

Preliminary observations by Ms. Attiya Waris, the Independent Expert on the effects of foreign debt and other related international financial obligations and human rights, on her visit to Angola

from 8 to 17 July 2024

1.0 Introduction

The UN Independent Expert on the Effects of Foreign Debt and other related International Financial Obligations and Human Rights, Ms. Attiya Waris, conducted a visit to Angola from 8 to 17 July 2024, at the invitation of the Government. The Independent Expert expresses her gratitude to the Government of Angola for the high level of cooperation of State authorities. She is grateful for her discussions with the Minister of Finance, Ms. Vera Esperança dos Santos Daves de Sousa, the Minister of Environment and the representatives of the Ministry of External Relations, General Tax Administration, Ministry of Social Action, Ministry of Family and Women's Promotion, Ministry of Education, Ministry of Health and Ministry of Justice and Human Rights as well as other arms of government. The Independent Expert also had the opportunity to visit the province Benguela where she visited several communities. She is also appreciative of the valuable exchanges with representatives of the financial and banking sector, including the National Bank of Angola, international organisations, industry, civil society in both Luanda and Benguela, academia, and journalists. She extends her gratitude to the people for its invitation and generous cooperation and assistance in numerous ways prior and during this visit.

In this statement, the Independent Expert provides preliminary observations about how the country's fiscal resource collection and redistribution processes have been used in a way that contributes to its fiscal legitimacy and the progressive realisation of human rights with specific Defence to the rights of children. She provides preliminary views and recommendations, while a full report on her visit will be presented to the 58th session of the UN Human Rights Council in March 2025. The Independent Expert explored the challenges faced by Angola in the collection and use of financial resources for raising its population's standard of living with a focus on children. In this regard she highlights key principles that should be taken into consideration in ensuring that financial decisions uphold and maintain standards of living: transparency, accountability, responsibility, efficiency and effectiveness in a context of fairness and justice while reflecting on all human rights.¹

2.0 Background

Angola is a low-middle income country with a Gross Domestic Product (GDP) of USD 106 billion, and a per capita income estimate of USD 3,300 (end of 2022 figures).² Angola is one of Africa's third largest oil

¹ [A/HRC/55/54: Fiscal legitimacy through human rights: a principled approach to financial resource collection and allocation for the realization of human rights - Report of the Independent Expert on the effects of foreign debt and other related international financial obligations of States on the full enjoyment of all human rights, particularly economic, social and cultural rights, Attiya Waris | OHCHR](#)

² [Angola - Market Overview \(trade.gov\); Economic Data & Reports - U.S. Embassy to Angola and Sao Tome and Principe \(usembassy.gov\)](#), informed that Angola was scheduled to graduate from lower middle-income country to middle income country status in February 2020 but secured a three-year extension on the eve of its graduation.

producers,³ a net producer of natural gas.⁴ Angola is the 2nd largest producer of diamonds in the world and represents about 20 percent of the world's diamond production.⁵ Subsistence agriculture provides the main livelihood for the majority of the people in Angola, however most of the country's food is still imported.⁶ In 2022, according to figures from the International World Bank, Angola spent around \$3 billion on food imports.⁷ Despite its potential, the agricultural sector in Angola remains underdeveloped, contributing 13.6 percent to its GDP, while employing 56 percent of the population. Angola received financing amounting US\$230 million for the Commercial Agriculture Development Project (PDAC), co-financed by the World Bank and the French Development Agency.⁸

The 27 year long civil war, ended in 2002, Angola has experienced relative political stability, but continues to have socio-economic fragility and previous leadership and their families have been found responsible globally for illicit financial flows and corruption setting back the Angolan revenue considerably.⁹ Similarly to other post conflict states the economy is heavily cash reliant however efforts over the past 5 years are continually in progress to formalise the system, improve macroeconomic management and public sector governance. In the past Angola's economy has been dependent on its oil sector however this has decreased over the years. The reliance on oil had led to high vulnerability to external shocks, undermining macroeconomic stability, strong real exchange rate appreciation, resulting in limited economic diversification. Greater economic diversification is important in order to boost economic growth. The country currently has a population of 37,850,468¹⁰ with an annual birth rate of approximately 1 million per annum which led to the choice of a focus on the rights of children for this report although the census that was to have been conducted has been delayed.

Angola remains a country with significant inequalities, and with challenging living conditions with many people living on less than 1 dollar a day. Lost revenue under past administration has resulted in an inability to invest in social sectors leading not only limited infrastructure but also a low quality education and health outcomes, making Angola among the countries with the lowest Human Capital Index (0.36 in 2020).¹¹ More than 25% of households have school-aged children not enrolled in school, suggesting a high risk of intergenerational poverty.

In addition climate change has deepened drought in the south of the country, and in 2023, an estimated 31.2% of the population suffered from severe food insecurity.¹² Food insecurity has contributed to malnutrition or stunting, which is widespread in Angola, affecting an estimated 43.6% of children under

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[https://english.news.cn/20240119/79795f76f71e46cfb15a407360c78ab5/c.html#:~:text=18%20\(Xinhua\)%20%2D%2D%20Angola%20produced,calculations%20based%20on%20official%20data.](https://english.news.cn/20240119/79795f76f71e46cfb15a407360c78ab5/c.html#:~:text=18%20(Xinhua)%20%2D%2D%20Angola%20produced,calculations%20based%20on%20official%20data.)

⁴ <https://taxsummaries.pwc.com/angola>

⁵ <https://taxsummaries.pwc.com/angola>

⁶ [Angola - Market Overview \(trade.gov\)](https://trade.gov/angola-market-overview)

⁷ <https://www.worldbank.org/en/news/feature/2024/03/28/prioritizing-afe-angolan-agriculture-to-unlock-economic-diversification>

⁸ <https://www.worldbank.org/en/news/feature/2024/03/28/prioritizing-afe-angolan-agriculture-to-unlock-economic-diversification>

⁹ [ANG CDN 23 \(afdb.org\)](https://afdb.org/), page 18.

¹⁰ See <https://www.worldometers.info/world-population/angola-population/>

¹¹ https://databankfiles.worldbank.org/public/ddpext_download/poverty/987B9C90-CB9F-4D93-AE8C-750588BF00QA/current/Global_POVEQ_AGO.pdf, from April 2023.

¹² [The State of Food Security and Nutrition in the World 2023 \(fao.org\)](https://www.fao.org/state-of-food-security-nutrition-2023/)

five years of age. Stunting is the devastating result of poor nutrition that compromises children's growth and cognitive development.¹³ The Independent expert is concerned that children in Angola are also victims of domestic violence and face severe forms of child abuse and exploitation. Severe poverty and economic decline have increased the numbers of children living on the street in urban areas which house approximately 50% of the national population. High-risk trafficking areas include Luanda, Benguela, and drought-affected provinces like Cunene. Strengthened labour inspections and resources are essential to eliminate forced labour. Child labour exploitation include elements of forced labour and sex trafficking with cases of kidnapping both domestic and foreign.

The Independent Expert expressed concern about the high rate of poverty nationwide which reminds one of an LDC and not a middle income nation. As a result the country needs to be treated as such and be eligible to many concessions granted to nations that have this blended nature including but not limited to IDA concessions. The Independent Expert expressed concern about the severe living conditions in informal settlements, including numerous health and social problems due to deplorable living conditions, including a lack of food, clean water and sanitation, and electricity. She recommends that the Government adopt and implement policies to enable disadvantaged and marginalised groups to access adequate housing as well as subsistence. It was also noted that while Angola exports electricity not all homes in the urban areas are connected to the grid. The Independent Expert is concerned that progress on access to sources of water and sanitation across the provinces had not been achieved to meet target 6.2 of the SDGs, on sanitation.

In addition, documents like the African Charter as well as diverse subsequent declarations have mapped out the basic requirements that each individual African country ought to achieve. Treaties that form the basis of the fiscal system at the continental level include the Constitutive Act of the African Union; African Charter of Human and People's Rights (ACHPR) (1981); Abuja Declaration on Health Spending (ADHS) (2001); African Convention on Preventing and Combating Corruption (ACPCC) (2003); Maputo Declaration on Agriculture and Food Security (MDAFS) (2003); African Charter on Democracy Elections and Governance (2007); African Charter on Statistics (ACS) (2009); African Charter on the Values and Principles of Public Service and Administration (ACVPPSA) (2011); and African Charter on the Values and Principles of Decentralisation, Local Governance and Local Development (ACVPDLGLD) (2014).¹⁴

These treaties together give guidance on the quality of information being collected, how populations are to be treated, and controls on what the government can do – controls on government responsibility as well as that of public servants. The treaties support the movement of states towards decentralisation, requiring states to transfer power, responsibilities, capacities and resources to the subnational level.¹⁵

Table 1. Expected African state budget framework based on continental commitments

¹³ WHO, UNICEF and World Bank, 2023 Joint Malnutrition Estimates Report, https://data.unicef.org/resources/jme-report-2023/?utm_id=JME-2023.

¹⁴ Waris A., 'Financing Africa' (2019) pg 10 para 4. Bamenda: Langaa

¹⁵ Waris A., 'Financing Africa' (2019) pg 11 para 1. Bamenda: Langaa

Revenue	%	Expenditure	%
Taxation	?	Health	15% of budget
Debt/Loans	?	Agriculture and food security	10% of budget
Aid	?	Education	?
Non-tax revenue	?	Social welfare	?
Government business	?	Infrastructure	?
Royalties	?	Security	?
		Research	1% of GDP
		Membership dues: African Union	0.2% of customs
		Debt financing	?
		Devolved expenditure	?
		Central government expenditure	?
Total	100%		100%

Source: Waris(Financing Africa) 2019

They stipulate that each country must spend a minimum of 15% of its national budget on health and 10% on agriculture and food security and that an import levy of 0.2% will be imposed on eligible imports for the financing of the African Union. Via these treaties and laws, a compliant African government has limited its own powers by stating prioritised expenditures. In Table 1 is the framework for a national budget on the

African continent if an African state complies with the African obligations set out above.¹⁶ The budget data shared by the government shows clearly that this is not the case and all efforts should be made to comply.

3.0 Understanding Angola Through the Principles of Fiscal Legitimacy¹⁷

The Independent Expert believes that Angola can achieve financial realisation of human rights through application of the guiding principles of fiscal legitimacy broken down in this report.

2.1 Accountability

The government must ensure that it has made clear and understandable to its citizens how it has collected financial resources, how it plans to spend these resources and how it has spent these resources. The government is an agent of the state, and as such, it has a responsibility to protect the interests of its citizens and a fiduciary duty to act in the interest of its principal, namely the state, which in turn represents its people in the international system.¹⁸

The Independent Expert notes that public budgets and expenditures in Angola are publicly available to citizens. However these documents while published are not visible to the other stakeholders and this presents a problem in that citizens are unable to decipher whether their government is acting in their best interests. Often perception is worse than reality and as a result as the country tries to move past its turbulent history all efforts should be made to ensure the population understands and is aware of the work its representatives are undertaking. It is important that the government of Angola continues to involve its citizens in financial decision making by ensuring effective and comprehensive public participation, convening public sector hearings, budget consultations, and such other forums, as this will play a huge role in building trust and ensuring the legitimacy of its fiscal system.¹⁹ In addition as there is this current high birth rate there must be specific consultation with children's rights bodies as well as youth organisations.

The Independent Expert also notes with appreciation that the government of Angola has traced assets illegally removed from the country and encourages the state to implement the Independent Expert's guidelines²⁰ for efficient asset recovery. However the international community needs to respond swiftly to support these efforts and relearn state assets to the government.

2.2 Transparency

Article 19 of the International Covenant on Civil and Political Rights, to which Angola is party to, emphasises the right to freely impart, seek and receive information. The state should continue to disclose accurate, timely, and comprehensive information relating to its budgets, expenditure, debt, and general financial situation to its citizens. This also includes policy choices and how they are likely to affect citizens.²¹ As with all debt agreements they remain private and there is an inability currently for countries

¹⁶ Waris A., 'Financing Africa' (2019) pg 11 para 2. Bamenda: Langaa

¹⁷ [A/HRC/55/54](#)

¹⁸ UNCTAD Principles, principle 8 and [A/HRC/20/23](#) and [A/HRC/20/23/Corr.1](#), annex, para. 44.

¹⁹ [A/HRC/55/54](#), paras 9 and 13 (b)

²⁰ [A/HRC/52/45](#)

²¹ [A/HRC/55/54](#), paras 54 and 55

to assess the terms they are offered as compared to other countries. The Independent Expert suggested the creation of a global debtors club as proposed by Egypt during COP 27.

The Independent Expert appreciates the efforts made by the Angolan legislators to formulate a bill on beneficial ownership in line with FATF requirements which was discussed with diverse stakeholders. This law, once passed, will ensure the regulation of beneficial owners and is a step in the right direction in lifting the veil of secrecy on companies and their owners in order to tackle illicit financial flows and increase transparency in a system that is still fairly opaque. However the enforcement of the law is crucial to the diversification process ongoing. The Independent Experts also notes with concern that the Financial Action Task Force (FATF) conducted an assessment of Angola to which it established that the country faces threats of money laundering through its financial system, real-estate sector and cross-border trade.²² The danger of this is that it could lead to Angola being greylisted by the FATF. The Independent Expert urges the legislature of Angola to pass and implement the fiscal transparency law to counter this action by the FATF and urges the FATF to give the government of Angola time to fully comply in order to prevent it from being grey listed.

2.3 Responsibility

There were concerns raised by many diverse stakeholders that the 2024 budget includes a significant reduction in fuel subsidies, continuing the authorities' phased reform plan initiated in June 2023. However, finalising specific policy details and a mitigation strategy raises concerns about economic stability, as subsidy cuts could trigger food price inflation, adversely affecting vulnerable parts of the population. Already the prices of basic commodities like eggs have gone up by approximately 400% which is one of the foods that are globally a traditionally cheap form of protein especially for children.

She noted that Angola joined an Extractive Industries Transparency Initiative (EITI) implementing country in 2022. Its first report for fiscal year 2021 was published in December 2023. However, the Independent Expert is concerned that Angola's report did not reconcile aggregated information with disaggregated data from extractive companies, highlighting legal limitations in tax information disclosure. Additionally, the report lacked transparency on contracts and beneficial ownership information. She recommends Angola take responsibility to develop strategic action plans to align legal and institutional frameworks with EITI standards and submit its second report due in September 2024.²³ In addition there were reports of child labour in mines which needs further examination.

The development of the Lobito corridor is commendable as a good initiative and the IE was able to visit this region. However the infrastructure branch train lines should be opened up and with each section as was showcased infrastructure must follow including water electricity the internet health clinics as well schools. All efforts should be made to also decentralize government administrative offices simultaneously in order to ensure all Angolans have their legal documents like birth certificates.

²² 'Anti-Money Laundering and Counter-Terrorist Financing Measures: Angola- Mutual Evaluation Report' Eastern and Southern Africa Anti-Money Laundering Group (2023)

²³ See <https://www.imf.org/-/media/Files/Publications/CR/2024/English/1AGOE2024001.ashx> , p.22

2.4 Efficiency

The costs of a fiscal system should be the minimum possible for both the government and the people.²⁴ This means that every financial decision made by the government should be made after a cost-benefit analysis and an opportunity cost based assessment of the decision. This includes decisions to incur debt (domestic or foreign), servicing the debt, expenditure, procurement, budgeting, etc. As a general rule, the cost of application and administration of revenue must not exceed 1% of the total revenues collected.²⁵ Information received by the Independent Expert indicates that the public procurement system needs to be reassessed with some reports stating that the procurement system is open, and others stating that it is through direct tenders. This shows a transparency, efficiency and accountability problem. The openness in tenders was also extended to job opportunities in the public sector which are not publicly advertised and hired competitively.

The Independent Expert appreciates the discussions highlighting the government of Angola's initiative to reorganise its cabinet to reflect and respond to the country's changing circumstances. She however encourages the state to ensure that this action does not add to the financial burden of the state.

The Independent Expert also encourages the government to join the STAR initiative by the World Bank. This is especially important as there have been numerous cases on illicit financial flows against several individuals whose assets have been identified as being in certain jurisdictions. This will be beneficial to Angola as it will help in rebuilding trust between the government and citizens.

2.5 Effectiveness

Decisions made should be ones that respond to a particular need. In this case, fiscal decisions should be deliberate towards the progressive realisation of human rights with a focus on children.²⁶ For instance, social policies should be designed to address and reverse the effects of economic downturns.²⁷ Often, fiscal policies implemented by states, while enacted to address challenges in one sector, often create challenges in another. Therefore, states must be alive to the issues it is addressing with each fiscal policy and the effects on other issues/sectors. Data remains key.

The Independent Expert observed that the population of Angola is largely composed of persons below the age of 65, with children making up a majority of that. While there is no recent census, a study in 2021 showed that 14 million citizens were children below the age of 14 years, making up the largest age group in the country. This was followed by persons aged between 25 and 54 years making up more than 9 million, then those between 15 and 24 then those between 55 and 64, and lastly those who are 65 years and older at 800 thousand.²⁸ This demographic points to a need for the state to heavily invest in social protection and especially in sectors such as healthcare, education, employment, and food. The advantage of this demographic is that it promises a ready labour force in the years to come if nurtured well as children as set out in the lifecycle approach discussed in the IE' upcoming report to the UNGA in October 2024. The risk presented, especially for the largest demographic of those aged 14 years and younger is that they need proper healthcare systems and sound education, and once they are of working age, they will all need employment opportunities. If the government does not invest in these sectors, in a few years it will have a

²⁴ [A/HRC/55/54](#), para 30

²⁵ Waris A., 'Financing Africa' (2019) pg 153 para 3. Bamenda: Langaa

²⁶ [A/HRC/55/54](#), para 35

²⁷ *ibid*

²⁸ 'Population of Angola in 2021, by age group' Statista < <https://www.statista.com/statistics/1201851/population-of-angola-by-age-group/> >

very large population of unemployed unskilled people who may have poor health due to the absence of the access to good quality nutrition, sanitation, health and education during their formative years.

2.6 Fairness

A fiscal system should not be discriminatory or result in inequalities, and it should be based on the ability to contribute.²⁹ At the end of the day, the goal is progressive realisation of all human rights. A state should try to mobilise domestic resources as much as possible, but remain cognisant of the need to protect human rights. For instance, in an effort to mobilise resources through taxation, the state can implement wealth taxes, and taxation of multinational corporations, instead of indirect taxes like VAT. In the same line, based on its context, a state should ensure that its expenditure reflects the needs of its residents and children. This includes measures such as increasing spending on healthcare, education, housing and food.

The Independent Expert noted that there is prevalent malnutrition and cases of stunted growth in children below 15 years. This indicates that there is a deficiency in social protection measures for the age group that represents the majority of the Angolan population. She was informed that there is a school feeding programme but it is done in every school, every day and the quality of the food is not maintained. In addition food programmes also increased before elections and reduced after them in several cases. Stunting is preventable if finance and monitoring is kept in focus in terms of quantity, regularity and quality. Vaccines for children, daily food and milk programmes are crucial.

2.7 Justice

The Independent Expert notes that Angola's Medium- and Long-Term Debt Strategy for 2024-2026 aims to improve methods and criteria for contracting new financing to consolidate debt sustainability. Angola's debt portfolio is mostly external, accounting for 73% of total debt, with 43% being commercial debt.³⁰ Government discussions showed that this is however reducing as a result more money should be now visibly seen to be spent on social services and development indicators. Despite the Government of Angola's efforts to achieve macroeconomic stability, debt service repayments accounted for 45 percent of the national budget in 2023.³¹ Debt service repayments are projected to be 7.8 percent of GDP in 2024, limiting the Government's ability to invest in education, health, and social protection. The principle of justice would require a rebalancing to allocate more funding to development of a birth registry for all children, free education with books and materials as well as hospitals and clinics well stocked with medicines. It is however also important that a preventative approach to medicine be considered rather than the current curative approach by supporting water, sanitation and food quality and quantity.

The Independent Expert commends Angola's engagement in the World Bank's "Stolen Asset Recovery" (STAR) initiative, aimed at aiding developing countries in recovering stolen assets. Angola's involvement in 2005, 2012, and 2013 facilitated the return of \$21 million and \$43 million from Switzerland as part of the Angolagate Asset Recovery case.³² The Independent Expert stresses participation of the government of Angola in the STAR initiative in order to begin repatriating state assets held abroad due to various cases of illicit financial flows. Angola should also enhance the capabilities of national institutions involved in asset recovery, such as law enforcement agencies, financial intelligence units, and judicial authorities. Angola should also adopt its Banking Transparency law to facilitate asset recovery efforts, as per the Independent

²⁹ Ibid, para 38

³⁰ See Republic of Angola Debt Dynamics 2024, p.11

³¹ See, <https://www.unicef.org/media/152216/file/Angola-2023-COAR.pdf>

³² <https://star.worldbank.org/asset-recovery-watch-database/angolagate#disclaimer>

Expert's guidelines on the Repatriation of State Assets through a Human rights approach to ensure it receives both the principal and profit, several of these guidelines are already being implemented by the Swiss Government.³³

3.0 Recommendations

The challenges that the nation faces require support domestically, regionally and globally. In line with this the Independent Expert recommends the following:

3.1 To the Government of Angola

1. Support the call for the creation of a global fiscal body.³⁴ This will assist in ensuring inclusivity in global financial decision-making and ensuring commitments by states to tackle illicit financial flows, move ranking away from the credit rating agencies.
2. Angola should continue to engage with the STAR initiative by the World Bank to assist in the repatriation of its assets illegally stowed in foreign jurisdictions.
3. Angola should join the debtors club and take the lead with Egypt on this initiative.
4. Support the General Assembly (GA) resolution debates on the creating of a global tax authority
5. Increase communication nationwide to explain initiatives which the government is undertaking
6. Encourage use of mobile banking to shift the economy away from cash as much as possible³⁵
7. Reconsider the fuel subsidy in order to reduce cost of living
8. Develop a child related budget to address the huge population growth and pressure
9. Implement African Union (AU) resolutions
10. Implement the AU/ECAHLP IFF recommendations
11. Implement the Independent Expert's Asset Recovery Guidelines
12. Set up and maintain a registry of missing children at the grassroots level including public outreach and publicity to ensure pictures are shared nationwide and regionally
13. Map out and ensure all homes in Angola have electricity access and water.

3.2 To the International Financiers

1. Reduce speculation on the Angolan economy to keep interest rates down.
2. Return Angolan assets to the state
3. Recognise Angola as a blended state with both indicators of an LDC and a MIC and allow for eligibility to IDA as well as other concessional finance

3.3 To all Member States

1. Create an International Fiscal Authority to regulate private bonds, public debt holders internationally, credit rating agencies, taxation and dispute resolution as well as data holding
2. Join the call to set up a debtors club
3. Join the discussions to move towards a global tax in line with the GA Resolution

³³ <https://www.ohchr.org/en/documents/thematic-reports/ahrc5245-non-binding-set-practical-guidelines-efficient-asset-recovery>

³⁴ [A/77/169](#)

³⁵ [A/HRC/52/34](#)

4. Push for the regulation of credit rating agencies³⁶ to ensure they do not implement policies that unfairly affect LMICs

4.0 Conclusion

Angola as a post conflict state emerging from decades of financial mismanagement has made steps to rectify its system however the current international framework is impeding its ability to allocate financial resources for the realization of human rights.

³⁶ [A/HRC/46/29](#)