are classified at a central level (as general expenditure or expenditure of the central Government bodies).

Besides utilizing the classifiers provided by SIGFE, the study introduced a new type of classifier, namely that of level (of education or health care), with a view to evaluating the consistency of resource distribution with sectoral policies, in particular with respect to basic social services.

Depending on the proposed objective, different classifiers are used. For the analysis of the weight of social sector expenditure in total expenditure (in Chapter 2), only the function classifier is used. In other words, social sector expenditure is regarded as consisting of all the expenditures classified officially under the functions corresponding to these sectors. For the analysis of the intra-sectoral distribution of expenditure, other classifiers, such as those by provinces and levels, are used.

It is important to point out that the concept of function, as it is officially defined and utilized in Chapter 2, does not correspond exactly to the concept of sector. This is because there are overlaps between sectors. For example, the Faculty of Medicine belongs equally to the sectors of education and health. It is classified officially in the education function. Likewise, the *Divisão de Saúde Militar* (Military Health Division) simultaneously belongs to the defence and health sectors, but is classified in the defence function. Thus, the sectors are generally more fully encompassing than the functions.

In this study, the expenditures of a sector, a concept used in Chapters 3 and 4 for the analysis of the intra-sectoral distribution of expenditure, are defined as the sum of the expenditures of the function plus the expenditures of those *unidades orçamentais* or *órgãos dependentes* that do not belong to the function but may be considered as components of the sector. The difference in the definitions of the two concepts means that the overall expenditure of a sector may exceed the expenditure of the corresponding function.

The budget years covered by the study are those between 1997 and 2001. The start-up of SIGFE in 1997 lay behind this choice. The data on approved budgets are those of the last revisions of the OGE in each year, that is, they do not necessarily reflect the estimates in the first approved version of the OGE.

The SIGFE data have been converted into US dollars. The dollar has been used in the study in order to monitor the evolution of the data over time in a context of high inflation. The following table shows the exchange rates used to convert budget figures into dollars.

⁵ Activities are actions undertaken in a continuous and permanent manner and are related to the maintenance and operation of the bodies that make up the State administration or are overseen by it. Projects are actions limited in time and related to targets, that contribute to the expansion or perfecting of the responsibilities assigned to the bodies that make up the State administration or are overseen by it.

An exchange rate was used that is the average of the annual averages of the two types of exchange rates applied in Angola, those of the official and parallel markets.

Table 1.2
Average exchange rates used in the study
(in kwanzas per \$)

	Official	Parallel	Average
1997	0.23	0.30	0.26
1998	0.39	0.61	0.50
1999	2.84	3.16	3.00
2000	10.2	10.6	10.36
2001	22.1	23.9	23.00

Sources: MINFIN e BNA

Interviews and visits to the provinces

In addition to setting up the data base, interviews were held with individuals in bodies involved in budget management, in the Ministry of Finance and in the social sectors. The objective of the interviews was to gather information for the qualitative analysis of the current State financial management system and to sound out the opinions of actors at all levels, so as to be able to make a diagnosis of the current situation and produce recommendations for improvements.

In order to carry out the interviews, two information tools were developed. First, there were guidelines for interviews, used in the meetings with technical staff in the ministries and the provincial governments. Second, questionnaires were prepared for meetings with the managers of budget units and *órgãos dependentes*. The guidelines for interviews and the questionnaires were intended to gather information on the institutional relationships within the sectors (and between them and bodies in the Ministry of Finance), on the process of preparation of the OGE and on financial management procedures, giving particular attention to the mechanisms applying to the facilities that deliver basic social services.

Before they were used, the instruments were tested in two budget units in the city of Luanda, namely the Instituto Médio de Economia de Luanda and the Hospital Augusto N´Gangula.

The interviews were carried out in institutions in four provinces, with the aim of capturing the different circumstances in different parts of the country. It was decided to select provinces in different geographical zones, with large populations and a relatively large network of social infrastructure. On this basis, the provinces of Benguela, Huambo and Huíla were chosen. In addition, the province of Cabinda was also included, due to its special financing characteristics.⁶

⁶ Cabinda directly receives financial resources from the oil companies operating in that province.

Limitations

A study of this nature inevitably has some limitations, due to the weaknesses in the data available in Angola.

The first limitation is related to the question of the scope of the Government expenditure data. Most of the data presented in this study are drawn from SIGFE. However, there are some Government expenditures that take place outside this system, through extra-budgetary mechanisms. Although it appears that these expenditures do not concern the social sectors, it is obvious that the inclusion of the extra-budgetary expenditures in the total value of Government expenditure will alter the calculations of the ratios presented in Chapter 2 on the weight of the social sectors in overall expenditure. In order to take into account this reality, the calculations in Chapter 2 are made using two data sources, SIGFE and the IMF. In the case of the IMF, the data on Government finances include estimates of the extra-budgetary expenditure, in addition to the expenditure registered in SIGFE.

Second, there are limitations regarding the classification system. Although SIGFE has had some success in introducing discipline into the expenditure procedures of State institutions, its classification model is rigid and its capacity to provide information on matters that are critical for the management of the sectors is quite limited. For example, there are no budget lines specifically for drugs or school materials. Besides this, the classification has not been consistent throughout the period under study. The changes in the structure of the OGE and in the classification criteria limit the scope for comparative analysis of the data over time. In 2001, the classification by functions was completely altered. This change shed more light on the expenditures of each sector, but made comparisons with previous years more difficult.

The third problem arises from the lack of reliable data on the population, a factor which makes it difficult to calculate per capita figures. The population data used in the study are based on estimates made by the National Statistics Institute (INE) by extrapolating from trends revealed in the last national census, carried out three decades ago, in 1970, and in partial censuses held in some provinces in 1983. Since then, the distribution of the population has radically changed, due to the large population displacements caused by the war. The analysis of per capita data is therefore highly problematic.

Finally, some of the sectoral data used in the study are based on statistics with limited reliability. The administrative systems for recording and managing routine data function with great difficulty in the health and education sectors, due to the lack of trained personnel and adequate tools, not to mention the problems caused by the war. Although the administrative data are complemented from time to time by data obtained through surveys, these are rarely carried out on a national scale. In the social sectors, the most representative surveys in the last few years have been the two Multiple Indicator Cluster Surveys (MICS), carried out by INE in 1996 and 2001, although the most recent of these surveys was limited, for security reasons, to accessible areas.

CHAPTER 2

OVERALL GOVERNMENT EXPENDITURE IN THE SOCIAL SECTORS

This chapter presents data on the value and weight of expenditure on the social sectors within the General State Budget (OGE) during the five years from 1997 to 2001. The trends in the percentage share of the social sectors in the OGE during this period will be analysed and the data will be compared with data for other countries in the zone comprised by the Southern African Development Community (SADC). In addition, some data for the year 2000 on disbursements of aid by the main donors in the education and health sectors will be presented, to show the relative weights of the Government and donors in the financing of these sectors.

With respect to Government expenditure, in this chapter the expenditures regarded as being in the social sectors are limited to those classified as such in the corresponding functions in the Integrated State Financial Management System (SIGFE). The functions considered part of the social sectors are health, education, social welfare, labour and social security, housing, urban affairs and community services, and culture.

It must be pointed out that the classification by functions did not maintain the same structure throughout the period covered by the study. In 1998, 1999 and 2000, the functions of education and culture were combined into one. From 2001, this function was divided, to create a function specifically for culture and six different sub-functions related to the education sector. Likewise, the health function was combined with sanitation until 2000 and was then broken up, from 2001, into various distinct sub-functions (see Table A-3 in Annex 2).

Since only the expenditures actually carried out are relevant for the analysis in this chapter, the allocations approved by the National Assembly will not be presented and analysed.

To assess the weight of the social sectors in the OGE, it is necessary to bear in mind two particular features of the model used for organizing the budget accounts in Angola. First, unlike in most countries, the amortization of debt is treated as a category of capital expenditure. This practice distorts the analysis, since debt repayments, like loan disbursements, are really financing operations.⁷ By contrast, interest payments, which are costs, should be treated as expenditures. Therefore, if the objective of the analysis is to assess the share of the social sectors in the distribution of Government expenditure, it does not make sense to include in the denominator (total expenditure) a category that does not properly belong there. Consequently, and also to facilitate comparisons with other countries, the value of loan repayments will be deducted from the overall figures for budget expenditure, as they are presented in the Angolan accounts.

Second, for the overall value of Government expenditure, there are two data sources, which, as was stated in Chapter 1, provide different figures. On the one hand, SIGFE only includes expenditures that have been duly registered in the budget accounts, in

⁷ The budget deficit is financed partly by the difference, in net terms, between loan disbursements and principal repayments. Amortizations can be, and often are, simply refinanced.

accordance with budget execution procedures. On the other hand, the IMF estimates include estimates of extra-budgetary expenditures, in addition to the expenditures registered in SIGFE. Although it would seem that all the expenditures in the social sectors are registered in SIGFE, this is not the case in some other areas, which means that there are considerable differences in the estimates of total expenditure and thus in the estimates of the share of the social sectors in total expenditure. This chapter will present estimates based on data for total expenditure drawn from both sources. However, in both cases, the SIGFE data are always used for social sector expenditure.

2.1 The weight of the social sectors in Government expenditure

Table 2.1 shows the data for executed expenditure in the period from 1997 to 2001, in millions of kwanzas⁸. The data are in current prices and cannot be compared from one year to another, because of the high rates of inflation during this period.

Table 2.1
Executed expenditure on the social sectors, 1997-2001
(by functions, in million kwanzas, excluding debt amortization)

	1997	1998	1999	2000	2001
Education	45	66	427	2,299	6,460
Health	31	35	250	1,780	5,483
Social security and social welfare	32	18	95	1,081	2,552
Housing, urban affairs and community services	21	6	64	834	2,905
Culture	2	.. ^a	.. ^a	.. ^a	1,369
Sub-total, social sectors	131	124	836	5,994	18,769
Total expenditure (SIGFE data)	599	440	6,490	24,948	71,444
Total expenditure (IMF data)	1,133	1,084	14,031	53,982	101,482

a/ In 1998, 1999 and 2000, the function for culture was joint with that for education.

Sources: SIGFE, MINFIN; IMF, 2002

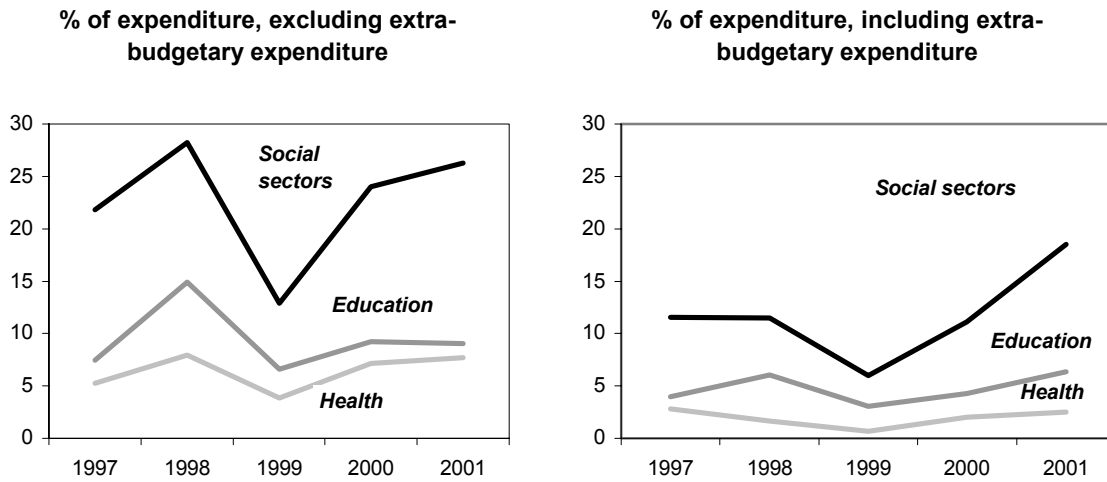
Table 2.2 and Figure 2.1 show the trends in the percentage share of expenditure in the social sectors within total Government expenditure, using the two sources of data available for the total value of expenditure (SIGFE and the IMF). The SIGFE data, which exclude the extra-budgetary expenditure, show that the overall weight of the social sectors remained generally in the range of 20% to 30% of expenditure, in the period under review. However, the year 1999 showed a much smaller figure, of only 12.9%. This reflected the large increase that year in the percentage share of expenditure on defence and public order, which was related to the revival of the armed conflict at the end of 1998. According to the SIGFE data, 56% of executed expenditure in 1999 was classified in the functions for defence and public order.⁹ From 2000, there was the start of a recovery in the share of the social sectors in Government expenditure, which rose to 24.0% in 2000 and 26.3% in 2001.

⁸ The data prior to 2000 were converted from kwanzas reajustados to kwanzas.

⁹ According to the World Bank's *World Development Indicators 2001*, in 1997, a year of relative peace, Angola, with 36.3%, occupied sixth place in the list of countries that devoted the highest proportion of executed public expenditure to the defence sector, being exceeded only by Myanmar, Sudan, the United Arab Emirates, the Democratic Republic of Congo and Oman (World Bank, 2001).

The inclusion of extra-budgetary expenditure in the figures for total expenditure results in a significantly lower weight for the social sectors, in the range of 6% to 19%. As in the previous case, 1999 was the year in which the social sectors had the lowest share, with only 6% of expenditure, followed by a substantial increase in 2000 and 2001. Indeed, the share of the social sectors tripled from 1999 to 2001, reaching 18.5% of total Government expenditure.

Figure 2.1
Percentage share of the social sectors
in executed Government expenditure, 1997-2001



Sources: SIGFE, MINFIN; IMF, 2002

Table 2.2
Percentage share of the social sectors
in executed Government expenditure, 1997-2001
(by functions, excluding debt amortization)

	As % of total expenditure, excluding extra-budgetary expenditure					As % of total expenditure, including extra-budgetary expenditure				
	1997	1998	1999	2000	2001	1997	1998	1999	2000	2001
Education	7.5	14.9	6.6	9.2	9.0	4.0	6.1	3.0	4.3	6.4
Health	5.2	8.0	3.8	7.1	7.7	2.8	3.2	1.8	3.3	5.4
Social security and social welfare	5.4	4.0	1.5	4.3	3.6	2.8	1.6	0.7	2.0	2.5
Housing and community services	3.5	1.3	1.0	3.3	4.1	1.8	0.5	0.5	1.5	2.9
Culture	0.3	0.0	0.0	0.0	1.9	0.1	0.0	0.0	0.0	1.3
Social sectors	21.8	28.2	12.9	24.0	26.3	11.5	11.5	6.0	11.1	18.5

Sources: SIGFE, MINFIN; IMF, 2002

The education sector had a higher share than health, although the gap has narrowed in recent years. The share of the education sector in total expenditure (including extra-budgetary expenditure) fell to only 3.0% in 1999, before rising to 4.3% in 2000 and 6.4% in 2001. Health sector expenditure followed the same trend, falling to 1.8% in 1999 before recovering afterwards to 3.3% in 2000 and 5.4% in 2001.

2.2 The value of social sector expenditure

The next section shows the trends in the value of social sector expenditure. To analyse the trends in expenditure, the values in national currency are converted into US dollars, because of the high rates of inflation and depreciation of the national currency. The exchange rate used is the average of the official and parallel exchange rates (see Chapter 1). Values are also presented in per capita terms.

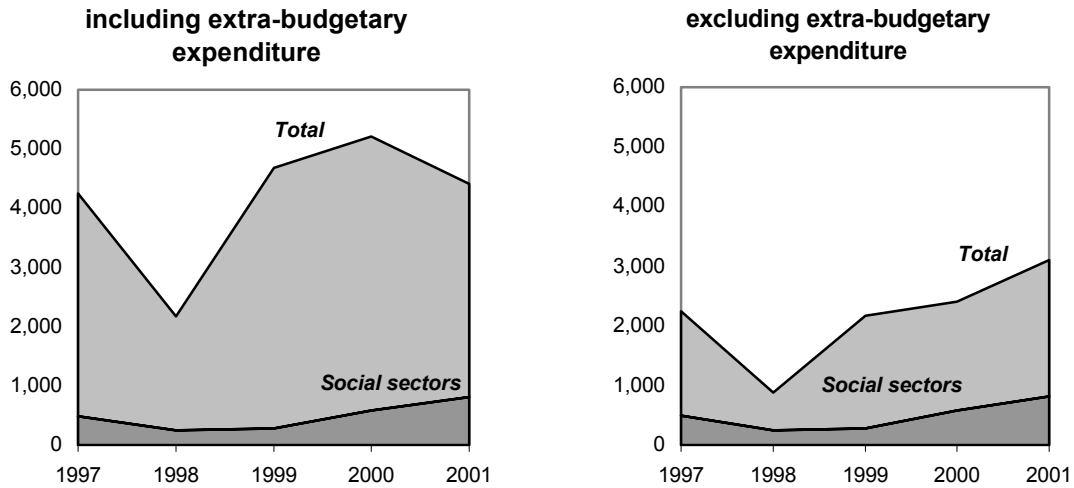
As Table 2.3 and Figure 2.2 show, expenditure on the social sectors experienced a large decline in 1998, falling by almost half. This reflected, in part, the fall in the price of oil on the international market, which caused a drastic reduction in fiscal revenue. Despite the recovery of the oil price the following year, expenditures remained at a low level in 1999, due to the resumption of the war and the high expenditure on defence and public order. However, the increase in oil revenue, which reached a historical high in 2000, and the greater budgetary priority given to the social sectors brought about substantial increases in expenditure on these sectors in 2000 and 2001. These trends were evident in both the education and health sectors. Table 2.3 indicates also the large scale of the extra-budgetary expenditure, although there was a certain decline in 2001.

Table 2.3
Executed social sector expenditure, 1997-2001

	Expenditure (\$ million)					Expenditure <i>per capita</i> (\$)				
	1997	1998	1999	2000	2001	1997	1998	1999	2000	2001
Education	168	131	142	222	281	13.4	10.2	10.7	16.2	19.9
Health	117	70	83	172	238	9.4	5.4	6.3	12.6	16.9
Social security and social welfare	120	36	32	104	111	9.6	2.5	2.4	7.6	7.9
Housing, urban affairs and community services	78	12	21	80	126	6.2	0.9	1.6	5.9	9.0
Culture	6	-	-	-	59	0.4	-	-	-	4.2
Sub-total, social sectors	489	249	279	579	816	39	19	21	42	57
Total expenditure (SIGFE data)	2,242	881	2,163	2,409	3,106	183	70	166	180	225
Total expenditure (IMF data)	4,244	2,169	4,677	5,213	4,412	339	168	352	381	313

Sources: SIGFE, MINFIN; FMI, 2002

Figure 2.2
Evolution of social sector expenditure
and total Government expenditure, 1997-2001
(in million \$)



Sources: SIGFE, MINFIN; IMF, 2002

2.3 Comparison with SADC countries

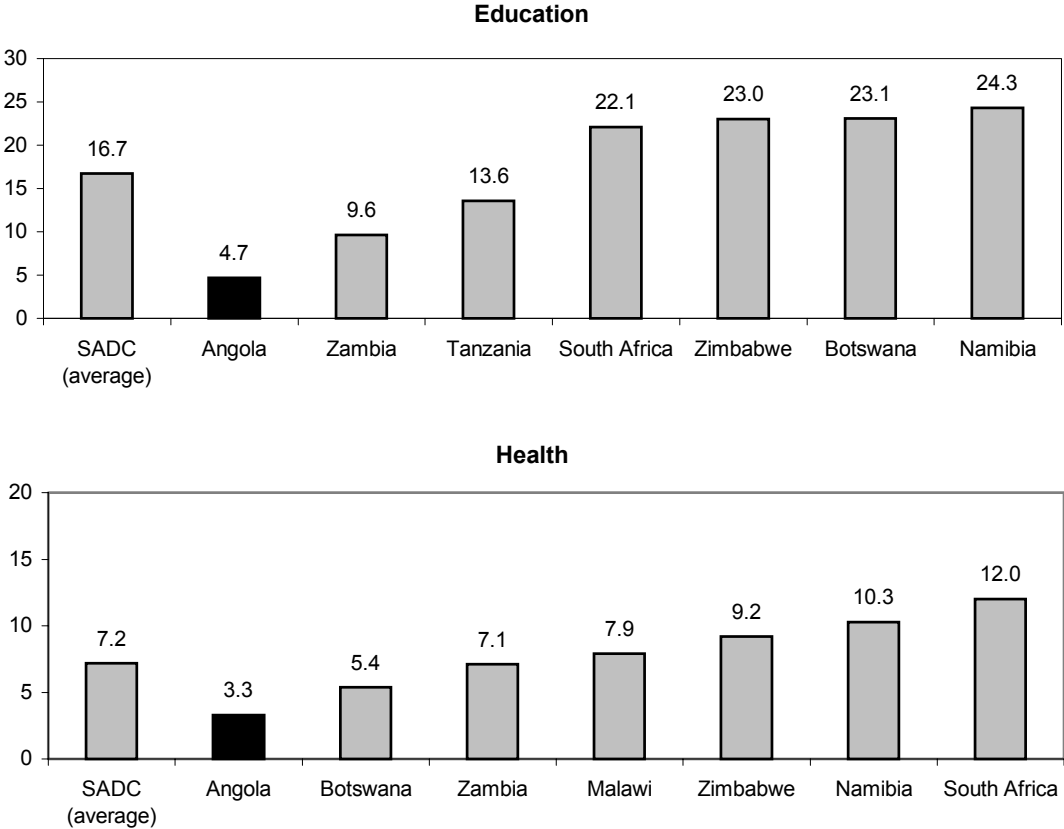
The weight of expenditure on the social sectors can best be assessed from a comparative perspective. Among the possible approaches that could be adopted, the one that has the greatest relevance for Angola is a comparison with the SADC zone, to which Angola belongs and whose member states (with the exception of South Africa) have demographic, economic and social characteristics similar to those of Angola.¹⁰ Figure 2.3 shows comparative data on expenditure on the education and health sectors as a percentage of total Government expenditure, for a selection of SADC countries. To ensure comparability, use has been made of IMF data (IMF, 2001, 2002) that are consistent, in terms of definitions, with the data provided for Angola above: the denominator (total expenditure) includes extra-budgetary expenditure and excludes debt amortization.

Figure 2.3 shows that, compared with the majority of other SADC countries, Angola is in a worse position, in terms of the percentage of Government expenditure carried out in the education and health sectors. This fact, which should be cause for concern, is one of the underlying reasons for the weak performance of the education and health sectors in Angola. The average share of education in Government expenditure, in the period from 1997 to 2001, was 4.7% in Angola, while, in the 14 SADC countries, the average was 16.7%. As for health, the Government of Angola devoted, on average, 3.3% of its expenditure to that sector, while the average for the SADC countries was 7.2%. In short, as a proportion of its total Government expenditure, Angola devoted to the health sector less than half as much as the countries of the region and to the education sector less than a third. In the case of education, some countries, like South Africa, Botswana, Namibia and Zimbabwe, exceeded 20%. In these countries, the weight of education in Government expenditure is four or even five times higher than in Angola. With respect to health, the

¹⁰ The members of SADC are Angola, Botswana, Democratic Republic of Congo, Lesotho, Malawi, Mauritius, Mozambique, Namibia, Seychelles, South Africa, Swaziland, Tanzania, Zambia and Zimbabwe.

share of this sector in Government expenditure is more than 7% in countries like South Africa, Malawi, Namibia, Zambia and Zimbabwe, compared with 3.3% in Angola.

Figure 2.3
Percentage share of the education and health sectors in Government expenditure in Angola and other SADC countries, 1997-2001



Sources: SIGFE, MINFIN, and IMF, 2002, for Angola; IMF, 2001, for other countries

The ratio of public expenditure on education and health to gross domestic product is also low in comparative terms. The SIGFE data (on expenditure in these sectors) and IMF data for GDP (derived from the national accounts produced by the Ministry of Planning) give a figure of 2.3% for education and 1.5% for health in the period from 1997 to 2000. By contrast, the respective averages for the SADC zone in the same years were 3.3% and 2.5%, according to data from the World Bank (2002) and the IMF (2001).

2.4 Donor support for the social sectors

Next, the donor contribution to the health and education sectors is compared with Government expenditure in the same sectors. The data are for 2000, a year analysed by a study by the European Commission (EC) on the main donors’ aid flows (EC, 2001). Regarding aid flows, the data are for gross disbursements of official development assistance (ODA). The data are limited to ODA disbursed by member states of the

European Union, the CE, Norway and the United States. Despite not being completely inclusive, the data do cover the large majority of current sources of external assistance.¹¹

To ensure comparability with the data on aid, it was necessary to adjust the Government data from SIGFE on the education and health 'functions', since these do not correspond fully to the 'sectors' (see Chapter 1). Thus, the data on Government expenditure include the amounts spent by some institutions that are related to the sectors but not included in the corresponding functions. Furthermore, these data exclude the expenditures on sanitation and on culture and youth, even though these were respectively included in the health and education functions.

As Table 2.4 shows, external aid plays a much more important role in the case of health than in that of education. In 2000, aid contributed 24% of the total public resources provided to the health sector (by the Government and donors), compared with only 7% in the case of education.

To make it easier to analyse the weight of aid in geographical terms, data are provided in Table 2.4 for three zones, designated as coastal, interior and eastern. These are the zones defined in the EC study. The coastal zone includes the provinces of Bengo, Benguela, Cabinda, Kwanza Sul, Luanda, Namibe and Zaire. The provinces of the interior are Bié, Cunene, Huambo, Huíla, Kwanza Norte, Malange and Uíge. The eastern zone comprises the provinces of Kuando Kubango, Lunda Norte, Lunda Sul and Moxico.

Table 2.4
Relative contributions of the Government and donors
to the financing of health and education, 2000^a

Region	Education				Health			
	Expenditure (\$ '000)			Donors as % of total	Expenditure (\$ '000)			Donors as % of total
	Government	Donors	Total		Government	Donors	Total	
Coastal	62,014	6,413	68,426	9	32,660	15,250	47,910	32
Interior	34,866	2,459	37,325	7	16,639	16,078	32,718	49
Eastern	6,437	-	6,437	0	5,773	3,373	9,146	37
Central level ^b	104,287	5,900	110,187	5	83,864	9,145	93,009	10
Total	207,604	14,771	222,375	7	138,936	43,847	182,783	24

a/ The data for donors are limited to ODA disbursed by the member states of the European Union, the European Commission, Norway and the United States. b/ Includes ministries, autonomous central bodies and health and educational institutions of a national character.

Sources: SIGFE, MINFIN; CE, 2001.

Finally, there are some expenditures that cannot be classified against any geographical zones, because they are made at a central level. This group of expenditure includes the expenditure of ministries, autonomous central institutes (such as the National Institute of Scholarships or the National Institute to Combat Tripanossomiasis) and health and education facilities of national character (national hospitals and faculties). Although some

¹¹ The data notably exclude aid from the international and regional financial institutions (such as the World Bank and the African Development Bank), part of the aid provided by UN agencies (the programmes and projects financed by agencies' core budgets rather than bilateral donors), some bilateral donors (such as Canada, Brazil and the Arab countries), the International Committee of the Red Cross and private sources of financing, such as those of the churches, the oil companies and some non-governmental organizations.

of these expenditures benefit the provinces, they cannot be ascribed to the zones, for lack of information.

Donor support for the education sector is relatively low in all provinces: it does not exceed 15% of total education expenditure in any province, that being the maximum registered, in Luanda, in 2000. Unlike the situation in the education sector, however, donor support for health services has been very high in some provinces. Indeed, the donors have effectively substituted for the role of the Government by financing a substantial part of the services provided in the health sector. In the coastal and eastern zones, donors accounted for approximately one third of health expenditure in 2000. In the interior zone, this participation rose to almost one half of expenditure.

A more detailed analysis, at provincial level, reveals that the donor contribution exceeded 50% in seven provinces: Bengo, Bié, Huambo, Kuando Kubango, Kwanza Norte, Malange and Uíge. In fact, half of the country's provinces had a level of external financing in the health sector that was higher than 40% (see Table A-5 in Annex 2).

Map 2.1
Weight of donors' contribution to the financing
of the health sector, by provinces, 2000
 (% of total financing by Government and donors)



Legend

- Less than 20%
- Between 20 and 40%
- Above 40%

Sources: SIGFE, MINFIN; European Commission; INE;

CHAPTER 3

DISTRIBUTION OF EXPENDITURE IN THE EDUCATION SECTOR

Chapter 3 presents and analyses data on education sector expenditure in the five years from 1997 to 2001. It aims to analyse in depth the distribution of resources, from various different angles, using for this purpose the different types of budget classification. To put the analysis in context, the chapter starts with a description of the national education system, the sectoral strategies and several performance indicators. Next, data on sectoral expenditure are presented, making use of various forms of classification, namely those by programmes, provinces, economic categories and education levels. These data are analysed in relation to the fundamental principles of education policy, as set out in the basic law on the national education system, and the objectives defined in the National Plan of Action on Education for All 2001-2015 (MEC, 2001a).

As was discussed in Chapter 1, the concept of sector used in this chapter is wider than that of function. It includes various institutions linked to education but not classified officially in the education function, as, for example, in the case of the Centro de Formação Profissional de Pescas do Namibe.

3.1 Brief presentation of the sector

The Angolan education sector is currently engaged in a process of structural reform, aimed at modernizing the sector and equipping it with what is needed to meet the training needs of the country and achieve the objective of 'education for all', established by the international community and adopted by the Government of Angola. This objective was expressed, at the World Education Forum in Dakar in April 2000 and in the Millennium Summit in New York in September 2000, in the targets of achieving universal primary education by 2015 and eliminating gender disparities in access to all levels of education by the same date (UN, 2002).

The achievement of these targets will require an enormous effort on the part of the Government, given the current situation in the country's education sector, which is characterized by high levels of non-enrollment, significant gender disparities and the poor performance of the education system in terms of quality. As will be shown in the data provided below, about half of children of primary school age (6-11 years old) are not attending school.

Structure of the education system

Without entering into fine details, the present education structure with its various sub-systems is described briefly below. The current system, approved in 1977 and applied since then, has three sub-systems:

1. the sub-system of general education, which includes:
 - one year of 'initiation' (pre-school), for children aged five;

- eight years of basic education (*ensino de base*), comprised of three levels: 1st level (classes 1-4), 2nd level (classes 5-6) and 3rd level (classes 7-8);
 - pre-university education (PUNIV), lasting six semesters (three years), which takes pupils from basic to higher education.
2. The sub-system of technical education, which has two branches:
- technical-vocational training, which lasts two years, with admission after the sixth class of basic education, and consists of a series of training centres currently under the responsibility of the National Institute for Employment and Professional Training (INEFOP), overseen by the Ministry of Public Administration, Employment and Social Security;
 - intermediate education (*ensino médio*), which lasts four years, with admission after the eighth year of basic education or the completion of technical-vocational training, and includes *ensino médio normal* (for the training of teachers for basic education) and *ensino médio técnico* (for the training of medium-level technical personnel in other areas).
3. The sub-system of higher education, comprising the universities, with their respective faculties and higher institutes, there being at present one public university (Universidade Agostinho Neto) and two private universities.

Within the regular system of *ensino de base*, there is a special education programme, which aims to meet the needs of children with disabilities. Besides the formal education system, there is also non-formal education, highlighted by adult education, which includes the literacy programme.

The structure described above is changing, due to the educational reform, which is currently in progress. In accordance with the new basic law on the education system, approved by the National Assembly in 2001, *ensino de base*, PUNIV and *ensino médio* will gradually be replaced by a structure comprised of primary education (six classes) and two cycles of secondary education, each with three classes. A noteworthy change being introduced through this reform is the extension of compulsory education from four years in the old system (the four classes of the 1st level of *ensino de base*) to six years in the new system (the six classes of primary education). Implementation of the educational reform is due to start in 2003.

In the present study, the analysis of expenditure by levels is based on the existing structure of the education system. Thus, when data are given for *ensino de base*, they include the expenditure on the eight classes of 1st, 2nd and 3rd levels. Intermediate education (*ensino médio*) is defined to include *ensino médio técnico*, *ensino médio normal* and pre-university education. Finally, higher education includes the university sub-system and scholarships, which are provided generally, although not always, for students at university level.

State of education

Since this study focuses mainly on basic social services, the aspect of the education sector that is of greatest interest is that concerning access, quality and the performance of pupils in basic education. This priority in the analysis is related to the importance given to universal enrollment in, and completion of, primary school, in the goals and targets set by the Millennium Summit and the World Education Forum.

Table 3.1 shows the number of pupils enrolled by levels of education in the period 1997-2001, although it is important to point out that weaknesses in the information management system in the sector (from schools to central level) may mean that there is a significant margin of error in the figures. The table shows great instability in enrolment, apparently linked to the politico-military situation in the country. There was notably a large reduction in the number of pupils enrolled in school in 1999, following the return to war at the end of 1998, and a recovery in enrolment in the following two years.

Table 3.3
Pupils enrolled in school, by education levels, 1997-2001

	1997	1998	1999	2000	2001
1st level (Classes 1-4)	853,658	1,272,007	1,011,964	1,080,395	1,315,697
2nd level (Classes 5-6)	132,336	158,742	152,929	174,059	213,478
3rd level (Classes 7-8)	69,797	78,733	75,335	87,413	103,536
Sub-total, ensino de base	1,055,791	1,509,482	1,240,228	1,341,867	1,632,711
<i>Ensino médio</i> and PUNIV	n.a.	n.a.	70,334	73,204	76,074
Higher education	7,916	8,337	7,845	8,165	8,485

Source: Ministry of Education and Culture

Table 3.2 gives estimates of enrolment ratios in 1998 (prior to the reduction in enrolment in 1999), based on enrolment data from the Ministry of Education and Culture and estimates of the population of school-age derived from projections of the National Statistics Institute. For the purpose of international comparison, UNICEF data on the average ratios for the countries of Sub-Saharan Africa in 1995-99 are also provided.

As the table shows, the net primary enrolment ratio, the percentage of children in the official age-group for primary school (equivalent to the 1st and 2nd levels of *ensino de base* in Angola) who are actually enrolled, was slightly below 50% in 1998. This means that more than half the children who ought to be enrolled were not attending school. Both the net and gross enrolment ratios are low, compared to the averages for the countries of Sub-Saharan Africa.¹²

Although there are no studies on the quality of education in Angola, the high drop-out and repetition rates in *ensino de base* should be cause for considerable concern. In 1998, 28% of pupils in *ensino de base* had to repeat a year and 24% dropped out, according to data of the Ministry of Education and Culture. Among the underlying factors that explain this unsatisfactory performance are shortfalls in the number and qualifications of teachers,

¹² The net primary enrolment ratio is the number of children in the official age-group for primary education (between six and eleven years old) who are enrolled in primary school (classes 1-6 of *ensino de base*), divided by the population of the same age-group. The gross primary enrolment ratio is the number of children of all ages enrolled in primary school, divided by the population of the official age group for primary education (6-11 years).

a lack of teaching materials and the inadequate school infrastructure, which forces many overcrowded schools to operate a system of double or even triple shifts, thereby reducing the number of contact hours.

The problems of the education system are reflected in high rates of illiteracy, especially among women, which echo the gender disparities in access to education and in school achievement. The data provided in Table 3.1 indicate that illiteracy rates in Angola are lower than the averages for Sub-Saharan Africa. However, the Angolan data, drawn from the MICS 2001, apparently do not fully describe the reality nationwide, because the survey teams did not have access to the rural areas most affected by the war. It may be presumed that illiteracy rates in those areas, where the education system was not functioning for many years, are much higher.

Table 3.4
Comparative education indicators

	Angola 1998	Sub-Saharan Africa 1995-99
Net primary enrolment ratio (1st and 2nd levels of <i>ensino de base</i>)	47	54
Gross primary enrolment ratio (1st and 2nd levels of <i>ensino de base</i>)	59	76
Gross enrolment ratio in 3rd level of <i>ensino de base</i>	23	n.a.
Repetition rate in <i>ensino de base</i> :		
• 1st level	28	n.a.
• 2nd level	21	n.a.
Drop-out rate in <i>ensino de base</i> :		
• 1st level	24	n.a.
• 2nd level	31	n.a.
Adult illiteracy rate (% of population 15 years and older that can read and write a simple sentence): ^a		
• Overall	33	39
• Men	18	31
• Women	46	46

a/ In accessible areas.

Sources: Ministry of Education and Culture (MEC, 2001c) for enrolment, Instituto Nacional de Estatística (INE, 1991) for population estimates, Multiple Indicator Cluster Survey 2001 (INE, 2002) for illiteracy rates and State of the World's Children 2002 (UNICEF, 2002) for comparisons with averages for Sub-Saharan Africa

Sectoral development strategy

Aware of the poor performance of the education system and the enormous challenge the country is facing to achieve education for all, the Ministry of Education and Culture has prepared a strategic framework for the recovery and development of the sector. This strategy, laid out in the National Plan of Action on Education for All 2000-2015, which was approved by the Council of Ministers in August 2001, sets the objective, among others, of achieving universal enrolment at primary level by the year 2015. It is based on an education policy that aims to improve access, equity, quality and efficiency in the education system.

The strategy has three phases. The first, designated as an emergency stage for implementation in 2001-02, has as its objective the creation of conditions that will make it possible to strengthen and train the sector's human resources and prepare the educational reform. In the second phase, which is one of consolidation (2002-06), the new education system will be introduced. The third phase, which focuses on the development and

expansion of the new system (2006-15), will have the goals of ensuring education for all and training the qualified manpower needed for the development of the country.

Taking into account the high growth rate of the school-age population, universal primary enrolment will require an increase in the number of pupils enrolled in primary school (i.e. in the first two levels of the existing *ensino de base*) from approximately 1.5 million to 5 million by 2015. Clearly, the achievement of this goal will require the commitment of enormous financial resources, with major implications for the future inter-sectoral distribution of Government expenditure.

3.2 The distribution of expenditure

In the following analysis of the intra-sectoral distribution of education expenditure, the 'education sector' is defined as the totality of public bodies involved, directly or indirectly, in the delivery of educational and training services, irrespective of their place in the hierarchy of state institutions. As has already been stated, the expenditures of the sector are larger than those of the education function, since some of these expenditures are not classified in that function. To identify all the public expenditure in the sector, the OGE data were filtered to include all the *órgãos dependentes* or management bodies linked to education activities, of which the majority, but not all, are part of the education function.¹³ The use of these two classifiers (function and management body) to constitute the education 'sector' means that the estimates of total education expenditure in this chapter are larger than those in Chapter 2, which referred only to expenditure by function. The data are presented by programmes, provinces, economic categories and levels, to permit analysis of the consistency of the intra-sectoral distribution of expenditure with the priorities and objectives of education policy.

Expenditure by programmes

Table 3.3 presents the executed budget of the education sector, classified by programmes. Unfortunately, this classification does not permit a meaningful analysis, mainly because of the practice of attributing to the programme designated 'general administration' the expenditure on personnel for the entire sector. More than half of the expenditure on the sector is classified under general administration. In this situation, it is not known how much is really spent on the different education programmes, making it impossible to analyse expenditure in terms of efficiency or any other criteria. Furthermore, the budget classification by programmes underwent changes during the period and does not always correspond to the definitions of programmes used by the Ministry of Education and Culture. In the budget classification, some new programmes have been created, while others have been eliminated. This explains why there are no data in some rows of the table. It would be advisable to review the criteria for attributing expenditures by programmes, so as to make it possible to carry out a financial analysis of the outputs of the different programmes.

¹³ These include schools, institutes, faculties, provincial directorates, some municipal delegations (in Luanda), the central structure of the Ministry of Education and Culture and public institutes such as the Instituto Nacional de Bolsas de Estudos.

Table 3.3
Education sector expenditure, by programmes, 1997-2001
(\$ '000)

Programmes	1997	1998	1999	2000	2001
General administration	102,109	89,416	68,137	133,276	182,051
Educational assistance	19,245	-	-	-	-
Basic education (<i>ensino de base</i>)	10,416	2,308	2,624	7,164	-
Special education	-	4,409	1,767	4,190	5,786
Intermediate education (<i>ensino médio</i>)	-	3,793	3,094	12,651	-
Supplemental education	1,380	612	362	1,223	-
Professional training	-	695	851	2,386	-
Higher education	12,535	12,621	13,401	22,856	19,378
School network	4,660	-	-	-	-
Award of scholarships	-	13,192	46,141	30,285	44,913
Public investment	-	-	-	-	15,129
Others	4,948	6,738	6,820	8,799	34,623
Total	155,294	133,786	143,198	222,829	301,880

Source: SIGFE, MINFIN

Expenditure by provinces

The principle of equity underscores the importance of analysing the geographical distribution of expenditure. The SIGFE accounts permit analysis of the distribution of expenditure by provinces, although a considerable part of the expenditure carried out in the sector is attributed to the central structure and it is not known in what proportion this expenditure benefits the provinces. The data are provided by provinces (in Table 3.4) and by zones (in Table 3.5).¹⁴

Analysing the data, it may be observed that there is a large concentration of resources at the central level, which spent, on average, 47% of the total budgetary resources disbursed in the sector between 1997 and 2001. This concentration was especially high in 1999 (78%), due to the liquidation, in that year, of large debts accumulated for scholarships, which are managed by the Instituto Nacional de Bolsas de Estudos (INABE).

The second point to highlight is the large share of the coastal provinces in the distribution of expenditure (33% on average between 1997 and 2001). Regarding specific provinces, the high percentage share of Luanda (19%) stands out. It is followed by Huíla (6.5%) and Benguela (6.3%). At the other extreme, there are six provinces that individually account for less than 1% of the total expenditure of the sector.

¹⁴ The composition of the geographical zones may be found in Chapter 2.

Table 3.4
Education sector expenditure, by provinces, 1997-2001
(\$ '000)

Provinces	1997	1998	1999	2000	2001
Bengo	1,128	840	312	898	2,138
Benguela	12,096	5,837	4,029	14,944	29,293
Bié	2,405	2,589	952	4,126	7,395
Cabinda	6,477	3,329	2,233	5,575	8,773
Cunene	1,106	1,913	492	1,667	3,460
Huambo	5,322	5,172	1,725	7,458	12,063
Huíla	13,105	12,324	3,156	13,066	20,824
Kuando Kubango	859	2,533	402	1,104	3,109
Kwanza Norte	1,615	1,687	521	2,412	4,053
Kwanza Sul	3,412	3,109	1,002	3,682	9,244
Luanda	33,513	38,611	11,043	33,444	63,695
Lunda Norte	872	744	265	1,305	1,958
Lunda Sul	1,394	1,264	448	1,515	2,453
Malange	2,154	2,802	1,014	2,469	5,668
Moxico	3,503	1,800	755	2,768	4,685
Namibe	5,177	1,866	681	2,314	3,340
Uíge	1,621	4,915	1,346	4,101	7,869
Zaire	910	2,298	531	1,811	2,823
Sub-total, provinces	96,670	93,632	30,906	104,661	192,843
General expenditure	0	295	151	517	0
Central structure	58,624	39,859	112,141	117,651	109,038
Total	155,294	133,786	143,198	222,829	301,880

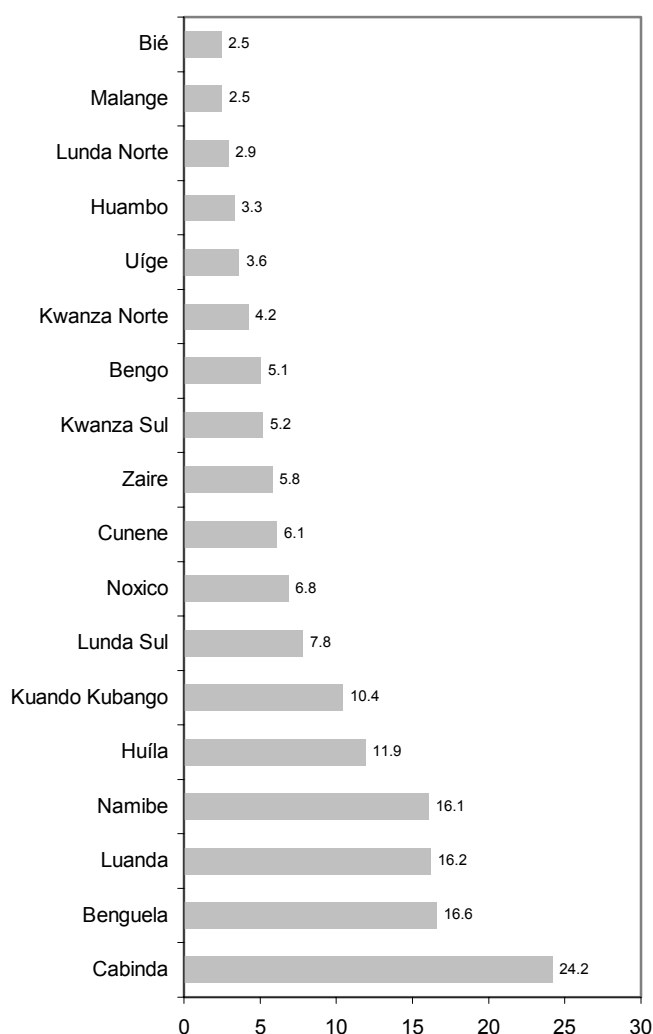
Source: SIGFE, MINFIN

Table 3.5
Distribution of education sector expenditure,
by geographical zones, 1997-2001
(% of total expenditure in the sector)

	1997	1998	1999	2000	2001	Average, 1997-2001
Coastal	40	42	14	28	40	33
Interior	18	23	6	16	20	17
Eastern	4	5	1	3	4	3
Central level	38	30	78	53	36	47

Source: SIGFE, MINFIN

Figure 3.1
Average annual per capita expenditure on education, by provinces, 1997-2001
(in \$, excluding expenditure at central level)



Sources: SIGFE, MINFIN, for expenditure data; INE, 1991, for population projections

Expenditure by economic categories

For the purpose of ensuring efficiency in expenditure, it is important to have a balance in the distribution of types of expenditure, that is, in the distribution of expenditure by economic categories. For example, in education, it is necessary to have a balanced package of capital expenditure (investment in infrastructure and other equipment) and recurrent expenditure on personnel (salaries of teachers and other workers in the sector) and goods and services (teaching material, maintenance, etc). In this regard, it is especially important, in investment decisions, to ensure the programming of the recurrent expenditures that new infrastructures will require in the following years.

To make it possible to draw useful conclusions about equity in the distribution of expenditure in geographical terms, it is necessary to take into account the distribution by provinces of the school-age population. There is, however, a major obstacle to this type of analysis: the unavailability of reliable data on population by provinces, due to the lack of a national census for three decades and the large inter-provincial population movements caused by the war and the process of urbanization.

Nevertheless, the population estimates of INE are used to calculate the expenditure per capita on education, by provinces. Figure 3.1, which shows the annual average per capita expenditure in each province during the period from 1997 to 2001, reveals large disparities between, on the one hand, some coastal provinces (Cabinda, Benguela, Luanda and Namibe), with expenditure of more than \$15 per capita and, on the other hand, various provinces, mainly in the interior zone, with expenditure of less than \$5 per capita.

Table 3.6 shows the executed expenditure by economic categories. The category for personnel includes the salaries and benefits paid to workers in the sector. The category for goods and services include the expenditure on non-capital goods (school materials, office stationery, fuel, small equipment, etc) and on services (telephone, water, energy, etc). Transfers includes the financing of autonomous public institutes, such as the Instituto Nacional de Bolsas de Estudos (INABE) and the Instituto Nacional de Alfabetização, and transfers for family allowances. Finally, under investments, are included the construction and rehabilitation of school infrastructure and other buildings, vehicles and other equipment with long periods of depreciation.

Table 3.6
Education sector expenditure, by economic categories, 1997–2001

	in thousand dollars					in % of total				
	1997	1998	1999	2000	2001	1997	1998	1999	2000	2001
Personnel	97,210	95,284	42,017	105,914	180,356	63	71	29	47	60
Goods & services	26,322	15,340	35,467	42,846	43,392	17	11	25	19	14
Transfers	25,901	19,598	51,570	59,557	58,718	16	15	36	27	20
Investments	5,861	3,564	14,144	14,513	19,414	3	3	10	7	6
Total	155,294	133,786	143,198	222,829	301,880	100	100	100	100	100

Source: SIGFE, MINFIN

With the exception of 1999, the expenditure on personnel had the largest relative weight (on average 54% of total expenditure during the period from 1997 to 2001). The priority nature of salary payments meant that budget execution rates for personnel were higher than for overall expenditure, except in 1999. However, the weight of payments of salaries and benefits to personnel is not surprising, given that this is a highly labour-intensive sector. In reality, the low level of salaries reduces the value of expenditure on personnel, at the cost of demoralization of the teaching corps, the loss of qualified teachers and difficulties in recruiting new personnel.

The year 1999 had special characteristics, due to the payment of debts contracted in earlier years for scholarships. This resulted in a spectacular increase in the relative weight of transfers, to 36% of total expenditure. Even so, with an average of 23% of expenditure in the period from 1997 to 2001, the share of transfers appears to be disproportionately high. This reflects the relative priority given to scholarships for study abroad, which is one of the peculiarities of the education sector in Angola, without parallels in other African countries (see below).

With 77% of expenditure devoted to personnel and transfers, on average during the period studied, the resources available for goods and services, as well as investments, are very small. On average, 17% of resources were spent on goods and services. The shortage of school materials, above all at the level of *ensino de base*, contributes to pupils' poor performance. In particular, pupils are obliged to buy almost all their school-books and other material, at very high prices that reflect the inadequate supply and the control of the market by speculators with privileged access to the distribution channels. This situation means that textbooks are out of reach for a large number of households, leaving many pupils without the minimum conditions for learning.

Investment has had an even lower weight in expenditure, less than 6% on average between 1997 and 2001, a figure that contrasts with the enormity of the challenge of enrolling the large number of children who at present are not attending school. The average rate of budget execution for investments was only 47% between 1997 and 2001, with extremely low rates in 1998 and 2001 (15% and 39% respectively).

Regarding investment, the weak commitment in the OGE has been partially compensated by the support of some donors for the construction and rehabilitation of schools, for example through the Fundo de Apoio Social (FAS), financed by the World Bank and various bilateral donors. In this case, the investments in school infrastructure are carried out in a community framework, with the participation of the local population. Other programmes of this type, with a component of community-level school construction and rehabilitation, include the Programa de Apoio à Reconstrução (PAR) and the Programa de Micro-Realizações (PMR), both financed by the European Commission, and the Programa de Reabilitação Comunitária (PRC), supported by the United Nations Development Programme (UNDP).

Distribution by levels of education

Up this point, the analysis has employed the official classifiers of the OGE. However, these classifiers do not provide for the identification of expenditures by the different levels of education. This type of analysis, which is useful for the strategic management of the sector, must be undertaken on the basis of a new budget classification, using criteria which assign the executed expenditures to the corresponding levels. In the following analysis, an attempt is made to attribute all expenditures to four levels – basic education (*ensino de base*), intermediate education (*ensino médio*), higher education and others – plus administration. Each level is made up of a number of components, as shown by the list below:

Basic education (*ensino de base*):

- 1st, 2nd and 3rd level schools;
- special education;

Intermediate education (*ensino médio*):

- technical colleges (*institutos médios técnicos*);
- teacher training colleges (*institutos médios normais*);
- pre-university education (PUNIV);
- technical-vocational training centres;

Higher education:

- Rectorate, faculties and institutes of UAN;
- scholarships;

Others:

- literacy;
- others (military education, libraries, etc).

Expenditure on administration takes place in the Ministry of Education and Culture and in the provincial and municipal directorates of education and culture, which are *orgãos dependentes* of the provincial governments. It should be noted that, given the specific objective of analysing the distribution of expenditure on education, the expenditure on

culture, youth and sports has been removed, even though these expenditures are made by bodies linked to the education sector.

The methodological approach taken for the purpose of estimating expenditures by levels is based on the classification of expenditures by the components of the different levels, as identified above. This is grounded in the presumption that all the expenditures made by or for a specific institution (school, institute, provincial directorate, etc) should be classified by the components of the levels to which they belong.

In order to identify the expenditure of each component and thus each level, it is necessary to use the budget classifier of 'management body' (*gestor*). The *gestores*, which are bodies responsible for the management of funds made available through the OGE, include *unidades orçamentais* and *órgãos dependentes* (see Glossary). For various components, notably those of *ensino médio* and higher education, it is relatively easy to identify a large part of the expenditures. For example, it is obvious that the expenditures made by the faculties of Agostinho Neto University are for higher education.

On the other hand, it is much more difficult to identify the expenditures for basic education schools, since much of this expenditure is classified in the expenditure by provincial directorates and municipal delegations (in the case of salaries and a part of goods and services) and the expenditure by the Ministry of Education and Culture (in the case of investments and textbooks).¹⁵

It is therefore necessary to employ other criteria to complete the classification. The classifiers by economic categories, programmes and projects/activities have thus been used, to try to identify the expenditures that could be assigned directly to a component of a specific level of education. For example, the expenditures clearly related to *ensino de base*, such as the construction of a school by a provincial government (in the classification by projects and activities), were automatically classified at this level. Table 3.7 presents the expenditures grouped on the basis of this classification.

However, the classification presented in Table 3.7 is not sufficient to analyse the distribution of expenditure by levels. As is evident, only a small part of the expenditure on *ensino de base* is classified in the row for that level of the education system. The only items actually included in that row are the expenditures directly attributable to basic education schools, such as, for example, the investments carried out at a central level or by the provincial governments and identified as such in the budget accounts of SIGFE by the classifiers of programmes and projects/activities. The main limitation of the methodological approach applied so far is that the largest part of the expenditure on *ensino de base*, namely that for salaries and some goods and services, is recorded in the accounts as expenditure on administration.

¹⁵ It should be pointed out that, as far as the municipal delegations are concerned, they have the status of *gestores* only in the province of Luanda.

Table 3.7
Initial classification of expenditure by components
of education levels, 1997-2001
(\$ '000)

	1997	1998	1999	2000	2001
Basic education (<i>ensino de base</i>)	9,125	2,916	984	7,295	21,024
Intermediate education (<i>ensino médio</i>)	9,558	8,051	4,145	15,118	33,778
<i>Institutos médios and PUNIV</i>	7,625	7,309	3,626	13,878	29,371
<i>Technical-vocational training</i>	1,933	741	519	1,240	4,407
Higher education	42,556	26,117	59,908	53,505	59,793
<i>University</i>	13,418	12,913	13,767	23,300	31,702
<i>Scholarships</i>	29,138	13,204	46,141	30,205	28,091
Others	3,537	3,104	5,739	8,484	20,372
<i>Literacy</i>	2,890	1,984	1,101	2,591	4,464
<i>Others</i>	647	1,120	4,638	5,893	15,909
Administration	90,877	82,335	58,422	123,202	164,075
<i>Municipal delegations</i>	21,768	21,768	6,957	21,105	35,777
<i>Provincial directorates</i>	55,771	57,327	17,697	65,209	118,612
<i>Ministry of Education and Culture</i>	13,338	3,239	33,768	36,888	9,686
Total	155,654	122,522	129,197	207,604	299,042

Source: SIGFE, MINFIN

Building on this initial classification, it is necessary to identify the expenditures of the provincial directorates and municipal delegations that can be assigned to *ensino de base* and those that really are administrative expenditures. This imputation will be carried out on the basis of two assumptions, regarding the percentage of the expenditure of the provincial directorates and municipal delegations of education (DPE and DME) that is for salaries and for goods and services for *ensino de base*. These percentages were estimated from information gathered during research in the provinces, which included the analysis of payrolls and the accounts of the provincial directorates. In the case of salaries, the relative weights of the salaries paid to staff of schools and to staff of the DPE and DME were calculated. The following assumptions were then adopted:

- 80% of expenditure on personnel by the DPE and DME to be attributed to basic education schools;
- 50% of expenditure on goods and services, transfers and investments by the DPE and DME to be attributed to basic education schools.

The application of these criteria results in the redistribution of the expenditures of the DPE and DME between *ensino de base* and administration. Table 3.8 presents the final results of this exercise. The reclassified expenditures are presented by levels, with their respective components, in absolute values and in terms of their percentage distribution, for each year between 1997 and 2001. Figure 3.2 shows the pattern of distribution of expenditure during this period.

Table 3.8
Reclassification of expenditure by components of education levels, 1997-2001

	In thousand dollars					In % of expenditure				
	1997	1998	1999	2000	2001	1997	1998	1999	2000	2001
Basic education (<i>ensino de base</i>)	68,660	63,675	19,895	75,076	142,971	44	52	15	36	48
Intermediate education (<i>ensino médio</i>)	9,558	8,051	4,145	15,118	33,778	5	6	3	7	10
Institutos médios and PUNIV	7,625	7,309	3,626	13,878	29,371	5	6	3	7	10
Technical-vocational training	1,933	741	519	1,240	4,407	1	1	0	1	1
Higher education	42,556	26,117	59,908	53,505	59,793	27	21	46	26	20
University	13,418	12,913	13,767	23,300	31,702	9	11	11	11	11
Scholarships	29,138	13,204	46,141	30,205	28,091	19	11	36	15	9
Others	3,537	3,104	5,739	8,484	20,372	2	3	4	4	7
Literacy	2,890	1,984	1,101	2,591	4,464	2	2	1	1	1
Others	647	1,120	4,638	5,893	15,909	0	1	4	3	5
Administration	30,983	21,576	39,510	55,422	42,128	20	18	31	27	14
Total	155,654	122,522	129,197	207,604	299,042	100	100	100	100	100

Source: SIGFE, MINFIN

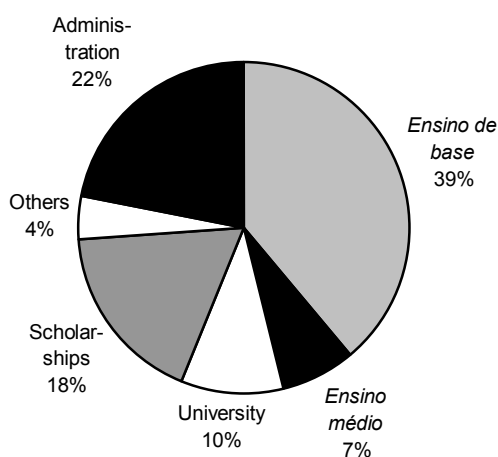
The information provided in Table 3.8 and Figure 3.2 makes it possible to draw a series of conclusions of fundamental importance for the diagnosis of the education sector.

First, in every year except 1999, *ensino de base* was the education level with the highest expenditure. On average, during the period studied, 39% of education sector expenditure was for *ensino de base*.

However, the data reveal considerable instability in the expenditure on *ensino de base* and in its percentage share of the sector's total expenditure. Various factors account for this. As was already shown in Chapter 2, the fall in the oil price and the resumption of the war at the end of 1998 led to a large fall in the resources made available to the education sector in 1998 and 1999, along with a reduction in the real value of salaries in the public administration (or in their value converted into dollars).

The impact of these factors was accentuated in *ensino de base*, due to the importance of personnel at this level of the education system.

Figure 3.2
Distribution of education expenditure, by levels, 1997-2001



The expenditure on *ensino de base* goes mainly to the payment of salaries for the more than 57,000 teachers who work at this level of the system. In fact, on average during the period from 1997 to 2001, the expenditure on personnel accounted for 90% of the expenditure on *ensino de base*. In 2000, expenditure on personnel took up 91% of the total, leaving only 3% of resources (about \$2 million) for goods and services for the whole of *ensino de base* throughout the country, while

Source: SIGFE, MINFIN

investments at this level reached 5%, with expenditure of \$3.8 million.

The reduction (in dollar terms) of the value of salaries paid in 1999 is, therefore, the main factor that explains the large fall, of more than two thirds (69%), in expenditure that year on *ensino de base*. Consequently, the share of *ensino de base* in the total expenditure on education was the lowest in the period, reaching only 15%.

From 2000, a significant recovery became evident, as a result of the large increase in Government oil revenues and a reduction in the expenditure on defence (compared with its high point in 1998), which permitted some redistribution in budget resources and a series of salary rises in the public administration, with obvious benefits for *ensino de base*. The share of this level of the education system in expenditure on the sector improved to 36% in 2000 and 48% in 2001.

A second conclusion is the importance of the expenditure on scholarships, which is one of the special characteristics of the education system in Angola. In the period from 1997 to 2001, the expenditure on scholarships was the largest component after *ensino de base* and administration, accounting for 18%, on average, of total expenditure on the sector. As was pointed out above, the accumulation of debts related with arrears in the payment of scholarships resulted in some instability in the value of expenditure on this component of the sector, above all in 1998-99. The liquidation of the debts in 1999 resulted in a spectacular increase in the value of scholarship payments that year, as well as in their weight in the total expenditure on the sector (from 11% in 1998 to 36% in 1999). The expenditure on scholarships stabilized, in absolute terms, in 2000 and 2001, at a level of about \$30 million a year, while their relative weight declined from 15% in 2000 to 9% in 2001.

The high expenditure on scholarships, which basically benefit students in foreign countries, is difficult to justify, when account is taken of the enormous needs of *ensino de base* and other levels of the education system within the country. The main priority, in the intra-sectoral distribution of resources, should be to ensure the financing needed for raising the primary school enrolment ratio and for improving the quality of education and pupil performance at this level of the system. Although a balance between the different levels of the system is important, at university level efforts should be focussed on the development of national capacity for university training. The pattern of distribution of expenditure between scholarships (18% in 1997-2001) and the national university (11% in the same period) is not consistent with this principle, but shows instead a large imbalance in favour of scholarships.

Third, it is noteworthy that the weight of expenditure on *ensinio médio* (including the *institutos médios técnicos* and *institutos médios normais*, PUNIV and the technical-vocational training centres) has been relatively low (7% on average between 1997 and 2001). However, after a substantial fall in expenditure on this level of the education system in 1999, due to the same factors that have already been discussed in the case of *ensino de base*, there was a substantial improvement in expenditure from 2000, both in absolute and relative terms, to slightly more than 10% of expenditure on the sector in 2001. This increase may be explained partly by the fact that the *institutos médios* obtained financial autonomy, becoming *unidades orçamentais* in 2001 and thereby improving the resources made available to them in the OGE. This trend, if maintained in the next few years, could have a positive impact with respect to the capacity of the *institutos médios normais*, on which the country will be depending to train the thousands of new teachers needed to achieve universal primary enrolment.

Expenditure per pupil

Finally, some data are presented on recurrent expenditure per pupil at different levels of the education system. The data focus on expenditure on *ensino de base*, the *institutos médios* and the university. Recurrent expenditures, which exclude expenditure on investments, are those on personnel, goods and services, and transfers.

Table 3.9
Recurrent education expenditure, per pupil, 1997-2001
(\$)

	1997	1998	1999	2000	2001
Basic education (<i>ensino de base</i>)	62	42	16	53	81
Intermediate education (<i>institutos médios</i> and PUNIV)	n.a.	n.a.	52	190	386
University	n.a.	n.a.	1,755	2,854	3,736

Sources: SIGFE, MINFIN, for expenditure, and MEC, for data on numbers of pupils

Recurrent expenditure per pupil in *ensino de base* underwent a large decline from 1997 to 1999, falling in the latter year to only \$16. There was an improvement in 2000 (to \$53) and in 2001 (to \$81). There were similar improvements in *ensino médio* and, to a lesser extent, in the university.

However, it will be necessary to continue this trend to reach the average recurrent spending per pupil observed in the countries of the SADC zone. In 1998, in the SADC countries, the average recurrent expenditure per pupil enrolled in primary school, which corresponds to the first two levels of *ensino de base* in Angola, was \$165.¹⁶ This amount is more than twice what was spent on the three levels of *ensino de base* (\$81 per pupil in 2001).¹⁷ It must be stressed that these figures are based on the number of pupils enrolled and not the population of school-age. They therefore do not reflect the fact that a large proportion of the children of school-age in Angola are not enrolled. Even so, the data show in comparative terms the low level of resources provided.

The resources per pupil in *ensino de base* were slightly higher in the coastal zone than in the interior and eastern zones. The coastal provinces, with the largest number of pupils (almost 700,000), had an average expenditure of \$60 per pupil in 2000. In the provinces of the interior, excluding data for Huambo, which were not available, the expenditure per pupil was \$51. The eastern provinces, excluding Lunda Sul, had an average of \$57 per pupil, for slightly over 65,000 pupils. However, the zonal figures hide significant differences between provinces, which range between a maximum of \$110 per pupil in Cunene to a minimum of \$22 in Kwanza Sul (see Map 3.1).





¹⁶ Average of expenditure on primary education per pupil in the SADC countries, excluding Angola and Seychelles (UNICEF, 2001).

¹⁷ It is not possible, with the SIGFE data, to calculate expenditure at the different levels of *ensino de base*.

Map 3.1
Annual expenditure per pupil in *ensino de base*, by provinces, 2000



Legend

-  Less than \$50 per pupil
-  \$50-100 per pupil
-  More than \$100 per pupil
-  No data

Sources: SIGFE, MINFIN; MEC

CHAPTER 4

DISTRIBUTION OF EXPENDITURE IN THE HEALTH SECTOR

This chapter presents and analyses the distribution of expenditure within the health sector, using the same methodology as in the previous chapter. The chapter begins, in the first section, with a brief overview of the health situation in the country, including the main health problems, the main features of the strategy of the Ministry of Health and the structure of the National Health Service.

The second section of the chapter focuses on the presentation of data on the intra-sectoral distribution of expenditure, by programmes, by provinces, by economic categories and by levels of the health service, and on analysis of these data in relation to the challenges and priorities of the sector and the criteria of efficiency and equity. International comparisons are included, to situate better Angola's performance.

As in Chapter 3, it should be pointed out that some expenditures are common to both the education and health sectors. For example, the Faculty of Medicine is a budget unit (*unidade orçamental*) that, in accordance with the official classification, belongs to the education function but which, in reality, also belongs to the health sector. These common expenditures mean that the expenditure of the health sector is higher than that of the function (see Chapter 1).

4.1 Brief presentation of the sector

The state of health

The state of health of the Angolan population, as shown by the main indicators, is among the worst in the world (see Table 4.1). The high levels of morbidity and mortality reflect the limited access to health services, poverty, nutritional deficiencies, inadequate access to safe sources of water and poor environmental sanitation. Among the most prevalent diseases, malaria stands out as the main direct cause of illness and death, along with acute respiratory and diarrhoeal diseases.

HIV/AIDS is now worsening the health situation, bringing with it the damaging economic and social consequences of this disease. Prevalence rates are rising rapidly, according to the limited studies carried out, among pregnant women in Luanda hospitals: the prevalence rate in this group rose from 1.1% in 1993 to 8.6% in 2001. In the medium term, this epidemic could become the main risk to the health of the population and to national development, as is already the case in the majority of countries of Southern Africa, where prevalence rates exceed 20%.

Besides these threats, in the last few years there have been outbreaks of epidemics of other diseases, such as meningitis and measles, which contribute to the high rates of morbidity and mortality.

Angola is also one of the countries where polio has not yet been totally eradicated.¹⁸ Finally, chronic diseases, such as leprosy, trypanosomiasis (sleeping sickness) and tuberculosis are in resurgence.

The poor health situation in the country, aggravated by malnutrition and inadequate sanitation and supply of potable water, is reflected in high rates of mortality, especially among children, and in low life expectancy. The latter was estimated at 42 years, according to the results of the Multiple Indicator Cluster Survey (MICS) in 1996. The under-five mortality rate, estimated at 250 per 1,000 live births in the MICS 2001 (INE, 2002), which covered only areas accessible during the war and therefore probably underestimated mortality, is one of the worst in the world. The limited data available also point to a very high maternal mortality rate.

Table 4.1
Health status indicators

Indicator	Measure	Angola			Sub-Saharan Africa		
		Source	Year	Data	Source	Year	Data
Infant mortality rate	Deaths of children under 1 year old per 1,000 live births	MICS	1996 2001	166 150 ^a	SOWC	2000	108
Under-five mortality rate	Deaths of children under 5 years old per 1,000 live births	MICS	1996 2001	274 250 ^a	SOWC	2000	175
Mortality from malaria	Notified deaths from malaria as % of notified deaths	MINSAs	2001	76			
Life expectancy at birth	Years	MICS	1996	42			
Maternal mortality ratio	Maternal deaths per 100,000 live births	WHO/ UNICEF/ UNFPA	1995	1,300	SOWC	1985-99	1,100
HIV prevalence in pregnant women, Luanda	% of women aged 15 or above with HIV ^b	MINSAs	1997 1999 2001	2.2 3.4 8.6	UNAIDS	2000	8.8

a/ The MICS 2001 sample only covered areas accessible during the war. UNICEF (2002) has estimated an under-five mortality rate of 295 per 1,000 live births. b/ Among women attending pre-natal consultations in Luanda.

Access to health services

The problems mentioned above are related, in part, to the poor access of the population to health services. As Table 4.2 shows, data of the Ministry of Health and the World Health Organization indicate that Angola has only five public sector doctors per 100,000 inhabitants and that only 20% of the population has access to essential drugs. Angola is far from achieving the goal of universal child vaccination: vaccination coverage rates are similar to the average levels in Sub-Saharan Africa, according to the MICS 2001 data, although these data do not reflect the situation in areas that were inaccessible during the war, where health conditions have been the worst. Less than half of pregnant women give birth with the assistance of trained health personnel (doctors, nurses or midwives) and a third do not make a single pre-natal visit. Indeed, access to reproductive health services is extremely limited, which also explains the low contraceptive prevalence rate (6% for any method), compared with an average of 22% in Sub-Saharan Africa.

¹⁸ Angola appears to be on the way to eradicating polio: the number of cases of wild polio virus fell from 98 in 2000 to 12 in 2001. Of these cases, the number confirmed in laboratory tests fell from 58 in 2000 to only 1 in 2001.

Table 4.2
Health service indicators

Indicator	Measure	Angola			Sub-Saharan Africa		
		Source	Year	Data	Source	Year	Data
Doctors in the public sector	Doctors per 100,000 inhabitants	MINSA	2000	5 ^b	HDR	1999	32
Access to drugs	% of population with access to essential drugs	WHO	2001	20			
Vaccination coverage for BCG (tuberculosis)	% of children 12-23 months vaccinated	MICS	1996	59	SOWC	1999	67
Vaccination coverage for DPT (3rd dose)	% of children 12-23 months vaccinated	MICS	1996	24	SOWC	1999	46
Vaccination coverage for measles	% of children 12-23 months vaccinated	MICS	1996	46	SOWC	1999	51
Vaccination coverage for polio	% of children 12-23 months vaccinated	MICS	1996	28	SOWC	1999	48
Deliveries in health facilities	% of deliveries attended by trained health personnel	MICS	1996	22	SOWC	1995-2000	39
Pre-natal consultations	% of pregnant women who attend one or more pre-natal consultations	MICS	1996	64	SOWC	1995-2000	64
Contraceptive use	% of women of reproductive age who use contraceptives (any method)	MICS	1996	8	SOWC	1995-2001	22
			2001	6 ^a			

a/ The MICS 2001 sample only covered areas accessible during the war. b/ Estimate based only on doctors in the National Health Service, as published in the *Anuário Estatístico do MINSA* for 2000.

Health sector policies and strategies

The present health policy began to be developed in the framework set by the Basic Law on the National Health System, approved in 1992 (law n.º 21-B/92 of 28 August). This law provided the legal basis for drafting the regulations that should guide the development of the sector (Government of Angola, 1992). However, the process has not been very dynamic and regulations have not yet been approved in all key areas of the sector.

Regarding the process of strategic planning in the sector, the Ministry of Health is leading the preparation of a health development plan, a document which is intended to establish a strategic framework for the sector over the next few years (MINSA, 2002). Although the document has not yet been finalized, the draft plan includes the following major strategic lines of action:

- expansion of the health network, including the recovery of priority services, the provision of essential drugs and improvements in the management of human resources;
- development of the organizational aspects of the National Health System, including the preparation of the regulations envisaged under the basic law, the preparation of a model for financing and budget management, improvements in coordination and the revitalization of the health information system;

- building the capacity for primary health care, notably through the strengthening of the programmes against the major diseases (malaria, tuberculosis, leprosy, vaccine-preventable diseases, HIV/AIDS, trypanosomiasis, etc), support for reproductive health programmes, strengthening training and health education programmes, improvements in the nutritional status of the population and support for the disabled.

Organization of the National Health Service

As the indicators discussed above show, the capacity of health services to meet the needs of the population has been unsatisfactory. The network of health infrastructure was seriously affected by the war, which left hundreds of health posts and health centres destroyed, damaged or abandoned, mainly in the rural areas. At hospital level, the present network has basically remained unchanged for the past 30 years. Furthermore, as will be discussed in the next section of this chapter, financial resources have been insufficient to cope with needs.

The National Health Service is structured into three levels of health care:

- the primary health care (PHC) level, based on health centres and health posts;
- the secondary level, comprised of general hospitals and the more simple specialized hospitals; and
- the tertiary level, which is made up of the more highly specialized hospitals.

The publication of the Basic Law on the National Health System, in 1992, resulted in a redefinition of the organization of health care, respecting the three tier structure but requiring subsequent regulation, which has not yet been fully accomplished.

The three levels are structured in accordance with the administrative organization of the State, based on the territorial division of the country into provinces, *municípios*, *comunas*, neighbourhoods and settlements. The health authorities operate at national, provincial and municipal levels, through the Ministry of Health, the autonomous institutes, the provincial directorates of health and the municipal delegations of health.

4.2 Health expenditure

The first part of this section provides information on the overall expenditure on the sector, in per capita terms, with the aim of making comparisons with other African countries. It should be noted that, in this chapter, the data are for expenditure on the sector, rather than the function as defined in the budget classification.

Most of this section, as in the case of education, focuses on analysis of the intra-sectoral distribution of health sector expenditure, from a variety of different perspectives. First, the distribution of expenditure by programmes is analysed, using the OGE's own list of programmes. Second, the distribution of expenditure by provinces is analysed, in per capita terms, in an attempt to make an assessment of geographical equity. Third, expenditure is analysed by economic categories. Lastly, the distribution of expenditure is analysed by levels of care, by applying a series of criteria to identify the resources provided to each level.

Per capita expenditure

Table 4.3 compares the expenditure budgeted and the expenditure actually executed in the health sector between 1997 and 2001. Two points emerge from the data. The first is that the rates of budget execution were low in all years: while the average budgeted expenditure was \$18.1 per capita in 1997-2001, the average executed expenditure was \$10.9 per capita in this period. The second is that per capita expenditure on health followed the same trend as in the case of education. A steep reduction in expenditure in 1998-99 was followed by a recovery from 2000 onwards, reflecting the general context of Government finances, discussed in Chapters 2 and 3.

Table 4.3
Public expenditure per capita on health, 1997-2001
(\$)

	1997	1998	1999	2000	2001	Average, 1997-2001
Budgeted	13.5	13.1	16.8	20.4	26.8	18.1
Executed	9.7	5.7	6.6	13.3	19.1	10.9

Sources: SIGFE, MINFIN, for budget data, and INE, for population estimates

At the beginning of the period studied, Angola had levels of public expenditure per capita on health (\$9.70 in 1997) that were close to the average for African low-income countries. In 1996, the average for these countries (with a GNP per capita between \$300 and \$765 a year) was \$9.58 (World Bank, 1999).

Distribution of expenditure by programmes

Table 4.4 provides data on executed expenditure on the health sector, using the classifier for programmes, in thousands of dollars. In its current form, the classification by programmes does not make it possible to engage in analysis that would be useful for the management of the sector. The programmes cover many different activities and the outputs resulting directly from their implementation are not known, making it difficult to evaluate them. Furthermore, changes from year to year in the set of programmes makes it difficult to analyse the evolution of expenditure. For example, Table 4.4 indicates that there was expenditure on overseas medical assistance only in 2001, even though it is known (from the budgetary data for management bodies) that the Junta Nacional de Saúde, the body responsible for medical evacuation, made expenditures in all the other years. Unlike in 2001, those expenditures were classified in the programme on medical and medicinal assistance in the other years. There are many examples of this type of inconsistency in the classification.

It is also important to point out that the concept of programme applied in the budget accounts does not always correspond to the term utilized by the Ministry of Health. For example, the Programme to Combat Malaria is not found in the classification by programmes, since it is regarded as a project or activity and classified as such. The Expanded Programme on Immunization (*Programa Alargado de Vacinação - PAV*) has the same status.

Table 4.4
Expenditure on the health sector, by programmes, 1997-2001
(\$ '000)

	1997	1998	1999	2000	2001
General administration	-	28,754	24,035	43,711	117,454
Medical and medicinal assistance	-	35,097	39,424	77,275	68,704
Public health	96,012	-	-	-	-
Drugs	1,769	-	-	-	12,556
Military health	17,103	3,026	1,101	6,838	3,175
Higher education ^a	1,823	1,644	944	3,045	4,294
Sanitation	-	1,929	19,056	39,046	-
Control of transmissible diseases	-	-	-	5,294	16,441
Overseas medical assistance	-	-	-	-	16,647
Public investment	-	-	-	-	17,904
HIV/AIDS	-	-	-	-	2,599
Others	1,849	1,828	784	2,769	3,797
Total	118,557	72,278	85,344	177,978	263,570

a/ Higher education in the health sector includes the Faculty of Medicine and the Higher Institute of Nursing. It may be noted that these two institutions, along with the *institutos médios de saúde* and the *escolas técnicas de saúde*, are also part of the education sector.

Source: SIGFE, MINFIN

Despite the limitations in the data mentioned above, it is possible to draw some conclusions regarding specific programmes and projects. The data on two of these will be discussed: the PAV and the National Programme against AIDS (PNLS), which are of special interest because of their impact on the health status of the population and mortality rates.

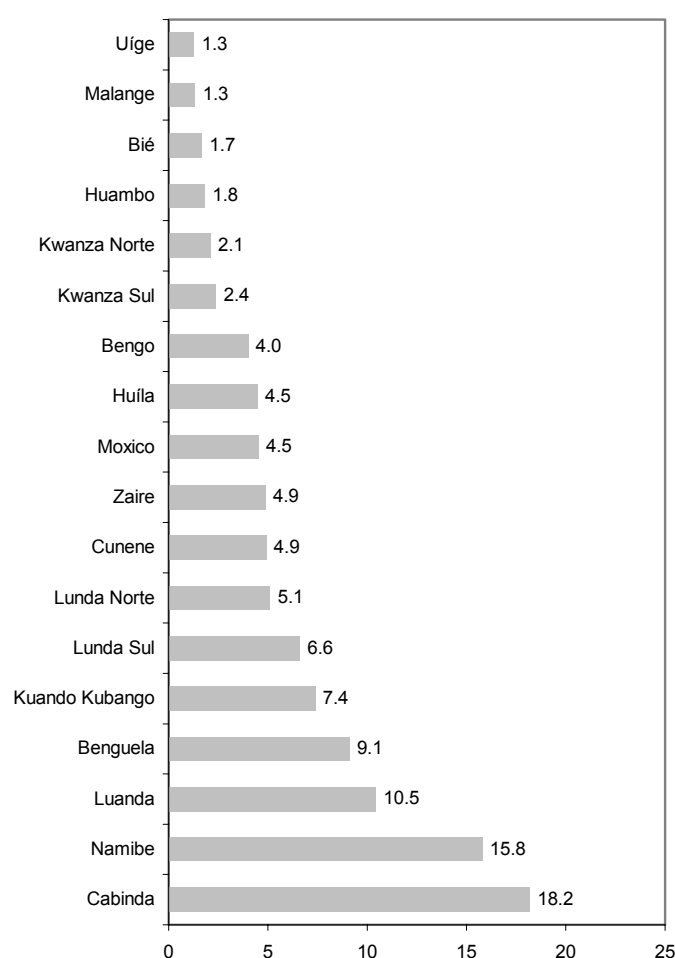
The PAV is an example of a programme whose financing has been almost entirely provided by donors, without any specific budgetary contribution by the Government until 2001, when \$1.1 million was spent. Immunization, which is of such importance for child survival and such a basic component of any national health system, should be primarily a Government responsibility.

As for the fight against HIV/AIDS, it may be noted that the enormous challenge posed by this disease is not reflected in the budget priorities. Until 2000, there was no specific expenditure (by programme or project/activity) concerning HIV/AIDS. In 2001, following the approval of the National Strategic Plan on Sexually Transmitted Diseases, HIV and AIDS, a line for the fight against HIV/AIDS was included in the expenditure classification by programmes, with \$2.6 million spent that year. It is obvious that this amount is paltry compared with the magnitude of the response that is needed to halt and reverse the spread of the AIDS epidemic.

The distribution of expenditure by provinces

In Table 4.5, per capita expenditure on the health sector is presented by zones, for each year from 1997 to 2001, to make it easier to analyse the geographical distribution of resources. Using the same classification as in the previous chapters, the coastal zone includes the provinces of Bengo, Benguela, Cabinda, Cunene, Kwanza Sul, Luanda, Namibe and Zaire. The interior zone includes the provinces of Bié, Huambo, Huíla, Kwanza Norte, Malange and Uíge. Finally, the provinces in the eastern zone are Kuando Kubango, Lunda Norte, Lunda Sul and Moxico. The expenditure at central level is in the penultimate

Figure 4.1
Average annual per capita expenditure on health, by provinces, 1997-2001
(in \$, excluding expenditure at national level)



Sources: SIGFE, MINFIN, for expenditure; INE, 1991, for population projections

row of Table 4.5. In addition, Figure 4.1 shows the average per capita expenditure on the sector, for each province during this period.

It is important to point out that the provincial expenditure data only include the expenditure directly made by the provinces. In other words, they exclude the expenditure at central level which may benefit directly or indirectly the provinces. The expenditure made under the two categories at central level, namely those of general expenditure and the central structure, were not imputed to the provinces, in the absence of objective criteria for making such a distribution. These expenditures at central level, which include the national hospitals and national programmes and institutes, in addition to the central administration, account for a substantial part of the total expenditure of the sector (on average 56% between 1997 and 2001).

Table 4.5
Per capita health expenditure, by zones, 1997-2001
(\$)

	1997	1998	1999	2000	2001	Average, 1997-2001
Coastal provinces ^a	5.65	4.38	5.95	14.96	13.08	8.80
Provinces of the interior ^a	1.66	1.76	0.57	2.22	4.60	2.16
Eastern provinces ^a	4.89	4.35	1.85	5.21	11.08	5.48
Average, all provinces	3.35	2.91	2.60	7.02	8.17	4.81
Central level	6.33	2.82	3.96	6.26	10.93	6.06
Total expenditure	9.69	5.73	6.56	13.28	19.10	10.87

a/ The per capita expenditures by zones do not include the expenditures made at central level.

Sources: SIFGE, MINFIN, for expenditure data; INE for population data

Map 4.1
Per capita expenditure on health, 2001



Legend

	Less than \$10 per capita
	\$10-20 per capita
	Over \$20 per capita

Sources: SIGFE, MINFIN; INE

Table 4.5 and Figure 4.1 show that there are large disparities in the geographical distribution of expenditure. They indicate that the coastal provinces benefited the most, with average per capita expenditure of \$8.80 during the period under study, compared with \$5.48 in the eastern zone and only \$2.16 in the interior zone. The annual averages in Cabinda, Namibe and Luanda exceeded \$10. At the opposite extreme, the provinces of Uíge, Malange, Bié, Huambo and Cunene, which are all in the interior zone, had average annual expenditure of less than \$2 per capita.

In 1999, the geographical disparities widened. The per capita expenditure in the coastal provinces was 10.3 times higher than in the interior zone, compared with 2.5 times higher in 1998. This increase could be explained by the resumption of the armed conflict, as it was the provinces of the interior and the east that experienced the greatest problems of access to the rural areas and therefore of social service delivery. In 2000-01, the gap narrowed considerably, a development which was probably explained by the decentralization of the financial management of the municipal hospitals, which led to an increase in the budgetary allocations to these health facilities. In 2000, the gap diminished to a factor of 6.7 and in 2001 to 2.8.

Distribution of expenditure by economic categories

Table 4.6 presents the expenditure on the health sector by groups of economic categories. It should be noted that, in 1998-2000, the expenditure on sanitation is included, because health and sanitation were in the same function.

Analysing the table, the main conclusion that can be drawn is that personnel is the economic category with the largest weight in the expenditure of the sector (on average 44% between 1997 and 2001). This is not surprising in health services, which are labour-intensive. In fact, the low level of salaries in the public services in Angola means that expenditure on personnel is relatively low. The large reduction in expenditure on personnel in 1999 (by 50%), which mirrored the same decline that year in the education sector (see Chapter 3), reflected the fall in the real value of salaries that resulted from the collapse of oil revenues and the priority given to defence after the return to war. There were significant increases in salaries from 2000 onwards, raising the expenditure on personnel from \$23 million (27% of total expenditure) in 1999 to \$124 million (47% of total expenditure) in 2001.

The expenditure on goods and services (32% on average during the period studied) followed a similar path, but with the difference that the large reduction in expenditure took place in 1998, one year before the decline in the expenditure on personnel. The recovery in expenditure on goods and services began in 1999. Unfortunately, the SIGFE data do not provide the details needed to analyse the composition of the expenditure on goods and services and, in particular, to identify the weight of expenditure on drugs within this category. Bearing in mind the well-known problems regarding the availability of drugs in public health facilities, this is an important limitation of the data.

Third, transfers have an important share in the expenditure on the sector (14% on average between 1997 and 2001). There was a large jump in 1999, a year in which the expenditure on transfers accounted for 27% of the total expenditure on the sector. Although this percentage declined in the following years, falling to 10% in 2001, the absolute amounts spent remained high (running at an average of \$28 million a year between 1999 and 2001, compared with an average of \$5 million in 1997-98). This increase was mainly attributable to the increase in the resources provided to the Junta Nacional de Saúde, the institution responsible for overseas medical evacuation.

Finally, investment had a very low weight until 1998 (3% in 1997 and 5% in 1998), compared with the weight of investment in Government health expenditure in the SADC countries, which, on average, was 12.9% in 1990-96.¹⁹ Starting from a low point of \$2 million in 1998, investment increased from 1999, reaching \$29 million in 2001 and raising its relative weight in health expenditure to the range of 11-14% in 1999-2001.

Table 4.6
Expenditure on the health sector, by economic categories, 1997-2001

	In \$ '000					As % of total				
	1997	1998	1999	2000	2001	1997	1998	1999	2000	2001
Personnel	49,756	46,265	23,112	72,746	124,498	42	64	27	41	47
Goods & services	56,116	19,176	28,544	46,374	84,757	47	27	33	26	32
Transfers	6,310	4,683	23,321	34,532	25,270	5	6	27	19	10
Investments	6,375	2,153	10,368	24,326	29,044	5	3	12	14	11
Total	118,557	72,278	85,344	177,978	263,570	100	100	100	100	100

Source: SIGFE, MINFIN

Distribution of expenditure by health care levels

The analysis so far has used the OGE classifiers, which, as in the education sector, pose some difficulties for carrying out the technical diagnosis needed for strategic planning in the sector. The desired type of analysis requires a new budget classification, using criteria that classify the executed expenditure by the corresponding levels of the health system. Classification by levels would make it possible to assess the consistency of the expenditure pattern with the principles, goals and strategies established by the Basic Law on the National Health System and those proposed in the Health Development Plan, which focus directly or indirectly on those activities that would normally be carried out through a primary health care network (of health centres and health posts). The budget classifiers do not make it possible to understand the current situation in terms of the resources spent at each level.

In the following analysis, an attempt is made to attribute all expenditure to four levels, plus administration. Each level is comprised of a series of components, in accordance with the schema below:

Primary health care:

- health centres;
- health posts;
- vertical programmes (drugs and major disease control programmes);

Secondary level:

- municipal hospitals;
- maternity hospitals;
- orthopaedic centres;
- single-purpose hospitals (sanatoriums, anti-tuberculosis, psychiatric, pediatric);

¹⁹ Average calculated for the SADC countries (excluding the Democratic Republic of Congo and South Africa, due to lack of data), using data for African countries provided in the study *Health Expenditure Patterns in Africa, 1990-96* (World Bank, 1999).

Tertiary level:

- provincial hospitals;
- national hospitals;²⁰
- Junta Nacional de Saúde;

Others:

- training institutions;
- autonomous institutes;
- military health;
- others (Ministry of Interior, Police, etc).

The expenditure on administration is made in the Ministry of Health and the provincial directorates of health, which are *órgãos dependentes* of the provincial governments.

It should be noted that, since the specific objective is to analyse the distribution of expenditure on health, the expenditure on sanitation has been excluded, despite this being carried out by bodies linked to the sector.

Like the methodology used for the analysis of the distribution of education sector expenditure by levels, the approach adopted here is to classify all expenditures by the components of the different levels, as identified above. All the expenditures made by or for a specific facility (health post, health centre, hospital, national institute, etc) should be classified by the components of the level to which they belong.

To identify the expenditure of each component and thereby each level, the budget classifier for management bodies (*gestores*) is used. The *gestores* are budget units (*unidades orçamentais*) and dependent bodies (*órgãos dependentes*) responsible for the management of budgetary funds (see Glossary). For various components, notably hospitals, it is relatively easy to identify and classify a large part of the expenditures. For example, it is obvious that the expenditure made by the Américo Boavida Hospital in Luanda is part of the 'national hospitals' component of the tertiary level.

On the other hand, as in the case of education, it is much more difficult to identify the expenditure on primary level facilities, i.e. health posts and health centres. The majority of this expenditure is classified within the expenditure of the provincial directorates of health (DPS), in the case of personnel and a part of goods and services, including some drugs, and within the expenditure of the Ministry of Health, in the case of investments and the remainder of the expenditure on drugs.

Because of this, it is necessary to apply other criteria to complete the classification. The classifiers by economic category, programmes and projects/activities are therefore used to try to identify the expenditures that can be ascribed to a component of a specific level of health service. For example, the expenditure clearly imputable to primary health care, such as the construction of a health post by a provincial government (in the classification by projects and activities), was automatically classified in this level.

²⁰ The national reference hospitals, with the highest level of specialization, are the following: Josina Machel Hospital, Américo Boavida Hospital, Prenda Hospital, the Paediatric Hospital of Luanda, the National Blood Centre, the National Centre of Oncology, the Clínica Multiperfil and the Lucrecia Paim Maternity Hospital. It is noteworthy that all the national hospitals are located in the province of Luanda.

Table 4.7 presents the data on expenditure categorized in accordance with the classification methodology described above.

Table 4.7
Initial classification of expenditure by components
of levels of health services, 1997-2001
(\$ '000)

	1997	1998	1999	2000	2001
Primary health care	16,202	1,653	-	5,543	20,372
<i>Health centres & posts</i>	114	161	-	-	1,864
<i>Vertical programmes</i>	16,088	1,493	-	5,543	18,508
Secondary level	5,479	7,131	3,250	16,101	39,848
<i>Municipal hospitals</i>	2,008	2,653	1,163	6,281	18,095
<i>Maternity hospitals</i>	1,102	1,827	508	2,539	7,913
<i>Orthopaedic centres</i>	773	603	517	2,706	5,492
<i>Single-purpose hospitals</i>	1,595	2,048	1,061	4,575	8,347
Tertiary level	25,258	26,412	34,934	55,452	106,535
<i>Provincial hospitals</i>	7,899	7,683	4,150	14,112	48,347
<i>National hospitals</i>	11,886	14,347	7,923	23,874	41,541
<i>Junta Nacional de Saúde</i>	5,473	4,383	22,861	17,467	16,647
Others	29,006	7,321	3,118	13,878	30,554
<i>Training institutions</i>	6,800	3,692	1,509	4,795	7,448
<i>Autonomous institutes</i>	294	365	186	1,119	4,085
<i>Military health</i>	17,103	3,026	1,101	6,854	15,923
<i>Others</i>	4,808	239	322	1,111	3,098
Administration	42,576	27,830	24,986	47,957	66,260
<i>Provincial directorates</i>	23,599	19,059	7,712	32,262	45,950
<i>Ministry of Health</i>	18,978	8,770	17,274	15,695	20,311
Total	118,521	70,348	66,288	138,932	263,570

Source: SIGFE, MINFIN

As in the case of education, the major difficulty encountered in imputing expenditures by levels is that of identifying the expenditures on the primary health network. The majority of the expenditure at this level (above all that on personnel and a part of goods and services) is included in the budgets of the DPS, which makes it difficult to separate the expenditure on primary health facilities and the DPS's own administrative expenditure. There are also some expenditures that are not attributable to specific levels, as was the case for drugs in 1997. The latter are incorporated in the primary health care component in Table 4.7, but will be reclassified by different levels in the following stage of the analysis.

The second step involves the reclassification of the portion of common expenditures that can be attributed to the different levels of the health care system, on the basis of assumptions about their distribution. These assumptions are based on data on expenditure on personnel and on goods and services in the provinces, obtained during the field research, through interviews and the study of documentation at provincial level,²¹ and on information of a qualitative nature on the distribution of the expenditure on drugs at a national level.

²¹ The documentation studied included the accounts of the *gestores* and the payroll records for provincial health personnel.

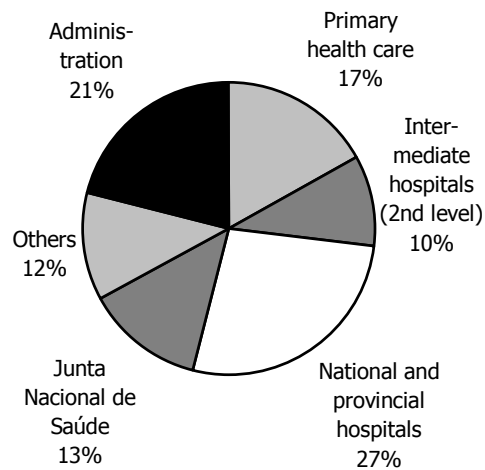
The following assumptions were adopted:

- the primary health care network accounts for 75% of the expenditure on personnel by the DPS and DMS;
- the primary health care network accounts for 20% of the expenditure on goods and services, transfers and investments by the DPS and DMS;
- 10% of expenditure on drugs in 1977 was for the primary health care network, 25% for secondary level health facilities and 65% for national and provincial hospitals at tertiary level.

The results of the reclassification are presented in detail in Table 4.8 and are summarized in Figure 4.2.

One of the most important findings is that primary health care had a low weight in sectoral expenditure throughout the period, with an average share of only 17%. This level of health services suffered a steep fall in expenditure in 1999, receiving only \$5 million or 8% of total expenditure on the sector, before experiencing a recovery in 2000-01, to 20% of expenditure in both years. Even with this improvement, in the last part of the period studied, the figures show a major inconsistency between the strategic emphasis given to primary health care, in the basic law and in the draft Health Development Plan, and the low budgetary priority given to this level of health services.

Figure 4.2
Distribution of health expenditure, by levels, 1997-2001



Another finding is the relatively low allocation of resources (10% on average) to secondary level health facilities, which include the municipal hospitals and maternity hospitals, among others. This level of health care merits special attention, given the complementary role it plays in relation to the primary health care network, especially for obstetric services in high-risk pregnancies. The weaknesses at this level and in the articulation between primary and secondary facilities are factors that contribute to the high rates of maternal mortality in Angola. Consequently, the substantial increase in the weight of this level of health care in the last few years (to 12% of health expenditure in 2000 and 15% in 2001) is a positive change.

This increase is directly related to the policy of decentralization of the financial management of the health facilities at this level, a development that improved the channelling of resources to these facilities. This policy of decentralization led to a net increase in the resources provided (without prejudicing the resources for other levels) and a direct injection of additional funds for this level of service delivery.

However, during the period studied, it was the tertiary level that enjoyed the largest share of expenditure (40% on average), a fact which signifies that health financing policy is oriented first and foremost to the national and provincial hospitals and to the Junta Nacional de Saúde, instead of primary health care and the secondary level of health services. In 1999, tertiary level expenditure accounted for more than half of total health expenditure (53%).

This level includes two types of institutions, that are completely different. The first is comprised of the country's main hospitals, which are found at national and provincial levels. On average, these hospitals accounted for 27% of expenditure on the sector between 1997 and 2001. This share was equivalent to all the expenditure on the primary and secondary levels.

Since 1999, when the national and provincial hospitals suffered a fall in expenditure, similar to what happened at the other levels of the system, there have been considerable increases in expenditure on these hospitals, especially the provincial hospitals. The latter accounted for 18% of expenditure on the sector in 2001, compared with an average of 9% between 1997 and 2000. As in the case of the municipal hospitals, this increase in resources is explained by the change in the status of the provincial hospitals, which were converted into *unidades orçamentais*.

The other component of the tertiary level is the Junta Nacional de Saúde. One of the special features of the Angolan health system is the allocation of a significant proportion of resources to overseas medical evacuation. During 1997-2001, expenditure on the Junta was equivalent to 13% of the total expenditure of the sector, in other words only four percentage points less than the expenditure on primary health care. In 1999, the expenditure on the Junta (34% of the sectoral total) exceeded what was spent on all the health facilities within the country (31%). This expenditure declined in relative terms in 2000-01 (to 6% of the sectoral total), but remained at quite a high level, around \$17 million in each year. In addition, the Junta Nacional de Saúde has always had a budget execution rate higher than the average for the sector as a whole, indicating the priority given in the health system to overseas medical evacuation.

Finally, the administrative expenditure (21% on average during 1997-2001) had a significant weight in the expenditure of the sector, especially in 1999 (30%), a year in which the expenditure on service delivery facilities contracted sharply.

In short, the current distribution of resources is not consistent with the general thrust of the health policy defined in the Basic Law of the National Health System, which is based on the principles of equity and equality in the distribution of resources and access to health care, while emphasizing primary health care and giving priority to health promotion and preventive health (Government of Angola, 1992). The strategies proposed in the draft Health Development Plan (PDS) focus on strengthening primary health care, by building up the capacity of the primary health care network and the programmes to combat the main endemic diseases (MINSa, 2002).

In practice, however, the Angolan health sector is basically focused on the national and provincial hospitals, where the largest part of resources is used. This conduct is not very different from the general African pattern (Mills, 1991), but the Angolan case is yet more disturbing, given the severe damage suffered by the primary health care network as a result of the war. Together, the war and the low priority given to primary health care

have had devastating effects, resulting in poor access to basic services by the population and high mortality rates.

Table 4.8
Reclassification of expenditure by components of levels of health services, 1997-2001

	In \$ '000					As % of total				
	1997	1998	1999	2000	2001	1997	1998	1999	2000	2001
Primary health care	17,877	14,890	5,060	27,924	53,637	15	21	8	20	20
<i>Health centres & posts</i>	16,268	13,397	5,060	22,381	35,129	14	19	8	16	13
<i>Vertical programmes</i>	1,608	1,493	0	5,543	18,508	1	2	0	4	7
Secondary level	9,500	7,131	3,250	16,101	39,848	8	10	5	12	15
<i>Municipal hospitals</i>	3,483	2,653	1,163	6,281	18,095	3	4	2	5	7
<i>Maternity hospitals</i>	1,912	1,827	508	2,539	7,913	2	3	1	2	3
<i>Orthopaedic centres</i>	1,341	603	517	2,706	5,492	1	1	1	2	2
<i>Single-purpose hospitals</i>	2,765	2,048	1,061	4,575	8,347	2	3	2	3	3
Tertiary level	35,715	26,412	34,943	55,452	106,535	30	38	53	40	40
<i>Provincial hospitals</i>	12,073	7,683	4,150	14,112	48,347	10	11	6	10	18
<i>National hospitals</i>	18,169	14,347	7,923	23,874	41,541	15	20	12	17	16
<i>Junta Nacional de Saúde</i>	5,473	4,383	22,861	17,467	16,647	5	6	34	13	6
Others	29,006	7,321	3,118	13,878	30,554	24	10	5	10	12
<i>Training institutions</i>	6,800	3,692	1,509	4,795	7,448	6	5	2	3	3
<i>Autonomous institutes</i>	294	365	186	1,119	4,085	0	1	0	1	2
<i>Military health</i>	17,103	3,026	1,101	6,854	15,923	14	4	2	5	6
<i>Others</i>	4,808	239	322	1,111	3,098	4	0	0	1	1
Administration	26,422	14,593	19,926	25,576	32,995	22	21	30	18	13
Total	118,521	70,348	66,288	138,932	263,570	100	100	100	100	100

Source: SIGFE, MINFIN

CHAPTER 5

THE BUDGET SYSTEM AND FINANCIAL MANAGEMENT OF THE SOCIAL SECTORS

Chapter 5 describes and analyses, qualitatively, the budget system and financial management mechanisms as they apply to the social sectors. The chapter is divided into three sections. The first describes the structure of the social sectors, organizationally and with respect to the flow of funds from the Ministry of Finance down to schools and health facilities. The second focuses on the procedures for preparing the General State Budget (OGE). The third concerns the budget execution system and the transfer of resources to the different levels of the education and health sectors. In each section, the implications of the current system of budget management for the social sectors are analysed.

5.1 The structure of the sectors and flow of funds

During the 1990s, Angola underwent a process of administrative deconcentration and reforms in budget management, which jointly brought about important changes in financial management in the social sectors. To understand better the context of these changes, it is pertinent to note that the administrative structure of the Republic of Angola has four levels: the central Government, 18 provincial governments, 163 *municípios* and 532 *comunas*. Each province is constituted by several *municípios*, which generally cover quite large areas, and each *município* is comprised of several *comunas*.

Regarding the process of administrative deconcentration, it is important to point out that the responsibilities of the provincial governments were strengthened, at the expense of the ministries at central level. In particular, in the majority of sectors, the old provincial delegations (*delegações provinciais*), which were part of the ministries and were responsible to the ministry's central structures, were converted into provincial directorates (*direcções provinciais*) of the provincial governments. Only the Ministries of Finance, Interior and Justice retained their provincial delegations.

According to decree n.º 27/00, on the *Paradigma de Regulamento dos Governos das Províncias e das Administrações dos Municípios e das Comunas* (see MAT/UNDP, 2002), 'the Provincial Directorate is the executive service charged with ensuring the execution of the specific prerogatives and responsibilities of the Government of the Province' (Article 16). The provincial directorate 'depends organically, administratively and functionally on the Government of the Province' (Article 18). It is headed by a provincial director, appointed by order (*despacho*) of the provincial government, with the approval of the competent services of the Ministry of Territorial Administration (MAT), the ministry responsible for providing support to provincial governments. The role of the sectoral ministry in the appointment is reduced to that of merely being 'consulted' (Article 17).

In short, the sectoral ministries have lost the hierarchical role that they played in the past with respect to the corresponding bodies at provincial level. In the absence of a well-defined policy framework, regarding the service delivery obligations of the provincial governments, and without strong systems for information, coordination and inspection, the ministries do not have the instruments that would be needed to play an effective leadership role in the respective sectors.

At the municipal level, the process of administrative deconcentration led to the transformation of the municipal delegations (*delegações municipais*), previously responsible to the corresponding provincial directorates (or earlier provincial delegations), into municipal sections (*secções municipais*), headed by *chefes de secção*, responsible to the municipal administrator.

These administrative reforms were accompanied by changes in the budget management system, which led to a proliferation of budget units (*unidades orçamentais*), at various levels of the sectors, which now have direct links to the Ministry of Finance, to which they submit budget proposals and make financial reports and from which they receive tranches of funds (*quotas financeiras*). A direct consequence of this evolution of the budget management mechanisms was the decline of the role of the sectoral ministries in the decisions regarding the distribution of resources within the sectors.

Furthermore, the two processes described above (of administrative deconcentration and proliferation of budget units) were not well harmonized. The new hierarchical structures do not always correspond to the responsibilities for management of funds.

Education sector

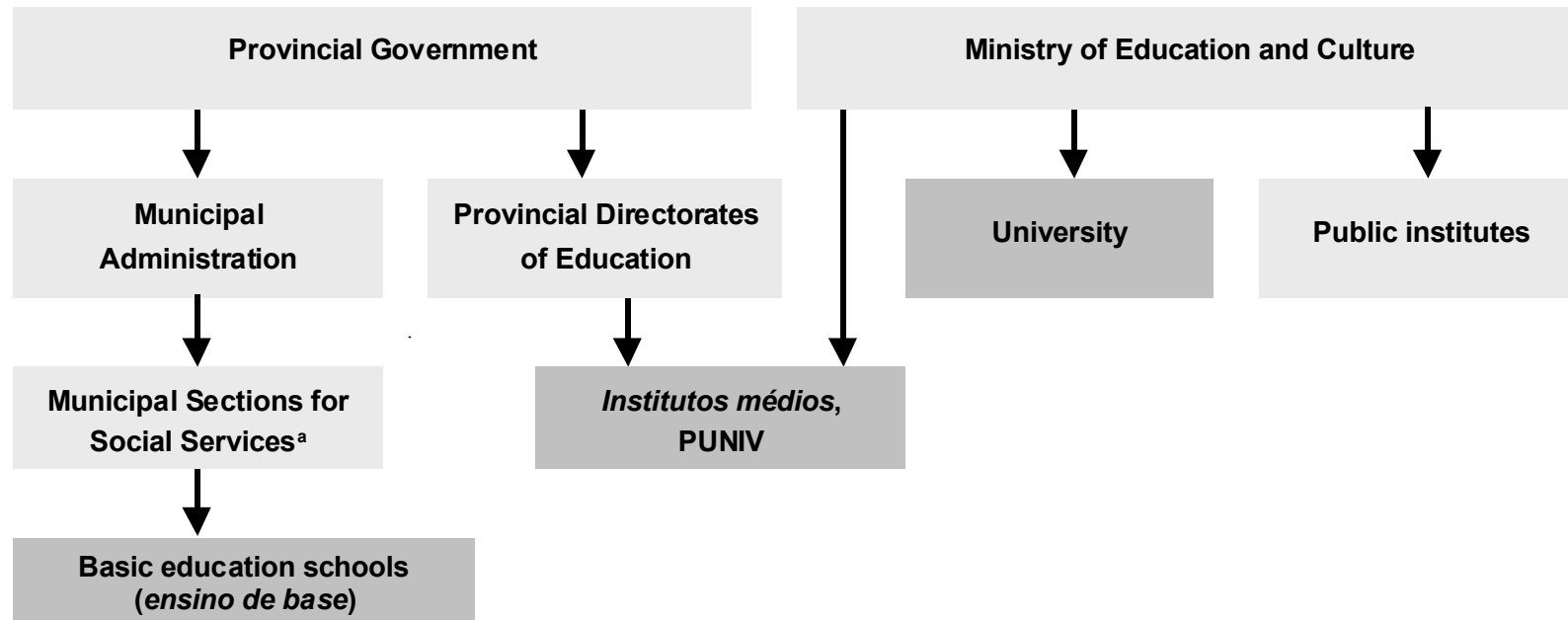
The Ministry of Education and Culture retains responsibility for the sectoral planning framework and for direct oversight of Agostinho Neto University, several *institutos médios* and public institutes of national scope. However, in accordance with the new hierarchy described above, it has lost its role of overseeing the bodies responsible for management of the education sector at sub-national levels (see Figure 5.1).

The provincial directorates of education (DPE) act under the authority of the provincial governments, of which they are a part. They oversee various *institutos médios* and, *de facto*, orient the operations of the municipal delegations of education, which are responsible for basic education schools. However, in legal terms, the articulation between the bodies of these two levels has become ambiguous. The municipal delegations of education officially no longer exist, according to the organigram established by decree n.º 27/00, which consolidated the social services into a single section, responsible to the municipal administrator, instead of the provincial directorates. However, in the majority of provinces, the municipal delegations have not yet been replaced in practice by the new municipal sections for social services. Furthermore, in many *municípios* in the rural areas most seriously affected by the war, State administration more or less ceased to function during the conflict and, despite the cessation of hostilities in 2002, is still in the process of being reconstituted.

Regarding financial flows (see Figure 5.2), the Ministry of Finance, except in a few cases²², deals directly with the budget units of the sector, which are mainly the *institutos médios*, the faculties and other higher education institutions, the autonomous national institutes (such as the Instituto Nacional de Bolsas de Estudos) and the central structure of the Ministry of Education and Culture.

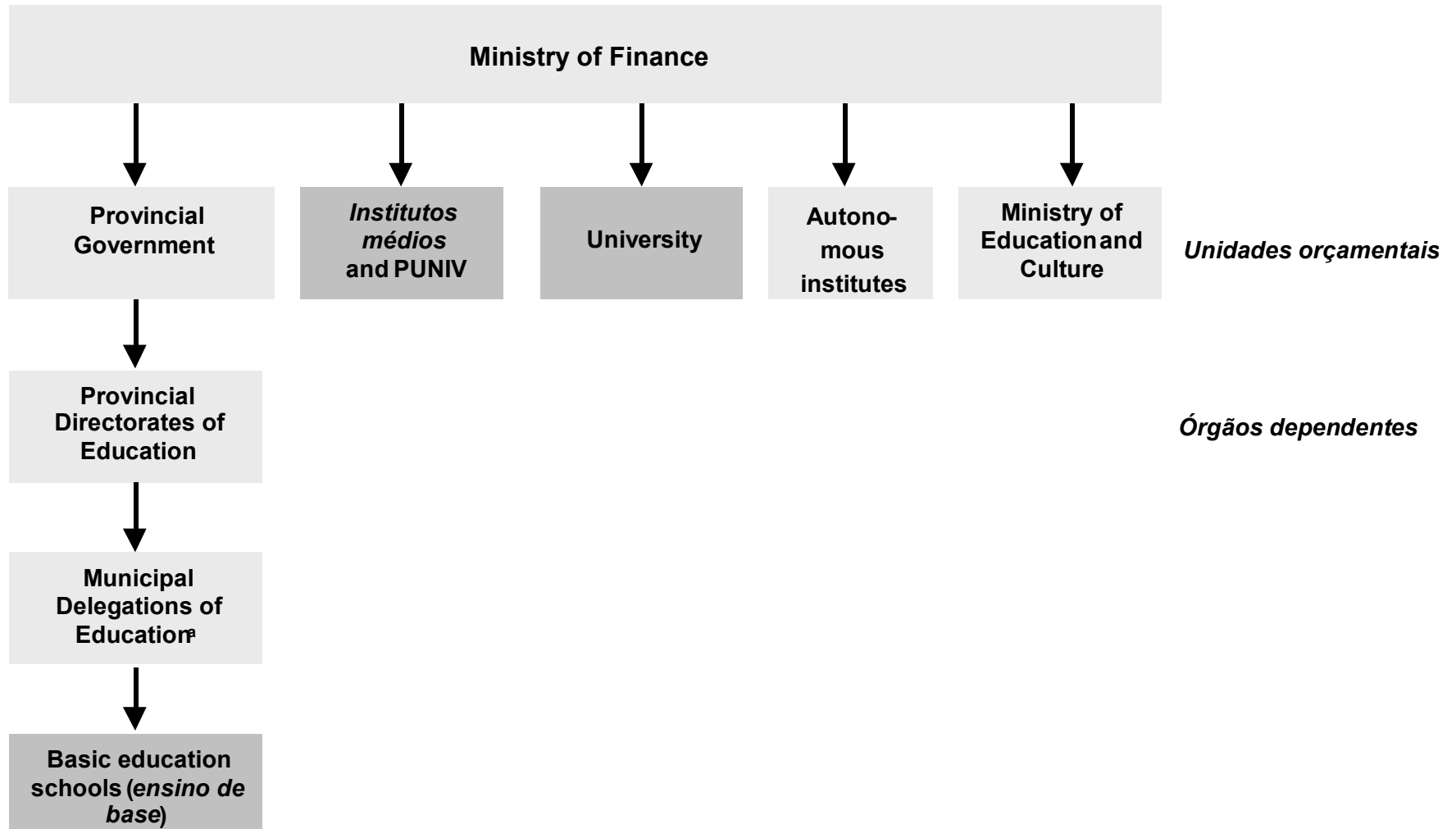
²² There are a few *institutos médios* that depend financially on the provincial governments and the Ministry of Education and Culture.

Figure 5.1
Hierarchical structure of the education sector



a/ The Municipal Sections for Social Services were set up by decree n.º 27/00 of 19 May, which consolidated the social services into a single section, reporting to the municipal administrator. However, the old Municipal Delegations of Education still exist in practice in various *municípios*.

Figure 5.2
Flow of funds in the education sector



a/ The Municipal Delegations of Education officially no longer exist, according to the organigram established by decree n.º 27/00 of 19 May, which consolidated the social services in a single section, reporting to the municipal administrator. However, the Municipal Sections for Social Services do not yet exist in practice. In some cases (namely Luanda), the Municipal Delegations of Education have the status of *órgão dependente* in the budget system. Until now, no Municipal Section for Social Services has the status of *órgão dependente*.

The number of budget units increased significantly in 2001, due to the decision to convert the institutos médios and PUNIV schools into budget units, in order to reduce the administrative burden on the bodies overseeing them and to improve the flow of funds to these schools.

At provincial level, the resources are disbursed, first of all, to the provincial governments, which have the status of budget units and then pass on funds to the provincial directorates, including the DPE, which are dependent bodies (*órgãos dependentes*). In their turn, the latter have to meet the needs of the entire network of basic education schools, through the municipal delegations of education (DME). In some cases, namely in Luanda, the DME are also *órgãos dependentes* and receive their funds directly from the provincial government. No municipal section for social services has this status yet.

Health sector

The Ministry of Health has ultimate responsibility for the health sector, although this ministry is not the only one engaged in health activities, as there are other ministries, such as the Ministry of Defence, which have their own health systems. Although these parallel systems, such as the military health system, are included in the expenditure data presented in Chapters 2 and 4, the institutional aspects of these systems will not be analysed here.

The Ministry of Health coordinates the sector and is responsible for overseeing the autonomous institutes, the Junta Nacional de Saúde and the national hospitals (see Figure 5.3). As a result of the process of administrative deconcentration during the 1990s, the ministry no longer exercises the role of overseeing the bodies responsible for the sector at provincial level, where the provincial delegations were converted into provincial directorates, responsible to the provincial governments.

The provincial directorates oversee the provincial hospitals. At the lowest level of the system, there should be, according to decree n.º 27/00, municipal sections for social services, with the responsibility for 'organizing all the health activities of the *município*'. However, in practice, these bodies do not yet exist in the majority of *municípios*, where the municipal administrations are either in a phase of reconstitution, in the areas most affected by the war, or still have the old structure of municipal delegations.

As in the case of education, the role of the Ministry of Finance is fundamental in the funding mechanisms for the health sector. As Figure 5.4 shows, the central structure of the Ministry of Health, the public institutes, the provincial governments and the national, provincial and municipal hospitals are budget units and so receive resources from the Ministry of Finance, to which they submit financial reports. Particularly noteworthy was the creation of a large number of budget units in 2001, the year in which the national and provincial hospitals and some municipal hospitals became budget units. This institutional reform raised the number of budget units in the sector from 22 in 2000 to 89 in 2001. The change was introduced to overcome the problem that the hospitals' previous dependence on the channelling of funds through the Ministry of Health (in the case of the national hospitals) and the provincial governments (in the case of the provincial and municipal hospitals) left these health facilities starved of resources.

Thus, from 2001, the Ministry of Finance began to disburse funds directly to the hospitals. There was a clear improvement in their financing, as has already been shown in the analysis of executed expenditure (see Chapter 4). However, in the absence of tools or criteria for orienting the intra-sectoral distribution of resources, the Ministry of Finance has become, in practice, the virtual leader of the sector, taking decisions of a

financial nature that have major implications for the development of the different components of the sector.

Within the provincial governments, the provincial directorates of health (DPS) have the status of *órgãos dependentes*, with their own budgets but no powers to make payments without the authorization of the provincial governments, as the budget units. For their part, the municipal delegations, not being even *órgãos dependentes*, do not have any responsibility for the management of funds, despite being responsible for the primary health care network.

Basic service delivery

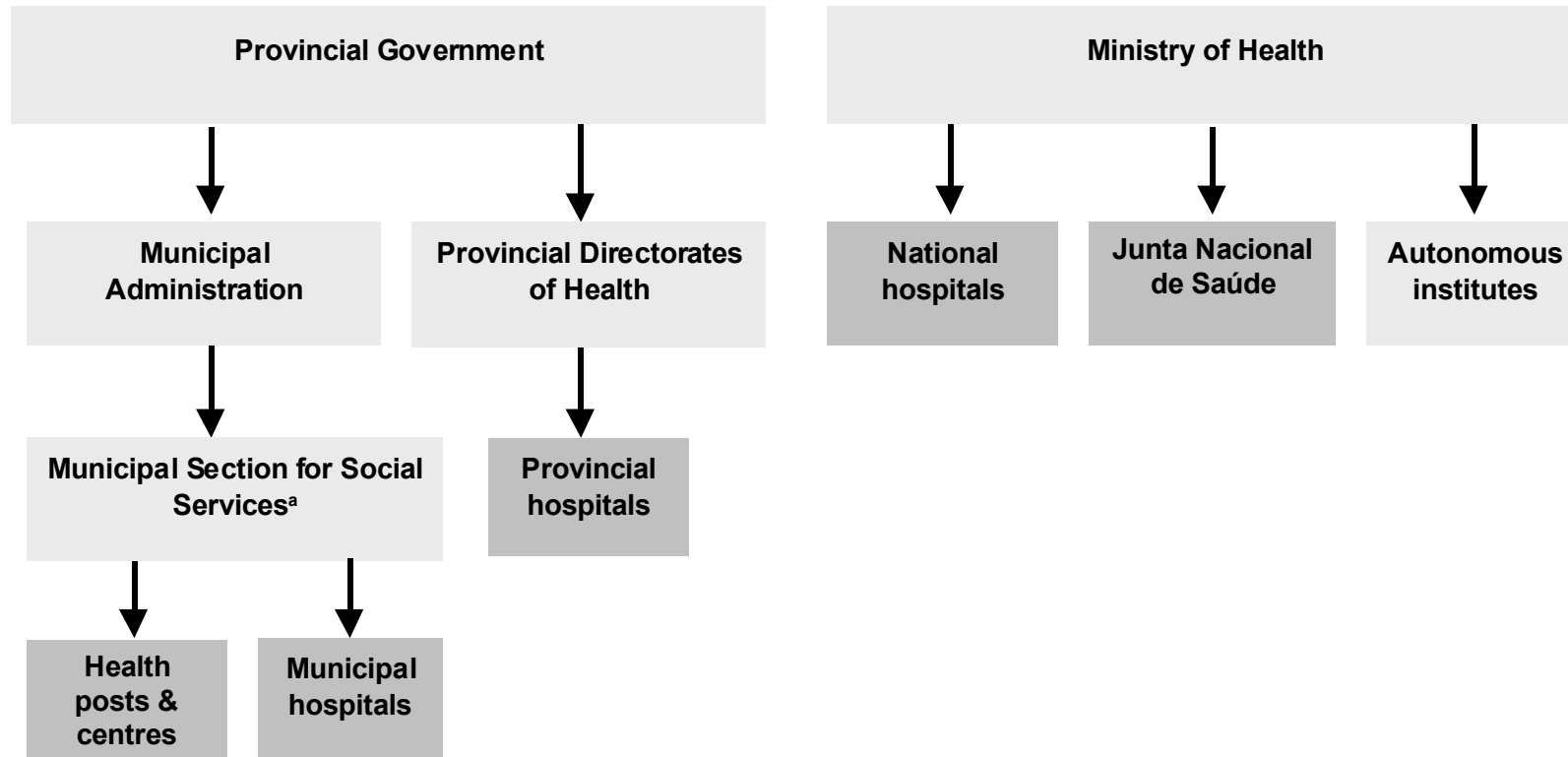
Basic education and the primary health care network are under the responsibility of the provincial governments. Studying the flow of resources to these levels is fundamental for understanding the situation regarding the delivery of these basic services. The following analysis looks at the different channels by which different types of resources flow. Figure 5.5 shows one case, the flow of resources for basic education, but the channels for the financing of the primary health care network can be regarded as analogous.

The resources utilized in basic education schools have different channels of disbursement, depending on their economic nature. Due to their importance, salaries are guaranteed (in principle) and no institution can modify them. The funds for salaries are transferred from the accounts of the National Treasury Directorate (DNT), in the Ministry of Finance, to the accounts of the provincial delegations of finance (DPF). Meanwhile, the bureaucratic procedures related to the preparation of payslips are carried out, along with all the other steps needed to complete the expenditure process (see next section). After all these procedures, the DME proceeds to pay the salaries. The delays in salary payments, which are sometimes very long, result either from liquidity problems (especially in years with low oil prices) or from bureaucratic delays, procedural errors and logistical difficulties (mainly lack of transport in the rural areas).

The provincial governments have more discretion with respect to the use of the resources transferred to them by the National Treasury Directorate for the procurement of goods and services. The provincial government, as budget unit, should, in principle, pass on these resources to the provincial directorates, in accordance with the province's budget, as approved in the OGE. However, because the amounts received are normally smaller than those in the approved OGE, the provincial governor, in his capacity as manager of the budget unit, takes decisions on the distribution of the amounts received. At times, the social sectors lose out when the governor opts for other priorities.

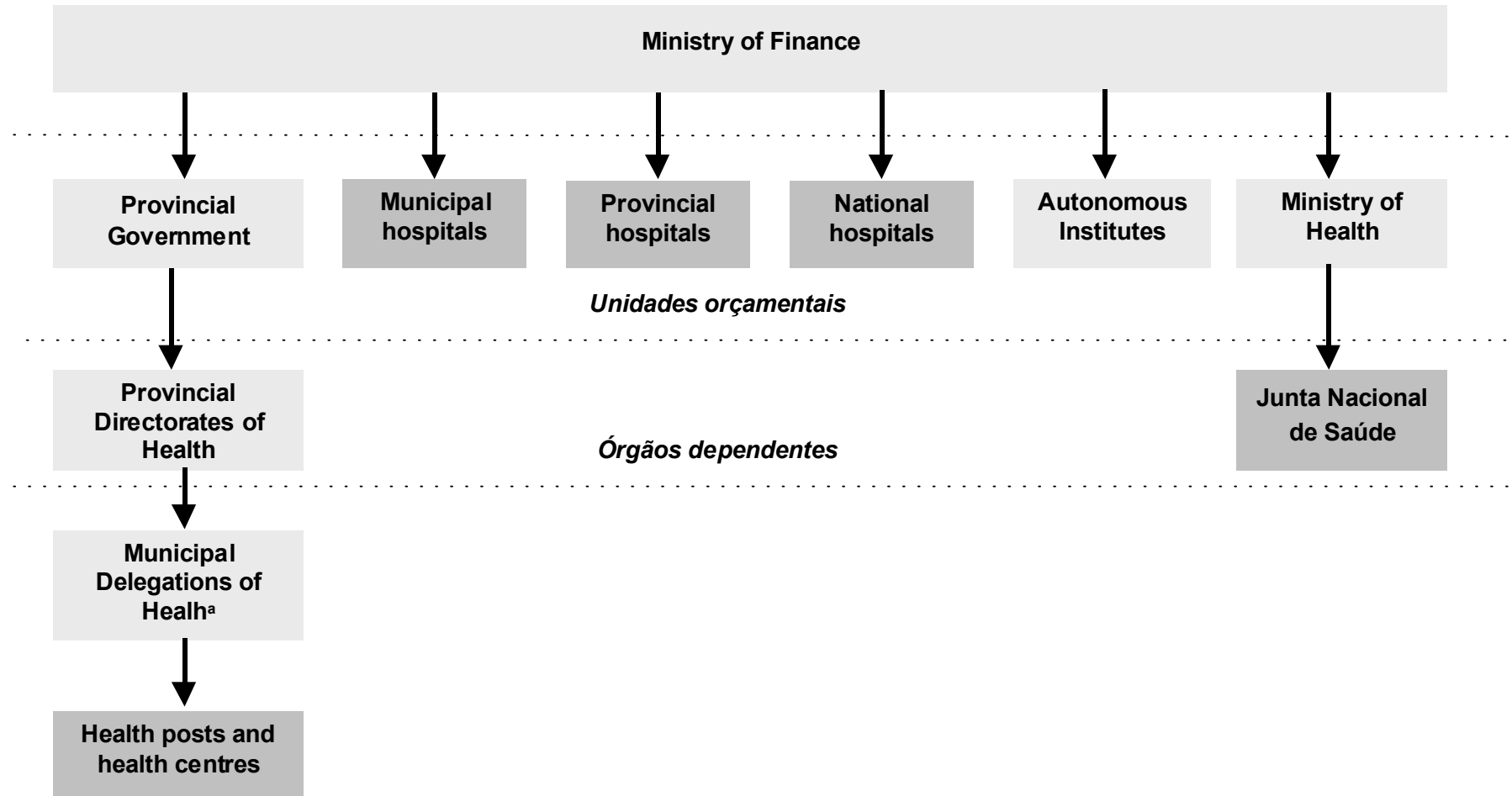
The DPEs manage the resources provided to them, but, since they are only *órgãos dependentes*, the provincial governor has to authorize the payment of their expenditures. Following acquisition, the DPE delivers the purchased products to the DME, which, in turn, delivers them to the schools. Throughout this chain, the DPE and the DME have to cover their administrative expenses (for office materials, electricity, telephone, small equipment and so forth).

Figure 5.3
Hierarchical structure of the health sector



a/ The Municipal Sections for Social Services were set up by decree n.º 27/00 of 19 May, which consolidated the social services into a single section, reporting to the municipal administrator. However, the old Municipal Delegations of Health still exist in practice in various *municípios*.

Figure 5.4
Flow of funds in the health sector



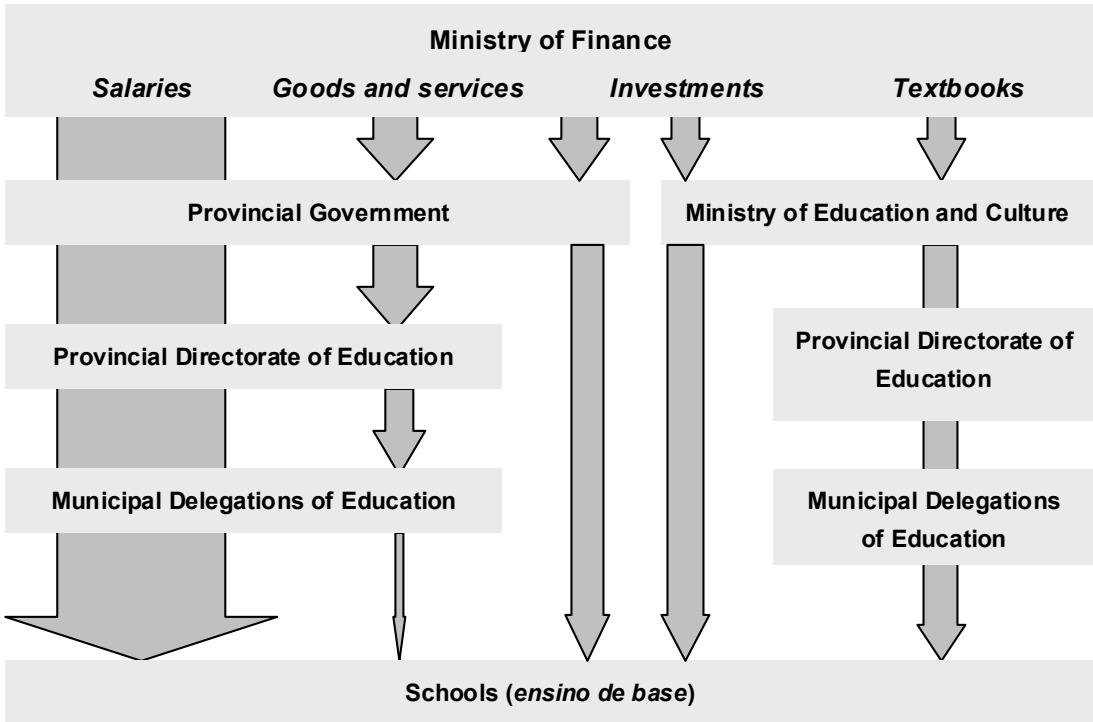
a/ The Municipal Delegations of Health officially no longer exist, according to the organigram established by decree n.º 27/00 of 19 May, which consolidated the social services in a single section, reporting to the municipal administrator. However, the Municipal Sections for Social Services do not yet exist in practice. In some cases (namely in Huambo), the Municipal Delegations of Health have the status of *órgão dependente* in the budget system. Until now, no Municipal Section for Social Services has the status of *órgão dependente*.

Because of the scantiness of the DPE budgets for goods and services, the resources actually provided to the schools are generally inadequate. For example, in the OGE for 2002, the province of Huambo received an allocation of Kz10.2 million (equivalent to \$250,000) to cover the needs of the DPE, eight DME and 321 first level basic education schools with more than 160,000 pupils.

In the specific case of textbooks, there is a centralized management system for production, importation and distribution, justified by the opportunities for economies of scale in the purchase of these products. Textbooks are bought at a central level and distributed through the DPE and DME to the schools. The quantities purchased have been insufficient year after year,²³ which, along with the deficient management of the distribution process and logistical difficulties, results in the diversion of some textbooks and large differences between official and parallel prices, at the expense of pupils. The system is similar to that for the procurement and distribution of drugs kits, which are purchased by the Direcção Nacional de Medicamentos e Equipamentos (DNME), which comes under the Ministry of Health budget unit.

Lastly, investments are planned and managed by the Office of Studies, Planning and Statistics (GEPE) of the provincial governments. Investments in basic social services are carried out on the basis of allocations included in the Public Investment Programme (PIP). However, in recent years, most investment in basic social infrastructure (schools for the 1st and 2nd levels of *ensino de base* and health posts and health centres) has been financed through autonomous funds, such as the Fundo de Apoio Social, or through NGOs, with the support of donors.

Figure 5.5
Flow of resources to schools for *ensino de base*



²³ Not even one textbook in a single subject meets the full national demand.

Commentary

One of the most positive structural changes in the last few years was the conversion of the mid-level facilities in the social sectors, including the *institutos médios técnicos* and *institutos médios normais* and the provincial and municipal hospitals, into budget units. Previously, the budgetary resources for this level of the education and health systems were channelled through the provincial governments, a situation which was characterized by delays and inadequacies in the resources that reached these facilities for service delivery. The creation of the new budget units at this level improved the availability of resources, as was shown in the expenditure data in Chapters 3 and 4.

By contrast, basic social services were not covered by this change. The schools of *ensino de base* and the primary network of health posts and health centres have remained without their own budgets. Not being even *órgãos dependentes*, the municipal delegations of health and education (or the new municipal sections for social services), which have the administrative responsibility for this level of services, do not have the corresponding financial responsibility.²⁴ In the budget system, they depend on the provincial directorates, which, in turn, are only *órgãos dependentes*, that is to say, they have budgets but do not have the authority to make payments without the approval of the manager of the budget unit (the provincial governor). Being at the end of the chain, and with little bargaining power within the system, the schools of *ensino de base* and the health posts and health centres hardly receive any resources, apart from salaries, which (in principle) are guaranteed to the personnel on the payroll.

Finally, it is noteworthy that the reforms of the 1990s, which aimed to promote the deconcentration of the administrative and budgetary systems, were not well harmonized and also led to poor articulation between the deconcentrated units and the ministries at central level. The existing differences between the formal systems of administrative hierarchy and budget hierarchy (*unidades orçamentais* and *órgãos dependentes*) have resulted in inconsistency and contradictions in management and decision-making. Furthermore, the multiplicity of lines of responsibility, along with the sectors' lack of a sufficiently broad framework of policies and strategy and their lack of strong systems for information, coordination and inspection, has created a vacuum in terms of sectoral leadership and management. One of the manifestations of this situation is the lack of a structured relationship between the Ministry of Finance and the sectoral ministries regarding the intra-sectoral distribution of resources. This role is played, in practice, by the Ministry of Finance, which does not have the tools needed to do this. In this situation, it is becoming almost impossible to build a real system of sector-wide planning, in which the distribution of resources is consistent with well-defined sectoral objectives and based on clear criteria, or to ensure that the provincial governments are following sectoral policies and strategies or are respecting their obligations.

5.2 Preparation of the budget

Government finances in Angola, as in other countries, have a budgetary process regulated by law. The final output of the process of preparation of the OGE is the budget law, which is approved by the National Assembly and signed by the President of the Republic.

In order to facilitate understanding of the process of preparing the OGE, the diagram in Figure 5.6 shows the sequence of steps, for all sectors, with respect to recurrent

²⁴ Except in a few cases, such as the municipal delegations of health in Huambo and the municipal delegations of education in Luanda.

expenditure. Later, this will be complemented by specific aspects related to the social sectors, as well as the particular procedures for preparing the Public Investment Programme (PIP). The process of preparing the OGE of the year to come begins with the preparation of the accounts of the previous year, by the National Directorate of Accounting (DNO), in the Ministry of Finance, which has to consolidate the information coming from all the budget units in the country, by the month of April. The actual process of drafting the OGE can be summarized by the following steps:

1. The preparation of estimates, by the Ministry of Finance, of the revenue projections for the next year;²⁵
2. On the basis of the revenue projections, the calculation of expenditure ceilings by economic categories for every budget unit in the next budget year;²⁶
3. The preparation of directives, forms and information about the set ceilings, to guide budget units and their *órgãos dependentes* in the preparation of their draft budgets;
4. Distribution of these documents, in July, to the budget units, which pass on the information to their *órgãos dependentes*;
5. Costing, by each budget unit and *órgão dependente*, of the activities projected for the next budget year;²⁷
6. Preparation of draft budgets by budget units and their *órgãos dependentes*, trying to keep expenditure within the set ceilings (although it is possible to request a budget higher than the set ceiling and, in the Ministry of Finance's own guidelines, there is a model application form for this);
7. The consolidation of the draft budgets of the budget unit and its *órgãos dependentes* into a single draft budget;
8. The dispatch of the budget units' draft consolidated budgets to the Ministry of Finance and their consolidation into the draft OGE by the National Budget Directorate (DNO), in September;
9. Presentation of the draft OGE by the Minister of Finance to the Council of Ministers for examination, review and approval;
10. Presentation of the draft OGE to the National Assembly, for debate and approval before 15 December. In the event of the OGE not being approved by the National Assembly by this date, the budget of the previous year is automatically extended.²⁸

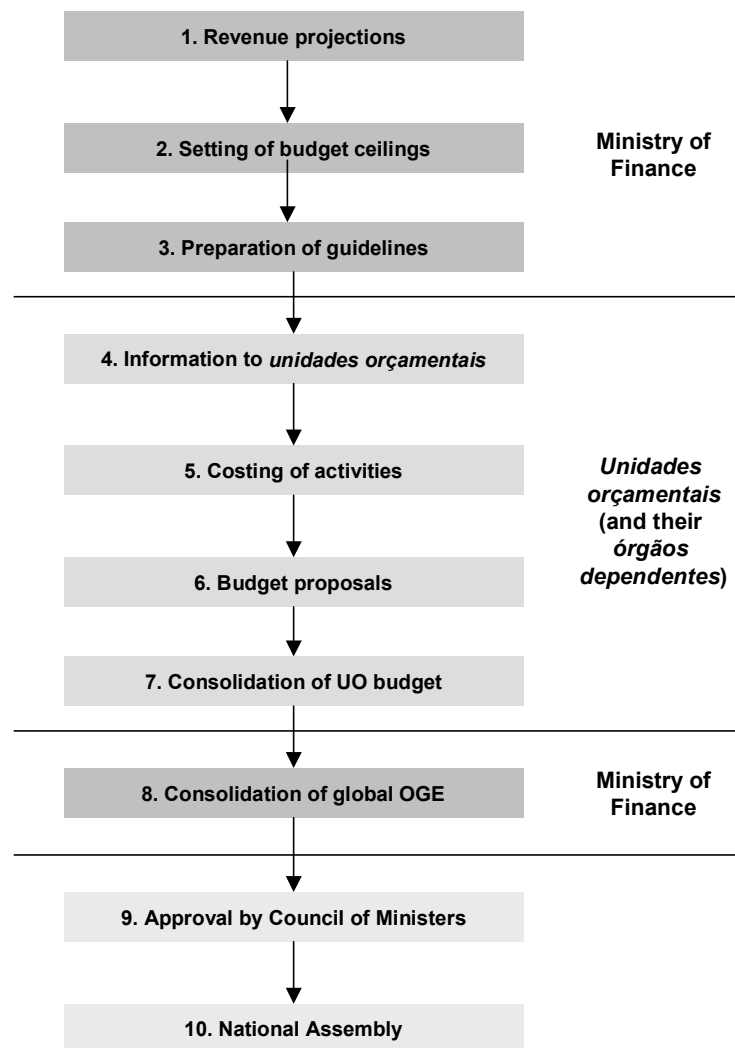
²⁵ It may be noted that the oil price, per barrel, is the fundamental factor in this scenario.

²⁶ For example, the ceilings for the 2002 budget were calculated with the following formula: allocation in 2002 = 0.65 X (allocation in 2001 – 20% reserve).

²⁷ The costing of activities is carried out with different unit costs, since the Ministry of Finance does not have standard guidelines for costing.

²⁸ The extension of the previous year's budget serves, above all, to ensure the continued payment of salaries while awaiting the approval of the new budget.

Figure 5.6
Process for preparation of the OGE



This process is simply a sequence of steps. What is important is to assess whether it constitutes a real planning tool, making it possible to ensure the consistency of the budget with the Government's sectoral policies, strategies and goals. The evidence suggests that the present process of budget preparation does not meet that objective. Generally speaking, the budget automatically expands or contracts. The budget exercise carried out by the budget units has little meaning as a tool for reflecting the priorities of the sectors and simply serves as a justification for the pre-set ceilings. The budget ceilings are rarely altered and, because of this, inter-sectoral and intra-sectoral alterations are difficult to make.

The harmonization of budget policy with sectoral priorities is even more difficult to achieve in a situation where the sectoral policy and strategy framework is still weak. Even so, it appears that the strategic documents that the sectors do have are not taken explicitly into consideration during the process of preparing the OGE. This vacuum is explained, among other factors, by the lack of a real process of negotiation between the sectoral ministries and the Ministry of Finance. This brings about a situation where the technical staff of the

Ministry of Finance make decisions about the intra-sectoral distribution of resources on the basis of the set budget ceilings, in the absence of clear criteria or appropriate mechanisms for consultation with the sectoral ministries.

Another shortcoming of the present system is the marginalization of the bodies directly responsible for the delivery of basic social services from the budget preparation process. Since they are neither budget units nor *órgãos dependentes*, the municipal delegations of health and education (or the new municipal sections for social services), which manage the networks of primary health care facilities and basic education schools, are not directly involved in the budget preparation process and so exercise little influence. In addition, there is insufficient concern at the other levels of the system to make sure that the allocation of resources to basic social services is prioritized. These are the basic reasons for the serious shortfalls in resources at this level.

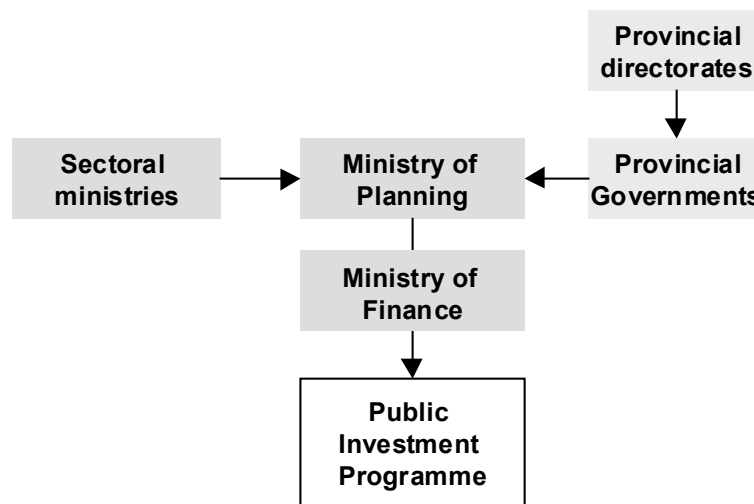
Public investment programme

The process described above applies to the preparation of the budget for recurrent expenditure, that is, the expenditure on personnel, goods and services, and transfers. Investments are budgeted through the process for preparing the Public Investment Programme (PIP). The PIP is a planning tool, which reflects in an annual programme the planning of medium term investments. The steps for preparing the PIP (see Figure 5.7) begin with consultations with sectoral provincial directorates and the sectoral ministries at national level. These institutions identify investment needs, which are adjusted to the recommended ceilings received from the Ministry of Planning. The proposals prepared by the provincial directorates are sent to the Offices of Studies, Planning and Statistics (GEPE) of the provincial governments, which, in turn, consolidate the proposals of all the sectors and prepare a single document for the whole province, to be sent to the Ministry of Planning. The sectoral ministries too send their proposals to the Ministry of Planning.

In the Ministry of Planning, the proposals received from the ministries and the provincial governments are consolidated and a draft PIP is prepared, taking into account the Government's Economic and Social Plan (PES). The PIP is finalized after a process of negotiation between the Ministry of Planning and the Ministry of Finance, where the main limiting factor is the projection of the resources to be allocated to investments. Finally, the PIP is approved as an integral part of the OGE, following the same legal procedures as those described for the OGE.

In the case of basic social infrastructure, a significant part of the investment is financed by donors, through NGOs, United Nations agencies and autonomous funds, like the Fundo de Apoio Social, and by the oil companies, through mechanisms such as the social bonus fund managed by Sonangol.

Figure 5.7
Process for preparing the PIP



5.3 The budget execution system

The budget execution system is a set of procedures that regulates the process of management of the OGE. This section describes these procedures, from the approval of the budget allocations in the OGE through to their execution by the budget units. The section describes, first, the process by which the Government's monthly cash plan is prepared and, second, the procedures for transferring resources from the Ministry of Finance to the budget units. Lastly, it focuses on the management of resources within the budget units and their *órgãos dependentes*.

The monthly cash plan

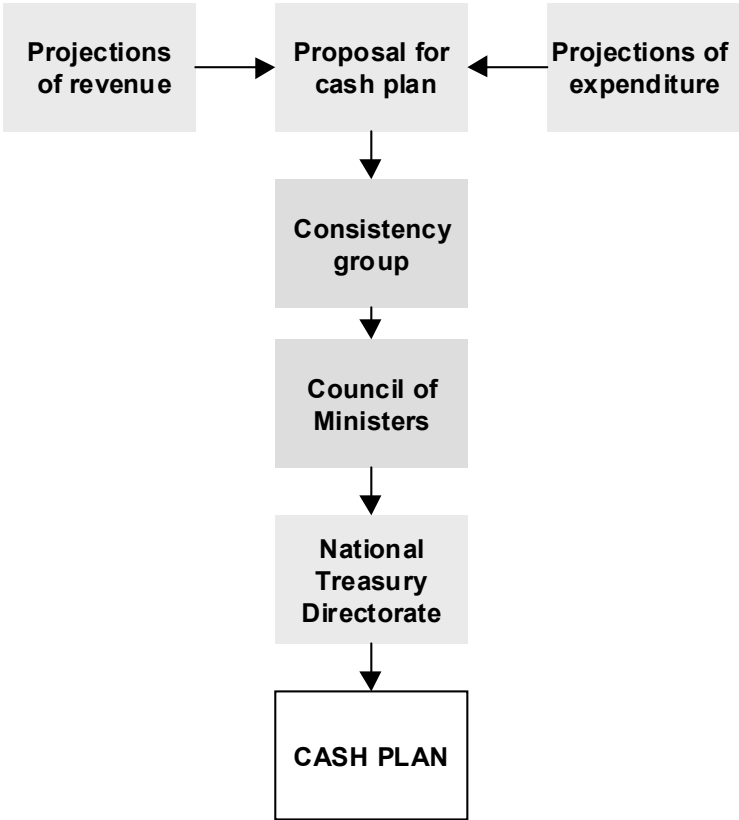
The basic operational tool for financial programming by State bodies is the cash plan, which is prepared on a monthly basis by the National Treasury Directorate (DNT) and based on a projection of revenue and expenditure. The process for preparing and approving the monthly cash plan is shown in Figure 5.8.

In the first step of the process, the National Taxation Directorate makes a projection of revenue for the following month. Revenue is divided between oil and non-oil fiscal revenue, property income and revenue from the sale of assets. In reality, the oil price is the key variable in Angola. It is also possible, alongside revenue, to include external or internal loans as a source of financing.

For expenditure, one twelfth of the allocations to the budget units and the commitments already assumed by the Government constitute the main source of information for preparing the draft plan. Not all expenditures have the same priority in the projections. Salaries are usually prioritized, along with the oil-guaranteed external debt and transfers to some state companies, public institutes and autonomous funds. On the other hand, expenditures on goods and services for the budget units, including those in the social sectors, usually stand out as having low priority.

Once prepared, the draft cash plan is sent to the Economic Consistency Group (*Grupo de Consistência Económica*). This group, comprised of the Minister of Planning, the Minister of Finance, the Minister of Public Administration, Employment and Social Security and the Governor of the National Bank of Angola (BNA), checks the plan and assesses its consistency with the national macroeconomic framework and Government priorities. Finally, the plan is sent to the Permanent Commission of the Council of Ministers, where it is discussed and approved for immediate implementation. Once approved, the National Treasury Directorate begins to make resources available to the budget units.

Figure 5.8
Process for preparing the Government’s monthly cash plan



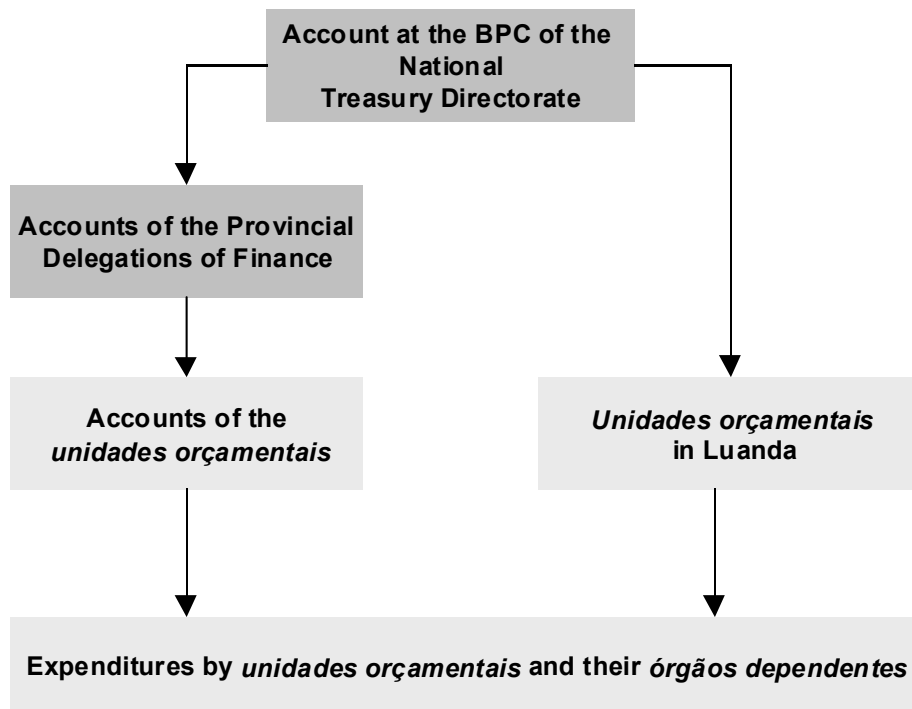
The procedures for transferring resources

According to the law, the financial operations of the State are conducted from a single account, known as the Conta Única do Tesouro (CUT), which, in principle, should encompass all the revenue and expenditure of the State.²⁹ From November 2001, the National Treasury Directorate stopped managing all funds directly from the CUT, which is in the BNA, and began managing four accounts: two in the BNA and two in the Banco de

²⁹ However, until the present time, there have been large extra-budgetary expenditures, which do not follow the procedures described in this section. See the comments on this subject in Chapter 2.

Poupança e Crédito (BPC), a state commercial bank.³⁰ The BPC accounts are those now used for the expenditures of most budget units. The expenditures from these accounts are made in accordance with the approved cash plan. Thus, after the latter's approval, the distribution of financial tranches (*quotas financeiras*) to the budget units begins. The *quotas financeiras* are tranches of the approved budget that are made available, on the basis of the monthly cash plan, to budget units, through a transfer of resources authorized by the National Treasury Directorate (see Glossary).

Figure 5.9
Disbursement of funds



As Figure 5.9 shows, the process of making funds available begins with the notification of the *quotas financeiras* approved for each budget unit. After being notified, the budget units in Luanda begin their expenditures by directly debiting the latter from the Treasury accounts in the BPC. In the case of the provinces, the *quotas financeiras* are transferred from the Treasury accounts to the accounts held by the provincial delegations of finance (DPF) in BPC branches in the provinces. The DPF, in turn, make the *quotas financeiras* available to the respective budget units of the provinces, which then start making expenditures. It is noteworthy that the transfers for salaries remain deposited in the DPF accounts, since the DPF is responsible for processing the payment of salaries. In the case of investments, everything is centralized in the sectoral ministries and the provincial governments. The *quotas financeiras* for investments are sent to these institutions, which manage the resources on the basis of the PIP.

³⁰ In each bank, there is an account in kwanzas and another in dollars. The account in dollars at the BPC is for expenditures that are made exclusively in foreign exchange, such as, for example, transfers to embassies and to beneficiaries of scholarships.

The manager of the budget unit (the governor in the case of the provincial governments) has the authority to take decisions regarding the distribution of the *quota financeira* to the *órgãos dependentes*, within the limits established in the OGE.

The management of resources

Except in the case of the autonomous institutes and funds, the budget units cannot make payments by cash or cheques.³¹ Instead, they make expenditures under the following procedures, which regulate the three steps in the expenditure cycle: disbursement, the issuing of payment orders (*ordens de saque*) and the payment itself. Disbursement is done by means of a document, called a *nota de cabimentação* (disbursement note), on which it is indicated that the budget unit has a budget balance sufficient to cover the expenditure to be made. The *ordens de saque* (OS) perform the function of liquidating the expenditure. Issued on the basis of the funds actually available, that is, the funds transferred by the *quotas financeiras*, the *ordens de saque* are taken by the budget unit to the bank to effect payment.

In theory this system guarantees that no expenditures will be made without budget funds being available. It signifies that all expenditures must be within the budget unit's means, in short, that they cannot exceed the budgeted amounts and they must be covered by the resources provided by the *quotas financeiras*. In practice, however, the present system does not guarantee that the State will not end up with debts. This situation is explained by two factors: the budget allocations are almost never disbursed in full to the budget units and their *órgãos dependentes* and suppliers accept the *notas de cabimentação* as a payment guarantee. In other words, goods and services are supplied on credit merely on the basis of an official confirmation that there are sufficient budgeted resources. Problems arise when these resources are not made available and there is therefore not sufficient liquidity. This problem can arise for one of two reasons: either a shortfall in resources on the part of the Ministry of Finance or, in the case of the *órgãos dependentes* (such as the provincial directorates of health and education), the allocation of the *quotas financeiras* to other sectors by the budget units on which they depend

Because of their special sensitivity, salaries are managed directly by institutions of the Ministry of Finance. The provincial delegations of finance process the payroll and the *quotas financeiras* for salaries are guaranteed each month. However, the resources for goods and services generally have a lower priority. From the cash plan of the Ministry of Finance onwards, these are the first items to be discarded. Thus, the *quotas financeiras* for goods and services are not always made available. The institutions that lose out most are those that depend on the *órgãos dependentes*, as in the case of the primary health care network and basic education schools. The health centres, health posts and schools receive almost nothing because little reaches the provincial directorates, due partly to the utilization of some of their resources in other sectors.³² This has a serious impact on the quality of the services provided, resulting, for example, in shortages of fuel for the cold chain needed to conserve vaccines or in shortages of paper for the schools.

In the case of textbooks and essential drugs, the process of procurement and distribution of these items is centralized at national level. However, the system for financing the procurement of drugs has undergone various modifications in the last few years. As part of the process of converting the hospitals into budget units, responsibility for purchasing

³¹ It is possible to have a petty cash fund, but the procedure for obtaining it is slow and requires the authorization of the Minister of Finance.

³² The provincial governor, as manager of the budget unit, has the power to use the *quotas financeiras* intended for the DPE or DPS in other sectors that he deems to be of higher priority.

drugs was transferred to the hospitals, but without matching this responsibility with adequate resources. At present, there is a centralized system, managed by the Direccão Nacional de Medicamentos e Equipamentos (DNME), for the supply of drugs to the primary health care network and most municipal hospitals, and a decentralized system for the large health facilities, each of which buys its own drugs. This situation is unsatisfactory for various reasons. First of all, the total resources for drugs are insufficient to cover even the essential needs. Second, the hospitals do not have a comparative advantage in the procurement of drugs, a problem which cannot be resolved without the centralization of purchases, in order to negotiate better prices. Furthermore, the slowness of the procedures results in the acquisition process becoming very drawn-out (often taking more than a year), while there are also logistical problems, which cause long delays in transporting goods from the ports to health facilities in the interior. There are also poor information flows between the central level and the provinces, resulting in a mismatch between needs and the goods distributed.

Finally, the weaknesses in the system for procurement of goods and services contribute to poor management of resources. The legislation from 1996 which regulates the procurement of goods (the *regime de realização de despesas públicas*) and includes the procedures for public bidding, is out of date. The values which determine the procedures to follow (presentation of three quotations, direct award of contract, etc) have been outdated by inflation, making the legislation impossible to apply. Moreover, in the majority of budget units and *órgãos dependentes*, there are no mechanisms for internal control of the procurement process, such as committees for approving purchases or verifying the receipt of goods (MINSa, 2001). The absence of an adequate legal framework and the lack of institutional mechanisms leave the procurement system exposed to the risk of manipulation by suppliers, turning commissions into a very extensive practice.

CHAPTER 6

CONCLUSIONS AND RECOMMENDATIONS

Chapter 6 summarizes the main conclusions of the study and provides a number of recommendations designed to improve social service delivery in Angola by making improvements in financing. The chapter has four sections, which correspond to the four major questions discussed in the previous chapters: the weight of the social sectors in Government expenditure; the intra-sectoral distribution of education expenditure; the intra-sectoral distribution of health expenditure; and the mechanisms and procedures for budget management.

6.1 The weight of the social sectors in Government expenditure

The weight of the social sectors in the OGE was relatively low during the period covered by the study (1997-2001), when compared with the majority of countries in the SADC zone. As was shown in Chapter 2, the percentage share of the social sectors in total Government expenditure, including extra-budgetary spending, remained in the range of 6% to 12% for most of the period studied, although there was a significant improvement to 18.5% in 2001.

Furthermore, it is important to stress that these percentages refer to the weight, in Government expenditure, of the social sectors as a whole. A more pertinent indicator, given the priority of reducing the high mortality rates, achieving universal primary enrolment and eradicating illiteracy, is the weight of expenditure on basic social services. In this regard, it is revealing to compare Angola's performance vis-à-vis the target established in the 20/20 Initiative, a joint commitment by the governments of developing and industrialized countries to allocate, on average, 20% of Government expenditure and 20% of overseas development assistance (ODA) to basic social services.³³

Table 6.1 brings together the data on expenditure on basic social services, which are defined to include primary health care, primary education, water and basic sanitation. In the following analysis, expenditures on basic social services in Angola are regarded as including the following components:

- Primary health care: the primary network of health posts and health centres and the vertical programmes dealing with the major endemic diseases;
- The municipal hospitals and maternity hospitals, due to their proximity to primary health care, in terms of the services they provide;
- The schools of the three levels of *ensino de base* (despite the fact that the third level does not strictly belong to primary education as it is defined internationally);
- The programmes on water and basic sanitation.

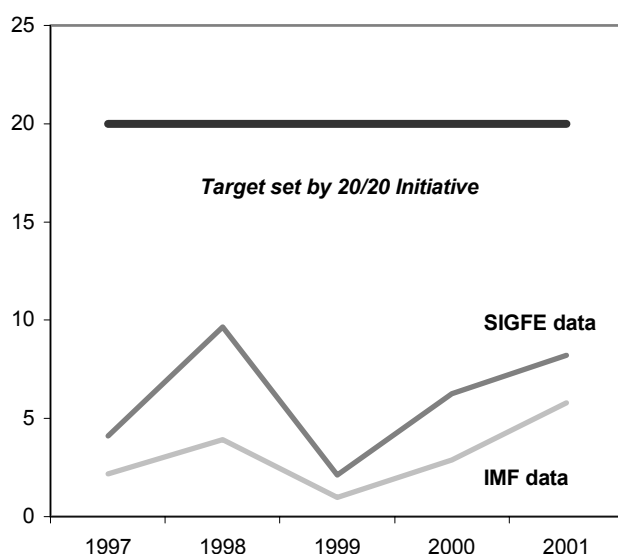
³³ The 20/20 Initiative was approved and included in the Programme of Action adopted by the World Summit for Social Development, held in Copenhagen in 1995. For more details on the 20/20 Initiative, see UNICEF et al, 1998.

Table 6.1
Expenditure on basic social services, 1997-2001
(\$ '000)

	1997	1998	1999	2000	2001
Basic education (<i>ensino de base</i>)	68,660	63,675	19,895	75,076	142,971
Basic health services	23,272	19,370	6,731	36,744	79,645
<i>Primary health care</i>	17,877	14,890	5,060	27,924	53,637
<i>Municipal hospitals</i>	3,483	2,653	1,163	6,281	18,095
<i>Maternity hospitals</i>	1,912	1,827	508	2,539	7,913
Water and sanitation	36	1,930	19,056	39,046	32,676
Sub-total, basic social services	91,968	84,975	45,682	150,866	255,292
Total expenditure					
Excluding extra-budgetary expenditure	2,241,694	,880,841	2,163,365	2,409,295	3,106,269
Including extra-budgetary expenditure	4,244,320	2,168,617	4,677,106	5,213,093	4,412,248
Weight of basic social services in total expenditure (%)					
Excluding extra-budgetary expenditure	4	10	2	6	8
Including extra-budgetary expenditure	2	4	1	3	6

Source: SIGFE, MINFIN; IMF

Figure 6.1
Share of basic social services in
Government expenditure, 1997-2001
(% of Government expenditure)



Sources: SIGFE, MINFIN; IMF

highest point in 2001, with 6% of expenditure. The figures are larger when the extra-budgetary expenditure is excluded from the total for expenditure, since the denominator is smaller. In this case, the average expenditure on basic social services rises to 6%, the highest point being attained in 1998 with 10% of the expenditure registered in the SIGFE accounts.

The data in Table 6.1 reveal that, despite a large increase in the absolute value of expenditure on basic social services since 1999 (from \$46 million that year to \$255 million in 2001), the level of expenditure is still small in relative terms. The calculations of the weight of this expenditure were made using the two series of data on total Government expenditure: that excluding and that including extra-budgetary expenditure (see Chapter 2). The trends in these two indicators are shown in Figure 6.1.

The calculations made using data on the totality of expenditure, including extra-budgetary expenditure, indicate that, on average, the share of expenditure on basic social services was only 3.2% between 1997 and 2001. It reached its

Even when this basis of calculation is used, Angola remains far from achieving the target of 20% set by the 20/20 Initiative.³⁴ This fact, partially explained by the weight of defence in Government expenditure in recent years, seriously harmed the delivery of basic social services, leaving the country with social indicators that are among the worst in the region and in the world. It also contributed to the situation of poverty in which a large part of the population is living, since poverty is reinforced by low levels of schooling and lack of skills, as well as by poor health.

The Government of Angola could take advantage of the new opportunities created by the return to peace, to improve significantly the access of the population to primary health care and basic education, as well as their quality, with a view to achieving the goals and targets set by the Millennium Summit, realizing the fundamental rights of the population and promoting national development. The opportunities for progress in this direction will be all the greater in the next few years, due to the prospect of further large increases in oil revenues, above all from 2005 onwards, following the start-up of production from a series of major new oilfields, discovered in Angola's deep-water offshore zone during the last decade (UN, 2002).

The increase in the weight of expenditure on the social sectors and, in particular, that on basic social services, within the OGE, should therefore be one of the major priorities of the Government of Angola in the new context of post-war recovery. The redistribution of Government expenditure, to the benefit of basic social services, should be one of the highlights of the Interim Poverty Reduction Strategy Paper, a framework document for the Government's action in the social and economic fields, which has been under preparation since mid-2000.

In fact, Angola should increase the share of Government expenditure devoted to the social sectors to a level beyond the average achieved by the countries of the SADC zone, given the urgency of overcoming the legacy of the past and reaching the higher levels of school enrolment and health service delivery already achieved by most Southern African countries. A special effort will be needed, in terms of investment in social infrastructure and training of teachers and health personnel, in order to make up for lost time.

6.2 The intra-sectoral distribution of education expenditure

The low level of expenditure on basic social services underlines the importance of redistributing expenditure within the social sectors, quite apart from increasing the overall weight of these sectors in the OGE. In the case of education, Chapter 3 showed that expenditure on *ensino de base* accounted for only 39% of total spending on the sector, a percentage that reveals the low priority given in practice to the challenge of achieving universal primary school enrolment – in a country where, at present, almost half of children in the official age bracket for primary school are not enrolled. Only with a drastic increase in the resources made available, in order to build the new classrooms needed and train thousands of additional teachers, will it be possible to achieve the target of universal primary school enrolment by 2015. As was pointed out in Chapter 3, to reach

³⁴ In the case of overseas development assistance, the sectoral distribution has been determined mainly by the importance given by donors to emergency humanitarian assistance and, more specifically, to food aid, which accounted for 47% of the value of gross ODA disbursements (by the European Union, Norway and the United States) in 2000, according to data from the European Commission (EC, 2001). This was followed by aid to the health sector (14%) and non-food emergency aid (8%).

this target, it will be necessary to triple the number of pupils enrolled in the first six classes of *ensino de base* (from about 1.5 million to 5 million), in view of the rapid growth of the school-age population as well as the large number of children currently out of school.

Another worrying fact is that, despite the low level of salaries in the Angolan public sector, expenditure on *ensino de base* goes overwhelmingly (90% on average between 1997 and 2001) to paying the sector's personnel, leaving few resources for other categories of expenditure, such as the purchase of goods and services (3%) or investment (5%). Despite this unbalanced distribution of resources within the sector, expenditure on salaries will have to increase in the next few years to allow for the entry of new teachers (needed to improve enrolment ratios) and improve the motivation and commitment of teachers, which have been undermined in the last few years by the low level of remuneration. However, it will be crucial to increase the expenditure on investment and on goods and services, in order to improve the capacity and quality of *ensino de base*.

By and large, investments in the sector have been financed outside the framework of the OGE, by donors, through NGOs and autonomous funds, such as the FAS. These investments have been insufficient to keep pace with the growth of the school-age population and overcome the large shortfalls in the capacity of school infrastructure, which is one of the main obstacles to improving enrolment ratios. It has led to the practice of triple shifts in *ensino de base*, reducing the number of classroom contact hours at the expense of pupil's learning. Regarding textbooks, the supply has been far below needs, resulting in high prices and depriving a large number of pupils of the textbooks they need.

A major distorting factor in the distribution of resources within the education system is the exaggerated importance given to scholarships. As the analysis in Chapter 3 showed, between 1997 and 2001, scholarships took 18% of the resources provided to the sector, which was equivalent to one half of the value of expenditure on basic education. Furthermore, from 1997 to 2000, the amounts provided for scholarships to study abroad exceeded the funding provided for higher education within the country. The high percentage of expenditure on scholarships, which has no parallel in other African countries, is quite simply out of proportion, especially when account is taken of the huge resources that will have to be mobilized to achieve the goal of universal primary school enrolment, as well as the needs of other levels of the education system within the country.

Although the country needs a balanced education system, with adequate capacity beyond the primary level, it would be more efficient and equitable to train a larger number of students at tertiary level within the country, by developing the university faculties and institutes, than to send a relatively small number of students abroad at enormous cost and with a high risk of non-return on the part of the beneficiaries. A major effort will also be required to expand intermediate education (*ensino médio*), especially in the case of the *institutos médios normais*, which will have to train the thousands of new teachers to be recruited to primary education. Regarding scholarships, the expenditure on this component of the education system should be drastically reduced. They could be limited mainly to training needs at post-graduate level, in areas of key importance for the development of the country and in the framework of a real plan for human resource development.

The analysis in Chapter 3 also highlighted the importance of geographical disparities in the distribution of expenditure on the education sector, mainly to the advantage of the coastal provinces. Among the provinces with the lowest per capita expenditure on education (less

than \$5 a year in 1997-2001) are several highly populated provinces of the interior zone, such as Bié, Huambo, Malange and Uíge. The quest for greater equity in the geographical distribution of resources will require a special effort in provinces such as these, where access to education has been seriously affected by the war. To overcome these disadvantages will require large investments in the expansion of school infrastructure and the training and deployment of teachers in these provinces.

6.3 The intra-sectoral distribution of health expenditure

Like the situation found in the education sector, the analysis of the intra-sectoral distribution of health expenditure in Chapter 4 revealed that there is a heavy concentration of expenditure at tertiary level, at the expense of primary health care. The tertiary level accounted, on average, for 40% of expenditure in 1997-2001, compared with only 17% for primary health care.

This fact is in stark contrast with the priorities and principles enunciated in the Basic Law on the National Health System, as well as in the draft Health Development Plan, which advocate expansion of the primary health care network and a focus on efforts to combat the major endemic diseases in the country. Paradoxically, the main illnesses treated in the national hospitals are malaria and respiratory and diarrhoeal diseases, which could be treated at a lower level.

Besides the weight of the national and provincial hospitals, the high share of resources spent on the tertiary level is explained by the size of the component of expenditure on overseas medical evacuation, through the Junta Nacional de Saúde. In fact, with 13% of the expenditure between 1997 and 2001, the Junta consumed almost the same volume of resources as the entire primary health care network of health centres and health posts.

Only in the last part of the period was a better balance of expenditure seen, with 6% of expenditure accounted for by the Junta and 20% related to primary health care in 2001. In 2000-01, there was also an increase in the (historically low) share of the secondary level, which plays an important complementary role to that of the primary health care network, with referral facilities, for example to provide obstetric services to at-risk expectant mothers.

Despite the positive trend towards a reorientation of expenditure, seen in 2000-01, the intra-sectoral distribution remains distorted by the weight of the national and provincial hospitals and the Junta. In particular, it is difficult to justify the expenditure on medical evacuation in a country which, before anything else, ought to address the challenge of reducing its extremely high maternal and child mortality rates.

As in the case of *ensino de base*, it appears that most of the resources devoted to the primary health care network are spent on personnel, despite the low level of salaries. This is explained by the fact that salaries are the only 'protected' category of expenditure, due to their sensitivity. The Direcção Nacional de Medicamentos e Equipamentos, in the Ministry of Health, which is responsible for the procurement and distribution of drugs for the primary health care network and the municipal hospitals, has neither the resources nor sufficient logistical and technical capacity to meet the needs of these levels of the health system. As a result, there are parts of the country that have received almost no drugs at all in the last few years.

Regarding investment, this has been financed in large part by donors, through community-based programmes, although there was a significant increase in Government expenditure on health sector investment in 2000-01. Investment in the sector should receive special attention in the PIP in the next few years, to restore the facilities that were destroyed, damaged or abandoned without maintenance during the war.

Some crucial programmes for reducing child mortality, such as the Expanded Programme on Immunization (PAV), remain overwhelmingly dependent on donor financing, since they still do not receive significant allocations in the OGE. The low budget priority given to the fight against HIV/AIDS is also cause for concern. It suggests that it has still not been recognised, in practice, how serious a threat this disease represents, despite the rapid increase in the sero-prevalence rate, revealed by the limited surveys among pregnant women, and the devastating effects of the epidemic already visible in various countries in Southern Africa.

It will therefore be of crucial importance in the next few years to reorient expenditure to the primary health care network and to the national programmes to combat the major endemic diseases, including in particular HIV/AIDS, as well as to strengthen the secondary level, because of its complementary role to the primary level, particularly in maternal health care, so as to reduce the high maternal mortality ratio.

The geographical disparities revealed in the analysis on education expenditure are mirrored by the inequitable distribution of health expenditure. Once again, it is the coastal provinces that have benefited, in relative terms, with per capita expenditure (\$8.80 a year, on average, between 1997 and 2001) four times higher than in the interior provinces (only \$2.16). Taking into account that all the national hospitals are also located in Luanda, as well as most private services, the geographical disparities in health service provision between the coastal provinces and the rest of the country are considerable. This situation is explained partially by the greater impact of the war in the provinces of the interior and the east. However, the restoration of peace opens up new prospects for the reconstruction of health infrastructure and the relaunching of public health services in the areas worst affected by the war.

The provinces of the interior and the east should be given priority in the strategies for recovery of the sector. The recovery and expansion of the primary health care network should, above all, take into account the needs of the provinces that suffered most from the destruction of infrastructure, the exodus of health personnel and the cutting of supply circuits during the conflict. The logistics for delivering essential drugs to the worst affected regions should be restored. Such prioritization would help diminish inequity and ensure that all the country's provinces have the resources needed to provide essential services to the population.

6.4 Budget management mechanisms

The inadequacies in the distribution of budget resources partly reflect the high priority given to defence during the war. In this respect, the restoration of peace creates better prospects for increasing the weight of the social sectors in the distribution of expenditure. However, the politico-military situation did not explain the inconsistency between, on the one hand, the sectors' declared policies, which focus on universal primary school enrolment and the access of the population to primary health care, and, on the other, the low emphasis given to this level of services in the intra-sectoral distribution of resources.

A possible explanation of this inconsistency is the lack of a policy and strategy framework in the social sectors that is sufficiently encompassing and detailed to orient in practice the decisions on the distribution of budget allocations within the sectors. However, the adoption of the National Plan of Action on Education for All 2000-2015 and the work under way to produce a similar plan in the health sector, the Health Development Plan, are positive signs of progress, that could create the necessary framework.

In the present situation, there is not a real medium-term planning process, to provide a framework for the actions to be undertaken each year, including the distribution of budget allocations within the sectors. In the absence of an adequate strategic framework in the sectors and adequate mechanisms for consultation, it is the Ministry of Finance which *de facto* takes the decisions on the intra-sectoral distribution of resources, without the knowledge, the tools or the data needed to do this properly. The criteria used to distribute resources simply follow historical precedent, applying the pattern of expenditure in previous years, and the budgetary processes are not responsive to changes in priorities or needs.

This situation derives also from the shortcomings in the budget classification itself, which does not facilitate analysis of the distribution of expenditure by programmes or levels and so makes it difficult to analyse the efficiency of the latter (in relation to outputs). Other factors, including the weaknesses in the information management systems within the sectors and, even more fundamentally, the lack of reliable population data, also limit the possibility of applying clear criteria in the process of drafting sectoral budgets within the OGE.³⁵

The other big weakness of the budget system is the lack of a medium term expenditure framework, to ensure the effective integration of investments into a medium term budget scenario, normally of three years duration. This is valuable not only for the programming of investments, but also to ensure consistency between these and the recurrent expenditures (on personnel and goods and services) required for the functioning of the new infrastructure that is built.

In Angola at present, the separation of the budgetary processes of the PIP and the OGE, not to mention the investments financed by donors and autonomous funds outside the budgetary framework of the State, results in many facilities being built without having the personnel or goods and services needed for them to become operational. The process for programming investments should take into account the future needs for recurrent expenditures on goods and services and on personnel, in order to ensure the sustainability of the infrastructure constructed. The development of medium term strategic planning tools in the social sectors should, therefore, be accompanied by a medium term expenditure framework, in order to achieve the harmonization of capital and recurrent expenditures, based on sectoral priorities and consistent with projections of available resources. To do this, it is necessary to coordinate the two budgetary processes (for

³⁵ Besides these weaknesses, SIGFE has many shortcomings in accounting terms. First, there are no standard costing guidelines for budgeting activities. It is necessary to establish unit costs for estimating the costs of activities and thereby assist budget managers to prepare their budgets. This is justified by the need to introduce greater discipline into the budgetary process and insist on greater responsibility on the part of budget managers. Second, although MINFIN prepared a classification system for expenditures, in 1997, this has become outdated and each manager is using his own criteria at the time of recording expenditures. Third, the classification by economic categories contained in SIGFE is too limited for the management of the social sectors. The expenditure on drugs and textbooks is mixed in with other specialized goods relevant to other sectors.

investments and recurrent expenditures) within a single process and a medium term scenario.

Moreover, it will be necessary to improve the channels for consultation between the Ministry of Finance and the sectoral ministries, which remain weak. This could be achieved through joint committees, for the preparation of sectoral budgets, on the basis of sectoral policies and priorities, during the process of preparing the OGE, and for monitoring budget execution. These committees should be equipped with the tools needed for financial management, including criteria for resource distribution, indicators for monitoring and mechanisms for making adjustments. The introduction of these committees should be accompanied by steps to strengthen the technical capacity of the ministries.

The sectoral leadership role of the ministries has been further weakened in the last few years by the reforms that led to administrative and budgetary deconcentration. There has been a decline in the influence of the sectoral ministries, not only in relation to the Ministry of Finance, but also vis-à-vis the provincial governments. There is a lack of effective articulation between the provincial governments (and their provincial directorates), which are indirectly responsible, through the municipal delegations or municipal sections, for the primary health care network and basic education schools, and the ministries at central level, due to the weakness of the mechanisms for information management, coordination and inspection and, above all, because of the lack of a framework of norms or regulations, based on sectoral policies and strategies, regarding the obligations of the provincial governments in the delivery of social services. This has created a situation where the ministries at central level exercise almost no influence with respect to basic social services.

In the majority of provinces, basic education schools and health centres and health posts experience serious shortages of materials, due to the lack of resources for procurement of goods and services. These resources are included in the budgets of the provincial directorates of health and education, which are *órgãos dependentes* of the provincial governments. Since the resources provided are insufficient even to satisfy the provincial directorates' own administrative needs, almost nothing trickles down to the lower level, that is, to the municipal delegations (or the new municipal sections), which deal directly with the schools and health facilities. In other words, the reality of depending on an *órgão dependente* results in an almost permanent lack of resources. The shortages have been accentuated by deficiencies in the centralized systems of procurement and distribution of essential drugs and textbooks.

Until recently, the same difficulties impaired service delivery in the provincial and municipal hospitals and the performance of the colleges of *ensino médio*, since they too depended on resources attributed to the provincial directorates of health and education. The situation at this level improved significantly from 2001, as a result of the decision to extend the deconcentration of financial management down to the provincial and municipal hospitals and the *institutos médios*. This reform, which resulted in the creation of many new budget units in the health and education sectors, contributed to the large increase seen in resource flows to the intermediary level of the education and health systems.

The conversion of these institutions into budget units diminished the role of the provincial governments without thereby restoring the previous hierarchical structure of the sectors. This underscores even more the need for a strong strategic framework in the sectors, with adequate norms, regulations, information management systems and mechanisms for

inspection and coordination, as well as the need for strong systems for controlling financial management (adequate accounting, procurement, reporting and auditing systems), in order to ensure that the numerous new budget units perform well.

It is a significant challenge, for both the sectoral ministries and the Ministry of Finance, to put such systems into place. Given the weak capacities, there are clearly practical limits to the creation of new budget units. Because of this, it would be difficult to try to resolve the financial problems of basic education schools and health centres and health posts by transforming these into budget units, along the lines of what happened at the secondary level of the education and health systems. In the medium term, a possible solution would be to convert the municipal administrations into budget units, as these are the bodies responsible for the delivery of health and education services at primary level, through the new municipal sections for social services. To achieve this, it would be necessary to strengthen the capacity of the municipal administrations, which, in most cases, are very weak or, in the areas worst affected by the war, still at a stage of reconstitution.

Another possible option would be to establish, below the provincial government budget units, *órgãos dependentes* that could receive the recurrent resources needed for basic services. The budget managers would be the provincial directors (of health and education), but these *órgãos dependentes* would be independent of those for the provincial directorates themselves. With the aim of ensuring that the resources were really provided for the schools and health posts and centres, it would be necessary to earmark the resources for these *órgãos dependentes*. Earmarking, which is a procedure already provided for in the financial management norms, ties the resources to a specific purpose and so avoids the diversion of these resources to other ends. The advantage of this proposal is that the procedure is already provided for in the legislation and in the SIGFE procedures and it could therefore be implemented immediately. In the medium or long term, the strengthening of the municipal administrations, which will take longer in some parts of the country than others, would make it possible to transfer the earmarking mechanism to the lower level, where the direct responsibility for management of basic education schools (and the new primary schools) and the primary health care network lies.

In the same way that the creation of budget units led to a net gain of resources for the hospitals and *institutos médios*, the creation of *órgãos dependentes*, with earmarked resources, could bring the same type of benefit to the primary level, which is the level that more than any other needs an increase in resources, in accordance with the main priorities of the two sectors.

This reform should be accompanied by the strengthening of the systems for procurement and distribution of key materials for the social sectors, notably drugs and textbooks, whose procurement could be undertaken most efficiently at central level, to take advantage of economies of scale. It will be necessary to create state agencies with a mandate for the procurement of these goods, the maintenance of stocks and distribution of supplies to schools and health facilities. This will also require a considerable increase in the budget allocations for the procurement of these products, to ensure that they are sufficient, at the very least, to cover the national needs in essential drugs and in textbooks for all pupils in basic education.

Annex 1

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GENERAL DATA

**Table A-1:
Population estimates, by provinces, 1997–2001**

	1997	1998	1999	2000	2001
Bengo	195,707	201,760	208,000	214,240	220,667
Benguela	738,607	761,450	785,000	808,550	832,807
Bié	1,316,319	1,357,030	1,399,000	1,440,970	1,484,199
Cabinda	204,175	210,490	217,000	223,510	230,215
Cunene	730,138	752,720	776,000	799,280	823,258
Huambo	1,779,242	1,834,270	1,891,000	1,947,730	2,006,162
Huíla	981,359	1,011,710	1,043,000	1,074,290	1,106,519
Kuando Kubango	452,573	466,570	481,000	495,430	510,293
Kwanza Norte	143,017	147,440	152,000	156,560	161,257
Kwanza Sul	262,511	270,630	279,000	287,370	295,991
Luanda	2,079,389	2,143,700	2,210,000	2,276,300	2,344,589
Lunda Norte	329,315	339,500	350,000	360,500	371,315
Lunda Sul	169,362	174,600	180,000	185,400	190,962
Malange	1,049,104	1,081,550	1,115,000	1,148,450	1,182,904
Moxico	369,774	381,210	393,000	404,790	416,934
Namibe	158,071	162,960	168,000	173,040	178,231
Uíge	1,013,349	1,044,690	1,077,000	1,109,310	1,142,589
Zaire	269,097	277,420	286,000	294,580	303,417
Total	12,241,109	12,619,700	13,010,000	13,400,300	13,802,309

Source: INE, 1991

Table A-2:
General State Budget: executed expenditure, by functions, 1997–2000
(in thousands of dollars)

	1997	1998	1999	2000
Administration and planning	564,650	293,968	314,082	408,081
Agriculture and fisheries	37,686	16,612	27,267	32,524
Social assistance	96,474	32,105	24,316	93,862
Trade, industry and services	27,126	9,143	13,564	17,748
Communications	0	23,796	31,190	64,892
National defence	391,779	133,779	992,178	565,895
Education and culture	173,379	131,221	142,292	222,066
General State expenditure	0	0	8,755	66,532
Energy	49,360	18,548	46,027	119,146
Finance	1,249,016	554,938	148,553	1,833,595
Housing and urban affairs	77,969	11,712	21,456	80,543
Judiciary	15,259	4,395	6,355	13,636
Legislature	31,565	18,076	34,643	34,551
Environment	0	645	134	392
Public order	280,435	157,682	230,641	218,778
Pacification and national reconciliation	22,831	682	3,379	9
Community rehabilitation	0,	0	66	687
Mineral resources	0	1,852	2,397	2,893
External relations	34,237	39,282	65,412	142,603
State representation	0	31,760	52,023	45,385
Health and sanitation	117,308	70,226	83,225	171,929
Labour and social security	24,067	3,504	7,395	10,488
Transport	53,129	8,042	36,596	14,004
Price subsidies	17,231	0	0	0
Mineral resources	2,004	0	0	0
Sport	11,475	0	0	0
Total, including debt amortization	3,276,980	1,561,967	2,291,946	4,160,240

Source: SIGFE, MINFIN

Table A-3:
General State Budget: executed expenditure, by functions, 2001
(in thousands of dollars)

Water supply	13,145
Military administration and operations and civil defence	192,081
Prison administration and operations	181,498
Agriculture and livestock	33,082
Social assistance	70,160
General economic affairs, except labour services	6,957
Clinics, doctors, dentists and paramedics	823
Fuels	94
Communications	21,785
Construction	2,981
Culture, recreation and religious services	59,505
Various, unclassified by groups	177
Electricity and other energy sources	117,453
Pre-primary and primary education	48,450
Secondary education	25,111
Tertiary education	50,087
Housing and community development	85,160
Hospitals	69,700
Public lighting	2,758
Basic research and related services	5,812
Scientific research and trials	3,886
Manufacturing	919
Drugs, prostheses, medical equipment, apparatus and others	13,179
Mining and mineral resources	2,760
Public debt operations	1,049,675
Legislative and executive organs, fiscal and financing affairs and external affairs	50,391
Other defence affairs	195,658
Other security and public order affairs	75,343
Other agriculture, forestry, hunting and fisheries services	3,667
Other fuel and energy services	67,030
Other education services	5,242
Other housing and community services	5,732
Other mining and mineral resources services	409
Other health services	135,184
Other social security and welfare services	6,619
Other transport and communications services	12,764
Other economic services	1,030
Other general public services	40,437
Fisheries	9,028
Multisectoral development projects	485
Police and fire protection	3,180
External relations	118,429
Environmental sanitation	19,531
Public health	19,495
Social security and welfare	0
Social security	34,190
Warehousing, distribution, trade, hotels and restaurant services	1,750
Education services not identifiable by levels	29,776
General services	974,306
Labour services	101
Ancillary education services	122,202
Forestry and hunting	3,400
Railway transport	3,986
Air transport	11
River transport	130
Road transport	30,901
Law courts	3,963
Tourism	524
Total, including debt amortization	4,032,129

Source: SIGFE, MINFIN

Table A-4:
General State Budget: executed expenditure, by provinces, 1997–2001
(in thousands of dollars)

	1997	1998	1999	2000	2001
Bengo	14,811	4,388	1,561	5,380	11,742
Benguela	70,193	20,954	18,934	36,240	61,749
Bié	23,268	9,527	3,161	10,893	20,382
Cabinda	94,302	22,315	18,489	42,230	89,181
Cunene	17,047	11,917	2,895	5,714	12,592
Huambo	34,511	14,698	8,428	20,553	29,218
Huíla	43,598	25,982	11,093	28,517	39,070
Kuando Kubango	17,470	9,513	4,153	6,487	15,576
Kwanza Norte	12,325	8,007	6,024	9,282	14,212
Kwanza Sul	26,005	9,352	4,098	13,017	22,888
Luanda	111,459	55,497	62,725	116,591	193,933
Lunda Norte	21,799	6,743	3,640	9,863	15,459
Lunda Sul	27,808	4,136	2,314	8,869	11,687
Malange	24,199	10,281	2,427	6,348	13,706
Moxico	36,165	9,398	3,957	38,688	16,711
Namibe	18,093	6,752	2,497	10,801	18,380
Uíge	25,785	14,735	3,332	9,340	16,230
Zaire	42,281	6,354	67,952	30,223	27,599
Sub-total, provinces	636,254	213,847	138,134	350,835	542,891
Expenditures abroad	24,912	36,699	89,547	58,199	87,422
General expenditure	1,804,794	732,391	248,306	1,995,507	1,550,418
Central bodies	1,819,956	542,331	1,726,412	1,697,499	1,763,977
Total	4,310,778	1,561,967	2,291,946	4,160,240	4,032,129

Source: SIGFE, MINFIN

Table A-5:
Executed Government expenditure and funds disbursed by donors
in the health and education sectors, by provinces, 2000
(in thousands of dollars)

	Health		Education	
	Donors	Government	Donors	Government
Bengo	1,057	782	64	874
Benguela	3,217	9,132	457	14,819
Bié	4,248	2,411	170	4,077
Cabinda	0	3,846	0	5,508
Cunene	0	1,126	0	1,614
Huambo	3,986	3,878	830	7,370
Huíla	2,261	5,218	1,362	13,012
Kuando Kubango	1,439	1,103	0	1,067
Kwanza Norte	1,457	1,034	0	2,380
Kwanza Sul	1,123	1,844	0	3,542
Luanda	9,515	13,428	5,859	33,202
Lunda Norte	130	1,782	0	1,213
Lunda Sul	714	1,289	0	1,463
Malange	2,432	1,368	0	2,408
Moxico	1,091	1,598	0	2,695
Namibe	209	1,978	0	2,287
Uíge	1,694	1,606	96	4,005
Zaire	129	1,650	32	1,781
Sub-total, provinces	34,701	55,072	8,872	103,317
General expenditure	0	986	0	517
Central bodies	9,145	82,877	5,900	103,770
Total	43,847	138,936	14,771	207,604

Sources: SIGFE, MINFIN; and European Commission (EC, 2001)

EDUCATION SECTOR

Table A-6:
Executed expenditure in the education sector, by provinces and economic categories, 1997
(in dollars)

	Personnel	Goods and services	Transfers	Investments	Total
Bengo	1,055,803	40,375	4,002	27,387	1,127,567
Benguela	11,654,231	378,936	18,361	44,524	12,096,053
Bié	2,267,663	47,557	80,333	9,193	2,404,746
Cabinda	5,235,092	867,389	210,545	163,878	6,476,904
Cunene	1,089,455	15,123	1,171	0	1,105,749
Huambo	5,152,277	150,107	20,034	0	5,322,417
Huíla	12,175,203	878,096	49,067	2,662	13,105,029
Kuando Kubango	758,768	90,110	3,134	7,376	859,388
Kwanza Norte	1,570,866	41,345	3,046	0	1,615,257
Kwanza Sul	3,326,681	79,901	5,507	0	3,412,090
Luanda	28,040,144	3,379,982	40,789	2,052,080	33,512,995
Lunda Norte	761,562	109,921	491	0	871,974
Lunda Sul	1,383,661	8,872	1,924	0	1,394,457
Malange	2,145,548	5,360	3,463	0	2,154,371
Moxico	3,353,475	145,358	3,844	0	3,502,677
Namibe	2,046,118	3,128,913	2,172	0	5,177,203
Uíge	1,591,069	12,061	8,665	9,134	1,620,929
Zaire	872,167	36,645	1,198	0	910,010
Sub-total, provinces	84,479,784	9,416,050	457,746	2,316,235	96,669,814
General expenditure	12,730,308	16,906,078	25,442,941	3,544,489	58,623,816
Central bodies	0	0	0	0	0
Total	97,210,092	26,322,127	25,900,687	5,860,725	155,293,630

Source: SIGFE, MINFIN

Table A-7:
Executed expenditure in the education sector, by provinces and economic categories, 1998
(in dollars)

	Personnel	Goods and services	Transfers	Investments	Total
Bengo	801,618	23,307	13,179	1,786	839,889
Benguela	5,734,838	70,826	11,096	19,841	5,836,601
Bié	2,556,731	17,749	14,970	0	2,589,450
Cabinda	2,941,016	338,494	14,012	35,714	3,329,236
Cunene	1,881,526	22,214	8,941	0	1,912,681
Huambo	4,954,691	185,374	19,061	12,436	5,171,561
Huíla	11,542,858	601,254	69,036	110,678	12,323,826
Kuando Kubango	2,401,455	100,730	9,547	20,873	2,532,605
Kwanza Norte	1,679,021	7,741	710	0	1,687,472
Kwanza Sul	3,008,373	84,039	16,431	0	3,108,842
Luanda	31,200,037	7,145,949	72,726	192,567	38,611,278
Lunda Norte	708,895	34,724	225	0	743,844
Lunda Sul	1,232,066	0	32,204	0	1,264,269
Malange	2,798,765	0	2,996	0	2,801,762
Moxico	1,744,363	52,861	2,519	0	1,799,743
Namibe	1,625,239	221,301	19,425	0	1,865,965
Uíge	4,854,243	60,450	173	0	4,914,866
Zaire	2,291,202	3,113	3,682	0	2,297,998
Sub-total, provinces	83,956,938	8,970,122	310,933	393,895	93,631,888
General expenditure	0	294,876	0	0	294,876
Central bodies	11,326,787	6,075,017	19,287,401	3,169,722	39,858,928
Total	95,283,725	15,340,015	19,598,334	3,563,617	133,785,692

Source: SIGFE, MINFIN

Table A-8:
Executed expenditure in the education sector, by provinces and economic categories, 1999
(in dollars)

	Personnel	Goods and services	Transfers	Investments	Total
Bengo	280,562	21,085	10,455	267	312,369
Benguela	3,618,622	283,404	87,534	38,982	4,028,543
Bié	909,006	15,580	27,870	0	952,456
Cabinda	1,379,257	711,135	50,854	91,426	2,232,672
Cunene	457,485	23,331	11,006	0	491,822
Huambo	1,576,348	88,407	50,275	10,304	1,725,334
Huíla	2,782,935	283,329	89,085	1,133	3,156,483
Kuando Kubango	362,332	34,864	4,293	264	401,753
Kwanza Norte	511,783	7,813	1,427	0	521,023
Kwanza Sul	958,095	25,681	18,402	0	1,002,178
Luanda	9,400,151	1,443,820	125,817	73,268	11,043,056
Lunda Norte	241,932	18,153	4,775	0	264,860
Lunda Sul	407,227	14,012	26,432	0	447,672
Malange	985,019	467	28,315	0	1,013,800
Moxico	667,153	48,777	39,149	0	755,079
Namibe	485,351	178,565	16,738	0	680,653
Uíge	1,320,864	23,468	1,239	0	1,345,572
Zaire	509,174	12,320	9,282	0	530,776
Sub-total, provinces	26,853,297	3,234,211	602,948	215,645	30,906,101
General expenditure	0	151,076	0	0	151,076
Central bodies	15,163,886	32,081,516	50,967,198	13,928,670	112,141,269
Total	42,017,183	35,466,803	51,570,145	14,144,314	143,198,446

Source: SIGFE, MINFIN

Table A-9:
Executed expenditure in the education sector, by provinces and economic categories, 2000
(in dollars)

	Personnel	Goods and services	Transfers	Investments	Total
Bengo	872,562	22,618	2,952	0	898,132
Benguela	14,287,651	623,932	32,246	132	14,943,961
Bié	3,674,756	71,411	380,209	0	4,126,376
Cabinda	5,044,049	507,832	23,466	0	5,575,347
Cunene	1,633,883	29,522	3,833	0	1,667,238
Huambo	7,044,062	397,246	16,799	0	7,458,107
Huíla	12,785,967	246,385	33,121	889	13,066,362
Kuando Kubango	1,082,275	19,758	1,642	0	1,103,675
Kwanza Norte	2,385,134	23,806	2,641	0	2,411,581
Kwanza Sul	3,528,903	142,311	10,558	0	3,681,771
Luanda	30,518,669	2,733,655	192,075	0	33,444,398
Lunda Norte	1,273,910	29,918	1,490	0	1,305,318
Lunda Sul	1,469,823	36,315	8,789	0	1,514,926
Malange	2,434,498	0	34,047	0	2,468,545
Moxico	2,733,802	19,551	14,800	0	2,768,154
Namibe	2,200,368	112,004	2,018	0	2,314,390
Uíge	4,063,201	31,320	6,356	0	4,100,877
Zaire	1,700,555	107,500	3,380	0	1,811,436
Sub-total, provinces	98,734,067	3,155,083	770,424	1,021	104,660,595
General expenditure	40,459	14,897	461,873	0	517,229
Central bodies	7,139,293	37,675,964	58,324,505	14,511,627	117,651,389
Total	105,913,820	42,845,944	59,556,801	14,512,648	222,829,213

Source: SIGFE, MINFIN

Table A-10:
Executed expenditure in the education sector, by provinces and economic categories, 2001
(in dollars)

	Personnel	Goods and services	Transfers	Investments	Total
Bengo	1,849,239	244,334	6,284	38,620	2,138,477
Benguela	28,588,079	352,031	69,128	284,087	29,293,325
Bié	6,703,897	27,896	18,328	645,008	7,395,129
Cabinda	8,655,142	75,316	40,072	2,278	8,772,808
Cunene	2,692,056	266,114	7,285	494,638	3,460,093
Huambo	10,376,605	403,055	31,805	1,251,162	12,062,628
Huíla	18,312,089	519,096	92,333	1,900,324	20,823,842
Kuando Kubango	2,134,999	87,206	5,326	881,535	3,109,066
Kwanza Norte	4,041,201	6,792	5,208	0	4,053,201
Kwanza Sul	8,161,075	484,604	17,305	580,699	9,243,683
Luanda	50,140,185	10,390,525	67,279	3,096,588	63,694,576
Lunda Norte	1,866,402	70,555	20,804	0	1,957,761
Lunda Sul	2,355,815	82,803	14,616	0	2,453,234
Malange	5,598,499	58,897	10,968	0	5,668,365
Moxico	4,464,910	193,609	26,455	0	4,684,974
Namibe	3,152,769	169,164	10,897	7,200	3,340,030
Uíge	7,792,460	67,846	7,642	752	7,868,700
Zaire	2,718,360	97,524	6,282	549	2,822,715
Sub-total, provinces	169,603,781	13,597,368	458,018	9,183,441	192,842,609
General expenditure	0	0	0	0	0
Central bodies	10,752,227	29,794,944	58,260,446	10,230,138	109,037,754
Total	180,356,008	43,392,312	58,718,464	19,413,579	301,880,363

Source: SIGFE, MINFIN

Table A-11:
Executed expenditure in the education sector,
by groups of *gestores* and economic categories, 1997
(in dollars)

	Personnel	Goods and services	Transfers	Investments	Total
Basic education (<i>ensino de base</i>)	4,372,065	3,325,578	21,863	1,405,872	9,125,378
Intermediate education (<i>ensino médio</i>)	6,324,230	1,190,742	9,882	100,344	7,625,199
Professional training	1,041,017	609,639	78,869	203,758	1,933,282
Higher education	10,765,860	2,185,182	214,861	252,004	13,417,907
Scholarships	76,372	4,342,024	24,689,237	30,450	29,138,083
Literacy	2,388,212	116,275	249,274	136,390	2,890,150
Others	609,369	24,715	12,500	0	646,583
Municipal Delegations of Education	20,325,336	834,629	39,235	208,489	21,407,689
Provincial Directorates of Education	49,491,261	4,083,477	293,106	1,903,443	55,771,286
Ministry of Education and Culture	1,816,371	9,609,867	291,860	1,619,976	13,338,073
Total	97,210,092	26,322,127	25,900,687	5,860,725	155,293,630

Source: SIGFE, MINFIN

Table A-12:
Executed expenditure in the education sector,
by groups of *gestores* and economic categories, 1998
(in dollars)

	Personnel	Goods and services	Transfers	Investments	Total
Basic education (<i>ensino de base</i>)	2,747,100	151,656	15,502	1,567	2,915,826
Intermediate education (<i>ensino médio</i>)	6,139,661	1,069,224	25,341	75,070	7,309,296
Professional training	681,220	52,600	7,545	0	741,364
Higher education	10,520,989	1,367,184	8,426	1,016,067	12,912,666
Scholarships	20,659	51,587	13,127,086	4,719	13,204,051
Literacy	250,368	0	1,339,215	394,681	1,984,263
Others	161,753	575,082	290,856	91,958	1,119,648
Municipal Delegations of Education	20,835,367	885,482	46,742	466	21,768,057
Provincial Directorates of Education	49,868,658	7,033,613	179,702	245,472	57,327,445
Ministry of Education and Culture	561,122	451,101	1,188,316	1,038,703	3,239,241
Culture	3,496,830	3,702,486	3,369,604	694,914	11,263,834
Total	95,283,725	15,340,015	19,598,334	3,563,617	133,785,692

Source: SIGFE, MINFIN

Table A-13:
Executed expenditure in the education sector,
by groups of *gestores* and economic categories, 1999
(in dollars)

	Personnel	Goods and services	Transfers	Investments	Total
Basic education (<i>ensino de base</i>)	698,781	228,490	25,822	30,530	983,622
Intermediate education (<i>ensino médio</i>)	1,961,815	1,544,069	36,601	83,100	3,625,585
Professional training	263,001	226,202	12,886	17,391	519,481
Higher education	10,916,845	449,519	20,232	2,380,001	13,766,596
Scholarships	3,406	982	46,103,709	33,333	46,141,430
Literacy	0	0	1,101,007	0	1,101,007
Others	540,515	1,232,159	513,759	2,351,397	4,637,830
Municipal Delegations of Education	6,181,739	635,810	88,909	50,333	6,956,791
Provincial Directorates of Education	15,767,383	1,490,034	398,058	41,351	17,696,826
Ministry of Education and culture	4,154,350	21,509,665	255,420	7,848,568	33,768,003
Culture	1,529,349	8,149,873	3,013,743	1,308,310	14,001,275
Total	42,017,183	35,466,803	51,570,145	14,144,314	143,198,446

Source: SIGFE, MINFIN

Table A-14:
Executed expenditure in the education sector,
by groups of *gestores* and economic categories, 2000
(in dollars)

	Personnel	Goods and services	Transfers	Investments	Total
Basic education (<i>ensino de base</i>)	3,289,430	141,258	9,118	3,855,241	7,295,048
Intermediate education (<i>ensino médio</i>)	7,757,427	779,322	3,665,405	1,675,483	13,877,638
Professional training	845,751	388,348	5,833	0	1,239,932
Higher education	7,355,545	1,244,770	12,778,683	1,921,151	23,300,148
Scholarships	37,322	0	30,167,634	0	30,204,957
Literacy	0	0	2,591,494	0	2,591,494
Others	646,231	624,141	1,278,612	3,343,800	5,892,783
Municipal Delegations of Education	19,626,113	1,404,834	74,536	0	21,105,483
Provincial Directorates of Education	62,452,278	2,201,233	555,011	0	65,208,521
Ministry of Education and Culture	1,405,775	32,439,379	891,160	2,151,720	36,888,035
Culture	2,497,947	3,622,659	7,539,316	1,565,253	15,225,174
Total	105,913,820	42,845,944	59,556,801	14,512,648	222,829,213

Source: SIGFE, MINFIN

Table A-15:
Executed expenditure in the education sector,
by groups of *gestores* and economic categories, 2001
(in dollars)

	Personnel	Goods and services	Transfers	Investments	Total
Basic education (<i>ensino de base</i>)	791,396	10,174,886	2,054	10,055,819	21,024,154
Intermediate education (<i>ensino médio</i>)	15,801,229	10,658,122	152,581	2,758,848	29,370,780
Professional training	1,584,214	1,851,771	14,083	956,655	4,406,723
Higher education	8,493,836	2,054,604	18,290,185	2,863,418	31,702,043
Scholarships	0	0	28,091,096	0	28,091,096
Literacy	0	62,523	4,400,978	0	4,463,501
Others	1,579,246	5,660,873	7,381,986	1,286,881	15,908,986
Municipal Delegations of Education	33,114,961	2,613,748	48,463	0	35,777,172
Provincial Directorates of Education	116,059,950	2,205,652	334,869	11,664	118,612,135
Ministry of Education and Culture	2,931,176	6,025,658	2,168	726,561	9,685,563
Culture	0	2,084,475	0	753,734	2,838,209
Total	180,356,008	43,392,312	58,718,464	19,413,579	301,880,363

Source: SIGFE, MINFIN

Table A-16:
Executed expenditure in the education sector, by provinces and groups of *gestores*, 1997
(in dollars)

	<i>Ensino de base</i>	<i>Ensino médio</i>	<i>Professional training</i>	Higher education	Scholarships	Literacy	Others	Municipal Delegations of Education	Provincial Directorates of Education	Ministry of Education & Culture	Total
Bengo	0	42,450	0	0	0	67,708	0	476,692	540,717	0	1,127,567
Benguela	690,000	1,051,509	107,998	592,341	0	277,999	431,690	940,291	8,004,224	0	12,096,053
Bié	0	316,025	78,164	0	0	197,561	4,870	0	1,808,127	0	2,404,746
Cabinda	558,052	1,092,067	431,738	23,109	0	76,099	0	0	4,295,839	0	6,476,904
Cunene	0	8,299	0	0	0	117,762	0	0	979,688	0	1,105,749
Huambo	730,412	628,275	40	356,649	0	134,998	0	0	3,472,042	0	5,322,417
Huíla	1,532,635	909,346	14,377	1,009,244	380	346,764	23,080	804	9,268,397	0	13,105,029
Kuando Kubango	0	0	28,421	0	21,626	62,685	2,031	0	744,625	0	859,388
Kwanza Norte	84,695	0	0	0	0	0	0	0	1,530,562	0	1,615,257
Kwanza Sul	195	88,856	0	0	0	110,019	3,820	0	3,209,201	0	3,412,090
Luanda	871,379	1,075,315	104,883	0	0	41,146	5,285	19,989,902	11,425,085	0	33,512,995
Lunda Norte	0	126,200	0	0	600	125,305	8,379	0	611,490	0	871,974
Lunda Sul	63,113	0	0	0	0	62,373	45,631	0	1,223,339	0	1,394,457
Malange	0	42,409	0	0	0	143,499	12,804	0	1,955,659	0	2,154,371
Moxico	0	0	37,366	0	0	458,698	4,162	0	3,002,451	0	3,502,677
Namibe	3,097,294	170,497	139,710	0	0	101,270	0	0	1,668,431	0	5,177,203
Uíge	106,942	147,369	8,020	0	0	56,811	8,517	0	1,293,270	0	1,620,929
Zaire	0	0	0	0	0	101,000	70,871	0	738,139	0	910,010
Sub-total, provinces	7,734,716	5,698,618	950,717	1,981,343	22,606	2,481,698	621,141	21,407,689	55,771,286	0	96,669,814
Central bodies	1,390,662	1,926,581	982,565	11,436,564	29,115,477	408,452	25,442	0	0	13,338,073	58,623,816
Expenditure abroad	0	0	0	0	0	0	0	0	0	0	0
Total	9,125,378	7,625,199	1,933,282	13,417,907	29,138,083	2,890,150	646,583	21,407,689	55,771,286	13,338,073	155,293,630

Source: SIGFE, MINFIN

Table A-17:
Executed expenditure in the education sector, by provinces and groups of *gestores*, 1998
(in dollars)

	<i>Ensino de base</i>	<i>Ensino médio</i>	Professional training	Higher education	Scholarships	Literacy	Others	Municipal Delegations of Education	Provincial Directorates of Education	Ministry of Education and Culture	Culture and youth	Total
Bengo	310,798	59,017	0	0	0	8,431	0	49,005	358,239	0	54,398	839,889
Benguela	177,256	552,121	70,360	379,825	0	0	64,281	0	4,432,733	0	160,025	5,836,601
Bié	0	322,482	0	0	0	0	2,407	0	2,061,148	0	203,412	2,589,450
Cabinda	0	425,049	0	26,857	11,649	0	48	0	2,795,660	0	69,974	3,329,236
Cunene	0	65,241	0	0	0	34,042	0	0	1,613,893	0	199,504	1,912,681
Huambo	443,032	570,888	0	363,065	0	0	4,700	0	3,505,837	0	284,039	5,171,561
Huíla	1,069,743	1,134,036	0	1,271,251	0	0	1,635	0	8,671,017	0	176,143	12,323,826
Kuando Kubango	286,747	0	0	0	7,904	53,814	0	0	1,996,870	0	187,270	2,532,605
Kwanza Norte	169	0	0	0	0	0	105	0	1,591,657	0	95,540	1,687,472
Kwanza Sul	0	76,865	225,789	0	0	0	3	0	2,669,582	0	136,604	3,108,842
Luanda	344,349	1,860,122	62,803	0	0	0	0	21,719,052	14,413,782	0	211,172	38,611,278
Lunda Norte	0	84,436	0	0	0	0	0	0	440,242	0	219,166	743,844
Lunda Sul	0	49,165	0	0	2,721	0	5,470	0	1,140,870	0	66,043	1,264,269
Malange	5,685	63,941	0	726	0	88,120	27,727	0	2,498,747	0	116,815	2,801,762
Moxico	0	54,163	0	0	0	28,900	0	0	1,560,305	0	156,375	1,799,743
Namibe	194,150	126,205	130,162	0	0	0	8,852	0	1,292,695	0	113,901	1,865,965
Uíge	54,457	240,111	5,230	135,157	0	37,586	74	0	4,177,921	0	264,328	4,914,866
Zaire	29,439	57,024	0	0	0	0	0	0	2,106,247	0	105,288	2,297,998
Sub-total, provinces	2,915,826	5,740,865	494,344	2,176,882	22,274	250,893	115,303	21,719,052	57,327,445	0	2,819,998	93,631,888
General expenditure	0	0	0	0	0	0	294,876	0	0	0	0	294,876
Central bodies	0	1,568,431	247,020	10,735,784	13,181,776	1,733,370	709,469	0	0	3,239,241	8,443,836	39,858,928
Total	2,915,826	7,309,296	741,364	12,912,666	13,204,051	1,984,263	1,119,648	21,768,057	57,327,445	3,239,241	11,263,834	133,785,692

Source: SIGFE, MINFIN

Table A-18:
Executed expenditure in the education sector, by provinces and groups of *gestores*, 1999
(in dollars)

	<i>Ensino de base</i>	<i>Ensino médio</i>	Professional training	Higher education	Scholarships	Literacy	Others	Municipal Delegations of Education	Provincial Directorates of Education	Ministry of Education & Culture	Culture and youth	Total
Bengo	57,729	28,359	0	0	0	0	7,167	0	195,690	0	23,424	312,369
Benguela	80,799	385,636	51,304	534,119	167	0	41,977	0	2,836,105	0	98,437	4,028,543
Bié	0	89,121	0	0	0	0	1,183	0	796,941	0	65,212	952,456
Cabinda	230,722	425,430	0	341,097	0	0	538	0	1,177,268	0	57,617	2,232,672
Cunene	0	25,917	0	0	148	0	2,273	0	416,643	0	46,841	491,822
Huambo	188,802	153,778	0	143,027	0	0	355	0	1,172,346	0	67,026	1,725,334
Huíla	323,463	314,431	0	541,547	0	0	16,271	0	1,907,375	0	53,397	3,156,483
Kuando Kubango	0	0	0	0	0	0	0	0	361,240	0	40,513	401,753
Kwanza Norte	0	0	0	0	0	0	13	0	482,010	0	38,999	521,023
Kwanza Sul	0	33,660	77,109	0	0	0	1,466	0	841,232	0	48,711	1,002,178
Luanda	56,456	512,294	158,123	0	0	0	14,493	6,956,791	3,265,655	0	79,243	11,043,056
Lunda Norte	0	33,098	0	0	0	0	0	0	163,870	0	67,892	264,860
Lunda Sul	0	20,357	0	0	91	0	2,014	0	394,562	0	30,647	447,672
Malange	0	21,471	0	0	0	0	8,390	0	946,093	0	37,847	1,013,800
Moxico	0	0	0	0	0	0	39,446	0	631,097	0	84,536	755,079
Namibe	42,212	44,962	49,389	0	0	0	2,785	0	446,994	0	94,312	680,653
Uíge	0	73,481	0	0	667	0	0	0	1,209,394	0	62,029	1,345,572
Zaire	3,439	42,001	0	0	0	0	-822	0	452,310	0	33,847	530,776
Sub-total, provinces	983,622	2,203,995	335,925	1,559,790	1,073	0	137,547	6,956,791	17,696,826	0	1,030,531	30,906,101
General expenditure	0	0	0	0	0	0	151,076	0	0	0	0	151,076
Central bodies	0	1,421,590	183,555	12,206,807	46,140,357	1,101,007	4,349,206	0	0	33,768,003	12,970,743	112,141,269
Total	983,622	3,625,585	519,481	13,766,596	46,141,430	1,101,007	4,637,830	6,956,791	17,696,826	33,768,003	14,001,275	143,198,446

Source: SIGFE, MINFIN

Table A-19:
Executed expenditure in the education sector, by provinces and groups of *gestores*, 2000
(in dollars)

	<i>Ensino de base</i>	<i>Ensino médio</i>	Professional training	Higher education	Scholarships	Literacy	Others	Municipal Delegations of Education	Provincial Directorates of Education	Ministry of Education & Culture	Culture and youth	Total
Bengo	2,545	60,926	0	0	0	0	0	0	810,643	0	24,019	898,132
Benguela	256,038	1,294,775	112,821	756,627	0	0	47,190	0	12,351,514	0	124,996	14,943,961
Bié	0	349,903	0	0	0	0	0	0	3,726,803	0	49,671	4,126,376
Cabinda	503,933	904,713	298,263	479,872	16,237	0	0	0	3,304,798	0	67,530	5,575,347
Cunene	0	102,791	0	0	0	0	0	0	1,511,309	0	53,138	1,667,238
Huambo	794,665	1,167,144	0	318,632	0	0	142,339	0	4,947,680	0	87,646	7,458,107
Huíla	1,524,389	625,262	0	1,865,351	0	0	216,539	0	8,780,086	0	54,735	13,066,362
Kuando Kubango	0	0	0	0	0	0	10,840	0	1,055,706	0	37,130	1,103,675
Kwanza Norte	0	0	0	0	0	0	25	0	2,379,848	0	31,708	2,411,581
Kwanza Sul	0	376,328	0	10,783	0	0	83	0	3,155,107	0	139,470	3,681,771
Luanda	273,266	2,795,398	95,676	0	107,517	0	0	21,105,483	8,824,551	0	242,507	33,444,398
Lunda Norte	0	126,005	0	2,104	0	0	4,950	0	1,079,981	0	92,278	1,305,318
Lunda Sul	0	0	0	117	18,865	0	53,405	0	1,390,235	0	52,305	1,514,926
Malange	0	127,565	0	0	0	0	407	0	2,280,224	0	60,350	2,468,545
Moxico	0	114,619	0	0	0	0	622	0	2,579,528	0	73,384	2,768,154
Namibe	84,970	199,742	232,812	0	0	0	-48	0	1,769,959	0	26,956	2,314,390
Uíge	0	202,981	0	170,246	0	0	3,215	0	3,628,609	0	95,825	4,100,877
Zaire	0	101,857	0	0	0	0	47,255	0	1,631,942	0	30,381	1,811,436
Sub-total, provinces	3,439,807	8,550,011	739,572	3,603,732	142,620	0	526,821	21,105,483	65,208,521	0	1,344,030	104,660,595
General expenditure	0	0	0	0	0	0	517,229	0	0	0	0	517,229
Central bodies	3,855,241	5,327,627	500,360	19,696,416	30,062,337	2,591,494	4,848,734	0	0	36,888,035	13,881,144	117,651,389
Total	7,295,048	13,877,638	1,239,932	23,300,148	30,204,957	2,591,494	5,892,783	21,105,483	65,208,521	36,888,035	15,225,174	222,829,213

Source: SIGFE, MINFIN

Table A-20:
Executed expenditure in the education sector, by provinces and groups of *gestores*, 2001
(in dollars)

	<i>Ensino básico</i>	<i>Ensino médio</i>	Professional training	Higher education	Scholarships	Literacy	Others	Municipal Delegations of Education	Provincial Directorates of Education	Ministry of Education and Culture	Culture	Total
Bengo	0	350,489	0	0	0	0	25,147	0	1,762,841	0	0	2,138,477
Benguela	703,732	2,020,860	288,794	1,099,972	0	0	169,470	0	25,010,497	0	0	29,293,325
Bié	645,008	561,676	0	0	0	0	652	0	6,187,793	0	0	7,395,129
Cabinda	0	1,274,629	0	857,761	0	0	1,569	0	6,638,849	0	0	8,772,808
Cunene	359,729	384,887	0	0	0	0	57,136	0	2,658,342	0	0	3,460,093
Huambo	1,107,647	1,022,679	685	617,684	0	0	0	0	9,215,538	0	98,395	12,062,628
Huíla	1,502,554	1,234,844	52,516	2,223,437	0	0	771,231	0	15,039,261	0	0	20,823,842
Kuando Kubango	635,929	192,295	0	0	0	0	77,270	0	2,203,573	0	0	3,109,066
Kwanza Norte	0	0	0	0	0	0	10,563	0	4,042,639	0	0	4,053,201
Kwanza Sul	340,376	1,238,247	331,524	275,569	0	0	3,204	0	7,054,762	0	0	9,243,683
Luanda	3,194,601	11,476,323	0	0	0	0	383,213	35,777,172	12,863,268	0	0	63,694,576
Lunda Norte	0	396,274	0	0	0	0	-16,644	0	1,578,131	0	0	1,957,761
Lunda Sul	0	145,952	0	0	0	0	100	0	2,307,182	0	0	2,453,234
Malange	0	296,288	0	0	0	0	0	0	5,372,077	0	0	5,668,365
Moxico	0	272,298	0	0	0	0	200,684	0	4,211,992	0	0	4,684,974
Namibe	97,965	299,099	293,554	0	0	0	658	0	2,648,754	0	0	3,340,030
Uíge	0	330,760	0	292,373	0	0	12,204	0	7,233,363	0	0	7,868,700
Zaire	0	163,430	76,029	0	0	0	-19	0	2,583,275	0	0	2,822,715
Sub-total, provinces	8,587,540	21,661,029	1,043,103	5,366,797	0	0	1,696,438	35,777,172	118,612,135	0	98,395	192,842,609
General expenditure	0	0	0	0	0	0	0	0	0	0	0	0
Central bodies	12,436,614	7,709,751	3,363,620	26,335,246	28,091,096	4,463,501	14,212,548	0	0	9,685,563	2,739,814	109,037,754
Total	21,024,154	29,370,780	4,406,723	31,702,043	28,091,096	4,463,501	15,908,986	35,777,172	118,612,135	9,685,563	2,838,209	301,880,363

Source: SIGFE, MINFIN

HEALTH SECTOR

Table A-21:
Executed expenditure in the health sector, by provinces and economic categories, 1997
(in dollars)

	Personnel	Goods and services	Transfers	Investments	Total
Bengo	667,395	22,294	211	0	689,900
Benguela	5,436,653	341,414	4,018	20,000	5,802,086
Bié	1,439,043	71,139	1,953	0	1,512,135
Cabinda	2,821,532	2,451,173	4,456	154,092	5,431,252
Cunene	736,130	53,591	348	0	790,069
Huambo	1,772,001	269,021	1,789	3,253	2,046,064
Huíla	3,607,010	907,539	3,980	0	4,518,529
Kuando Kubango	352,156	41,342	0	0	393,498
Kwanza Norte	681,769	46,655	1,066	0	729,490
Kwanza Sul	1,305,311	127,422	3,078	0	1,435,811
Luanda	5,553,482	550,828	5,628	10,398	6,120,336
Lunda Norte	1,308,625	179,577	9,208	1,090	1,498,500
Lunda Sul	1,093,865	28,735	603	0	1,123,204
Malange	929,863	5,000	801	0	935,663
Moxico	1,869,089	58,551	4,125	0	1,931,765
Namibe	1,213,732	3,169,572	742	0	4,384,047
Uíge	813,533	9,223	7	0	822,763
Zaire	799,675	44,494	371	0	844,540
Sub-total, provinces	32,400,864	8,377,571	482,383	188,833	41,009,652
General expenditure	0	4,480,293	0	0	4,480,293
Central bodies	17,355,316	43,258,242	6,267,396	6,185,727	73,066,681
Total	49,756,180	56,116,106	6,309,780	6,374,561	118,556,626

Source: SIGFE, MINFIN

Table A-22:
Executed expenditure in the health sector, by provinces and economic categories, 1998
(in dollars)

	Personnel	Goods and services	Transfers	Investments	Total
Bengo	447,791	15,517	2,678	0	465,986
Benguela	2,963,340	16,376	1,201	0	2,980,918
Bié	1,653,720	27,255	13,040	492,843	2,186,859
Cabinda	953,907	1,687,296	432	34,105	2,675,741
Cunene	941,824	22,718	1,946	0	966,489
Huambo	1,911,609	274,503	750	4,364	2,191,225
Huíla	3,096,685	687,295	20,435	10,543	3,814,958
Kuando Kubango	1,089,489	52,498	1	4,481	1,146,469
Kwanza Norte	631,172	5,456	456	0	637,085
Kwanza Sul	1,015,489	45,181	7,438	0	1,068,108
Luanda	6,875,174	2,890,097	67,951	1,262	9,834,484
Lunda Norte	1,431,185	,48,593	2,490	6,141	1,488,409
Lunda Sul	618,638	127,224	5,705	0	751,566
Malange	1,158,010	0	604	0	1,158,614
Moxico	1,133,834	16,721	793	0	1,151,349
Namibe	889,820	306,790	7,377	0	1,203,987
Uíge	1,461,894	41,726	17	0	1,503,637
Zaire	1,497,687	8,617	50	0	1,506,355
Sub-total, provinces	29,771,270	6,273,865	133,365	553,739	36,732,239
General expenditure	0	143,594	0	0	143,594
Central bodies	16,493,330	12,759,029	4,549,954	1,599,563	35,401,876
Total	46,264,600	19,176,488	4,683,319	2,153,302	72,277,709

Source: SIGFE, MINFIN

Table A-23:
Executed expenditure in the health sector, by provinces and economic categories, 1999
(in dollars)

	Personnel	Goods and services	Transfers	Investments	Total
Bengo	157,735	9,901	1,497	0	169,132
Benguela	1,625,870	188,421	44,136	127,890	1,986,318
Bié	599,199	15,404	11,091	38,381	664,076
Cabinda	565,552	1,500,456	6,842	31,073	2,103,922
Cunene	251,291	34,719	2,202	0	288,211
Huambo	804,463	83,086	11,476	528	899,552
Huíla	890,950	327,510	27,767	0	1,246,226
Kuando Kubango	378,144	65,963	143	0	444,249
Kwanza Norte	214,075	6,347	23	0	220,444
Kwanza Sul	391,067	16,331	5,931	0	413,329
Luanda	2,632,915	14,110,808	81,829	5,242,702	22,068,253
Lunda Norte	617,502	31,938	8,106	0	657,546
Lunda Sul	263,620	16,861	4,795	0	285,276
Malange	429,068	367	9,742	0	439,177
Moxico	538,261	17,500	6,007	41,667	603,435
Namibe	282,254	166,276	7,170	14,167	469,867
Uíge	381,052	44,916	1,314	0	427,282
Zaire	416,841	17,976	640	0	435,457
Sub-total, provinces	11,439,857	16,654,779	230,708	5,496,408	33,821,753
General expenditure	0	179,879	0	0	179,879
Central bodies	11,672,490	11,709,002	23,089,936	4,871,343	51,342,771
Total	23,112,348	28,543,660	23,320,644	10,367,750	85,344,402

Source: SIGFE, MINFIN

Table A-24:
Executed expenditure in the health sector, by provinces and economic categories, 2000
(in dollars)

	Personnel	Goods and services	Transfers	Investments	Total
Bengo	767,156	13,248	1,304	0	781,708
Benguela	8,162,584	959,618	683,158	0	9,805,360
Bié	2,368,278	38,296	4,360	0	2,410,934
Cabinda	2,647,200	1,194,707	4,031	0	3,845,938
Cunene	1,026,006	98,575	966	0	1,125,548
Huambo	3,309,003	564,270	4,686	0	3,877,958
Huíla	4,382,618	824,089	10,989	0	5,217,695
Kuando Kubango	1,095,379	7,800	299	0	1,103,478
Kwanza Norte	968,228	53,477	12,015	0	1,033,720
Kwanza Sul	1,763,566	76,857	3,978	0	1,844,401
Luanda	11,361,120	12,279,686	9,714,604	18,413,808	51,769,218
Lunda Norte	1,750,471	29,833	2,155	0	1,782,458
Lunda Sul	1,270,996	16,860	1,397	0	1,289,254
Malange	1,362,394	3,861	1,757	0	1,368,012
Moxico	1,580,089	9,906	7,782	0	1,597,777
Namibe	1,635,387	344,327	-1,234	0	1,978,480
Uíge	1,581,037	21,314	1,038	0	1,603,389
Zaire	1,443,531	205,176	949	0	1,649,656
Sub-total, provinces	48,475,043	16,741,901	10,454,234	18,413,808	94,084,986
General expenditure	0	986,088	0	0	986,088
Central bodies	24,270,506	28,645,541	24,078,236	5,912,159	82,906,441
Total	72,745,549	46,373,530	34,532,469	24,325,967	177,977,515

Source: SIGFE, MINFIN

Table A-25:
Executed expenditure in the health sector, by provinces and economic categories, 2001
(in dollars)

	Personnel	Goods and services	Transfers	Investments	Total
Bengo	1,234,134	837,614	2,535	77,809	2,152,093
Benguela	13,191,372	2,428,022	14,423	247,802	15,881,618
Bié	4,071,731	1,057,728	25,269	35,224	5,189,952
Cabinda	4,156,318	1,519,789	15,329	0	5,691,436
Cunene	1,957,821	1,209,782	10,427	709,428	3,887,458
Huambo	6,282,044	1,433,767	10,328	943,484	8,669,623
Huíla	7,163,130	1,615,621	23,051	0	8,801,802
Kuando Kubango	1,384,705	1,100,553	858	166,890	2,653,006
Kwanza Norte	1,672,953	923,387	2,257	0	2,598,596
Kwanza Sul	3,177,792	1,449,101	7,706	50,645	4,685,245
Luanda	18,550,592	7,351,158	42,249	2,256,000	28,200,000
Lunda Norte	3,170,761	462,817	4,579	28,429	3,666,586
Lunda Sul	1,929,419	503,715	2,950	155,339	2,591,424
Malange	3,117,354	459,359	2,990	119,557	3,699,259
Moxico	2,983,788	730,198	10,323	0	3,724,309
Namibe	2,641,754	1,385,755	5,295	1,243,538	5,276,342
Uíge	1,950,665	746,531	1,694	22,210	2,721,101
Zaire	1,919,132	731,770	1,088	7,478	2,659,468
Sub-total, provinces	80,555,465	25,946,668	183,353	6,063,833	112,749,318
General expenditure	0	0	0	8,134,609	8,134,609
Central bodies	43,942,918	58,810,702	25,086,427	14,845,740	142,685,788
Total	124,498,383	84,757,370	25,269,780	29,044,182	263,569,715

Source: SIGFE, MINFIN

Table A-26:
Executed expenditure in the health sector, by groups of *gestores* and economic categories, 1997
(in dollars)

	Personnel	Goods and services	Transfers	<i>Investments</i>	Total
Primary health network	3,875	90,000	0	20,000	113,875
Drugs	5,278	16,082,447	0	0	16,087,725
Municipal hospitals	1,777,591	229,491	1,387	0	2,008,470
Maternity hospitals	934,801	167,046	493	0	1,102,339
Orthopaedic centres	524,566	248,145	417	0	773,128
Single-purpose hospitals	1,102,616	480,345	1,218	10,398	1,594,577
Provincial hospitals	6,502,707	1,292,791	9,111	93,922	7,898,530
National hospitals	7,660,484	4,220,287	4,535	971	11,886,277
Junta Nacional de Saúde	43,591	5,429,382	139	0	5,473,112
Training institutions	3,204,350	3,534,511	3,845	57,732	6,800,438
Autonomous institutes	269,297	25,058	76	0	294,431
Military health services	1,595,701	6,729,783	5,134,959	3,642,360	17,102,803
Others	210,745	4,500,744	73,456	23,468	4,808,412
Provincial Directorates of Health	20,789,585	2,775,295	27,067	6,782	23,598,729
Ministry of Health	5,116,050	10,289,694	1,053,077	2,518,929	18,977,750
Sanitation	14,943	21,086	0	0	36,029
Total	49,756,180	56,116,106	6,309,780	6,374,561	118,556,626

Source: SIGFE, MINFIN

Table A-27:
Executed expenditure in the health sector, by groups of *gestores* and economic categories, 1998
(in dollars)

	Personnel	Goods and services	Transfers	Investments	Total
Primary health network	0	0	0	160,591	160,591
Essential drugs	0	1,492,807	0	0	1,492,807
Municipal hospitals	1,967,785	665,101	20,387	0	2,653,272
Maternity hospitals	1,525,221	199,387	1,842	100,819	1,827,269
Orthopaedic centres	576,285	24,740	1,347	368	602,740
Single-purpose hospitals	1,188,326	852,232	6,718	894	2,048,171
Provincial hospitals	6,476,289	1,189,135	11,121	5,976	7,682,520
National hospitals	8,238,260	5,830,050	105,002	173,401	14,346,712
Junta Nacional de Saúde	0	143,594	4,239,267	0	4,382,862
Training institutions	3,158,824	220,918	6,154	305,921	3,691,817
Autonomous institutes	362,863	0	1,766	0	364,629
Military health services	564,905	2,460,970	0	0	3,025,875
Others	157,255	2,407	78,169	1,151	238,983
Provincial Directorates of Health	17,135,963	1,757,102	87,543	78,838	19,059,446
Ministry of Health	4,912,622	2,409,380	123,012	1,325,343	8,770,357
Sanitation	0	1,928,666	992	0	1,929,658
Total	46,264,600	19,176,488	4,683,319	2,153,302	72,277,709

Source: SIGFE, MINFIN

Table A-28:
Executed expenditure in the health sector, by groups of *gestores* and economic categories, 1999
(in dollars)

	Personnel	Goods and services	Transfers	Investments	Total
Municipal hospitals	793,953	352,062	17,381	0	1,163,396
Maternity hospitals	397,834	106,533	3,482	0	507,848
Orthopaedic centres	224,209	284,411	3,381	5,333	517,335
Single-purpose hospitals	408,901	639,446	13,097	0	1,061,444
Provincial hospitals	3,118,328	991,988	36,519	3,452	4,150,286
National hospitals	3,280,467	4,608,363	33,716	0	7,922,546
Junta Nacional de Saúde	296	0	22,860,565	0	22,860,860
Training institutions	1,305,209	178,670	8,400	16,526	1,508,806
Autonomous institutes	96,817	87,913	953	0	185,682
Military health services	255,966	845,044	264	0	1,101,273
Others	21,770	184,583	25,839	90,187	322,379
Provincial Directorates of Health	6,395,786	1,158,871	130,530	26,874	7,712,062
Ministry of Health	6,808,917	5,407,426	186,459	4,871,343	17,274,145
Sanitation	3,894	13,698,351	59	5,354,035	19,056,339
Total	23,112,348	28,543,660	23,320,644	10,367,750	85,344,402

Source: SIGFE, MINFIN

Table A-29:
Executed expenditure in the health sector, by groups of *gestores* and economic categories, 2000
(in dollars)

	Personnel	Goods and services	Transfers	Investments	Total
Disease control	155,596	4,582,781	804,636	0	5,543,013
Municipal hospitals	4,207,722	546,024	1,526,794	0	6,280,540
Maternity hospitals	1,586,774	951,056	1,570	0	2,539,400
Orthopaedic centres	626,088	2,079,816	381	0	2,706,285
Single-purpose hospitals	1,671,862	1,878,807	3,488	1,020,408	4,574,565
Provincial hospitals	11,726,021	1,310,528	11,811	1,063,392	14,111,752
National hospitals	12,266,167	10,469,618	0	1,137,810	23,873,595
Junta Nacional de Saúde	0	0	17,467,006	0	17,467,006
Training institutions	3,588,400	1,204,693	2,055	0	4,795,148
Autonomous institutes	454,968	664,333	0	0	1,119,301
Military health services	617,273	967,042	5,269,205	0	6,853,520
Others	108,559	1,000,671	1,291	0	1,110,521
Provincial Directorates of Health	28,961,749	2,379,241	72,293	848,729	32,262,013
Ministry of Health	6,774,369	6,541,561	537,310	1,841,820	15,695,060
Sanitation	0	11,797,358	8,834,630	18,413,808	39,045,796
Total	72,745,549	46,373,530	34,532,469	24,325,967	177,977,515

Source: SIGFE, MINFIN

Table A-30:
Executed expenditure in the health sector, by groups of *gestores* and economic categories, 2001
(in dollars)

	Personnel	Goods and services	Transfers	Investments	Total
Primary health network	21,151	1,287,289	0	555,647	1,864,087
Essential drugs	0	10,998,261	0	0	10,998,261
Disease control	9,069	6,964,943	3	535,757	7,509,772
Municipal hospitals	7,939,206	7,236,522	11,459	2,908,266	18,095,453
Maternity hospitals	3,292,300	2,547,917	3,563	2,069,255	7,913,034
Orthopaedic centres	1,494,146	3,295,082	2,132	701,124	5,492,484
Single-purpose hospitals	3,297,878	2,781,387	10,060	2,258,103	8,347,429
Provincial hospitals	21,842,056	12,226,422	36,080	14,242,404	48,346,962
National hospitals	19,720,639	17,362,396	11,008	4,447,277	41,541,321
Junta Nacional de Saúde	0	0	16,646,572	0	16,646,572
Training institutions	2,569,976	1,031,850	3,358,051	487,951	7,447,828
Autonomous institutes	0	0	3,641,898	443,119	4,085,017
Military health services	12,613,056	3,309,984	29	0	15,923,069
Others	488,406	2,359,403	8,973	241,165	3,097,948
Provincial Directorates of Health	43,773,514	2,039,391	109,078	27,682	45,949,665
Ministry of Health	7,436,987	11,316,523	1,430,874	126,429	20,310,813
Total	124,498,383	84,757,370	25,269,780	29,044,182	263,569,715

Source: SIGFE, MINFIN

Table A-31:
Executed expenditure in the health sector, by provinces and groups of *gestores*, 1997
(in thousands of dollars)

	Primary health network	Drugs	Municipal hospitals	Maternity hospitals	Ortho-paedic Centres	Single-purpose hospitals	Provincial hospitals	National hospitals	Junta Nacional de Saúde	Training institutions	Autonomous institutes	Military health services	Others	DPS	Ministry of Health	Sanitation	Total
Bengo	0	0	0	0	0	0	0	0	0	0	0	0	0	690	0	0	690
Benguela	110	0	530	0	0	4	1,213	0	0	147	0	0	0	3,799	0	0	5,802
Bié	0	0	0	0	31	0	593	0	0	92	0	0	0	796	0	0	1,512
Cabinda	0	0	0	0	0	0	1,288	0	0	765	0	0	0	3,357	0	21	5 431
Cunene	0	0	0	0	0	0	0	0	0	0	0	0	43	747	0	0	790
Huambo	0	0	0	0	49	0	975	0	0	154	0	0	0	869	0	0	2,046
Huíla	0	5	0	523	0	602	1,097	0	0	155	0	0	54	2,082	0	0	4,519
Kuando Kubango	0	0	0	0	0	0	0	0	0	0	0	0	0	393	0	0	393
Kwanza Norte	0	0	0	0	0	0	0	0	0	0	0	0	0	729	0	0	729
Kwanza Sul	0	0	0	0	0	0	0	0	0	0	0	0	10	1,426	0	0	1,436
Luanda	0	0	1,424	579	308	317	0	0	0	296	0	0	13	3,183	0	0	6,120
Lunda Norte	0	0	0	0	0	0	726	0	0	3	0	0	0	770	0	0	1,498
Lunda Sul	0	0	0	0	0	0	691	0	0	0	0	0	104	328	0	0	1,123
Malange	0	0	0	0	0	0	0	0	0	0	0	0	0	934	0	1	936
Moxico	0	0	0	0	0	0	595	0	0	3	0	0	0	1,333	0	0	1,932
Namibe	0	0	0	0	0	0	443	0	0	3,097	0	0	4	840	0	0	4,384
Uíge	0	0	55	0	0	0	276	0	0	0	0	0	0	479	0	14	823
Zaire	0	0	0	0	0	0	0	0	0	0	0	0	0	845	0	0	845
Sub-total, provinces	110	5	2,008	1,102	388	922	7,899	0	0	4,712	0	0	229	23,599	0	36	41,010
General expenditure	0	0	0	0	0	0	0	0	0	0	0	0	4,480	0	0	0	4,480
Central bodies	4	16,082	0	0	386	672	0	11,886	5,473	2,089	294	17,103	99	0	18,978	0	73,067
Total	114	16,088	2,008	1,102	773	1,595	7,899	11,886	5,473	6,800	294	17,103	4,808	23,599	18,978	36	118,557

Source: SIGFE, MINFIN

Table A-32:
Executed expenditure in the health sector, by provinces and groups of *gestores*, 1998
(in thousands of dollars)

	Primary health network	Essential drugs	Municipal hospitals	Maternity hospitals	Orthopaedic centres	Single-purpose hospitals	Provincial hospitals	National hospitals	Junta Nacional de Saúde	Training institutions	Autonomous institutes	Military health services	Others	DPS	Ministry of Health	Sanitation	Total
Bengo	0	0	8	0	0	0	74	0	0	0	0	0	6	377	0	0	466
Benguela	0	0	375	0	0	0	540	0	0	95	0	0	0	1,970	0	0	2,981
Bié	161	0	0	0	27	0	684	0	0	425	0	0	71	819	0	0	2,187
Cabinda	0	0	0	0	0	0	769	0	0	269	0	0	0	1,638	0	0	2,676
Cunene	0	0	0	0	0	0	146	0	0	0	0	0	0	821	0	0	966
Huambo	0	0	0	0	57	172	909	0	0	125	0	0	0	929	0	0	2,191
Huíla	0	0	173	381	0	513	848	0	0	159	0	0	5	1,737	0	0	3,815
Kuando Kubango	0	0	0	0	0	0	281	0	0	0	0	0	52	814	0	0	1,146
Kwanza Norte	0	0	0	0	0	0	183	0	0	0	0	0	0	455	0	0	637
Kwanza Sul	0	0	0	0	0	0	228	0	0	0	0	0	3	836	0	1	1,068
Luanda	0	0	1,978	1,133	246	294	0	0	0	712	0	0	9	3,533	0	1,929	9,834
Lunda Norte	0	0	0	0	0	0	660	0	0	0	0	0	15	813	0	0	1,488
Lunda Sul	0	0	0	0	0	0	522	0	0	0	0	0	0	230	0	0	752
Malange	0	0	0	0	0	0	255	0	0	0	0	0	0	904	0	0	1,159
Moxico	0	0	0	0	0	0	366	0	0	0	0	0	1	784	0	0	1,151
Namibe	0	0	0	213	0	0	415	0	0	194	0	0	0	382	0	0	1,204
Uíge	0	0	119	0	0	0	643	0	0	69	0	0	0	674	0	0	1,504
Zaire	0	0	0	0	0	0	160	0	0	0	0	0	0	1,346	0	0	1,506
Sub-total, provinces	161	0	2,653	1,726	330	979	7,683	0	0	2,048	0	0	163	19,059	0	1,930	36,732
General expenditure	0	0	0	0	0	0	0	0	144	0	0	0	0	0	0	0	144
Central bodies	0	1,493	0	101	273	1,069	0	14,347	4,239	1,644	365	3 026	76	0	8,770	0	35,402
Total	161	1,493	2,653	1,827	603	2,048	7,683	14,347	4,383	3,692	365	3 026	239	19,059	8,770	1,930	72,278

Source: SIGFE, MINFIN

Table A-33:
Executed expenditure in the health sector, by provinces and groups of *gestores*, 1999
(in thousands of dollars)

	Municipal hospitals	Maternity hospitals	Ortho-paedic centres	Single-purpose hospitals	Provincial hospitals	National hospitals	Junta Nacional de Saúde	Training institutions	Autonomous institutes	Military health services	Others	DPS	Ministry of Health	Sanitation	Total
Bengo	0	0	0	0	490	0	0	0	0	0	1	118	0	0	169
Benguela	182	0	0	0	347	0	0	74	0	0	26	1,241	0	117	1,986
Bié	0	0	12	3	247	0	0	35	0	0	34	333	0	0	664
Cabinda	119	0	0	0	852	0	0	119	0	0	0	1,013	0	0	2,104
Cunene	0	0	0	0	66	0	0	0	0	0	3	219	0	0	288
Huambo	0	0	0	82	362	0	0	44	0	0	0	412	0	0	900
Huíla	102	125	0	174	340	0	0	29	0	0	0	476	0	0	1,246
Kuando Kubango	0	0	0	0	189	0	0	0	0	0	0	255	0	0	444
Kwanza Norte	0	0	0	0	93	0	0	0	0	0	0	127	0	0	220
Kwanza Sul	0	0	0	0	181	0	0	0	0	0	0	233	0	0	413
Luanda	716	347	134	103	0	0	0	222	0	0	0	1,608	0	18,939	22,068
Lunda Norte	0	0	0	0	307	0	0	0	0	0	11	340	0	0	658
Lunda Sul	0	0	0	0	185	0	0	0	0	0	2	99	0	0	285
Malange	0	0	0	0	225	0	0	0	0	0	6	208	0	0	439
Moxico	0	0	0	17	225	0	0	0	0	0	42	319	0	0	603
Namibe	0	36	0	0	151	0	0	42	0	0	17	224	0	0	470
Uíge	44	0	0	0	185	0	0	0	0	0	0	198	0	0	427
Zaire	0	0	0	0	146	0	0	0	0	0	-1	290	0	0	435
Sub-total, provinces	1,163	508	146	378	4,150	0	0	566	0	0	142	7,712	0	19,056	33,822
General expenditure	0	0	0	0	0	0	0	0	0	0	180	0	0	0	180
Central bodies	0	0	372	683	0	7,923	22,861	943	186	1,101	0	0	17,274	0	51,343
Total	1,163	508	517	1,061	4,150	7,923	22,861	1,509	186	1,101	322	7,712	17,274	19,056	85,344

Source: SIGFE, MINFIN

Table A-34:
Executed expenditure in the health sector, by provinces and groups of *gestores*, 2000
(in thousands of dollars)

	Disease control	Municipal hospitals	Maternity hospitals	Orthopaedic centres	Single-purpose hospitals	Provincial hospitals	National hospitals	Junta Nacional de Saúde	Training institutions	Autonomous institutes	Military health services	Others	DPS	Ministry of Health	Sanitation	Total
Bengo	0	0	0	0	0	243	0	0	0	0	0	0	539	0	0	782
Benguela	0	959	0	0	0	1,656	0	0	142	0	0	1	6,374	0	673	9,805
Bié	0	0	0	0	3	1,030	0	0	105	0	0	0	1,273	0	0	2,411
Cabinda	0	256	0	0	0	2,058	0	0	124	0	0	0	1,408	0	0	3,846
Cunene	0	0	0	0	0	310	0	0	0	0	0	3	812	0	0	1,126
Huambo	0	0	0	0	369	1,465	0	0	181	0	0	0	1,864	0	0	3,878
Huíla	0	1,315	557	0	679	0	0	0	119	0	0	17	2,530	0	0	5,218
Kuando Kubango	0	0	0	0	0	632	0	0	0	0	0	0	472	0	0	1,103
Kwanza Norte	0	0	0	0	0	303	0	0	0	0	0	0	730	0	0	1,034
Kwanza Sul	0	0	0	0	0	574	0	0	0	0	0	0	1,270	0	0	1,844
Luanda	0	3,623	0	333	222	0	0	0	761	0	0	0	8,489	0	38,341	51,769
Lunda Norte	0	0	0	0	0	1,024	0	0	0	0	0	2	756	0	0	1,782
Lunda Sul	0	0	0	0	0	799	0	0	0	0	0	0	490	0	0	1,289
Malange	0	0	0	0	0	590	0	0	67	0	0	0	711	0	0	1,368
Moxico	0	0	0	0	132	633	0	0	115	0	0	86	633	0	0	1,598
Namibe	0	0	169	0	0	633	0	0	93	0	0	0	1,084	0	0	1,978
Uíge	0	127	0	0	0	723	0	0	0	0	0	0	752	0	2	1,603
Zaire	0	0	0	0	0	377	0	0	47	0	0	0	1,225	0	0	1,650
Sub-total, provinces	0	6,281	726	333	1,404	13,048	0	0	1,753	0	0	110	31,413	0	39,017	94,085
General expenditure	0	0	0	0	0	0	0	0	0	0	0	986	0	0	0	986
Central bodies	5,543	0	1,813	2,373	3,170	1,063	23,874	17,467	3,042	1,119	6,854	14	849	15,695	29	82,906
Total	5,543	6,281	2,539	2,706	4,575	14,112	23,874	17,467	4,795	1,119	6,854	1,111	32,262	15,695	39,046	177,978

Source: SIGFE, MINFIN

Table A-35:
Executed expenditure in the health sector, by provinces and groups of *gestores*, 2001
(in thousands of dollars)

	Primary health network	Essential drugs	Disease control	Municipal hospitals	Maternity hospitals	Orthopaedic centres	Single-purpose hospitals	Provincial hospitals	National hospitals	Junta Nacional de Saúde	Training institutions	Autonomous institutes	Military health services	Others	DPS	Ministry of Health	Total
Bengo	0	0	0	146	0	0	0	1,100	0	0	95	0	0	422	389	0	2,152
Benguela	248	0	5	2,338	218	0	290	3,348	0	0	231	0	0	0	9,203	0	15,882
Bié	0	0	0	0	0	59	111	2,485	0	0	154	0	0	0	2,380	0	5,190
Cabinda	20	0	0	512	0	0	0	3,750	0	0	243	0	0	20	1,147	0	5,691
Cunene	79	0	0	248	0	0	0	1,806	0	0	27	0	0	179	1,548	0	3,887
Huambo	361	0	0	1,211	0	105	656	3,489	0	0	242	0	0	1	2,605	0	8,670
Huíla	0	0	0	234	1,061	0	1,029	2,580	0	0	165	0	0	8	3,725	0	8,802
Kuando Kubango	0	0	0	68	0	0	0	1,725	0	0	0	0	0	0	860	0	2,653
Kwanza Norte	0	0	0	166	0	0	0	1,346	0	0	0	0	0	1	1,085	0	2,599
Kwanza Sul	0	0	4	1,150	138	0	0	1,660	0	0	2	0	0	4	1,726	0	4,685
Luanda	752	0	0	11,070	0	1,819	461	0	0	0	951	0	0	0	13,148	0	28,200
Lunda Norte	0	0	0	0	0	0	0	1,661	0	0	0	0	0	0	2,006	0	3,667
Lunda Sul	117	0	0	2	0	0	0	1,677	0	0	0	0	0	0	795	0	2,591
Malange	0	0	0	0	0	0	0	1,967	0	0	134	0	0	1	1,598	0	3,699
Moxico	0	0	0	0	0	0	338	1,844	0	0	272	0	0	1	1,269	0	3,724
Namibe	0	0	0	124	847	0	0	2,902	0	0	101	0	0	21	1,281	0	5,276
Uíge	0	0	0	257	0	0	0	1,676	0	0	0	0	0	2	787	0	2,721
Zaire	0	0	0	567	0	0	0	1,620	0	0	76	0	0	0	397	0	2,659
Sub-total, provinces	1,576	0	9	18,094	2,264	1,982	2,884	36,635	0	0	2,693	0	0	661	45,950	0	112,749
General expenditure	0	0	0	0	0	0	0	8,135	0	0	0	0	0	0	0	0	8,135
Central bodies	288	10,998	7,501	1	5,649	3,510	5,463	3,578	41,541	16,647	4,755	4,085	15,923	2,437	0	20,311	142,686
Total	1,864	10,998	7,510	18,095	7,913	5,492	8,347	48,347	41,541	16,647	7,448	4,085	15,923	3,098	45,950	20,311	263,570

Source: SIGFE, MINFIN

Table A-36
Executed expenditure in the health sector, 1997-2001

	in thousands of dollars					in dollars <i>per capita</i>				
	1997	1998	1999	2000	2001	1997	1998	1999	2000	2001
Bengo	690	466	169	782	2,152	3.5	2.3	0.8	3.6	9.8
Benguela	5,802	2,981	1,986	9,805	15,882	7.9	3.9	2.5	12.1	19.1
Bié	1,512	2,187	664	2,411	5,190	1.1	1.6	0.5	1.7	3.5
Cabinda	5,431	2,676	2,104	3,846	5,691	26.6	12.7	9.7	17.2	24.7
Cunene	790	966	288	1,126	3,887	1.1	1.2	0.5	2.0	4.3
Huambo	2,046	2,191	900	3,878	8,670	4.6	3.8	1.2	4.9	8.0
Huíla	4,519	3,815	1,246	5,218	8,802	2.8	7.8	2.9	7.0	16.5
Kuando Kubango	393	1,146	444	1,103	2,653	3.0	3.6	1.0	3.9	13.1
Kwanza Norte	729	637	220	1,034	2,599	1.6	1.4	0.5	2.1	5.1
Kwanza Sul	1,436	1,068	413	1,844	4,685	2.0	1.4	0.5	2.3	5.7
Luanda	6,120	9,834	22,068	51,769	28,200	2.9	4.6	10.0	22.7	12.0
Lunda Norte	1,498	1,488	658	1,782	3,667	4.6	4.4	1.9	4.9	9.9
Lunda Sul	1,123	752	285	1,289	2,591	6.6	4.3	1.6	7.0	13.6
Malange	936	1,159	439	1,368	3,699	0.9	1.1	0.4	1.2	3.1
Moxico	1,932	1,151	603	1,598	3,724	5.2	3.0	1.5	3.9	8.9
Namibe	4,384	1,204	470	1,978	5,276	27.7	7.4	2.8	11.4	29.6
Uíge	823	1,504	427	1,603	2,721	0.8	1.4	0.4	1.4	2.4
Zaire	845	1,506	435	1,650	2,659	3.1	5.4	1.5	5.6	8.8
Sub-total, provinces	41,010	36,732	33,822	94,085	112,749	3.4	2.9	2.6	7.0	8.2
General expenditure	4,480	144	180	986	8,135	0.4	0.0	0.0	0.1	0.6
Central bodies	73,067	35,402	51,343	82,906	142,686	6.0	2.8	3.9	6.2	10.3
Total	118,557	72,278	85,344	177,978	263,570	9.7	5.7	6.6	13.3	19.1

Sources: SIGFE, MINFIN, for expenditure data; INE for population data