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The World Bank**

**Report No. T7580-ANG**

**TECHNICAL ANNEX**

**FOR A PROPOSED GRANT**

**OF SDR 24 MILLION (US\$ 33 MILLION EQUIVALENT)**

**TO THE**

**REPUBLIC OF ANGOLA**

**FOR AN ANGOLA EMERGENCY**

**DEMOBILIZATION AND REINTEGRATION PROJECT**

**March 7, 2003**

**CURRENCY EQUIVALENT**  
(exchange rate effective as of January 31, 2003)  
US\$1 = 65 Kwanza (Kw)

**GOVERNMENT FISCAL YEAR**  
January 1 to December 31

**ABBREVIATIONS AND ACRONYMS**

ADRP	Angola Demobilization and Reintegration Program
AIDS	Acquired Immune Deficiency Syndrome
BNK	Basic Needs Kit
CNRSPDD	National Commission for the Social and Productive Reintegration of the Demobilized and Displaced
DC	Discharge Center
DRC	Democratic Republic of Congo
FAA	Armed Forces of Angola
FMU	UNITA Military Forces
HIV	Human Immunodeficiency Virus
ICB	International Competitive Bidding
IDA	International Development Association
IEC	Information, Education and Communication
IGA	Income-Generating Activity
ILO	International Labor Organization
IMF	International Monetary Fund
IRSEM	Institute for the Socio-Professional Reintegration of Ex-Combatants
JMC	Joint Military Commission
MDRP	Multi-Country Demobilization and Reintegration Program
MDTF	Regional Multi-Donor Trust Fund
MINARS	Ministry of Assistance and Social Reinsertion
MINPLAN	Ministry of Planning
MPLA	Popular Movement for the Liberation of Angola
NCB	National Competitive Bidding
PDO	Pre-Discharge Orientation
PRGF	Poverty Reduction Growth Facility
PRSP	Poverty Reduction Strategy Paper
QA	Quartering Area
SEAR	Special Subsidy for Reintegration Support
SMP	Staff Monitored Program
TSN	Transitional Safety Net
UCAH	Humanitarian Assistance Coordination Unit
UN	United Nations
UNDP	United Nations Development Program
UNICEF	United Nations Children's Fund
UNITA	National Union for the Total Independence of Angola
VCT	Voluntary Counseling and Testing

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**The Republic of Angola**  
**Emergency Demobilization and Reintegration Program**

## **1 Background and Strategy**

### **1.1 Circumstances of the Conflict**

1. *The liberation struggle:* The Portuguese first settled Angola in 1475 and, with one brief exception, maintained control until 1975. The liberation struggle started in 1961, when the *Movimento Popular de Libertação de Angola* (MPLA), founded five years earlier, attacked a Luanda prison. In 1962, a second nationalist entity, the *Frente Nacional de Libertação de Angola* (FNLA), began to fight a guerrilla war in northwest Angola. In 1966, the MPLA, with military assistance from the Union of Soviet Socialist Republics (USSR), began to infiltrate Cabinda from Congo and eastern Angola from Zambia. Around this same time, a third nationalist force, the *União Nacional para a Independência Total de Angola* (UNITA), began to build support with the help of the Government of Rhodesia.

2. *Independence and conflict:* Despite the efforts of these nationalist movements, Portugal retained firm control of Angola until April 1974, when the *Movimento das Forças Armadas* (MFA) seized power in Lisbon and decided to relinquish the colonies. In January 1975, Portugal, the MPLA, the FNLA and UNITA signed the Alvor Accords, which created a representative transitional government for Angola, but this government quickly collapsed as the Angolan factions each attempted to achieve supremacy before independence. Civil war erupted, prompting a mass exodus of some 340,000 Portuguese settlers (then 5% of the population) and virtually all technical and managerial expertise. An economic crisis resulted almost immediately. At the same time, fighting rapidly escalated as foreign sponsors were drawn into the war, with Cuba supporting the MPLA, and South Africa, the United States (US) and Zaire supporting the FNLA and UNITA. On Independence Day (November 11, 1975), control of Angola was divided: Agostinho Neto's MPLA held Luanda and other urban areas, while Jonas Savimbi's UNITA, with its power base in Huambo, held large parts of the rural south and east. Following the collapse of the FNLA in 1976, the MPLA gradually secured control over most of the country.

3. *The Bicesse Accords and their failure:* A first attempt at achieving peace began in December 1988, when Angola, Cuba and South Africa signed the New York Accords, under which the foreign powers agreed to withdraw troops from Angola. A few years later, in May 1991, the MPLA and UNITA signed the Bicesse Accords in Portugal, which called for multiparty legislative and presidential elections. But when Savimbi lost the first round of the 1992 presidential elections to MPLA President Jose Eduardo dos Santos (who had succeeded Neto on the latter's death), he took the country back to war. Having used the Bicesse Accords to regroup and rearm, UNITA made inaccessible to the Government a large extent of the national territory), but after a siege of Kuito ended unsuccessfully with 15,000 fatalities, UNITA went back on defensive. Responding to

UNITA's abandonment of the peace process, the United Nations (UN) imposed sanctions against its arms and fuel trade in 1993.

4. *The Lusaka Accords and their failure:* A second attempt at peace began in November 1994, when the MPLA and UNITA signed the Lusaka Accords, under which UNITA agreed to demobilize and join a Government of Unity and National Reconciliation. This government was formed in April 1997, in the context of a UN peacekeeping operation that reached 7,500 at its height. Demobilization was initiated, and by late 1998, some 175,500 soldiers had been demobilized, of which about 102,500 also had received reinsertion benefits in the form of one or more of three expected cash payments. Despite this progress, Savimbi avoided Luanda and low-level fighting continued, and, as a result, new UN sanctions were imposed on UNITA. In December 1998 the Lusaka Accords collapsed when heavy fighting resumed, and by mid-1999, UNITA had reasserted control over much of the countryside. That September, the Government army recaptured Savimbi's headquarters in Bailundo and Andulo, and by mid-2000 the war had reached a new stalemate, with UNITA a weaker but persistent guerrilla force continuing to destabilize non-strategic rural areas.

5. *Peace since the April 4, 2002, Memorandum of Understanding:* On February 22, 2002, Government forces killed Jonas Savimbi in combat near Luena, capital of Moxico province, and on March 14, 2002, the Government began to observe a unilateral ceasefire. After several weeks of intense negotiations, the opposing armies signed a formal ceasefire agreement on April 4, 2002. The agreement, which takes the form of a Memorandum of Understanding (MoU) Addendum to the Lusaka Protocol, provides for: (i) the passage of an Amnesty Law for all crimes committed during the conflict;<sup>1</sup> (ii) the integration of 5,047 UNITA ex-combatants into the Armed Forces of Angola (FAA) and the national police; and (iii) the demobilization of the remaining UNITA military forces (FMU) within a specified timetable. In a separate undertaking, the Government has also agreed to the demobilization, in the medium-term, of 33,000 FAA. As of January 2002, the ceasefire agreement had not been violated; some 84,000 FMU had been quartered and formally integrated into the FAA (as of August 2, 2002, the FMU formally ceased to exist); and provincial governments, with occasional assistance from the FAA, were transporting ex-FMU and their families to their chosen areas of resettlement under the supervision of a civilian authority, the National Commission for the Social and Productive Reintegration of the Demobilized and Displaced (CNRSPDD).

## 1.2 Economic and Social Impact

6. The prolonged conflict in Angola has had a profound impact on all aspects of social and economic life. It has contributed to the mismanagement of natural resources, widespread poverty, corruption, postponed elections, and regional destabilization, creating a legacy which Angola will overcome only with many years of sustained economic effort in a context of peace and national reconciliation.

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<sup>1</sup> The Under-Secretary-General and Special Advisor for Africa, who witnessed the signing of the MoU, formally declared that the United Nations (UN) objected to and did not recognize the amnesty provision.

7. *Mismanagement of natural resources:* Although Angola has large mineral deposits, high agricultural and fishing potential, and good prospects for irrigation and hydroelectric power, economic performance in agriculture, manufacturing and commerce is currently very poor and well below levels achieved before independence (see Table 1). Oil revenues have risen sharply since 1969 from almost zero to as much as \$5 billion in 1996, yet per capita income has fallen to one-half of the level realized at independence, to about \$500 today. Over the past 35 years, widespread insecurity, macroeconomic mismanagement, the post-independence loss of technical and managerial capacity, and the economic impact of ‘Dutch disease’,<sup>2</sup> has resulted in the collapse of economic activity in all sectors except subsistence agriculture and the enclave oil and diamond sectors. As a consequence, the non-mineral economy—and in particular economic activity that is asset-intensive and involves high transaction costs—has virtually disappeared as a contributor to national output and a source of foreign exchange. Whereas in 1966 more than 80% of Angola’s exports were composed of nine commodities, by 1990 oil accounted for 93% of the total and diamonds for 6%; all other export commodities had

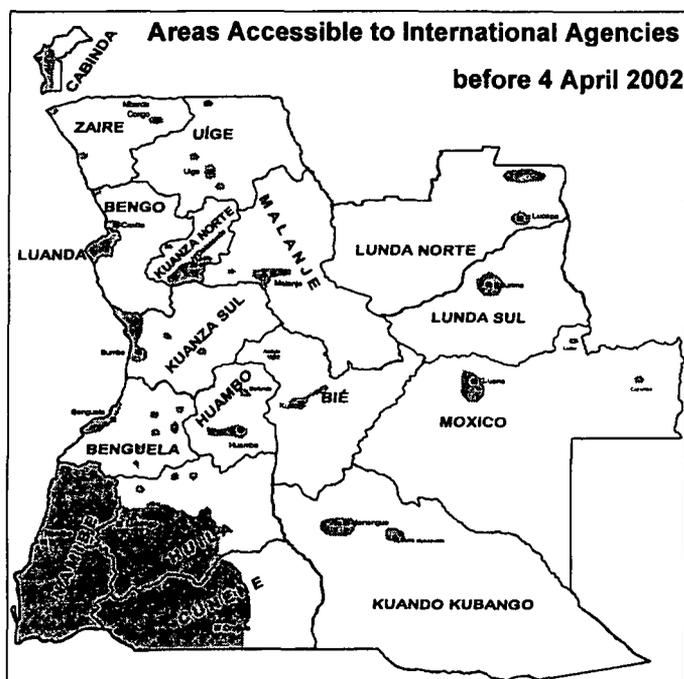
Sector	1966	1970	1987	1996
Agriculture, forestry and fisheries	14.2	9.0	12.6	7.5
Mining (oil and diamonds)	6.3	10.7	51.0	59.9
Manufacturing	8.7	10.7	3.7	6.8
Construction	6.3	7.3	2.5	3.2
Electricity and water	0.9	0.9	0.3	0.0
Transport and telecommunications	6.3	5.9	2.7	0.0
Commerce	34.0	30.3	7.2	14.8
Banking and insurance	2.8	3.3	1.4	0.0
Services	20.4	21.8	18.6	7.8
<b>Total GDP</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>

Sources: World Bank and International Monetary Fund

disappeared. Today the Angolan economy is heavily dependent on imports and highly vulnerable to terms-of-trade shocks resulting from fluctuations in oil prices (in both 1985-86 and 1998 a sudden drop in oil prices put pressure on the Government’s ability to service its debt).

8. *Poverty:* Since the start of the conflict in 1975, some 750,000 Angolans, or 7% of the population, have died from conflict-related causes, including conflict-induced famine or disease; of these, some 346,000 were military fatalities and 404,000 civilian fatalities. As of February 2002, some four million Angolans were internally displaced persons (IDPs) and another 445,000 were refugees (25,000 in Namibia, and about 210,000 in each of Zambia and the Democratic Republic of the Congo (DRC)); by end-2002, some 120,000 refugees and 1,100,000 IDPs had returned to their areas of origin, with an average rate of return holding steady at about 10,000 persons per day.

<sup>2</sup> Booming oil exports raise labor costs as well as spending on goods and services, with the result that tradeables, whose prices are determined in the world market and so are relatively fixed, become less competitive. The visible adverse consequence is typically a sharp contraction in the production of traditional exports and import-competing commodities.



Source: OCHA

9. Although the conflict settled into a low-level war of attrition in 2000, the economy still has the characteristics of a war economy, and all key social indicators are very poor. Limited access by the international humanitarian community to populations in need has doubtlessly contributed to these poor results to date (see Figure 1). Angola ranks 13<sup>th</sup> from the bottom on UNDP’s Human Development Index for 2002, having fallen to a rating of 0.403 from 0.422 in 1999. Life expectancy is low; school enrolment rates are low; and infant and child mortality rates are extremely high. The Millennium Development Goals are distant (see Table 2). Food security has been precarious as able-bodied males were conscripted into the armed forces, crops were raided or destroyed, and input delivery systems collapsed. Public health was and remains poor, although some preventative measures (child immunization and anti-malarial spraying) have been undertaken; population migration and concentration have spread infectious

<b>Eradicate extreme poverty</b>	
Population living below \$1/day (%):	--
Children underweight:	42
<b>Achieve universal primary education</b>	
Net primary enrolment ratio:	34
Literacy rate (15-24 years old, %):	42
<b>Promote gender equality</b>	
Female literacy rate (15-24 years old, %):	28
<b>Reduce child mortality</b>	
Under-five mortality (per 1,000):	295
Infant mortality (per 1,000):	172
<b>Improve maternal health</b>	
Maternal mortality rate:	--
<b>Combat HIV/AIDS and other diseases</b>	
Adult HIV/AIDS prevalence (%):	2
Malaria prevalence and death rate:	--
TB prevalence and death rate:	--
<b>Ensure environmental sustainability</b>	
Access to safe water (%):	38
Access to improved sanitation (%):	44

disease; key infrastructure, including water supply systems, has been destroyed; and qualified health care professionals have left their posts for better jobs elsewhere, making underfunded clinics and hospitals increasingly less effective.

10. *Corruption:* The availability of substantial oil and diamond revenues combined with the introduction of a market economy in a conflict environment created tremendous opportunity for corruption, which in turn helped to establish wealth among the political elite. Privileged access to state contracts, regulatory agencies, foreign partnerships, elite health and education facilities, privatized state assets (from commercial farms to urban businesses to housing stock), and subsidized grant and foreign currency (the latter enabling beneficiaries, in a highly inflationary environment, to profit risklessly from arbitrage) enriched a few at the expense of the many. It also resulted in a hugely inefficient allocation of resources; high levels of consumption rather than investment; and a business culture characterized by favoritism, kickbacks, connected transactions, and other distortionary and non-transparent practices that even well-intentioned and experienced international companies find difficult to control today.

11. *Elections:* As a result of the conflict, the advent of multiparty democracy has been slow and incomplete in Angola. A first opening occurred following the signing of the Bicesse Accords, which provided for the restoration of government administration in UNITA-controlled territory as well as multiparty legislative and presidential elections. Unfortunately, the Accords were never fully implemented: the UN was unable to establish control and elections occurred in September 1992 in a still-militarized context. When the first round of the Presidential elections gave Dos Santos 49.6 percent of the vote against Savimbi's 40.1 percent, Savimbi alleged fraud and returned to war.

12. The second attempt to achieve peace fared poorly as well. The Lusaka Accords, signed in November 1994, called for a new ceasefire, UNITA participation in government, and establishment of a UN peacekeeping force.<sup>3</sup> Although by April 1997 the 70 UNITA deputies elected in the 1992 elections had joined the national assembly, creating for the first time since independence an institutionalized opposition to the MPLA (which held 129 seats), Savimbi avoided Luanda and low-level fighting continued. As a result, new UN sanctions were imposed on UNITA, and in September 1998 a dissident faction of UNITA broke away from Savimbi. New elections, due since 1996, have been repeatedly postponed, though the peace process now underway may result in appropriate conditions being established in the next 12 to 18 months. In August 2001, President Dos Santos announced that he will not run for President again.

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<sup>3</sup>UNAVEM I was established in 1989 and supervised the withdrawal of Cuban troops from Angola. UNAVEM II was established in June 1991 to verify the Bicesse peace agreement, including the 1992 elections, and it continued to operate with a limited mandate until 1995. UNAVEM III was established in February 1995 to implement an expanded mandate under the Lusaka Protocol; the peacekeeping force by 1996 comprised some 7,500 civilians and troops. Following the scheduled withdrawal of UNAVEM troops in early 1997, the United Nations Observer Mission in Angola was established in July 1997. The collapse of the Lusaka Accords in December 1998 led to a further reorganization of the UN, which in October 1999 established its United Nations Office in Angola (UNOA). Most recently, in June 2002, UNOA negotiated a new (six-month) mandate, providing for a limited UN observer presence of about 30 people, including 10 military observers, in what was known as the United Nations Mission in Angola (UNMA).

13. *Regional destabilization:* Angola has been a major player in many conflicts in the greater Great Lakes region. In particular, the Government of Angola was allied with the government of Denis Sassou-Ngeusso in Congo (Brazzaville); when the new Congolese government of Pascal Lissouba allied itself with UNITA in 1995, the Government provided troops in support of Sassou-Ngeusso, which proved decisive in the 1997 and 1998/99 wars. Angola also intervened in the Democratic Republic of the Congo (DRC), helping to install the government of Laurent Kabila. Angolan participation in regional conflicts is reflected in part in the fact that some 680 troops in the ex-FMU quartering areas are from the DRC or Rwanda; in addition, at the peak, some 445,000 Angolan refugees lived in the DRC, Namibia, or Zambia.

14. The resolution of the conflict in Angola is seen as a major contributor to stability in the greater Great Lakes region. Angola is participating in the regional peace process through its agreement to the Lusaka Cease-Fire Agreement. Angola is a credible and respected military force in sub-Saharan Africa and President Dos Santos recently has taken an active role in promoting peace within the region. In August-September 2002, he brokered an agreement between President Kabila of the DRC, and President Museveni of Uganda, under which the two Presidents agreed to the normalization of relations, including a timeline for the total withdrawal of Ugandan troops from the DRC. In addition, there are currently preliminary talks underway, under Angolan sponsorship, between the DRC and Rwanda.

### 1.3 Government Response and Strategy

15. Since the signing of the Bicesse Accords, the Government has been pursuing a dual strategy of military and diplomatic offensiveness on the one hand, and reconciliation on the other, in its efforts to encourage UNITA forces to lay down their arms. Throughout the 1990s the Government continually used diplomatic channels to isolate UNITA politically and, during times of open conflict, it also exploited military opportunities to maximal advantage. At the same time, it pursued various avenues for demobilizing and reintegrating UNITA combatants into civilian life.

16. The *Gabinete Inter-Ministerial de Apoio aos Desmobilizados das Forças Armadas* (the Armed Forces Office for Support to Demobilized Soldiers, or GIADA) was formed following the Bicesse Accords, which mandated the demobilization of both Government and UNITA troops and the subsequent formation of a unified armed force for Angola, the FAA. This exercise was managed by the Angolan military, with the second United Nations Verification Mission (UNAVEM II) having only a very limited mandate of monitoring and verification. UN records indicate that 175,553 soldiers were demobilized throughout the Bicesse process.

17. In 1995, following the signature of the Lusaka Protocol, GIADA was reorganized and renamed the *Instituto de Reintegração Socio-Profissional dos Ex-Militares* (the Institute for the Socio-Professional Reintegration of Ex-Combatants, or IRSEM), though its basic mandate remained unchanged. The Lusaka Protocol provided for varying demobilization processes for FAA and UNITA troops and for the establishment of a

unified national armed force of 90,000, to be comprised of FAA troops (reduced from an estimated 115,000 to 63,700) and UNITA troops (reduced from an estimated 76,000 to 26,300). Excess troops were to be confined to barracks (FAA) or to quartering areas (QAs) (UNITA) within a period of three months and then demobilized over a period of 18 to 24 months. Following quartering and disarmament, UNITA troops were to be moved into FAA barracks and subsequently demobilized or integrated into the FAA. UNAVEM was given responsibility for disarmament, verification and monitoring and the UN's Humanitarian Assistance Coordination Unit (UCAH) responsibility for the humanitarian support programs and coordination of the demobilization to reintegration phase, although responsibility for reintegration coordination was later moved to UNDP.

18. In practice, quartering began a year after the Lusaka Protocol was signed (the first quartering areas were established in November 1995), and although demobilization was expected to last for only five months, it actually took some two years to complete. Delays resulted in part from technical difficulties in preparing the reinsertion payments and in-kind kits that each soldier was to receive upon demobilization. In addition, the selection of UNITA troops for integration into the FAA proceeded slowly, with the result that excess troops intended for demobilization could not be identified. It was also widely believed that UNITA was delaying demobilization to negotiate better representation in the Government of National Unity and inflating UNITA numbers to obtain assistance for party loyalists (UNAVEM reported that only half of the 75,000 UNITA soldiers identified for demobilization knew how to dismantle a weapon). With the scheduled withdrawal of UNAVEM troops approaching, the Joint Commission in February 1997 prepared a Rapid Demobilization Plan which called for closure of the QAs to be complete within five months; in the event, the last QA was closed on November 10, 1997.

19. The UNDP-supported *Serviço Comunitário de Referência* (SeCoR) project, implemented between 1995 and 1998, was a key element in the Government's demobilization and reintegration strategy. (This project was co-financed by the Government, UN agencies, and nine donors through a UNDP-administered trust fund.) In May 1999, UNDP published an evaluation of SeCoR that found that the program had recorded some achievements but also suffered some significant shortcomings. The primary achievements of the program are considered to be the demobilization of 34,782 soldiers, of whom about 8,500 were disabled and 3,500 were underage;<sup>4</sup> the payment of at least one tranche of the *subsídio especial do apoio de reintegração* (Special Subsidy for Reintegration Support, or SEAR) to most ex-combatants; and the referral of a significant number of ex-combatants to education and employment opportunities. It is generally agreed that SeCoR was compromised by external political and financial factors. Persistent insecurity following the Lusaka Accords and the resumption of open hostilities in December 1998 impeded the Government's ability to reduce the overall size of the armed forces in Angola. Military expenditure was not reduced—but in fact increased to unprecedented levels in 1998 and 1999—and donors responded by cutting back their

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<sup>4</sup> This achievement should be measured against a target group estimated by the UN's Humanitarian Assistance Coordination Unit to be 72,000. As a consequence of increasing insecurity, demobilization centers were closed in December 1997, yet an additional 2,800 or so UNITA ex-combatants were registered and demobilized *in situ* through August 1998 under the so-called "open file" mechanism.

financial assistance to the program. The resulting lack of financial resources limited the program's ability to provide adequate reintegration assistance to demobilized ex-combatants and many were abandoned in mid-stream, having received none or only part of the assistance to which they were entitled.

20. In addition, SeCoR was also hampered by significant internal technical and management shortcomings. Strengthening of implementation capacity was not focused on IRSEM, the national agency designated to lead the process of reintegrating ex-combatants, but on a parallel structure established by the United Nations (the United Nations Office for Project Services, or UNOPS). In addition, inadequate pre-demobilization counseling generated unrealistic expectations among ex-combatants, and the SEAR payment process experienced many delays and irregularities (including non-payment, double payment, and payment to unentitled persons) and was eventually abandoned due to a lack of funds.<sup>5</sup> In addition, essential technical assistance was not forthcoming and donors were not adequately apprised of implementation progress.

21. From the SeCoR experience, the Government has learned the following lessons:

- (i) Demobilization needs to target combatants on all sides of the conflict and offer similar levels of reintegration assistance to each individual, irrespective of former military affiliation, to support national reconciliation and avoid creating resentment among the excluded;
- (ii) A strong implementing agency is critical to ensuring necessary planning, coordination and implementation at the technical level, and capacity building to support implementation should be directed to the responsible government agency rather than to a parallel *ad hoc* structure;
- (iii) Focused pre-demobilization information, counseling and referral services should be provided to ex-combatants in order to manage their expectations;
- (iv) Economic reintegration assistance should seek to link ex-combatants with broader, community-based economic recovery and rehabilitation efforts, and should seek to avoid actions that would be perceived as privileging ex-combatants in comparison with other war-affected populations;
- (v) A robust financial management system is needed to manage reinsertion payments in a timely and transparent manner;
- (vi) A comprehensive management information system is essential to ensure proper application of eligibility criteria and to inform the decision-making of the coordinating and implementing agencies; and
- (vii) The mobilization of timely and sufficient donor financial assistance and strong donor coordination are critical.

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<sup>5</sup> Of the 34,782 ex-combatants eligible to receive the SEAR benefits, only 20,710 received the second SEAR payment and only 8,375 received the third and final SEAR payment; about one-half of the estimated \$65 million to be paid was actually paid. In addition, some 21,000 received the complete food benefit (divided into two or three portions).

22. As a result of its experience to date, the Government has concluded that a redesigned demobilization and reintegration program is needed, and it has asked the World Bank to lead the redesign effort, provide financial assistance, initiate international resource mobilization efforts, and coordinate donor support under the MDRP.

23. *Guiding principles.* The Government has adopted the following guiding principles for the ADRP:

- (i) In keeping with the political commitment which the Government made in signing the April 2002 MoU in Luena, assistance will target ex-combatants created by the MoU (i.e. new caseload ex-combatants formerly affiliated with UNITA or the FAA) and will focus on the provision of social and economic reintegration assistance (see especially Annex 4 of the MoU);
- (ii) In the interest of national reconciliation, the ADRP will target all new caseload ex-combatants, irrespective of previous military affiliation;
- (iii) To ensure consistency and fairness, all assistance to new caseload ex-combatants would be provided through one national ADRP;
- (iv) The ADRP would allow ex-combatants voluntarily to choose their communities of re-settlement and their paths to economic reintegration;
- (v) Reintegration assistance would seek to foster community participation;
- (vi) IRSEM as the coordinating agency of the ADRP will rely on existing institutional structures to the extent possible in order to build sustainable capacities beyond the program's duration; and
- (vii) Pension and social security issues for ex-FMU and ex-FAA will be addressed outside the ADRP, in accordance with their respective terms and conditions of service.

24. *Target groups.* Following the signing of the April 2002 MoU, the Government envisages the demobilization and reintegration of some 105,000 ex-FMU and 33,000 FAA. The inclusion of UNITA ex-combatants in the ADRP is considered an important national reconciliation measure. A successful demobilization and reintegration program would demonstrate that UNITA members can return to a secure and peaceful life in Angola.

#### **1.4 International Response**

25. *Direct assistance in Angola.* In general, the international community supports Government efforts towards the demobilization and reintegration of ex-combatants in Angola. International partners believe that a new demobilization and reintegration effort in Angola would result in the spontaneous resettlement of many IDPs in the rural areas and consequently recovery of the rural economy, which is likely to make a permanent contribution to poverty reduction in Angola. Donors have welcomed the rapid and voluntary quartering of UNITA ex-combatants as an important signal of Government and

UNITA commitment to national reconciliation and to the national and regional peace processes.

26. Through their participation in the Multi-country Demobilization and Reintegration Program (MDRP) and bilaterally, many partners have indicated that they would approve financial contributions to the ADRP. In addition, representatives of many donors and partners, including DFID, GTZ, USAID, ILO, OCHA, UNDP, UNDPA, UNPKO, and UNICEF, have formally participated in some or all of the ADRP preparation missions. Even so, several donors have indicated that their support to the ADRP will be linked to increased Government transparency regarding public financial management, further clarity concerning the Government's plans for the security sector, a net reduction in the size of the FAA, and a substantial Government contribution to financing the ADRP. The Government has given related assurances to IDA.

27. *Links to the greater Lusaka Process.* The international community is actively engaged in the implementation of the Lusaka Cease-Fire Agreement relating to the peace process in the greater Great Lakes region. Paragraph 22 of the Lusaka Cease-Fire Agreement stipulates that “countries of origin of members of the armed groups, commit themselves to taking all the necessary measures to facilitate their repatriation”. The ADRP would go beyond this provision by providing targeted reintegration assistance to returning FAA and ex-FMU ex-combatants. Consequently, the ADRP would form an essential part of the Government of Angola's implementation of the Lusaka Agreement and complement the Disarmament, Demobilization, Reintegration, Resettlement and Repatriation efforts of the United Nations Organization Mission to Congo (MONUC). The Bank is in close contact with MONUC and other parts of the UN system including UNDP to ensure coordination and complementarity of activities both in Angola and in other countries involved in the greater Great Lakes conflicts.

## **2 IDA Response and Strategy**

### **2.1 Regional Multi-Country Program for Demobilization and Reintegration**

28. Building on a variety of country-level initiatives, and in consultation with governments in the region and donor and UN partners, the Bank has prepared a greater Great Lakes regional strategy for demobilization and reintegration as well as a Multi-country Demobilization and Reintegration Program (MDRP) and related trust fund. The regional strategy and MDRP provide a comprehensive framework in support of individual country-level programs, such as the ADRP. The MDRP was endorsed by the Executive Board of the World Bank in April 2002.

29. The multi-country umbrella approach of the MDRP has several key advantages, including the facilitation of feedback relationships among country programs in the region; the creation of synergies that would enable the MDRP to have a greater impact than individual country programs could have; the provision of similar incentives for all parties to the conflict to pursue peaceful strategies; the ability to address the regional

externalities associated with some individual programs; enhanced transparency of closely-related country programs; and the facilitation of knowledge-sharing and training across national programs.

30. The Bank-administered MDRP Multi-Donor Trust Fund (MDTF) serves as a vehicle for mobilizing and channeling donor financing; reducing transaction costs for client governments, donors and the Bank; and enabling Governments to complement IDA financing with grant resources. Angola is one of the nine countries included in the MDRP and accordingly eligible for financial assistance under the MDTF.<sup>6</sup>

## 2.2 Poverty Reduction Strategy

31. *Interim Poverty Reduction Strategy Paper (I-PRSP)*. Recognizing the legacies of the conflict, including high numbers of IDPs and the destruction of much social and economic infrastructure; the structural constraints related to land, demography, agriculture and human resources; and institutional weaknesses in the public and private sectors as the key challenges to medium-term socio-economic transformation, the draft interim PRSP proposes actions which can be summarized along five broad themes:

- (i) Strengthening support to the formulation of economic policy;
- (ii) Strengthening public sector capacity and institutions, including at the provincial and local levels (through restructuring and deconcentration), and with particular attention to the judicial system;
- (iii) Expanding the human capital base, by strengthening and restructuring professional training as well as the delivery of health and education services;
- (iv) Rehabilitating social and economic infrastructure, concentrating on water supply, housing, electricity, transportation and communication (with accelerated demining programs to accompany these efforts); and
- (v) Promoting pro-poor growth through rural development, promotion of artisanal fishing, and support to small and micro enterprises.

32. The draft interim PRSP also contains elements of a program of consultations with civil society, a summary of interventions at the sectoral level, and a preliminary monitoring and evaluation strategy, but the required three-year macroeconomic framework is not yet available. In light of the ceasefire agreement, the interim PRSP is being revised to focus on a few areas where real improvements can be made quickly.

33. At the same time, within the framework of the Interim PRSP, the Bank and other donors are helping the Government to prepare an emergency Post-Conflict

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<sup>6</sup> The nine beneficiary countries are Angola, Burundi, Central African Republic, Congo, Democratic Republic of the Congo, Namibia, Rwanda, Uganda and Zimbabwe. As of December 2002, ten donors had committed funds to the MDTF. These include: Belgium, Canada, France, Germany, Italy, the Netherlands, Norway, Sweden, the United Kingdom, and the European Community.

Reconstruction and Rehabilitation Program (PCRRP), for presentation to the international community in early 2003. This emergency program will be implemented over 2003 to 2005, with prioritized interventions expected to occur in the areas of social reinsertion, water supply, health services, education, transportation, and electricity, among other areas. A follow-up program, expected to be based on the full PRSP and implemented over 2006 to 2010, will be prepared with assistance provided under the PCRRP. It is widely understood that a demobilization and reintegration program cannot in and of itself stabilize the country, and that reconstruction efforts on a large scale are also needed to achieve and maintain economic stability.

34. The ADRP is being designed to conform to and enhance the objectives outlined in the PRSP and the overall post-conflict reconstruction program. The ADRP forms one of the core programs of the Government's poverty reduction strategy.

35. *The Bank Group's current portfolio and strategy for Angola.* The Bank's Transitional Support Strategy (TSS), which covers the period March 2003 to June 2004 and is being presented to the Board together with the ADRP, aims to help the Government to achieve macroeconomic stability and support the implementation of a pro-poor post-conflict public expenditure program (see Table 3).

<b>Pillar</b>	<b>AAA</b>	<b>Lending Products</b>
Enhancing the transparency, efficiency, and credibility of public resource management	<ul style="list-style-type: none"> <li>• Country Procurement Assessment Review</li> <li>• Public Expenditure Management and Financial Accountability Review</li> <li>• Corporate Social Responsibility (CSR) Study</li> <li>• WBI capacity-building</li> </ul>	<ul style="list-style-type: none"> <li>• Economic Management Technical Assistance (EMTA), \$17 million</li> </ul>
Expanding service delivery to war-affected and other vulnerable groups	<ul style="list-style-type: none"> <li>• CSR Study</li> <li>• WBI capacity-building</li> </ul>	<ul style="list-style-type: none"> <li>• ADRP, \$33 million</li> <li>• Social Action Fund 3 (FAS3), \$55 million</li> <li>• HIV/AIDS, \$20 million</li> </ul>
Preparing the ground for broad-based pro-poor economic growth	<ul style="list-style-type: none"> <li>• Country Economic Memo.</li> <li>• Oil Revenue Management Study</li> <li>• Country Framework Report (CFR) on Infrastructure</li> <li>• CSR Study</li> <li>• WBI capacity-building</li> </ul>	

36. The goals of the TSS reflect the Government's priorities as stated in the interim PRSP and in the Post-Conflict Rehabilitation and Reconstruction Program. These goals can only be met if each one of the TSS components – Analytical and Advisory Activities (AAA) and lending – are treated as an integral part of the Bank's package of support. The TSS places heavy emphasis on AAA, with a particular focus on transparency and governance issues, as well as on the enabling environment for broad-based growth. This

AAA will help the Bank and the Government to rebuild its stock of knowledge, which is essential to guiding Angola's future development program. The proposed AAA will also include customized capacity-building activities provided by the World Bank Institute (WBI). To increase the Bank's effectiveness on the ground, the strategy involves reappointing a Country Manager and recruiting a Senior Operations Officer in Luanda.

### 2.3 Rationale for IDA Involvement

37. The Government's request for technical and financial assistance for the ADRP has come at a critical time in the Angolan peace process. IDA's involvement is justified by its considerable experience with such programs, the scale of resources required, the focus of the program on sustainable economic reintegration of ex-combatants, and the need for IDA to be responsive to a client request to lead and coordinate international support for a critical stability-enhancing operation with strong regional implications. Furthermore, IDA's involvement is logical given the Bank's lead role in the MDRP and the fact that the ADRP fits within that framework. IDA support would complement the activities of other international stakeholders in Angola and the region.

38. *Need for emergency assistance.* The emergency is the extraordinary event of limited duration which started in late 1998, when the Lusaka Accords broke down definitively and the country returned to war, and ended on April 4, 2002, when the feuding armies signed a ceasefire agreement in Luena. Since then, there have been no serious violations of the ceasefire and some 15,000 ex-FMU troops have returned to civilian life. The application of the Bank's emergency procedures under OP 8.50 is justified on the basis of the following criteria:

- (i) *Impact on economic priorities and investment programs.* A successfully implemented ADRP would help achieve stability in Angola as well as in the greater Great Lakes region, thereby supporting macroeconomic stability and increasing the scope for development work and for private investment. The conflict has left Angola with a challenging legacy, which can only be overcome in a context of lasting stability. Moreover, a key component of this stability must be a structured demobilization of Angola's ex-combatants, which in the short term remain the largest threat to progress.
- (ii) *Frequency.* There have been no major violations of the ceasefire agreement and there is general agreement that the peace can be consolidated and that Angola will not return to war, provided that activities such as a demobilization and reintegration program are rapidly and effectively implemented.
- (iii) *Urgency.* Some 105,000 ex-FMU ex-combatants have been quartered across the country and officially integrated into the FAA and they are now awaiting reintegration support.<sup>7</sup> Urgent measures are needed to handle this large new caseload of ex-combatants in a structured manner. Failure to act rapidly and

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<sup>7</sup>About 5,000 ex-FMU personnel were integrated into the FAA (5,000) and 47 into the national police.

professionally risks widespread residual banditry, perpetrated by disgruntled ex-combatants. Such banditry can be as disruptive to social and economic recovery as full-fledged conflict.

- (iv) *Prospects for reducing future hazards.* Discontented ex-combatants could pose a threat to social stability. At the same time, lack of reintegration support may contribute to a stalling of the peace process, not only in Angola but also in the greater Great Lakes region. Angola has been a major player in several sub-regional conflicts, including in Congo and the DRC; and several neighboring countries, including Congo, DRC, and South Africa, have intervened in the Angolan conflict.
- (v) *Expected economic benefits.* By helping to finance the reintegration of ex-combatants into civilian life, thereby easing some of Angola's human capacity constraints, the ADRP will provide the Government with additional means to help achieve social and economic recovery. Because ex-combatants are expected to be widely dispersed throughout the country, these resources will also be injected into the rural economy in the areas of ex-combatant return, forming a significant stimulus to the local economy.

39. The Country Team reviewed possible alternative financing mechanisms for the ADRP, but found that none are available. IDA currently has only one project under implementation in Angola: the second Social Action Fund, a \$33 million credit that is two-thirds disbursed. Hence funds are not available in the Bank's current Angola portfolio to cover emergency demobilization and reintegration needs. The Angolan reform program remains in its infancy, so conditions for an adjustment operation do not exist at this time. An Emergency Recovery Credit appears to be the only Bank instrument that would allow the Bank to support the activities which must be done at this critical juncture to achieve economic stability in Angola.

#### **2.4 Lessons from Previous IDA Assistance**

40. IDA has gained substantial experience from a number of demobilization and reintegration programs it has supported in Africa and elsewhere. Such assistance has often taken the form of technical and/or financial support through investment credits, budget support programs or reallocations from ongoing projects. Based on information from these operations, a review of relevant experiences in selected African countries, and evaluations completed by the Bank's Operations Evaluation Department (OED), the following best practices were identified and integrated in Program design.

41. *Demobilization.* This phase is short but logistically complex. The successful implementation of demobilization activities is a precondition for the subsequent provision of targeted transitional and reintegration assistance. Key demobilization activities include the distribution of non-transferable ID cards, the collection of socio-economic data, and the establishment of a database on the beneficiary population.

42. *Transitional assistance.* Experience suggests that newly demobilized ex-combatants are usually in a vulnerable financial situation until they can generate income. During this period, ex-combatants require transitional assistance to cover their families' basic material needs. The objective of this transitional support is to enable the ex-combatants to return to their community and to sustain themselves and their families for a limited period immediately following demobilization.

43. *Economic reintegration.* Ex-combatants are often an economically vulnerable group as they lack marketable skills, material assets and social networks. In addition, they are often a high-risk group due to their familiarity with weapons and violence. Where this is the case, targeted support is advisable to help them establish sustainable livelihoods. In order to be relevant and cost-effective, such assistance should be tailored to their socio-economic profile and adjusted to the economic environment.

44. In general, ex-combatants should receive no more support than is necessary to help them attain the general standard of living of the communities into which they reintegrate. Furthermore, reintegration assistance should be limited in time to avoid the creation of a dependency syndrome. Information, counseling and referral (ICR) services can assist ex-combatants to assess their options and find employment. Apprenticeships in the informal sector combine the benefits of vocational training and employment and are thus preferable to training alone. Micro-projects can help ex-combatants secure their economic independence and self-employment, but they are also complex interventions that require significant administrative capacity and a stable market environment.

45. Ultimately, ex-combatants are reintegrated into a broader economic context. The creation of viable long-term employment opportunities for ex-combatants is closely linked to private sector growth and associated employment generation.

46. *Social reintegration.* Social reintegration is often eased by the support of an extended family network. Therefore, ex-combatants should be encouraged to reintegrate in the vicinity of their extended families. Informal networks of ex-combatants are important elements to successful economic and social reintegration. Efforts to provide assistance to ex-combatants' communities of return can offer incentives for collaboration and acceptance, thereby strengthening social capital. Underage ex-combatants should be reunified with their families wherever possible and assisted to resume their education. Disabled ex-combatants commonly require specialized medical and economic assistance.

47. Care should be taken to prevent the stigmatization of ex-combatants as unfit for military service or as conveyers of disease and violence. Community sensitization and information efforts are paramount in this regard. The fears of communities related to the return of ex-combatants should also be addressed.

48. *Institutional issues.* Program coordination by one civilian agency with overall program responsibility, balanced by decentralization of implementation to regions and communities, has proven to be critical to successful program implementation. Where possible, existing implementation capacities should be leveraged. The employment of ex-combatants as counselors and field staff can facilitate reintegration.

### 3 The Angola Demobilization and Reintegration Program

#### 3.1 Eligibility Criteria

49. The ADRP is part of the Multi-country Demobilization and Reintegration Program (MDRP) for the greater Great Lakes region. Under the MDRP, the following criteria need to be fulfilled for a country to be eligible to receive assistance for the demobilization and reintegration of ex-combatants:

##### *General criteria*

- (i) *Affected by conflict.* Being involved in or directly affected by one or more of the conflicts in the greater Great Lakes region.
- (ii) *Participation in the regional peace process.* Demonstrated willingness to contribute to stability in the greater Great Lakes region and to implement relevant provisions of the applicable peace/ceasefire accord(s).

##### *Country-specific criteria*

- (i) *Preparation of a national demobilization and reintegration program as a result of the conflict(s).* This would typically be demonstrated by a coherent national program developed in consultation with the international community and national stakeholders. It could also be demonstrated by having a strategic planning and consultation process underway, with a clear roadmap and timetable.
- (ii) *Establishment of a suitable institutional structure.* The government would establish flexible implementation arrangements with significant planning, coordination and monitoring capacity and with appropriate participation of relevant political and security stakeholders.
- (iii) *A letter of demobilization policy outlining government commitment.* The Government would draft a letter in which it outlines its commitments to the regional peace process, demobilization and reintegration, security sector reform and fiscal impact of demobilization.
- (iv) *Establishment of appropriate safeguards and fiduciary measures.* The government would provide assurances and monitoring measures to ensure consistency with standard environmental and social safeguards. In addition, the government would establish satisfactory financial management and procurement arrangements.

50. The Government of Angola has fulfilled all general and country-specific criteria and therefore be eligible to receive financial assistance under the MDRP through IDA and the regional MDTF.

### 3.2 Objectives

51. The overall objective of the ADRP would be to help consolidate economic stability in Angola and in the greater Great Lakes region. The two principal objectives of the program would be: (i) to demobilize up to an estimated 105,000 UNITA and 33,000 FAA ex-combatants and to help support their return into civilian life; and (ii) to facilitate the reallocation of Government expenditure from military to social and economic sectors.

52. The ADRP is expected to have a significant impact on reducing poverty in Angola by: establishing more secure conditions in the rural areas and so encouraging IDPs to resume productive lives in the rural economy; freeing up additional national resources for investment in social and economic sectors; investing in the human capital of ex-combatants; and enhancing the implementation capacity of community-based development organizations.

### 3.3 Coverage and Implementation Period

53. *Target groups.* The Government envisages the following target groups for the ADRP:

- (i) The demobilization and reintegration of an estimated 105,000 former combatants of the UNITA military forces (ex-FMU);
- (ii) The demobilization and reintegration of 33,000 FAA soldiers; and
- (iii) The provision of specialized assistance to female, disabled and underage ex-combatants.

54. The Government has worked with the ex-FMU and the Joint Military Commission (JMC) to verify the status of persons claiming to be ex-FMU combatants. The Government has verified the eligibility of former ex-FMU combatants on the basis of the following general criteria:

- (i) Angolan nationality;
- (ii) Self-identification of combatant status; and
- (iii) Confirmation of military affiliation by FMU officers.

55. By August 2002, 85,585 FMU had been registered in the QAs, verified, and integrated into the FAA for administrative purposes prior to their demobilization. On August 2, 2002, the FMU were legally disbanded. In accordance with the MoU of April 4, 2002, 5,000 FMU were also integrated into the FAA and 47 into the national police force for the longer term. The remaining ex-FMU are expected to be demobilized from the FAA under the ADRP. The Government estimates that an additional 20,000 ex-FMU soldiers (composed of disabled soldiers, soldiers captured in the months prior to the Luena agreement, and soldiers belonging to isolated units that were unable to join the demobilization process) will join the program. As of early January 2003, the FAA was identifying and verifying the eligibility of these additional combatants to enter the ADRP.

56. In accordance with a Government decree that is being drafted, FAA soldiers to be demobilized are those who: (i) exceed 10 years of active service; (ii) are disabled; (iii) have reached the age of retirement; or (iv) are 35 years of age or older and were registered in the armed services but were not called upon to serve. The identity of FAA ex-combatants would be verified using their military ID card and/or discharge letter.

57. The Government is working with the International Committee of the Red Cross (ICRC) and the governments of the DRC and Rwanda to facilitate the repatriation of an estimated 680 ex-combatants who originate from these countries. The repatriation and reintegration of these forces may, if required, be financed under the MDRP as a special project.

58. The reintegration of approximately 138,000 ex-combatants poses particular challenges in Angola, a vast landmine-littered country which has known conflict almost without interruption since independence in 1975. Most Angolans suffered extensively from the disease, misery and poverty that the conflict created. Recognizing the scope of the Angolan reconstruction challenge, the ADRP will take care not to turn ex-combatants into an overly privileged group among the many other vulnerable groups in the country (including IDPs, refugees, and old caseload ex-combatants). At the same time, the program recognizes that meaningful transitional and reintegration support for ex-combatants is necessary for the Government to fulfill its commitments under the Luena MoU and to reduce the risk of negative social and economic impacts that could potentially undermine national stability.

59. *Geographical coverage.* Reintegration activities will focus on those areas to which ex-combatants return, and will be provided within the broader framework of community-based reintegration and recovery assistance that would also target other war-affected Angolans. The resettlement pattern of future ex-combatants is expected to focus on five provinces – Benguela, Bié, Cuanza Sul, Huambo, Huila and Malanje.<sup>8</sup> Thus, the program would initially focus on building implementation capacity for reintegration activities in these areas, though ex-combatants in other areas would be equally eligible for assistance.

60. *Duration.* The Program would be implemented over a period of three years. The planned Program completion date is December 31, 2006.

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<sup>8</sup> According to current and earlier socio-economic data an estimated 70% of ex-FMU forces originate from these provinces.

### 3.4 Program Components

61. The ADRP would contain four components<sup>9</sup>:

- (i) Demobilization;
- (ii) Reintegration;
- (iii) Assistance to special target groups; and
- (iv) Institutional development and program implementation support.

#### 3.4.1 Demobilization

62. All ex-FMU with the exception of 5,047 will be legally discharged from the FAA under the Program. In the demobilization phase, combatants would legally regain their civilian identity. Demobilization modalities would be adapted to the different demobilization environments of the encamped former FMU and the FAA. The Government would ensure that the demobilization procedures are consistent and equitable. The objective of the demobilization component of the ADRP will be to facilitate FMU and FAA ex-combatants' transition to civilian life in a secure and structured process.

63. *Demobilization of ex-FMU:* The demobilization of FMU ex-combatants is taking place from the QAs established following the signing of the Luena MoU. The FAA has assumed primary responsibility for the demobilization process, and is currently completing essential registration, identification and data collection activities and assisting in the transportation of ex-FMU to their areas of resettlement. The humanitarian community has provided critical food and non-food relief assistance to the Family Areas and some non-food assistance to the QAs. IRSEM has designed and is providing pre- and post-discharge orientation counseling in the QAs and in areas of resettlement.

64. *Demobilization of FAA soldiers:* Upon the completion of its ongoing strategic threat assessment, the FAA will initiate the demobilization of approximately 33,000 soldiers. The FAA military authorities and IRSEM would be responsible for planning and implementing the demobilization of FAA soldiers. FAA demobilization would be implemented in designated discharge centers (DCs), preferably existing barracks.

65. *Common elements for all ADRP beneficiaries:* Notwithstanding differences in the demobilization locations and timeframes, the FAA and IRSEM would seek to complete most demobilization procedures similarly for all combatants demobilized in the ADRP. Where necessary, specialized organizations would be sub-contracted to implement

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<sup>9</sup> Disarmament has been undertaken outside the Program following Government-established procedures. The disarmament of ex-FMU soldiers was carried out by the FAA working together with ex-FMU in the quartering areas. Representatives of the US, Portuguese and Russian governments (the "Troika") indicate that the level of actual disarmament reflects approximately what was estimated prior to commencement of the disarmament exercise. The disarmament of FAA soldiers will be undertaken by the FAA prior to demobilization.

specific modules (e.g., HIV/AIDS counseling). Common features of the ADRP demobilization phase would include:

- (i) Identification and set-up of discharge/transit centers (QAs/DCs);
- (ii) Verification of combatant status;
- (iii) Identification of combatants to be demobilized;
- (iv) Assembly of combatants in QAs/DCs (transport of combatants, and if appropriate families and household belongings);
- (v) Management of QAs/DCs (provision of supplies, etc.);
- (vi) Provision of identification (ID) cards;
- (vii) Collection of socio-economic data;
- (viii) Counseling (including HIV/AIDS);
- (ix) Pre-discharge orientation (program benefits, reconciliation, rights/obligations of civilian life);
- (x) Distribution of FAA salary; and
- (xi) Transport of ex-combatants, and if required their families and household belongings, as well as provision of security for transport to desired destinations.

66. *Identification cards:* A proper identification system is essential to ensure target group integrity during program implementation. Each ex-combatant would receive a plastic military ID card from the FAA. To help ensure security, these would include photographs and be individually numbered and stamped. They will not vary by ex-combatant group. All ID card information would be incorporated into the Management Information System (MIS) to be established and maintained by the program.

67. In addition, IRSEM is providing ex-combatants with a program benefit card that will allow ex-combatants to be tracked as they receive the benefits for which they are eligible. To receive their benefits, ex-combatants will need to present both their military ID card and their program benefit card, which will bear names and numbers that are identical to the military ID card. To help control the allocation of benefits, markings on the program benefit card will also be perforated whenever an ex-combatant obtains the benefit indicated by the relevant marking.

68. *Socio-economic profiling:* A socio-economic questionnaire was administered to all ex-combatants during the demobilization process by the FAA. Data collected during the exercise contain information about ex-combatants' demographic characteristics (age, gender, marital status, number of children, etc.), education, assistance needs and aspirations.<sup>10</sup> The data will be incorporated into the MIS to be administered by IRSEM and will be used to inform the development of reintegration assistance strategies.

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<sup>10</sup> As of February 2003, socio-economic data from all 36 quartering areas (QAs), representing some 78,000 ex-FMU, has been entered into an ex-combatant database and shared with IRSEM for analysis and

69. *Pre-discharge orientation:* The purpose of the pre-discharge orientation (PDO) is to provide the ex-combatants and, where applicable, their partners with essential information about the program. The PDO is being implemented in modules, each covering one or more of the above-mentioned topics. The orientation program has been implemented by IRSEM, which has also identified and trained counselors and prepared appropriate counseling materials. The PDO is seeking to provide accurate information about program benefits and minimize the generation of unrealistic expectations. Specific PDO topics include the following:

- (i) ID card (non-negotiable, non-transferable);
- (ii) Program benefits and payment procedures;
- (iii) The reintegration role of the IRSEM provincial offices and IRSEM's rural advisors;
- (iv) Community social networks and reintegration experiences of ex-combatants demobilized in the past;
- (v) HIV/AIDS prevention and control; and
- (vi) Civic duties and human rights.

70. *Provisions for special target groups:* Underage combatants were not registered during the registration process, but were transferred to the Family Areas and treated as unaccompanied children. Child protection agencies have started to provide special counseling in the Family Areas to these children and intend to reunify them with their families as soon as possible. Disabled combatants also appear to be under-reported in the total number of ex-FMU in the QAs. It is believed that a large number, estimated at approximately 5,000, were physically unable to reach the QAs to be registered, and the FAA is currently undertaking an exercise to locate and register this case-load. The ADRP has taken this into account in the overall estimates of this target group.

71. *Dependents:* Families of FMU ex-combatants have been living either with or close to ex-combatants in the Family Areas (FAs) of the camps during the demobilization process. FAs have received logistical assistance (food, basic health services) from the Government and the international humanitarian community as required during the encampment period.

72. *Transportation:* The physical relocation of ex-combatants is occurring through a provincially-organized transport of ex-combatants and their families from the QAs/FAs and DCs to provincial transit centers. The rationale for the provision of Government-

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reintegration planning. Initial analysis of the data indicates that 57 percent are single (and only 320, or 0.4 percent, are female), average age is 32, average years of service is 14, almost 80 percent did not receive formal education above the fourth grade, and only about one-quarter delivered a weapon. With respect to future plans, over 85 percent indicated that they came from either Bié, Benguela, Huambo, Huíla or Kwanza Sul and 81 percent that they intended to return to one of those provinces. In addition, about 20 percent expressed an interest in training in agriculture, 20 percent in formal education, and between eight and ten percent each in nursing, carpentry, and automobile mechanics.

organized transport is based on four considerations, including (i) the sheer numbers and concentration of people to be transported; (ii) the absence of private sector transport options from many of the QAs; (iii) the need to ensure the security of those moving to their areas of choice; and (iv) the need to ensure that people actually go where they say they want to go and do not remain around QA locations.

73. *Arrival counseling:* In conjunction with IRSEM provincial offices, local administrative structures are being asked to provide counseling and information for ex-combatants shortly after their arrival in the respective provinces. This counseling is focused on reintegration expectations and opportunities. Program identification cards would also be distributed at this time.

### **3.4.2 Transitional assistance**

74. It is generally accepted that ex-combatants, particularly of irregular or guerilla forces, require short-term transitional assistance to provide for the basic needs of themselves and their families in the period immediately following demobilization (generally from six to nine months depending on agricultural cycles). There are at least three reasons for this type of support: (i) upon demobilization, ex-combatants lose their immediate means of support, which typically consists either in a salary or in the provision of goods extorted through the use of their weapons; (ii) ex-combatants typically lack the basic assets needed to restart even a subsistence life, and they are also typically ineligible or not targeted for other humanitarian assistance; and (iii) longer-term reintegration assistance designed to help ex-combatants return to peaceful economic activities generally takes time to put in place.

75. Transitional assistance is provided in cash and/or in kind, with the mix depending on a number of considerations, including the availability of particular resources (such as food aid); the feasibility of transferring relatively large sums of money around the country; past experience with different types of assistance; and the administrative costs of managing such different types. In the case of Angola, some transitional assistance, such as clothing and basic household items, has already been provided to the families of many ex-combatants in the QAs/FAAs. Further assistance will be made available both in cash and in kind and will be fully funded and administered by the Government.

76. For ex-FMU that have been integrated into and then discharged out of the FAA the cash benefit at demobilization consists of:

- (i) *A cash payment equivalent to five months of salary:* All ex-FMU ex-combatants are eligible for a payment equivalent to five months of their rank-based FAA salary at the time of demobilization. This payment has been or is being made by the FAA in the QAs, using the FAA payroll system.
- (ii) *Cash subsidy:* Another cash payment of \$100 in kwanza equivalent in the form of contingency support will be paid in the province of return by IRSEM.

77. The payment of contingency support would be made at the provincial level in as many sites as possible in order to minimize the need for ex-combatants to travel long distances to payment locations. Ex-combatants who move across provincial borders would be required to register in IRSEM office of the province to which they move in order to receive their contingency support in the new location.

78. In addition to the cash payments, in-kind goods have been provided in the QAs and will also be provided at the point of return in the form of a “kit”. Designed to sustain a family until the first harvest, this kit has included, or is expected to include, basic clothes, domestic and household items, agricultural inputs, and food aid.

79. *Counseling:* To encourage the optimal utilization of the transitional support, the Program would provide counseling on the use of the such assistance prior to demobilization and after arrival in the community of settlement, including peer-to-peer counseling (the sharing of experiences by ex-combatants demobilized earlier).

### 3.4.3 Reintegration

80. One of the specific objectives of the ADRP is to contribute to the successful social and economic reintegration of demobilized ex-FMU and FAA ex-combatants so that they are able to contribute to national reconciliation and economic recovery. Targeted assistance in support of the reintegration of ex-combatants in economic life is important, as ex-combatants could pose a threat to the consolidation of the fragile peace process in Angola. A significant proportion of ex-combatants at present lack assets that would allow them to start up an economic activity and/or the skills, knowledge, and networks needed to find employment. Therefore, in view of the difficult economic conditions in many parts of Angola following the conclusion of the conflict, the program will assist specific target group members to secure skills and/or assets that will enable them to obtain sustainable livelihoods for themselves and their families.

81. *Objectives:* The reintegration component of the ADRP has three key objectives. It aims (i) to help ex-combatants to make better choices about which activities to pursue by providing information and counseling about social conditions and economic opportunities in their areas of return; (ii) to assist ex-combatants to secure employment in their areas of return by referring them to ongoing or planned formal or informal sector activities; and (iii) to improve the educational level or skills of vulnerable ex-combatants, thereby increasing their economic viability and reintegration prospects.

82. *Basic principles:* Based on experiences and lessons learned in Angola and elsewhere, the ADRP will adopt the following guiding principles in the reintegration phase:

- (i) Ex-combatants would be eligible for similar levels of reintegration assistance irrespective of former affiliation.

- (ii) The program would support a demand-driven approach, empowering ex-combatants to choose their reintegration preferences to the greatest extent possible.
- (iii) The program would actively seek to link ex-combatants with broader, community-based economic recovery and rehabilitation efforts undertaken by the Government and other partners.
- (iv) The program would seek to avoid actions that would be perceived as privileging ex-combatants in comparison with other war-affected populations.
- (v) The participation of civil society and the private sector in the identification and provision of reintegration services would be encouraged.
- (vi) Wherever possible, the private sector would be invited to participate in tendering for services to be delivered to the ex-combatants, as this would lead to the most practical preparation of ex-combatants for integration into the economy.
- (vii) The marketability of skills acquired would be a key criterion in the decision to finance any given vocational training activity.

83. *Target groups:* The ADRP would provide reintegration assistance to two groups of ex-combatants: an estimated 105,000 ex-FMU and 33,000 FAA. Among these groups, the Program would provide specialized supplementary assistance to a subset of individual ex-combatants who are classified as socio-economically vulnerable (e.g. underage soldiers and disabled soldiers).

84. *Reintegration sub-projects:* The broad areas of assistance under the ADRP reintegration component will include (i) economic reintegration, (ii) social reintegration, (iii) support to vulnerable groups (including disabled and under-aged), and (iv) information, sensitization and referral services. Within each area of assistance, specific opportunities will be defined, developed and provided to ex-combatants by implementing partners and agencies that will be contracted by IRSEM. A more detailed discussion of the different types of opportunities is presented in the following section.

85. Assistance under the reintegration component of the ADRP will be comprised of two different types of opportunities (primary and complementary) and a third more general kind of assistance. All ex-combatants would have access to only one primary opportunity, based on their personal preferences and guided by their socio-economic backgrounds and chosen places of return. For instance, an ex-combatant could select either assistance in productive/income-generating agriculture activities or vocational training, but would not be able to participate in both types of assistance. An ex-combatant would also not be able to participate in any one type of assistance more than once. Complementary opportunities are those that would further support the economic reintegration of ex-combatants—for instance through micro-credit, job placement, etc.—and for which an ex-combatant would have to qualify. In other words, a complementary opportunity would not be an entitlement, but rather a form of assistance that would be available to those ex-combatants who meet minimum criteria. A third category of

general assistance would be available to all ex-combatants regardless of their access to either primary or complementary opportunities. This includes social reintegration support as well as information, counseling and referral services.

86. Preliminary socio-economic information on the ex-FMU ex-combatants in the QAs indicates that a significant portion intend to return to the rural areas of their origin (principally in the central highlands of the country). The ADRP therefore assumes that a large proportion of this first group will seek agricultural support assistance under the program. Another guiding principle of the reintegration component of the program is that, to the extent possible, assistance would be provided to ex-combatants at the community level and in such a way as to enhance community reintegration. Activities should also be: relatively short-term (support is provided for a planting season or a 4-to-6 month training program), relevant to the local economy (such as through traditional apprenticeships), and implemented by existing partner organizations currently active in the different areas of reintegration as defined below.

#### 3.4.4 Economic reintegration

87. *Agriculture:* Angola is a predominantly rural country where, despite years of war, dislocation of populations, urbanization and conflicting land tenure systems, agriculture still represents a significant source of rural income and employment. Given the large number of ex-combatants who intend to return to rural areas, and the significant role agriculture plays in basic subsistence for a large percentage of the population in general, the ADRP expects that a large portion of reintegration support will be provided through the agriculture sub-component.

88. The principle objective of the subsistence agriculture sub-component is to contribute to the self-sufficiency of returning ex-combatants and their families through the production and sale of agricultural products. Based on the principal agriculture activities in the zones of most likely return of ex-combatants, it is expected that this sub-component will focus on a few different areas of production or processing. These include basic food crops such as maize, beans, manioc and potatoes; small animal husbandry; gardening; apiculture; artisanal fishing; or provision of equipment to groups for rice hulling, fish smoking, or other types of food processing. Implementing partners would provide support to returning ex-combatants and their families through the provision of appropriate seeds, tools, and basic inputs such as fertilizer, veterinary drugs, and technical assistance. The project will also need to provide a certain level of institutional support (through training, technical assistance, and essential but small capital investments) to local-level service providers.

89. At present, a number of national and international agencies are supporting the agriculture sector, including FAO, WFP, GTZ, CARE, and others. The Government's extension services under the Ministry of Agriculture's Institute of Agricultural Development function reasonably well and could serve as a potential source of complementary support. A number of potential partners have expressed interest in supporting agriculture reintegration and there is a relatively strong presence of these

agencies in the *planalto* where a majority of former ex-FMU combatants indicate they will return.

90. Work in this area will face a number of challenges. As with the other reintegration activities, lead agencies are overextended and the capacity of other potential partners is weak. Disputes over access to land as individuals and communities return to former home communities now inhabited by others may also present challenges to reintegration. While mines are also considered a potential obstacle to fully reclaiming agriculture land, it is felt that local populations have general knowledge of the whereabouts of mines and can avoid these areas until such time as they are made safe through specialized programs of agencies such as the Halo Trust. In response, the project will provide priority institutional support to local-level service providers, as necessary, through small capital investments and technical assistance from the primary contractors (see paragraph 120 below). While further analysis of the land tenure and access constraints needs to be done, potential solutions that can be built into the project include the participatory negotiated delineation process that FAO is currently piloting. More permanent solutions to minimize land tenure disputes are being publicly discussed in the context of a bill which will be presented to Parliament. Other strategies will be discussed with Government and included in the reintegration component implementation arrangements once the study is completed.

91. *Community Works Activities:* An important component of post-war support for the economic and social revival of Angolan communities will be the rehabilitation or construction of essential infrastructure—schools, health posts, feeder roads, small bridges, markets, administrative buildings, agricultural infrastructure, water supply and sanitation systems. At the community level, these initiatives are currently being undertaken by provincial governments, multi-province programs such as the Bank-supported Social Action Fund, the Community Rehabilitation Program, the Post-Conflict Rehabilitation Project, national and international NGOs, churches and community-based organizations. Though the existing programs have been limited geographically to what were considered secure areas, since the signature of the MoU there are more initiatives planned in response to the peace and the necessity to provide local services and support the return of the displaced populations. Ex-combatants will also be returning to these same war-torn communities, where, over the coming years, increasing numbers of physical rehabilitation projects will be undertaken.

92. The primary objective of the community works sub-component is to provide income for demobilized soldiers through short-term employment as laborers in community works projects within their communities of residence. A secondary objective is to support social reintegration and promote reconciliation, as the ex-combatants will be integrated into work projects with other community residents, IDPs or returnees. In some cases (depending on the nature of the project, skill level of the ex-combatant, and individual initiative), relevant job skills obtained during the works activity may lead to longer-term job opportunities. An additional benefit from this sub-component will be the freeing-up of resources to expand the number of works activities that may be undertaken by the partnering organization or governmental entity.

93. Potential partners undertaking community works projects will be identified at national (multi-province programs), provincial, municipal and community levels working with existing coordination mechanisms. As this sub-component acts as a support to organizations undertaking works projects, the ADRP will finance the labor costs for the specified project as well as the project-related costs of material inputs, technical supervision and oversight. In particular, it is expected that the ADRP will contribute financial resources to participating organizations undertaking community works projects through the employment of ex-combatants, equivalent to the ex-combatant salaries, calculated at the entry-level unskilled laborer rate, for a period of six months. The participating organizations will also receive support at a set rate to cover supervision and basic orientation costs to ensure the integration of the ex-combatant into the works projects. If necessary, light tools (hammers, shovels, picks, and so on) may be supplied to the ex-combatants at the work sites that they may keep to enhance the possibility of obtaining similar jobs in the future, outside the framework of the ADRP.

94. Given that many community works and rehabilitation projects are in the planning phase, it is anticipated that this sub-component will increase its outputs during the timeframe of the ADRP. The indicative targets are 2,000 placements in year one of the program, 3,000 placements in year two, and 5,000 placements in year three. In the preparatory phase of the ADRP, a study must be undertaken of existing and projected community works initiatives that may be potential partners.

95. *Training:* While 21 percent of surveyed ex-FMU combatants indicate that they had been working in one or another form of productive activity prior to the war, given the significant time that the average combatant has spent in the military (10 years), it is likely that these skills are no longer well-suited to the formal or informal job markets. Therefore, ADRP planners expect that vocational training will be crucial to enhance the employability of demobilized ex-combatants under the ADRP. The overall objective of this training will be to provide ex-combatants with adequate skills to enter into and participate in the formal or informal job markets.

96. Flexible and cost-effective short-cycle training, especially for self-employment and other skills needed for reconstruction, would be the main focus of support under this sub-component of the ADRP. Training would be provided mainly through three different means: traditional apprenticeship, on-the-job training, and formal training. The training would be designed to respond to local labor opportunities and would involve a wide range of training providers such as skilled artisans, government training institutions, public and private co-operation facilities, private sector partners (for on-the-job training), NGOs, CBOs and religious organizations. In particular, it is expected that much of the formal training would take advantage of the existing infrastructure and capacity of the National Institute of Employment and Professional Training (INEFOP). Other partners such as Development Workshop and GTZ are currently engaged in such activities and have expressed an interest in continuing to support this area of work. Church organizations and CBOs would be the main conduit for identifying and facilitating traditional apprenticeship schemes. The Employment Centers of the Ministry of Public

Administration, Employment and Social Security (MAPESS) would be the main implementing partner for on-the-job placements.

97. The type of training that an ex-combatant will access will be determined by three factors: individual preference, aptitude, and opportunities to apply the training following completion. This selection process will be handled through the counseling and referral arm of IRSEM, with the support of the identified primary contractor and local training providers. It is expected that some form of entrance test will be administered to determine individual aptitude. The national programs being developed by MAPESS will serve to orient potential trainees to the challenges and opportunities of each area of vocational training. Based on an assessment of the current economic conditions, and the initial profile of the ex-combatants, the areas of likely training will include: rural/agriculture-based skills such as food processing and preservation, repair of agricultural tools, soap making, and so on; small-scale construction skills including carpentry, masonry, and brick-making; basic automobile and motorcycle repair, bicycle repair, panel beating, tin-smithing, and so on; and other skills or services as the market dictates.

98. It is also anticipated that a small but important percentage of ex-combatants would not require basic training as such to enter the productive job market but rather other support. Those ex-combatants who entered the fighting forces with higher levels of training and/or skills, or who received further training while in the military, could opt for direct business services, credit, or other income-generation support as described below. CNRSPDD would also seek to support the process of accreditation for teachers, paramedics, nurses, and others who were trained and worked in these areas while actively part of ex-FMU.

99. This sub-component will be faced with a number of challenges. At present, very little is known about the job market or the nature of current or immediate future small-scale economic opportunities. As a result, the program intends to finance a study of current economic opportunities, and a simple system will be designed rapidly to update the information to help guide on-going training efforts. Capacity to absorb and adequately train ex-combatants poses a significant challenge as well. Formal training facilities will be able to handle only a small percentage of the estimated number of trainees. The program will address this potential bottle-neck by supporting alternative training opportunities such as traditional apprenticeships and on-the-job training. Nonetheless, while there are many potential obstacles to absorbing ex-combatants into the small-scale formal and informal economy, the overall improvement in security and the increase in economic activities throughout the country will provide a positive impetus to reintegration along these lines.

100. *Promotion of income-generating activities:* The reintegration component will also support the promotion of income-generating activities as a complementary benefit, but only to ex-combatants who meet minimum qualifications for such additional benefits. The four types of support contemplated under this sub-component are business management training, micro-credit assistance, job placement services and possibly the

provision of tool kits. Ex-combatants would qualify for this complementary support by, for example: demonstrating that they possess the minimum skills required for a given trade, preparing and presenting a viable business plan to be eligible for credit, or having a secure workplace for capital investments such as tools. These basic qualifying criteria will be determined by IRSEM together with its primary implementing partners. Activities under this sub-component would be initiated on a limited basis and only after the primary reintegration opportunities are up and running sufficiently well.

101. All ex-combatants would be eligible to apply for this type of assistance regardless of what other assistance they have received under the reintegration component, but there would be no guarantee that they would receive support under this sub-component. It is also possible that a small percentage of ex-combatants who already have the requisite skills for a given economic area will access this type of complementary assistance without seeking other types of reintegration assistance.

102. In the case of micro-credit, the ADRP will take advantage of existing successful credit schemes already operating in Angola. For instance, the micro-credit program of Banco Sol would be a possible channel of credit for ex-combatants. As such, the systems, procedures and screening criteria currently used by these institutions for their general clientele would be applied to the ex-combatants as well. For the purposes of this activity, the ADRP would merely provide additional capital to these existing schemes. Job placement services would probably be provided through the Government's Employment Centers, for which the ADRP would share marginal operating costs with the Centers. Business training may be provided as a stand-alone activity or in the context of skills training for those ex-combatants that demonstrate an aptitude and inclination toward self-employment. For this activity, the ADRP will draw upon the lessons learned and implementation capacity developed under a joint ILO/MAPESS program entitled "Improve your Business".

#### **3.4.5 Social reintegration**

103. While economic reintegration may consume the bulk of the resources within the ADRP, supporting the establishment and consolidation of a peace-building environment to assist the ex-combatants to re-enter civilian life is equally important. Given that the median number of years that the ex-FMU have spent in military service is 14, many have only known war in their adult life. This fact, coupled with the lack of previous work experience and low educational levels of many of the former soldiers, will require social support starting in the quartering areas and following them to their return communities.

104. The principle objective of the social reintegration sub-component is to ease the return of ex-combatants into civilian life while promoting reconciliation and harmony. In any conflict in which all parties have endured personal suffering and hardship, the healing and reconciliation process takes many forms. Confidence-building programs in which all parties are informed of their rights and responsibilities as Angolans are an important feature. Working on joint community initiatives at a village level can bring ex-

combatants, IDPs and war-affected families together to address common problems. Civil society organizations, churches and traditional leaders are important in this process.

105. The ADRP will help IRSEM to work with partner organizations in communities and facilitators already working with the ex-combatants in the context of the PRONASAR pre-discharge orientation to undertake activities to promote the social reintegration process. Activities to be supported will include:

- Community level sensitization and confidence building programs;
- Awareness of civic rights and responsibilities with ex-combatants and the communities;
- Mine awareness programs;
- Information and counseling on STDs, HIV/AIDS, health and sanitation;
- Media campaigns through radio, posters, pamphlets and print media;
- Conflict analysis and reconciliation activities in areas of real or potential tension to develop concrete interventions to diffuse potential conflict; and
- Community activities (cultural, sporting events or work projects) which promote social cohesion and help to rebuild social capital in return communities.

106. While some of these activities may be sub-contracted at a national level to networks of civil society groups or media, most social reintegration sub-projects will be supported at the provincial level. A social reintegration facilitating organization will be selected to promote and identify projects at local level in consultation with IRSEM at the provincial level.

#### **3.4.6 Special target groups**

107. *Gender.* On the basis of a partial survey of ex-FMU completed to date, it is unlikely that the number of female ex-combatants to be demobilized will be sizeable (of some 78,000 surveyed as of February 2003, only 320, or 0.4 percent, were female). Even so, given the experiences of other demobilization and reintegration programs, the ADRP would provide targeted support for the social and economic reintegration of female ex-combatants. Specific measures would include the following:

- (i) Ensuring that all benefits for ex-combatants are equal for and equally accessible to men and women;
- (ii) Including partners of ex-combatants and women in communities of return in community-level counseling activities; and
- (iii) Monitoring the impact of the program on partners of ex-combatants and women in communities of return and bringing emerging problems to the attention of the relevant authorities.

108. *Disabled ex-combatants.*<sup>11</sup> Initial data indicate that, of 78,000 ex-FMU surveyed, 2,100 suffered some loss of vision, 1,400 loss of a leg, and 870 loss of an arm. The total percentage of disabled is low, at six percent, which is inconsistent with reports from both forces as well as historical data on the conflict in Angola.<sup>12</sup> It has therefore been assumed that a large number of disabled UNITA did not participate in the quartering exercise. The FAA has been visiting those areas where UNITA has indicated that its disabled are or were residing. The Government is expected to provide updated estimates of the total number of disabled to be supported under the program before effectiveness.

109. To date, only limited medical and economic assistance has been provided to disabled ex-combatants. The ADRP would provide assistance for medical rehabilitation depending on the degree of disability, and including the provision of physical rehabilitation assistance (prosthesis and orthosis), counseling, vocational training and/or support for micro-enterprise activities. Furthermore, the ADRP would seek to reinforce key medical facilities (such as the provincial orthopedic workshops in or near areas of return) to provide systematic prosthetic and physiotherapy services, including maintenance of prosthetic devices, to ex-combatants.

110. The program would also seek systematically to address the medical needs of chronically ill ex-combatants. The program would endeavor to ensure access to medical care and counseling for chronically ill ex-combatants for up to 12 months after demobilization. After this period, the program would transfer responsibility for these ex-combatants to relevant health authorities. In cases where ex-combatants are too ill or too severely disabled to pursue economic activities themselves, the program would support the deferral of program benefits to a family member identified by the ex-combatant.

111. *Underage ex-combatants.* In close coordination with MINARS and the child protection network, the ADRP will support assistance to underage soldiers and other minors associated with both armed forces in accordance with the Cape Town Principle definition of “child soldier”. The Government currently estimates that there are approximately 6,000 ex-FMU underage soldiers, but because no child soldiers were registered in the QAs—they were sent to live with family members or caretakers in the FAs—this number needs to be confirmed. Based on previous Angolan and international experiences, and taking into consideration the criteria established under the Cape Town Principle, the actual number may be considerably higher.

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<sup>11</sup> Disability is defined as functional limitation within an individual caused by physical, mental or sensory impairment. If the pattern of disability among ex-combatants followed national averages, about three in five disabled soldiers would have traumatic injuries resulting in loss of limb through amputation (due to war, landmines, or accident) and about two in five disability originating from disease and resulting in loss of a bodily function (e.g. deafness, blindness, paralysis due to poliomyelitis). Similar ratios could apply among the families that have accompanied UNITA soldiers during the war.

<sup>12</sup> The number of disabled ex-combatants identified following the Lusaka demobilization exercise was 10,771 ex-FMU soldiers and some 6,000 FAA soldiers. Although the numbers need to be verified, it has been reported that, of the ex-FMU disabled who were demobilized under the Lusaka Protocol, 5,634 remain without support in Kuando Kubango province. In addition the 6,000 FAA disabled are still waiting to be demobilized, and about 800 of these are concentrated in the Army Center for the Physically Disabled in Funda in poor living conditions.

112. Implementing partners, such as UNICEF, Christian Children’s Fund, Save the Children UK, and church groups, are expected to provide assistance to the reintegration of underage ex-combatants, which would include family tracing and unification, trauma counseling and psycho-social care, and facilitation of access to education and recreation in communities of settlement. Children older than 15 years may have different needs and would receive appropriate support (e.g., for vocational training). The program of assistance will be jointly developed by the child protection network (CPN) and it is expected that the CPN will be able to provide complementary financial support for this sub-component of the ADRP.

113. *Information, counseling and referral (ICR) services:* IRSEM’s provincial offices are providing and will provide ICR services through the provincial social orientation officer as well as the municipal-level liaison officers that will be hired under the ADRP in approximately 50 municipal headquarters where the highest concentration of ex-combatants will return. (Five *municípios*—Andulo, Bailuindo, Caála, Ganda, and Huambo—have over 2,500 ex-combatants returning, and five others—Chongoroi, Cubal, Katchungo, Lobito and Mungo—have 2,000 to 2,500.) The ADRP will also take advantage of the partner *activista* and beneficiary *facilitador* network that IRSEM has developed to provide counseling services under the pre-discharge orientation program.

114. The ICR service would assist ex-combatants in several ways. First, it would respond to ex-combatant inquiries about access to reintegration opportunities; counseling regarding job-seeking strategies; and information and counseling regarding training and employment opportunities. Second, it would serve as a mechanism to refer ex-combatants to such opportunities (e.g., demining, public works, community infrastructure rehabilitation, etc.), thereby seeking to ensure the integration of ex-combatants in broader recovery efforts. In particular, the service would proactively refer ex-combatants to labor-intensive public works programs and community-based interventions financed and implemented by other agencies and NGOs. The ICR service would also encourage private sector companies to train and recruit ex-combatants where possible. Finally, it would provide critical psycho-social support during the difficult transition phase.

115. In all provinces, IRSEM’s rural advisers would undertake outreach activities, visiting ex-combatants in the communities and helping to solve reintegration problems in communities of settlement. The provision of ICR will build on the lessons learned in the context of the SeCoR project following the Lusaka accords.

116. *Rural reintegration and access to land:* A large proportion of ex-combatants originated from rural areas and are likely to return there; hence access to land is a critical element for successful economic reintegration. The program would seek to facilitate their access to land in areas of return in accordance with local land tenure systems.<sup>13</sup> No citizen would be compelled to cede any land to an ex-combatant; thus there would be no involuntary displacement of civilians as a result of ex-combatants settling in a community.

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<sup>13</sup> The program will not bear the costs of land acquisition.

### 3.4.7 Reintegration implementation arrangements

117. IRSEM will contract out to existing agencies and implementing partners most of the reintegration support activities contemplated under the ADRP. These partners would include UN agencies, NGOs, CBOs, churches, government institutions and other agencies working in relevant areas of assistance. It is expected that the majority of reintegration activities will be contracted out to larger “primary” contractors that would be responsible for sub-contracting out services and activities to smaller “secondary” contractors, such as training institutes, agricultural NGOs, churches, and so on. The purpose of the primary contractors is to supplement IRSEM’s contract management capabilities and help rapidly to expand service delivery, provide specific technical know-how in a given area of reintegration, ensure quality control, and support capacity-building of service providers. An estimated 75 percent of the total value of the reintegration component will be implemented in this manner, while the remaining 25 percent will be directly contracted by IRSEM with specific secondary contractors for geographic or technical areas not covered by the primary contractors.

118. In preparing the project implementation manual, the Government will develop and agree with IDA on the criteria and procedures for implementing partner and reintegration sub-project identification, selection, contracting and monitoring. During the remaining preparatory period of the project, IRSEM will contract the services of a reintegration advisor to assist with defining in more detail the specific technical standards for the various reintegration sub-components, and to help prepare the sections of the project implementation manual related to reintegration.

119. It is expected that proposed reintegration activities will be eligible for support under the ADRP if they:

- (i) target members of the ex-FMU or FAA who have been demobilized and discharged since April 4, 2002, and possess a valid discharge certificate (it is sufficient that a majority of the beneficiaries of an activity be included in the target group);<sup>14</sup>
- (ii) are sufficiently demand-driven;
- (iii) do not exceed twelve months duration (with the possibility of extension);
- (iv) include budgets that are clear and reasonable and do not exceed an average beneficiary unit cost of \$600 equivalent (except for the special categories of medical rehabilitation and family reunification, where the beneficiary unit cost should not exceed \$1,600 equivalent (see below)); and
- (v) channel at least 70 percent of expenditures to direct project costs and no more than 30 percent to indirect and institutional costs

120. Contractual arrangements for reintegration sub-projects—primary contractors: In order quickly to build the management capacity required to administer a large pan-

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<sup>14</sup> For example, a group of targeted ex-combatants might form a small company together with non-ex-combatants and receive assistance from the ADRP.

territorial reintegration program for ex-combatants, MINARS/IRSEM intends to provide reintegration assistance through contracting various implementing agencies (“contractors”) which may implement reintegration sub-projects in their own right or may function as primary contractors that subcontract secondary contractors (“sub-contractors”) to implement specific reintegration sub-projects. In either case, contractors will be fully responsible for the reintegration sub-projects completed under their purview, whether they implement these sub-projects directly or through sub-contractors. Only contractors that are acceptable to the World Bank will be allowed to make use of ADRP resources. The following process will be followed to engage primary contractors:

- In the first few months of project implementation, and at least annually thereafter, IRSEM, working with potential or active contractors and the multi-donor working group, will set the strategy and budget for the entire program for the fiscal year. A major part of this work will be the identification and formulation of profiles for the type of support service opportunities that beneficiaries could access, based on economic, supply, and demand factors.
- These profiles and other information will be made available to Government agencies (e.g. INEFOP), UN agencies (e.g. ILO, IOM, UNDP and UNICEF), and national and international NGOs (e.g. ADRA, Development Workshop, GTZ) that may participate in the ADRP as contractors or sub-contractors. In particular, as the ADRP begins to be implemented, IRSEM will publish requests for expressions of interest (EoI), including detailed terms of reference (ToR) setting out criteria of eligibility for (i) contractors, (ii) sub-contractors, and (iii) sample reintegration activities that would be included within the scope of the ADRP.
- On receiving proposals, a Contracting Committee (including an *ad hoc* technical expert as well as representatives, *inter alia*, from IRSEM, UNITA, and possibly Angola’s external partners) will determine whether a proposed contractor meets conditions of eligibility to participate. Proposed contractors will be eligible to receive ADRP resources if they:
  - (i) have, or are able to attain, legal status within Angola;
  - (ii) have at least ten years of working experience (in or outside Angola) implementing activities of a similar kind to those proposed in their ADRP proposals;
  - (iii) have adequate administrative and financial management systems and procedures in place to safeguard the use of ADRP resources;
  - (iv) have access to adequate infrastructure and personnel;
  - (v) have no legal dispute or debts which would materially affect the institution’s ability to implement the project;
  - (vi) agree to observe the principles, rules and regulations of the overall ADRP program as set out in a detailed project implementation manual (to be prepared as a condition of ADRP effectiveness); and
  - (vii) are acceptable to the World Bank (which will be formally requested to express its non-objection).

- If the Contracting Committee determines that a potential contractor and its proposal meet the ADRP eligibility criteria and technical standards, IRSEM will enter into a contract with the contractor. The Project Implementation Manual will specify how the eligibility criteria can be applied to strengthen local community-based organizations and NGOs
- Throughout the life of the ADRP, IRSEM, through its Projects Department and its information management unit, will monitor and evaluate contractors' progress in implementing their projects, including through regular random checks of (contractor- or sub-contractor-led) sub-projects. Contractors will be expected to report progress to IRSEM on at least a quarterly basis. ADRP contractors, which will monitor and control the activities of the implementing sub-contractors, will share key data with IRSEM to ensure that IRSEM can monitor overall program coverage and apply lessons learned back to other projects and proposals in the program. On a regular basis, IRSEM's information management section will also conduct impact and beneficiary assessments.

121. Contractual arrangements for reintegration sub-projects—secondary contractors:

Where a contractor intends to use sub-contractors to implement sub-projects within the contractor's area of responsibility, the relationship between contractors and sub-contractors is expected to be standardized and to include the following steps (to be further articulated in the ADRP's Project Implementation Manual):

- Setting strategy: At least annually, active contractors working with IRSEM and the multi-donor working group will set their strategy and budget for the program for the upcoming fiscal year. (In at least the first year, contractors are likely to disseminate the profiles in their areas and/or among their sub-contracted implementing partners with a view to creating an awareness of the ADRP and to initiate discussions with them about forming partnerships to implement support services within the ADRP framework.)
- Requesting proposals for sub-projects: Active contractors will solicit proposals for potential sub-projects from potential sub-contractors, which will be eligible to participate in the ADRP if they meet the criteria of eligibility imposed on contractors, with the exceptions that (i) a sub-contractor will be deemed to have sufficient experience if its project implementation experience exceeds two years (instead of ten years as required for primary contractors) and (ii) the World Bank will not be required to express its non-objection. Solicitation will occur mainly through the dissemination of information relating to the reintegration program, and will include publication of criteria of eligibility for proposed reintegration activities. Contractors will be expected to prepare the terms of reference for sub-contractors working under them.
- No sub-contractor will receive ADRP financing exceeding 50 percent of that organization's annual budget for the previous fiscal year.
- Executing sub-projects: Sub-contractors' proposals will be received by contractors and, if they are found to meet the eligibility criteria, they will move through a process of preparation, appraisal, execution, and closure. Once

submitted to a contractor, a sub-contractor's proposal will undergo a pre-appraisal; if it is deemed to fall within the ADRP framework and to be viable, it will be fully evaluated and designed. The proposal becomes a project to be executed once the contractor and the sub-contractor agree a Project Implementation Agreement for its delivery. At least initially, a single contractor may be processing several dozen such proposals and projects simultaneously.

- A Contracting Committee (including representatives from the relevant primary contractor, IRSEM, UNITA, and possibly Angola's external partners) will vet proposals from sub-contractors expected to implement sub-projects with a value exceeding \$100,000 per annum; IRSEM, together with the relevant contractor, will vet proposals with a value below \$100,000. If appropriate, this review process will be delegated to and carried out by provincial representatives of the respective agencies.
- Monitoring and evaluating sub-projects: Before the sub-contractor initiates the sub-project, the contractor will identify from within its personnel a supervisor to monitor its progress and evaluate its results. The development process will be monitored and evaluated and progress payments made by the contractor to the sub-contractor as agreed and warranted. During implementation, the contractor will monitor and control the activities of the implementing sub-contractor to ensure that resources are being used transparently and accountably and project objectives are being met. It will also ensure that key beneficiary data are collected in a timely manner and shared with IRSEM's information management section, to ensure that IRSEM can monitor overall program coverage. Throughout the life of a sub-project, it will be constantly monitored and evaluated by the appointed supervisor and any lessons learned will be applied back to other sub-projects and proposals in process. Supervision, monitoring and evaluation, and control activities will be integrated into all of the processes and procedures. On a regular basis, IRSEM's information management section will also conduct impact and beneficiary assessments.
- The Contracting Committee or the World Bank will have the power to rescind contracts with sub-contractors for non-performance.

#### **3.4.8 HIV/AIDS prevention and mitigation measures**

122. The ADRP will contain an HIV/AIDS component to provide HIV/AIDS sensitization to ex-combatants during demobilization as well as follow-up in communities in which ex-combatants settle.

123. *Demobilization phase.* IRSEM is providing ex-FMU in the quartering areas with pre-discharge information and counseling services focused on HIV/AIDS.

124. *Reintegration phase.* In collaboration with activities envisaged under the national AIDS program, the following activities would be considered in the reintegration phase: (i) encouraging HIV-positive ex-combatants to join existing support groups of people living with HIV/AIDS; (ii) utilizing ex-combatant networks to disseminate HIV/AIDS

sensitization in communities of settlement; (iii) providing additional assistance to the families of ex-combatants who are unable to resume economic activities due to HIV/AIDS, including delegation of economic assistance to a family member or financing access to education of an ex-combatant's children; and (iv) training ex-combatants to serve as HIV/AIDS counselors. In support of social reintegration, the ADRP would also consider the financing of specific sub-project activities related to HIV/AIDS awareness and prevention that target both ex-combatants and the communities to which they return.

### 3.5 Program Cost

125. The ADRP is estimated to cost \$180 million<sup>15</sup> (see Table 4), of which IDA would provide grant resources amounting to \$33 million. Other donors are expected to finance about \$17 million bilaterally and \$53 million through the Multi-Donor Trust Fund associated with the Multi-country Demobilization and Reintegration Program (MDRP). Remaining program costs will be borne by Government, which will finance in its entirety the demobilization and transitional assistance phases of the program. Total program costs amount to about \$1,200 per beneficiary.

Component	Unit Cost (US\$)	Total Program Cost (US\$)	Percent
1. Demobilization	--	--	--
2. Transitional assistance*	408	71,340,000	39.6%
3. Reintegration	418	57,720,000	32.1%
4. Special groups	1,110	31,625,000	17.6%
5. Technical Assistance	n/a	5,666,000	0.8%
6. Program Management	n/a	4,864,000	5.0%
Sub-total		171,216,000	
Contingencies	n/a	8,560,000	4.8%
Total (estimated)		179,775,000	100.0%

\* Bank estimate based on approximate FAA salaries scales and presumed FMU military structure

126. *Government counterpart contribution.* The Government estimates that overall it will spend approximately \$125 million in the disarmament, demobilization, and reintegration of ex-FMU. The Government's counterpart contribution to the ADRP is estimated to amount to \$77 million, or 43 percent of the total ADRP budget (see Table 5, and note that the ADRP budget excludes demobilization costs). In addition, the Government will finance all taxes levied in Angola on works, goods and services for this program.

Source	US\$ million	Percent
Government of Angola	77.0	43
IDA	33.0	18
Bilaterals (MDTF/parallel)	69.7	38
Total	179.7	100.0

<sup>15</sup> This program cost estimate excludes the cost of demobilization as this phase of the program was managed directly by the FAA and the estimated costs were not available to the Bank's appraisal team.

127. *Rationale for the use of an IDA grant:* Angola, as an IDA-only country emerging from a period of conflict, has been allocated IDA grant resources of \$33 million for FY03 and these resources will be fully allocated to the ADRP.<sup>16</sup> This project was selected for grant financing for the following four reasons:

- *Strong human development impact.* The proposed project will help Angola to accelerate progress towards achieving the Millennium Development Goals (MDGs) for human development. Over 80% of the IDA proceeds being made available to support the ADRP will finance economic reintegration opportunities for ex-combatants or special assistance to vulnerable groups. Economic reintegration opportunities would involve assistance in the production and marketing of agricultural products; access to vocational and technical training; and wage payments effected for labor contributing to the rehabilitation or reconstruction of essential infrastructure such as schools, health posts, markets, and water supply and sanitation systems. Special assistance to vulnerable groups would involve reuniting underage ex-combatants with their families and providing them with educational opportunities, or else providing disabled and chronically ill ex-combatants with medical rehabilitation assistance (including the provision of physical rehabilitation assistance, counseling, and vocational training).
- *Centrality of the project-supported activities to all poverty-reducing activities in Angola.* The successful demobilization and reintegration of ex-combatants will also play a central role in consolidating stability in Angola and creating the conditions which will allow millions of Angolans to escape the poverty and despair that conflict inevitably brings. Improved security and service delivery in the rural areas has already encouraged hundreds of thousands of people spontaneously to resettle, and as this continues and returnees resume economic activity in their home areas, they will bring about a substantial and permanent reduction in the level of poverty in Angola.
- *Simplifying the management of resources supporting the ADRP.* The use of an IDA grant to support the proposed ADRP will facilitate closer collaboration between IDA and the MDRP donors, which are expected to support the ADRP through grant resources made available from the Multi-Donor Trust Fund (MDTF). Many MDRP donors have already participated in project preparation, in some cases by helping to finance project-related technical assistance. Having IDA resources and MDTF resources in the same form will facilitate their management by the implementing agency, IRSEM.
- *Government preference.* The Government has shown strong ownership of the ADRP and has requested grant financing for this project. It sees significant benefit in popular support for this program, and the availability of grant financing will help the Government to answer critics, who tend to see the program as

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<sup>16</sup> An additional \$20 million in IDA grants is expected to be utilized in FY04 to support an upcoming HIV/AIDS project being developed under the framework of the Multi-country AIDS Program.

inappropriately rewarding a group that contributed to Angola's poverty and may oppose implementation of the program on the ground that borrowed funds should not be used for this purpose.

128. *Monitoring results:* A strong Monitoring and Evaluation (M&E) System, complemented with close Bank supervision, would seek to ensure that the program reaches targeted beneficiaries in a timely and efficient fashion. This will be accomplished in part through the establishment of a professional Management Information System. These systems are described in Section 5.4 of this document, and the project's key performance indicators are listed in Table 8 (page 57).

### **3.6 Conditions of Effectiveness**

129. The following conditions of effectiveness have been agreed with Government:

- (i) A Subsidiary Financing Agreement has been executed on behalf of the Government and IRSEM;
- (ii) A Decree has been adopted, in form and substance satisfactory to the Association, establishing the eligibility criteria for the demobilization of FAA ex-combatants and the associated benefits;
- (iii) The Government has adopted a Project Implementation Manual, in form and substance satisfactory to the Association;
- (iv) Key professional staff (including a management advisor, a reintegration advisor and a management information specialist) have been contracted by IRSEM, with qualifications and experience satisfactory to the Association;
- (v) The Project Account has been opened and the Initial Deposit has been made; and
- (vi) A Financial Management and Procurement Unit (FMPU) has been established, with financial management staff and procurement staff with experience and qualifications satisfactory to the Association.

## **4 Studies and Technical Assistance**

130. The preparation missions of the ADRP identified information gaps as well as program areas in need of improvement. Institutional development support will therefore be provided in the form of studies and technical assistance to inform the implementation of the program. The Bank would provide technical support as required.

### **4.1 Studies**

131. *Program of community sensitization and participation.* The objective of this program would be to sensitize the civilian population about the ADRP and the challenges faced during this process by ex-combatants and their families. The program would also address the concerns of the receiving communities and encourage their participation in reintegration activities. The program would be disseminated through various forms of media (e.g., radio, brochures, popular folk theater, and newspapers).

132. *Assistance for disabled ex-combatants.* This study would help design and cost the detailed assistance package that would: (i) provide counseling necessary for the social reintegration of disabled ex-combatants; (ii) medically rehabilitate disabled ex-combatants in order to achieve optimal and sustainable benefits from therapeutic interventions such as the provision of prostheses and physiotherapy; and (iii) where relevant, train disabled ex-combatants in skills needed to pursue an economic activity which is both of their choice and economically viable. The assistance would encourage the development of community-based rather than institution-based services, and would further initiatives which increase the capacity of disabled people to help themselves and each other.

133. *Staff development program:* Training would commence immediately after staff have been recruited or assigned to the ADRP, with the aim of ensuring that all involved have the same understanding of the program objectives, procedures, and specific responsibilities, including their tasks in relation to the internal reporting system. The staff development program will include: (i) the preparation of a training plan; (ii) the development of training materials; and (iii) the carrying out of training activities, including gender awareness and sensitization.

134. *Assessment of community absorption capacity in expected areas of return:* This assessment would include the following: (i) a stakeholder analysis; (ii) an institutional capacity diagnostic, including the possible roles of traditional leaders; (iii) the development of a public consultation mechanism as part of the ADRP's sensitization program; and (iv) the design of a participatory monitoring and evaluation framework. The assessment would help identify the social and cultural structure of incentives and constraints that guide and govern behavior with respect to building social cohesion and promoting sustainable use of natural resources. Furthermore, it would help determine relevant social indicators for participatory monitoring, including on social exclusion of returning ex-combatants.

135. *Economic opportunity structure.* The objective of this activity would be to assess opportunities that ex-combatants will find upon their reintegration into civilian life. The study would focus on employment, the informal sector and vocational training (including informal apprenticeships) in the rural and urban sectors. The findings would be collated in the form of an inventory of reintegration opportunities by province and sector. This inventory would be used by the provincial offices of IRSEM and the Ministry of Labor for informing and counseling ex-combatants.

## **4.2 Technical Assistance**

136. Local and/or expatriate technical assistance will be required for longer-term and short-term assignments during Program implementation in the areas of overall program management, reintegration assistance, management information systems, financial management and procurement, information and sensitization, and other areas as identified and considered essential by both IRSEM and the Bank. Consultancies would be required on an ongoing periodic basis for external audits and independent evaluations. Qualified (private and/or public) individuals or firms would be sub-contracted by IRSEM to

undertake such activities. Draft terms of reference for the key areas of financial management and procurement, reintegration, program management, and MIS have been discussed with the Government and IRSEM is in the process of contracting for a number of these positions through an existing Project Preparation Facility (PPF) advance.

## **5 Institutional Arrangements and Program Implementation**

### **5.1 Institutional Structure**

137. The successful implementation of the ADRP requires a well-designed institutional setting, tailored to the specific characteristics of Angola. Experience in other demobilization and reintegration programs indicates that program coordination should be supervised by a high-level Government entity with no implementation responsibility; that overall program implementation should be the responsibility of a single civilian agency; and that component and sub-component implementation should be decentralized. This general structure will be used for the ADRP.

#### **5.1.1 Central level**

138. *National Commission for the Social and Productive Reintegration of the Demobilized and Displaced (CNRSPDD)*. The CNRSPDD was established in June 2002, as the successor to the Intersectoral Commission for Implementation of the Peace Process (the Peace Commission), with a mandate to coordinate Government efforts in reintegrating ex-combatants demobilized under the various peace accords signed by the Government.<sup>17</sup> Given its mandate, the CNRSPDD will be tasked with overall program oversight and the provision of policy guidance, but it will not be involved in program implementation.<sup>18</sup> Its main responsibilities will include:

- (i) Advising the Government on matters concerning the demobilization and reintegration of ex-combatants;
- (ii) Identifying and resolving substantive policy problems related to the reintegration of ex-combatants into civilian life in a timely manner;
- (iii) Monitoring and guiding the work of IRSEM and other Government and non-governmental institutions and agencies involved in ADRP implementation; and

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<sup>17</sup> The CNRSPDD chairman is the Minister of the Interior; other members include the Minister of Assistance and Social Reinsertion (who chairs the CNRSPDD's Executive Committee); the Ministers of Planning; Finance; Health; Public Administration, Employment and Social Security; Education and Culture; and Agriculture and Rural Development; the Secretary of the Council of Ministers; the Head of the Military House; and the Head of the Estate Major General of the FAA. A UNITA representative as well as a representative of the ADRP coordinating body will also be invited to attend committee meetings when ADRP issues are discussed; such discussions should occur at least once every quarter.

<sup>18</sup> The costs associated with the CNRSPDD will be borne by the Government of Angola.

- (iv) Carrying out other activities as necessary to ensure the achievement of ADRP objectives.

139. *FAA and UNITA*: In the Angolan demobilization and reintegration process, the military side of the Government has retained responsibility for all technical military aspects of the program. With respect to disarmament, the FAA and FMU have been responsible for the registration, collection, storage and destruction of weapons (both in the quartering areas and in UNITA caches scattered across the war front). With respect to demobilization, the FAA has been responsible for registering, screening and issuing military identity cards to ex-combatants to be demobilized; for collecting socio-economic data about each individual ex-combatant and storing it in a secure electronic database; for paying salaries;<sup>19</sup> for managing camp logistics in the quartering areas until such time as the ex-FMU are discharged; and for organizing the transportation from the quartering areas to areas of return.

140. *IRSEM*: As the Government entity mandated to provide reintegration assistance to ex-combatants, IRSEM is assuming responsibility for the ex-combatant caseload as the ex-combatants are being discharged from the quartering areas. As such, IRSEM has been working with the FAA on various front-loaded activities that will have a bearing on reintegration (for example, the provision of program benefit cards and the collection of socio-economic data). In addition, IRSEM is taking responsibility for analyzing socio-economic data and, in conjunction with MINARS, for distributing selected transitional assistance (including in-kind benefits and cash benefits beyond regular salaries). It has also prepared and started to implement an information, referral and counseling service (the *Programa Nacional de Informacao, Sensibilizacao e Referencia*—PRONASAR) in the quartering areas and in areas of return.

141. The evaluation of past demobilization efforts in Angola indicates a need for the Government to improve its institutional arrangements by establishing a national coordinator to oversee decentralized program implementation and provide information, communication and referral services as well as overall program monitoring and evaluation. The institutional arrangements for the ADRP would build on these lessons. There will be a clear division of labor between IRSEM,<sup>20</sup> which will function as the national coordinator, and the policy-making CNRSPDD.

142. IRSEM's responsibilities as a national coordinator would include:

The preparation and costing of detailed annual implementation plans;

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<sup>19</sup> All ex-FMU have been integrated into the FAA pending their final demobilization and consequently are eligible to receive FAA salaries.

<sup>20</sup> IRSEM was created by decree in 1995, replacing GIADA, which was itself formed in response to the provisions of the Bicesse Peace Accords of 1999, and it reports formally to MINARS. IRSEM's management is composed of representatives of the FAA and UNITA. Its Director General and one Deputy Director are from the FAA, while the other Deputy Director is from UNITA. It has branches in every province and its employees are civil servants.

- (i) The coordination and supervision of primary contractors funded through the ADRP to implement and/or to manage sub-contractors of reintegration sub-projects, including sub-projects targeted on special target groups such as underage and disabled ex-combatants, to which end IRSEM would establish close links with relevant Government departments, the donors, UN partners, and national and international NGOs;
- (ii) The transparent and accountable administration of ADRP resources (including procurement and financial management); and
- (iii) Overall program monitoring and evaluation.

143. In light of these responsibilities, IRSEM would include three departments—Projects, Human Resources, and Administration and General Services—as well as two specialized units (Financial Management and Procurement; and Documentation, Monitoring and Evaluation) providing assistance directly to the Director (see Attachment 5 for organigram).

144. The Project Department will undertake two essential functions:

- **Project Identification.** The Department will be accountable for setting the ADRP's overall strategy (i.e. identifying and formulating profiles of the types of support service opportunities that beneficiaries could access based on economic, supply and demand factors), identifying potential primary contractors that have expertise to contract sub-contractors providing profiled services, evaluating proposals forwarded by potential primary contractors, and negotiating contracts with primary contractors to implement their programs. It is expected that contracts signed with primary contractors will normally range between \$200,000 and \$5 million; that a particular primary contractor will have responsibility for a range of work based either on geography—e.g. specified province—or on activity type—e.g. child protection, or medical rehabilitation; that primary contractors will typically contract out specific service-delivery sub-projects to sub-contractors; and that department personnel will work with primary contractors to develop appropriate and standardized mechanisms for sub-project pre-appraisal, appraisal, and contracting for sub-projects contracted out to sub-contractors. The department would work closely with personnel in provincial offices.
- **Project Supervision.** This Department will also supervise program implementation; authorize progress payments as agreed and warranted; evaluate whether a project is achieving its objectives; complete a final review of any project that has come to an end; and recommend (as appropriate) archiving or repeating a completed project.

145. The specialized Financial Management and Procurement Unit (FMPU) will provide support and guidance to the IRSEM Director General on a day-to-day basis and be responsible for the administration of program resources, including the IDA and MDRP Trust Fund grants. As such, the FMPU will also report to the Ministry of Planning and to the World Bank. The unit will include three sections:

- **Procurement Section:** This section will ensure that all procurement is done in accordance with appropriate donor requirements and guidelines. In particular, the unit will be responsible for the preparation of necessary bid documents as well as for the procurement of goods and services. For this purpose, commercial practices, International Competitive Bidding, National Competitive Bidding, shopping, Quality and Cost-Based Selection, Force Account, and other procurement methods will be used. Primary contractors will be allowed to use their own procurement practices, following Bank review, modification (to make them consistent with Bank guidelines), and approval.<sup>21</sup> The Procurement Section may also provide some assistance to partner organizations implementing sub-projects to prepare simplified bid documents (e.g., for small-scale civil works) or to procure some inputs such as fertilizer, medical supplies, etc. in bulk.
- **Financial Management Section:** This section will be responsible for disbursing funds and maintaining records and accounts to reflect, in accordance with sound accounting practices, the operations, resources, and expenditures of the ADRP. To this end, it will establish and maintain an accounting, budgetary, and financial management system adequate to provide complete, accurate, timely and relevant information regarding ADRP activities, the utilization of resources, and the completeness of expenditures. An Accounts Manager will be assigned to handle the day-to-day financial transactions and accounting.
- **Internal Audit Section :** This section will be managed by a Control Officer and will be responsible for ensuring that all elements of the internal control system are complied with. The unit will, *inter alia*, conduct random checking of payments effected to various beneficiaries (if any); verify that contracts and goods or services, etc., have been executed and delivered by various contractors and suppliers as agreed; maintain an asset registry for the program; and ensure that the internal procedures of IRSEM are properly applied by the staff of the institutions.

146. The specialized unit for Documentation, Monitoring and Evaluation will include two sections:

- **Management Information Section.** This section will be accountable for the collation and dissemination of information related to the ADRP, at central and provincial levels, in order to create an awareness of the ADRP's purpose and functions. To ensure that all data, information, and statistics are consistently

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<sup>21</sup> Bank review, modification and approval of specified contractors' procurement practices will be recorded in the project implementation manual and the Development Grant Agreement; the manual will be developed as a condition of effectiveness and updated as needed.

recorded and available, the section will develop a robust management information system (MIS).

- **Monitoring and Evaluation Section.** This section will be accountable for monitoring overall program progress (including in particular the comprehensiveness of ADRP coverage) as well as the progress of sub-projects contracted out to implementing partners. It will undertake regular impact and beneficiary assessments to evaluate the program's overall success and to gather lessons that can be fed back into the system to improve service delivery and sustainability.

### 5.1.2 Provincial level

147. IRSEM has a provincial office in each one of Angola's 18 provinces. Offices in provinces anticipating high numbers of returning ex-combatants (viz. Benguela, Bié, Huambo, Huíla, and Kwanza Sul) will need to be strengthened following a conflict-induced period of modest activity and downsizing. The ADRP will help IRSEM and provincial authorities to expand their capacity, as required strategically to cope with returning ex-combatants, through staffing, logistical support, and the opening of district (*município*) offices in the key provinces of ex-combatant resettlement. Provincial program offices will work closely with the provincial administration and the provincial CNRSPDD; the Head of a provincial office would report to the Director of IRSEM and Heads of provincial sub-offices will report to the Head of the relevant provincial office. This approach would help strengthen decentralized program delivery capacity and ensure the integration of program implementation in the Government's overall poverty reduction strategy.

148. IRSEM's provincial offices would be responsible for:

- (i) Updating the inventory of projects and training and employment providers and opportunities in the province;
- (ii) Conducting outreach activities, including counseling and referral as well as business development support;
- (iii) Technical and financial monitoring of reintegration activities, especially at the community level; and
- (iv) Coordinating ADRP and general reintegration activities with other Government and non-governmental institutions.

### 5.1.3 Community level

149. Community support is critical to the reintegration of ex-combatants. To this end, local authorities would:

- (i) Assist in the preparation, appraisal and approval of ADRP sub-projects, and monitor and evaluate progress;

- (ii) Help make land available to ex-combatants following established legal procedures;
- (iii) Help identify the most vulnerable ex-combatants; and
- (iv) Help resolve local conflicts.

#### **5.1.4 Staffing, institutional support and capacity building**

150. The institutional structure for ADRP implementation requires strengthening at all levels, both within IRSEM and outside of it. IRSEM would be strengthened through the appointment of a Management Advisor, a Reintegration Advisor, a Monitoring and Evaluation (M&E) specialist, and a Financial Management and Procurement Unit (FMPU). Staff recruited for these key positions would have experience and qualifications satisfactory to IDA. At provincial level, national program operations consultants will be hired to assist the provincial heads to manage the ADRP effectively and to monitor the work of the contractors and sub-contractors. Additional provincial staff would be recruited in accordance with the settlement patterns of ex-combatants. Advertised positions could be filled by qualified ex-combatants.

151. Equipment would be provided to help each office fulfill its responsibilities effectively. For IRSEM, this would include essential office equipment as well as vehicles for monitoring and outreach activities. Local authorities would in principle be eligible to receive limited institutional support necessary to carry out specific tasks related to the program. They would be required to submit a proposal to IRSEM explaining and specifying their requirements in detail, and IRSEM would approve a proposal on the recommendation of its provincial officer.

152. Staff development at the central and provincial levels would be critical for effective program implementation. Staff at all levels would therefore undergo training. The objectives of this training, which would commence immediately after staff have been recruited or assigned, would be to ensure that all involved in the ADRP have the same understanding of program objectives, procedures, and specific responsibilities, including their tasks in relation to the internal reporting system. A staff development program would be prepared and would include: (i) the preparation of a training plan; (ii) the development of training materials; and (iii) the carrying out of training activities.

153. Special capacity-building efforts and training may be required at the community level, especially for those local authorities that are not yet benefiting from development projects. After an assessment of their implementation needs, and using a program implementation manual and training manual to be developed by IRSEM and the Ministry of Territorial Administration, key representatives of local authorities may be familiarized with program procedures and would receive required training. Finally, outreach staff may undertake on-the-job training of relevant representatives of local authorities.

## **5.2 Financial Management and Auditing**

### **5.2.1 Financial Management and Procurement Unit**

154. Given that the ADRP is a complex and relative large program to be implemented over a three-year period, and that IRSEM has practically no experience with Bank procedures, IRSEM will be strengthened through the establishment of an autonomous Financial Management and Procurement Unit (FMPU) to be managed by an international firm.

155. The FMPU will have overall responsibility for the ADRP's financial management and procurement and it will maintain the program's consolidated budget and accounts. To this end, the FMPU will be equipped with a computerized and integrated financial management system appropriate to the scale and nature of the program and capable of recording and reporting in a timely manner the program's operations by origin of funds, by regions, components, activities and expenditures categories. The computerized financial management system will be multi-currency, multi-location, and multi-donor, and it will include *inter alia* the following modules (which should be integrated): general accounting, cost accounting, budgeting, assets management, contract management, preparation of withdrawal applications and tracking of disbursements by donors, and report generation, including quarterly Financial Management Reports (FMRs) and semi-annual financial statements.

156. The FMPU will prepare a Manual of procedures, including a description of salient features of the financial management system and financial policies and procedures. It will describe: (i) the overall organization of the Program, including an organizational diagram and job description of the accounting and financial staff; (ii) the accounting system to be used (chart of accounts, budget coding, accounting standards); (iii) the main transactions cycles; format, content, and timing of the program's financial reporting (i.e., financial statements and other financial reports including FMRs, filing system, etc.); (iv) the various operational procedures, including budget management (planning, execution and monitoring) and management of assets, procurement of goods and services, disbursement; and (v) internal control procedures.

### **5.2.2 Financial management risks**

157. Since the financial management of the Program will be entrusted to an FMPU managed by an experienced international firm, the financial management risks are expected to be low.

### **5.2.3 Staffing**

158. The FMPU will be managed by a firm with relevant international experience and a track record in similar donor-funded projects involving similarly qualified personnel. The FMPU will be managed by a senior manager and be comprised of three units whose total number of core staff is estimated at eight, including:

- An Accounting and Disbursement Section (two senior accountants assisted each by one assistant);
- A Procurement Section (one senior procurement specialist assisted by one assistant); and
- An Internal Audit Section (one senior internal auditor assisted by one assistant).

#### **5.2.4 Reporting**

159. At least two sets of financial reports will be prepared by the FMPU: the quarterly FMRs (as required by the Bank) and the Program's semi-annual financial statements. The quarterly FMRs agreed at appraisal will be prepared and submitted to the Bank 45 days after the closing of the quarter following the date of effectiveness. The FMRs will be based on Annex A, Sample III, as presented in the Bank's Guidelines on Financial Monitoring Reports, with some adjustments (as agreed with IRSEM). The FMRs will include financial, physical progress and procurement information that is useful to the Government and that also provides the Bank with sufficient information to establish whether: (i) funds disbursed to the project are being used for the purpose intended; (ii) project implementation is on track; and (iii) budgeted costs will not be exceeded. The semi-annual financial statements will comprise but not be limited to: (i) the Statement of Source and Application of Funds for the Program during the current financial year, and cumulatively since the start of the Program; (ii) the statement of expenditures (SOEs); (iii) the Special Account Statement/Reconciliation; (iv) the Project Account Statement/Reconciliation (v) the Multi-Donor Trust Fund Account and any other financial report deemed necessary and relevant.

#### **5.2.5 Flow of funds**

160. It is planned that resources needed for financing Program activities will flow from: (i) the IDA Grant Account (direct payments and replenishments of the Special Account); (ii) the Multi-Donor Trust Fund (direct payments and replenishments of the Multi-Donor Trust Fund Account); and (iii) the Government's counterpart funds (Program Account). The bank accounts will be maintained in a commercial bank acceptable to IDA. The FMPU will prepare all the withdrawal applications for transmission to the Ministry of Planning to effect payments. At the beginning, disbursements will be made on the basis of the two traditional methods: direct payments and use of Statements of Expenditures (SOEs). Later, the Program will decide if it wants to change from SOEs to FMR-based disbursements.

161. An amount equivalent to \$3,000,000 will be withdrawn from the Grant Account and deposited into the Special Account (the so-called "Authorized Allocation") provided that, unless the Association will otherwise agree, the Authorized Allocation will be limited to an amount equivalent to \$1,500,000 until the aggregate amount of withdrawals from the Grant Account plus the total amount of all outstanding special commitments entered into by the Association will be equal to or exceed the equivalent of SDR 5,000,000. In addition, for each payment made by the Recipient out of the Special Account, the Recipient will, at such time as the Association reasonably requests, furnish

to the Association documents and other evidence showing that the payment was made exclusively for eligible expenditures.

162. In implementing the program, it is envisioned that IRSEM will directly contract various primary contractors (UN agencies, Government agencies, national and international NGOs) that will be responsible for subcontracting secondary contractors to implement specific reintegration activities. The amounts of the contracts signed between IRSEM and the primary contractors will be disbursed on a quarterly basis on actual and projected expenses, depending on the size of the funding requirement, the length of the implementation period, and the capacity of the contractor. The initial tranche will be followed by subsequent payments based on periodic progress reports (physical and financial). All disbursements and financial reporting will be carried out in accordance with the terms of the contract between IRSEM and the primary contractors, and all forms for such transactions will be provided to the implementing partners as attachments to the standard contract.

#### 5.2.6 Audit requirements

163. The financial statements of the Program will be audited semi-annually by an independent auditor acceptable to the Bank in accordance with international auditing standards. Audit reports of such scope and detail agreed by IDA would be submitted to the Bank within three months after the end of the audit period. The auditor will provide a separate opinion on each of the following:

- The Program financial statements (Statement of Source and Application of Funds, explanatory notes, etc.);
- The Statement of Expenditures (SOEs);
- The Special Account (SA);
- The Program Account (PA);
- The Multi-Donor Trust Fund Account (MDTF-SA).

164. The auditor will also provide a management letter on the internal control procedures outlining any recommendations for improving the control system, the accounting and financial procedures as a result of the financial statements audit.

165. The program implementation manual will describe procedures for the entire Program, irrespective of the source of financing. The manual would notably include the procedures for reintegration activities, which would be based on the Bank's *Guidelines for Simplified Procurement and Disbursement for Community-Based Investments*.

166. *Retroactive financing.* To facilitate timely support to demobilized ex-combatants, the project would allow retroactive financing in the amount of \$6.6 million, or 20 percent of the Grant amount. This would apply to eligible goods or services, procured by the Government, for which payments were made after April 4, 2002.

167. *Supervision.* On a quarterly basis or at such time as the Government and the Bank deem necessary, the Government and IDA would carry out joint supervision missions.

These missions would make spot checks on a small random sample of beneficiaries at their place of residence to verify the use of the funds disbursed.

168. *Safeguards to ensure the proper use of funds.* Six safeguards will be built into the Program to ensure that IDA funds are utilized for the purposes intended:

- All financial management, contracting and procurement procedures will be handled by a quasi-independent FMPU;
- Periodic audits would verify appropriate use of funds under all categories of expenditure;
- A unique, non-transferable, ID document will be provided to each ex-combatant and used to verify ex-combatants' eligibility for assistance;
- The IDs will be entered into an integrated MIS that will enable IRSEM, its provincial offices, and the FMPU to track program implementation at central and local levels;
- Annual surveys of a random sample of the beneficiary population will track program delivery and verify their receipt of assistance; and
- Semi-annual supervision missions carried out by IDA in collaboration with interested UN/donor partners will also review the use of funds.

### **5.3 Procurement**

#### **5.3.1 Procurement capacity assessment**

169. The July 2002 Country Procurement Assessment Report indicates a very poor procurement environment in Angola due to (i) fragmentation, duplication and shortcomings in the legal framework, (ii) lack of capacity and adequate procedures in the private and public procurement system, and (iii) inadequate practices and lack of enforcement of the regulations. An assessment of IRSEM's procurement capacity, completed in September 2002 in accordance with Bank's Procurement Services Policy Group (OCSPR) guidelines, found that similar shortcomings affected IRSEM's procurement practices. In particular, the assessment revealed deficiencies in the capacity of IRSEM to manage procurement under the Program, as a result of both a lack of previous experience in Bank-financed projects and IRSEM's scarce institutional capacity (IRSEM lacks qualified staff in key procurement and financial management positions). Even so, IRSEM has previous experience in reintegration activities and will be able to manage ADRP procurement, using suitable implementation arrangements and the advice and assistance of qualified procurement experts. These arrangements and key positions are described in more detail in the following paragraphs.

#### **5.3.2 Organizational structure**

170. The ADRP is a complex program whose implementation will require strong organizational skills and the ability to take fast and efficient procurement decisions. To increase ADRP management capacity, the Government has agreed that most

implementation activities would be managed through a number of primary contractors, that would either assume full responsibility for implementing reintegration sub-projects or would recruit secondary or sub-contractors such as selected Government agencies, UN agencies, local NGOs, churches, and possibly private sector firms for implementing them. In addition, IRSEM's own capacity for financial management and procurement would be strengthened through recruitment of an FMPU staffed by international specialists, including at least one international procurement adviser, preferably with previous experience in demilitarization and/or emergency projects. Since most procurement activities will be carried out by primary contractors, a key role of the FMPU will be to recruit and select these primary contractors and coordinate and monitor their activities. In addition, the FMPU will have to establish priorities, prepare schedules of activities and assure a steady flow of information to and from IRSEM, the Bank and donors participating in ADRP.

171. With respect to procurement, the scope of the FMPU's work will include:

- Coordinating the preparation and finalization of the terms of reference for various consulting assignments under the project;
- Preparing the procurement plans under the program, including cost estimates and budgets, for goods, consultancies, and training, in coordination with the primary contractors;
- Ensuring that the recruitment and selection of primary contractors is completed in accordance with Bank guidelines;
- Liaising with the technical units of the primary contractors responsible for the relevant components of the ADRP and ensuring that procurement complies with agreed procedures;
- Monitoring procurement activities under the ADRP and keeping the Bank and participating donors informed through periodic and frequent reporting;
- Providing advice on procurement issues to IRSEM and to primary contractors and evaluating requests for no objection from primary contractors;
- Preparing and assisting in the preparation of bid documents, requests for proposals (RFPs), contracts and evaluation reports, consistent with the Bank's principles of transparency and efficiency;
- Assisting and facilitating imports, customs clearance and the issuance of letters of credit through IRSEM, coordinating with relevant Ministries;
- Preparing General Procurement Notices and local advertisements for procurement and consulting services, as required; and
- Reviewing contractual and administrative claims and assisting in their resolution with or without recourse to arbitration.

### 5.3.3 Procurement plan

172. A procurement plan for the first year will be prepared by IRSEM. The plan will include information on the procurement of goods, consulting services and works (if any) as well as the timing of each milestone in the procurement process. The procurement schedule will be updated every quarter and reviewed by IDA at each supervision mission. In addition, the FMPU will assist IRSEM in preparing a comprehensive procurement manual, to be reviewed by IDA, for use at central and provincial offices.

### 5.3.4 Advertising

173. A preliminary *General Procurement Notice* (GPN) for goods and consulting services has been prepared by IRSEM, reviewed by the Bank, and published in the November 30, 2002, edition of *Development Business*. In parallel, in order to reach potential suppliers, notices will be included in the *Dgmarket service* administered by the Development Gateway Foundation. IRSEM and the ADRP's primary contractors, where appropriate, will be encouraged to use this system for publication of all *specific procurement notices* (SPN) to increase transparency and competition. Two new GPNs (one for goods and one for consulting services) will be published within three months of the conclusion of the negotiations. The GPN will be updated at least once a year and submitted to IDA for review.

### 5.3.5 Procurement arrangements

174. The ADRP includes the following components: (i) economic reintegration, (ii) social reintegration, (iii) assistance to vulnerable groups, and (iv) information, sensitization and counseling. Each of the components will include sub-components requiring specialized procurement expertise. IRSEM, assisted by the FMPU, will contract out implementation responsibilities to competent national and international primary contractors based on their specific expertise, geographic location, or both. The primary contractors will be allowed to sub-contract some of their work to other agencies and firms either through competition or selection on the basis of specific expertise.

175. ADRP procurement will be carried out in accordance with Bank's *Guidelines for Procurement under IRBD Loans and IDA Credits* (January 1995, as revised in January and August 1996, September 1997 and January 1999). Contracts for consulting services by firms and individuals will be awarded in accordance with the Bank's *Guidelines for the Selection and Employment of Consultants* (January 1997, as revised in September 1997 and January 1999). The appropriate World Bank standard bid documents and evaluation forms will be used for all International Competitive Bidding (ICB) for the procurement of goods and works. Standard Requests for Proposal (RFP) and contracts will be used for all large assignments, and in particular those assigned under Quality and Cost-Based Selection and Least-Price methods. Standard, simplified, bid documents, RFPs, and contracts may be used for contracts under National Competitive Bidding (NCB) and smaller assignments, after being reviewed and verified as acceptable by the Bank. Contracts assigned through commercial practices, approved by the Bank, by other international organizations and NGOs may follow the procurement formats of those

organizations, provided that they are found to be consistent with Bank principles of transparency, economy and efficiency. Procurement methods and their respective monetary thresholds, are described in Table 6 below.

Category	ICB <sup>1</sup> No limit	NCB \$200,000 or less	NS/IS \$100,000 or less	Other					Total
Works		0.03		0.11 Force account below \$50,000, quotations above \$50,000					0.14
Goods and equipment	0.66	0.22	0.16	0.06					1.10
Subprojects	23.20	4.00							27.20
Op. costs		0.43	0.43						0.86
Consulting services				QCBS No limit	LC \$200,000 or less	FB \$100,000 or less	CQ \$200,000 or less	SS \$100,000 or less, UN	
Firms				0.60	0.06	0.06	0.18	0.30	1.20
Individuals							0.90	0.10	1.00
Unallocated									1.50
<b>Total</b>	<b>23.86</b>	<b>4.68</b>	<b>0.59</b>	<b>0.60</b>	<b>0.06</b>	<b>0.06</b>	<b>1.08</b>	<b>2.07<sup>2</sup></b>	<b>33.00</b>

*Notes:* 1. ICB = International Competitive Bidding; NCB = National Competitive Bidding; NS/IS = National Shopping or International Shopping; QCBS = Quality- and Cost-Based Selection; LC = Least Cost; FB = Fixed Basis; CQ = Consultants' Qualifications; and SS = Single Source. 2. Single Source total includes Other and Unallocated.

176. **Procurement of works:** The ADRP may include a small number of works, such as the rehabilitation of facilities assisting the disabled, the construction of additional housing or access roads, fencing, and limited maintenance and repairs, estimated to cost US\$275,000, of which IDA is expected to finance about \$140,000. Works of small monetary value (\$50,000 or less) occurring in remote areas, and so entailing high mobilization costs, may not attract international or even national construction firms; hence such works will be executed either through a Force Account or through community participation methods. Small works whose monetary value exceeds \$50,000 and are located in areas where competition may be available, may be procured under lump-sum fixed-priced contracts awarded on the basis of quotations in response to a written invitation. No General Procurement Notice (GPN) will be necessary for these works, though any work whose amount is valued at more than \$50,000 equivalent will be advertised in the national newspaper or through the most appropriate local means (radio, bulletin boards in district offices, etc.).

177. **Procurement of goods:** The total cost of goods under ADRP is estimated at about \$2.8 million, of which approximately \$1.1 million will be funded by the proposed Grant. Procurement will be bulked where feasible into packages valued at \$100,000 equivalent or more. Procedures consistent with Bank procurement guidelines and Bank principles of transparency, economy and efficiency will be followed throughout. These

will include conventional methods such as simplified International Competitive Bidding (ICB) for very large packages whose delivery may be required for the second year of the Program. Most large packages are likely to be procured under Limited International Bidding (LIB) as an alternative to ICB, or International Shopping (IS) for smaller packages below the monetary threshold of \$100,000. Goods available locally from several suppliers may be procured through National Competitive Bidding (NCB). National Shopping (NS) will be used for items below the monetary threshold of \$100,000.

178. The ADRP's primary contractors will be able to use commercial practices for procurement, provided that these are consistent with the Bank's principles of economy and efficiency and found acceptable by the Bank. In the case of procurement carried out by NGOs, simple procurement methods using local manpower may be used under the community participation procurement method. These methods will be reviewed by the Bank and described in the Development Grant Agreement and/or the Project Implementation Manual. Finally, given the emergency nature of the Program, direct contracting may be used for goods for which immediate delivery is found necessary and no competition is available, although direct contracting will be used, to the extent possible, only for contracts pre-approved by the Bank before negotiations and described in the DGA and Project Implementation Manual.

179. **Procurement of consulting services:** The total cost of consulting services under the program is estimated at \$5.7 million equivalent, of which IDA would finance an estimated \$2.2 million. Except as described below, consulting services will be procured through competition among qualified short-listed firms based on the Quality and Cost-Based Selection (QCBS) method, in accordance with the provisions of section II of Bank's Consultants Guidelines. This method will govern the recruitment of the FMPU and a number of primary contractors. Assignments for auditing and training of an amount inferior to \$200,000 may be awarded through the Least Cost selection method, while smaller contracts for repetitive, simple activities, where the budget is fixed and the estimated amount is lower than \$100,000, may be procured through the Fixed Budget selection method.

180. It is expected that many consultancy contracts will be valued at less than \$100,000, and will not attract a great deal of competition due to the Angolan context and limited Portuguese speakers working in this sector. Therefore, such assignments will be awarded through the Consultants Qualifications method, as described in section 3.7 of the Consultants Guidelines. Assignments for which UN agencies, NGOs or bilateral agencies have particular expertise may also be awarded in accordance with sections 3.13 (Selection of U.N. Agencies as consultants) and 3.14 (Use of Nongovernmental Organizations) of the Consultants Guidelines. Even so, whenever competition is possible, procedures similar to those used for selection through Qualifications will be used. In a few cases, UN agencies and NGOs may be hired on a Single Source selection basis, i.e. whenever the criteria outlined in section 3.9 of the Consultants Guidelines are fulfilled. Once a contract has been awarded to a UN agency and/or an NGO, the agency or NGO will be allowed to recruit other consultants through their own procurement methods or through commercial practices acceptable to the Bank, in accordance to

section 3.12 of the Consultants Guidelines. Selection of individual consultants will be completed in accordance with the provisions of paragraphs 5.1 to 5.3 of section V of the Consultants Guidelines. Finally, to ensure that priority is given to the identification of suitable and qualified national consultants, short-lists for contracts estimated to cost \$100,000 for consulting firms and \$50,000 equivalent or less for individual consultants may be comprised entirely of national consultants in accordance with the provisions of paragraph 2.7 of the Consultant Guidelines.

181. IDA will finance approximately \$860,000 of operational costs related to project implementation, management, training or monitoring, which includes office supplies, equipment maintenance, communication costs, vehicle operation, travel and supervision costs, and locally-hired staff, but excludes the salaries of officials of the Government's civil service.

### 5.3.6 Review by the Bank

182. **Prior review:** Prior to commencing any procurement activity for goods, works or consulting services under the program, a procurement plan will be presented to the Bank for its review and approval. The proposed plan for the selection of consultants will also be reviewed in accordance with the provision of paragraph 1 of Appendix 1 to the Consultants Guidelines. The first three packages for goods, works or consulting services, irrespective of their value, will be reviewed by IDA in accordance with the Bank's prior review procedures. IDA prior review procedures will apply to each contract of goods and works estimated to cost the equivalent of \$100,000 or more. The Bank will review the terms of reference (ToR) for all consulting services, each contract for services above \$100,000 for firms and \$50,000 for individuals, and all proposed single source contracts.

183. **Post review:** With respect to each contract not subject to prior review, post review will be conducted in accordance with the procedures set forth in paragraph 4 of Appendix 1 to the Guidelines. That is, the Government will furnish to the Bank, promptly after signing and prior to the delivery to the Bank of the first application for withdrawal of funds, one copy of such contract, together with the bid evaluation and recommendations for award. Where payments for the contract are to be made by the Special Account, a copy of the contract shall be furnished to the Bank prior to the first

Table 7: Thresholds for prior review

Category	Procurement method	Contract value	Prior review for:
Works	ICB	Any value	Contract
	NCB, NS/IS, Other	\$100,000 or more	Contract
Goods	ICB	Any value	Contract
	NCB, NS/IS, Other	\$100,000 or more	Contract
Consultant firms	QCBS, LC, CQ	\$100,000 or more	ToR, report, contract
	Single source	Any value	ToR, report, contract
Consultant individuals	CQ	\$50,000 or more	ToR, report, contract
	Single source	Any value	ToR, report, contract

Note: ICB = International Competitive Bidding; NCB = National Competitive Bidding; NS/IS = National Shopping or International Shopping; QCBS = Quality- and Cost-Based Selection; LC = Least Cost; FB = Fixed Basis; CQ = Consultants' Qualifications; and SS = Single Source.

replenishment application for the same. These provisions will not apply to contracts for which withdrawal from the loan are to be made on the basis of Statements of Expenditures. In this case, the documentation required will be retained by the Borrower for subsequent examination by independent auditors and Bank supervision missions. The FMPU will make sure that such documentation is safely kept on IRSEM's premises and made available for formal review by the Bank.

#### 5.4 Monitoring and Evaluation

184. A strong monitoring and evaluation system, complemented with close Bank supervision, would seek to ensure that the program reaches targeted beneficiaries in a timely and efficient fashion. It is essential that information on all beneficiaries is captured during the initial demobilization process, securely stored, and subsequently utilized to inform program implementation.<sup>22</sup> A Management Information System (MIS) would be established by IRSEM that draws upon the FAA registration database for this purpose before Grant effectiveness.

185. *Establishment of a Management Information System.* In general, a well-functioning MIS is a valuable management tool for any undertaking, but for a demobilization and reintegration program such a tool is essential given the need to closely track beneficiaries and document provision of targeted benefits. Furthermore, MIS can provide monitoring data on beneficiaries and activities that can serve as an important input into the planning of subsequent demobilization phases. The ADRP MIS would be established with simplicity in design and using hardware and software for which expertise is readily available locally. Additionally, and to keep track of the utilization of program funds, it would be related to the financial management system.

186. Monitoring would be undertaken by IRSEM at three levels: the central office, the provincial offices, and at the community level. IRSEM's Documentation unit would collect information during and following demobilization operations, when ex-combatants complete the socio-economic profile, report for transitional assistance, and apply for reintegration assistance. IRSEM would track the provision of assistance to the ex-combatants throughout the life of the program. In addition, within six months of the Effectiveness date and annually thereafter, or upon the request of the Association, surveys of a representative sample of a minimum of three percent of program beneficiaries would be conducted to verify that they (i) have received reintegration benefits in accordance with the semi-annual work program and budget of the program and (ii) have acquired the goods and services intended.

187. *Evaluation.* Independent evaluations of program implementation would be carried out annually and would consist of quantitative and qualitative parts. An analysis of the databases and existing administrative records and reports would establish to what extent the program as such, as well as the individual components, have achieved their objectives. As the integration of ex-combatants into communities is a major factor for the long-term

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<sup>22</sup> Specific procedures for registering vulnerable ex-combatants would be included in the Program implementation manual.

success of the program, the statistical evaluation would be complemented with a beneficiary assessment consisting of participant observation and key informant and focal group interviews. It would be directed towards the ex-combatants and their families as primary beneficiaries and the communities as secondary beneficiaries.

188. *Performance indicators.* IRSEM would measure Program performance against the agreed performance indicators specified below (see Table 8).

<b>Table 8. Key Performance Indicators</b>	
<b>Component</b>	<b>Key Performance Indicators</b>
Demobilization	<ul style="list-style-type: none"> <li>• About 85,000 ex-FMU ex-combatants are demobilized by December 31, 2002.</li> <li>• An additional estimated 20,000 ex-FMU ex-combatants are identified, registered and demobilized by March 31, 2003.</li> <li>• About 33,000 FAA ex-combatants are demobilized by December 31, 2005.</li> <li>• Each demobilized ex-combatant has received a discharge certificate and is included in the MIS database.</li> <li>• Each demobilized ex-FMU ex-combatant has received his or her full transitional assistance package within six months of demobilization.</li> </ul>
Reintegration	<ul style="list-style-type: none"> <li>• At least 20,000 demobilized ex-combatants receive targeted reintegration assistance in each full year of program operation.</li> <li>• Average costs for reintegration assistance do not exceed US\$700 equivalent.</li> <li>• At least 50% of those demobilized are involved in some form of economic activity within 3 months of having received reintegration assistance.</li> </ul>
Special target groups	<ul style="list-style-type: none"> <li>• Each demobilized disabled ex-combatant has started to receive medical rehabilitation assistance within 18 months of demobilization.</li> <li>• Each demobilized underage ex-combatant has received targeted reintegration assistance within 6 months of demobilization.</li> </ul>
Implementation Arrangements	<ul style="list-style-type: none"> <li>• The six key provincial IRSEM offices are fully operational within three months of Project effectiveness and all 18 provincial IRSEM offices are fully operational within nine months of project effectiveness, in accordance with criteria set forth in the Program Implementation Manual.</li> <li>• First round of primary-contractor contracts are finalized within four months of Project effectiveness.</li> <li>• An independent evaluation is carried out annually, including through the use of beneficiary opinion polls, in accordance with terms of reference agreed with the Association..</li> </ul>

## 5.5 Program Sustainability

189. The ADRP is designed to aid the sustainable social and economic reintegration of ex-combatants. In this regard, it would make a positive contribution to the socio-economic status of ex-combatants, their families and their communities of settlement. The program would also foster micro-economic recovery by transforming ex-combatants into positive economic actors and injecting financial resources at the local level. Furthermore, the program would encourage national reconciliation and empower communities by providing incentives for cooperation and strengthening local authorities.

Although IRSEM and the CNRSPDD are expected to be temporary structures, the program would strengthen Government capacities at the provincial and local levels for developing, managing and monitoring development interventions.

## **6 Benefits and Risks**

### **6.1 Benefits**

190. The program should enable the Government to consolidate its social and economic recovery efforts and overcome the setbacks attributable to the conflict. The program is designed to facilitate and expedite the process of returning about 138,000 ex-combatants to productive social and economic life. The return of a relatively large percentage of the labor force to the civilian economy is expected to inject significant human resource capacity into the labor market. Their dispersion, and the provision of assistance throughout the country, could contribute to a regeneration of rural productive and financial markets.

### **6.2 Risks and Mitigation Measures**

191. The key risk is that the ADRP is deemed not to be credible, either by the Government or by UNITA, with the result that one or the other party abandons the program. As a consequence of the Government's 2002 military victories over the FMU, the change in UNITA leadership, the exhaustion of UNITA forces following a decade of increasing national and international isolation, and the commitment of both the Government and UNITA to the post-Luena peace process, it is unlikely that war will resume, but *residual banditry* perpetrated by disgruntled ex-combatants is possible. To mitigate this risk, the ADRP preparation team is consulting closely with all stakeholders, including the UNITA Management Commission, to ensure that their concerns are known and addressed in the program.

192. Recent activity, including government and donor preparation of a partial demobilization plan in May 2002 to assist FMU indicate a risk of uncoordinated activity that could undermine the ADRP and the peace process more generally. This risk is being mitigated through close collaboration between the Government and the MDRP partners in the preparation and supervision of the ADRP. Closer communications fostered by the Bank's own efforts to strengthen its presence in Angola through a new Country Manager and Senior Operations Officer should also help mitigate against such actions on the part of Government.

193. There is also a risk of resource mismanagement, whether this involves the leakage of ADRP resources to unintended purposes through corruption, or the failure to translate savings in increased long and medium term military expenditure into increased social and economic spending. To mitigate this risk, appropriate safeguards with respect to financial management, procurement and disbursement are being developed. In addition, Government expenditures will be carefully monitored by IDA and by the bilateral partners that are active in Angola and part of the MDRP.

194. There is also a risk that the Multi-Donor Trust Fund associated with the MDRP will not provide sufficient resources to cover the funding gap fully. To mitigate this risk, donor contributions to the MDTF have been sought before Board presentation. If sufficient partner funds were nonetheless not forthcoming, ADRP parameters would be adjusted to the available resources.

195. Finally, there is an external risk that events in the greater Great Lakes region will drag Angola back into conflict. There is a clear link between improved security in Angola and in the sub-region, the timing of troop withdrawal from the Great Lakes conflicts, and the timing and scale of the demobilization of other armed forces operating in the greater Great Lakes region. Armed alliances involving Angola and other countries in the greater Great Lakes region are currently largely dormant, but in the event of a collapse of the peace process and resumption of hostilities within Angola or in the sub-region, IDA would consider exercising its remedies under the legal agreement. Even if large-scale violent conflict did not resume, delays in the implementation of the peace process might affect the implementation of the program.

### **6.3 Environmental and Social Aspects**

196. Building on lessons learned from reintegration programs for displaced persons and ex-combatants in Angola and elsewhere, the program contains a number of specific elements to identify social and environmental risks and devise appropriate mitigation measures. The procedures and measures would be detailed in the Program Implementation Manual (see Attachment 7 for a detailed description of social and environmental management arrangements). Measures aiming to mitigating social impacts of the program include: (i) ensuring that there is no involuntary resettlement or displacement; (ii) carrying out specific social reintegration activities; and (iii) carrying out activities targeted at underage ex-combatants.

197. The program is classified as environmental category B, although the phased and widely dispersed reintegration of 138,000 ex-combatants into civilian life is expected to be environmentally neutral. Furthermore, the program will not finance the construction or rehabilitation of infrastructure other than the possible small-scale rehabilitation of certain (pre-existing) medical rehabilitation centers. Environmental mitigation measures under the program include the screening and monitoring of sub-projects financed under the reintegration component for environmental impact according to the procedures, acceptable to IDA, set up by the Ministry of the Environment.

198. The ADRP will seek to promote participatory social and environmental monitoring. Annual evaluations would include an assessment of, among others: the procedures to access land; the occurrence of involuntary displacement or resettlement; the degree of community acceptance; the existence of discrimination on the basis of gender or previous military affiliation; the level of personal security of ex-combatants; the level of criminal activities undertaken by ex-combatants; and the impact on an ex-combatant's family members. These evaluations would help to identify social and environmental impact, determine the appropriateness of procedures and processes, and make recommendations for improvements where necessary.

## 7 Financial and Economic Justification

199. *Macro-economic context.* An analysis of defense expenditure in relation to key economic and financial data permits an assessment of the potential long-term impact of military downsizing on social and economic development. Three main sources have been used: (i) GDP and other macroeconomic data, with projections for 2003; (ii) the FAA salary structure; and (iii) data on expenditure from the Ministry of Finance.

200. *Analysis of defense expenditure.* Given the high levels of extrabudgetary spending in Angola, expenditure data by functional classification are not always reliable. Even so, it has been estimated that, as a result of the continuing insecurity, defense spending in Angola reached as much as one-third of total Government spending in 1998 and 1999, before falling to as low as one-sixth in 2001. It also appears that, between 1996 and 2001, total defense spending exceeded social spending, in some cases by a wide margin. Even today, defense expenditures continue to be a significant burden on the national budget and limit the Government's ability to implement its poverty reduction strategy.

201. It is expected that the overall trend of declining expenditures, which began in 1998, will continue through the life of the ADRP. A comparison of preliminary budget execution data for 2002 and projected spending for 2003 indicates a small increase in public spending on defense and public order in 2003, from 16.8 percent to 17.0 percent of the total (see Table 1 below). This is due in part to a peacetime increase in spending on public order<sup>23</sup> that has offset a corresponding relative decrease in defense spending; and in part to Government spending, through the FAA budget, to meet its obligations under the April 2002 MoU to absorb 105,000 ex-FMU ex-combatants into the FAA and assume the costs of their demobilization and reinsertion. From 2004, the Government expects to resume reducing overall spending on defense and public order over the medium term, with the resultant savings being reallocated to higher spending for service delivery.

	2000	2001	2002	2003 (budget)
<b>Administration</b>	15.5	29.1	23.3	19.0
<b>Defense and Public Order</b>	18.9	16.2	16.8	17.0
<b>Social Sectors</b>	13.7	20.3	15.9	16.0
<b>Economic Sectors</b>	6.3	8.1	7.0	9.0
<b>Debt Service</b>	45.7	26.2	37.0	39.0
<b>Total</b>	100	100	100	100

*Source:* 2003 Angola State Budget.

202. *Impact of demobilization.* This analysis of the impact of demobilization is based on several assumptions<sup>24</sup>, and is therefore only indicative. The incorporation of the ex-FMU into the FAA in August 2002 resulted in the temporary addition of some 85,500

<sup>23</sup> This reflects the extension of Government control over all national territory for the first time in decades.

<sup>24</sup> In particular, it is assumed that there will be a net demobilization of 105,000 UNITA soldiers in late 2002 and early 2003, 11,000 FAA in mid-2003, 11,000 FAA in mid-2004, and 11,000 FAA in mid-2005.

soldiers to the FAA payroll, at a total cost to the Government of about \$26.7 million. A net reduction in force will occur only after approximately 80,000 of these ex-FMU are demobilized (anticipated in early 2003) and the first FAA begin to be demobilized. Assuming that the 33,000 FAA are demobilized in annual tranches of 11,000, Angola's defense expenditure for personnel costs alone would be reduced by approximately US\$48.8 million over the period 2003 to 2005.

203. *Analysis of alternatives.* The Government's proposal, and the IDA appraisal of it, have taken into consideration various alternatives in ADRP design. The final design is based on best practices and responds to the specific requirements of the situation in Angola. It aims to establish a structured approach to demobilization as compared to a simple discharge from the FMU or the FAA. The externalities of HIV/AIDS counseling prior to the ex-combatants' return to their communities, along with the benefit of providing some transitional assistance (in the form of kits and cash payments) to facilitate the re-establishment of households and to avoid social tensions, are judged to exceed the related costs. With respect to economic reintegration, the program's design attempts to minimize interference with market forces and to maximize the choice of the individual and synergies with ongoing interventions. Furthermore, economic reintegration measures would be based on the socio-economic profile of the ex-combatants, their own efforts and aspirations, and the specific opportunity structure in their communities of return.

204. *Cost-effectiveness analysis.* The program design seeks to minimize costs without compromising quality. Whenever possible, existing structures would be used rather than new parallel systems created. For example, with respect to the implementation of reintegration assistance, agencies that are already providing assistance of a similar kind will be contracted to provide assistance specifically targeted on ex-combatants; this marginal expansion in the scope of their activities will be much more cost-effective than creating new institutions that would operate in parallel. In the same vein, the existing provincial administrations would be charged with monitoring program implementation. Furthermore, the strengthening of capacities at the local level is expected to have a high payoff for implementing community-driven development projects generally. Finally, with overall per capita cost of approximately \$1,200 equivalent, the costs of the ADRP are well within the range of comparable programs in Sub-Saharan Africa.

205. *Cost-benefit analysis.* It is instructive to compare the total cost of the Program (US\$180 million) with the direct savings in recurrent cost to the Government's budget from the reduction in force of 33,000 soldiers, plus the savings in operating costs associated with these troops and the war waged on UNITA<sup>25</sup>. Compared to the counterfactual<sup>26</sup>, the reduction in force would save \$97.7 million during the Program's three-year duration and \$48.8 million annually thereafter. Fiscal savings from demobilization would thus exceed Program costs in slightly less than five years. This calculation does not take into account productivity gains and benefits to the communities and households of the returning ex-combatants who will enter productive life again.

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<sup>25</sup> For the purposes of analysis, the operation, maintenance and material costs for these 33,000 troops is assumed to be the equivalent of personnel costs for these same troops.

<sup>26</sup> The share of military expenditure in Government recurrent expenditure remains constant at 17 percent.

**Attachment 1  
Summary Program Costs**

**Angola Demobilization and Reintegration Program  
Estimated Program Costs (US\$)**

Component	Unit cost	Jul-Dec 02	Jan-Jun 03	Jul-Dec 03	Jan-Jun 04	Jul-Dec 04	Jan-Jun 05	Jul-Dec 05	Jan-Jun 06	Total	%
Demobilization & Discharge (1)		-	-	-	-	-	-	-	-	-	0%
Reinsertion		59,616,000	8,424,000	3,300,000	-	-	-	-	-	71,340,000	40%
Economic Reintegration		-	3,947,341	18,284,675	15,805,654	11,924,607	4,606,684	-	-	54,568,961	30%
Social Reintegration		-	415,000	680,000	787,500	630,000	368,750	268,750	-	3,150,000	2%
Reintegration of Vulnerable		1,600,000	5,581,250	9,487,500	9,137,500	4,256,250	1,562,500	-	-	31,625,000	18%
Info , Sensitiz., Couns., & Ref.		-	223,500	211,000	211,000	211,000	211,000	211,000	211,000	1,489,500	1%
IRSEM (capital)		-	-	1,913,000	-	-	-	-	-	1,913,000	1%
IRSEM (recurrent)		387,829	1,058,737	1,058,737	1,058,737	1,058,737	1,058,737	1,058,737	387,829	7,128,080	4%
Sub-total		61,603,829	19,649,828	34,934,912	27,000,391	18,080,594	7,807,671	1,538,487	598,829	171,214,541	95%
Contingencies	5.0%	3,080,191	982,491	1,746,746	1,350,020	904,030	390,384	76,924	29,941	8,560,727	5%
Total		64,684,020	20,632,320	36,681,658	28,350,411	18,984,624	8,198,054	1,615,412	628,770	179,775,268	100%

(1) Estimated costs for demobilization and discharge (including transport) difficult to establish, however, majority of costs born by GoA with some humanitarian community assistance

**IDA Disbursement Projections by Fiscal Year**

	5%	35%	45%	15%	100%
%					
\$	1,660,121	11,620,844	14,941,086	4,980,362	33,202,413

ADRP Components	Total Cost (US\$)	Financing				Estimated forex
		GOA	IDA	MDTF	Other	
1. Demob. & Discharge	-	-	-	-	-	-
2. Reinsertion	71,340,000	71,340,000	-	-	-	-
3. Econ. Reintegration	54,568,961	1,309,655	21,827,584	31,431,722	-	27,284,481
4. Social Reintegration	3,150,000	94,500	1,260,000	1,795,500	-	1,260,000
5. Reint. of Vulnerable	31,625,000	199,238	3,795,000	11,818,263	15,812,500	15,812,500
6. Info., Sensit., Couns & Ref	1,489,500	80,433	670,275	738,792	-	372,375
7. Program Management	9,041,080	259,366	4,068,486	4,713,228	-	7,259,060
sub-total	171,214,541	73,283,192	31,621,345	50,497,504	15,812,500	51,988,416
8. Unallocated	8,560,727	3,664,160	1,581,067	2,524,875	790,625	2,599,421
Total	179,775,268	76,947,351	33,202,413	53,022,379	16,603,125	54,587,836
% of Total	100%	43%	18%	29%	9%	30%

**Attachment 2  
ADRP Beneficiaries**

Target Group		Demobilized	Discharged	Not Discharged	Others	Total
New caseload (post-MoU)	FMU (registered as of 8/2/02)	85,000	0	0	0	85,000
	FMU (newly registered as of 1/26/03)	20,000	0	0	0	20,000
	FAA		8,415	24,585	0	33,000
<b>TOTAL</b>		<b>105,000</b>	<b>8,415</b>	<b>24,585</b>	<b>0</b>	<b>138,000</b>

**Attachment 3**  
**A Comparison of Transitional Safety Nets**

<i>Country 1/</i>	<i>Estimated amount (\$)<sup>2/</sup></i>	<i>Calculation</i>	<i>Duration</i>	<i>Differentiation</i>	<i>Payment modalities</i>	<i>Cash payment method</i>
Angola 2002	300 – 900	basic needs & salary	6 months	rank	cash and in-kind	lump-sum
Chad 1992	560 – 670	Salary	12 months	rank	cash	5 installments
Chad 1996	860 – 1,480	Salary	12 months	rank	cash	5 installments
Djibouti 1995	1,000 – 2,000	Salary	6-12 months	location of service	cash	lump-sum
Eritrea 1993	400 – 800 – 1,600	-	-	duration of service	cash	lump-sum
Ethiopia 1991	46 – 160 <sup>3/</sup>	basic needs	6-7 months	multiple <sup>6/</sup>	cash and in-kind	lump-sum/ <sup>7/</sup> installments
Ethiopia 2000	350 – 420 – 460	basic needs	12 months	disability	cash	3 installments
Mozambique 1994	760 (cash: 500) <sup>4/</sup>	Salary	24 months	rank	cash and in-kind	13 installments
Namibia 1990	490 <sup>3/</sup> / <sup>5/</sup>	basic needs, salary	9-12 months	employment status, faction	cash and in-kind	lump-sum
Rwanda 1997	750 – 1,600	basic needs	10 months	rank	cash	3 installments
Rwanda 2002	110 – 450 – 1,100	basic needs	6 months	rank, faction	cash and in-kind	1-3 installments
Sierra Leone 1999	300	basic needs	6 months	none	cash	2 installments
Uganda 1992	845 (cash: 560)	basic needs	6 months	none	cash and in-kind	2-3 installments

1/ Start date of program

2/ Excluding administration; approximate amounts due to exchange rate fluctuations.

3/ Cash component only.

4/ Average amount.

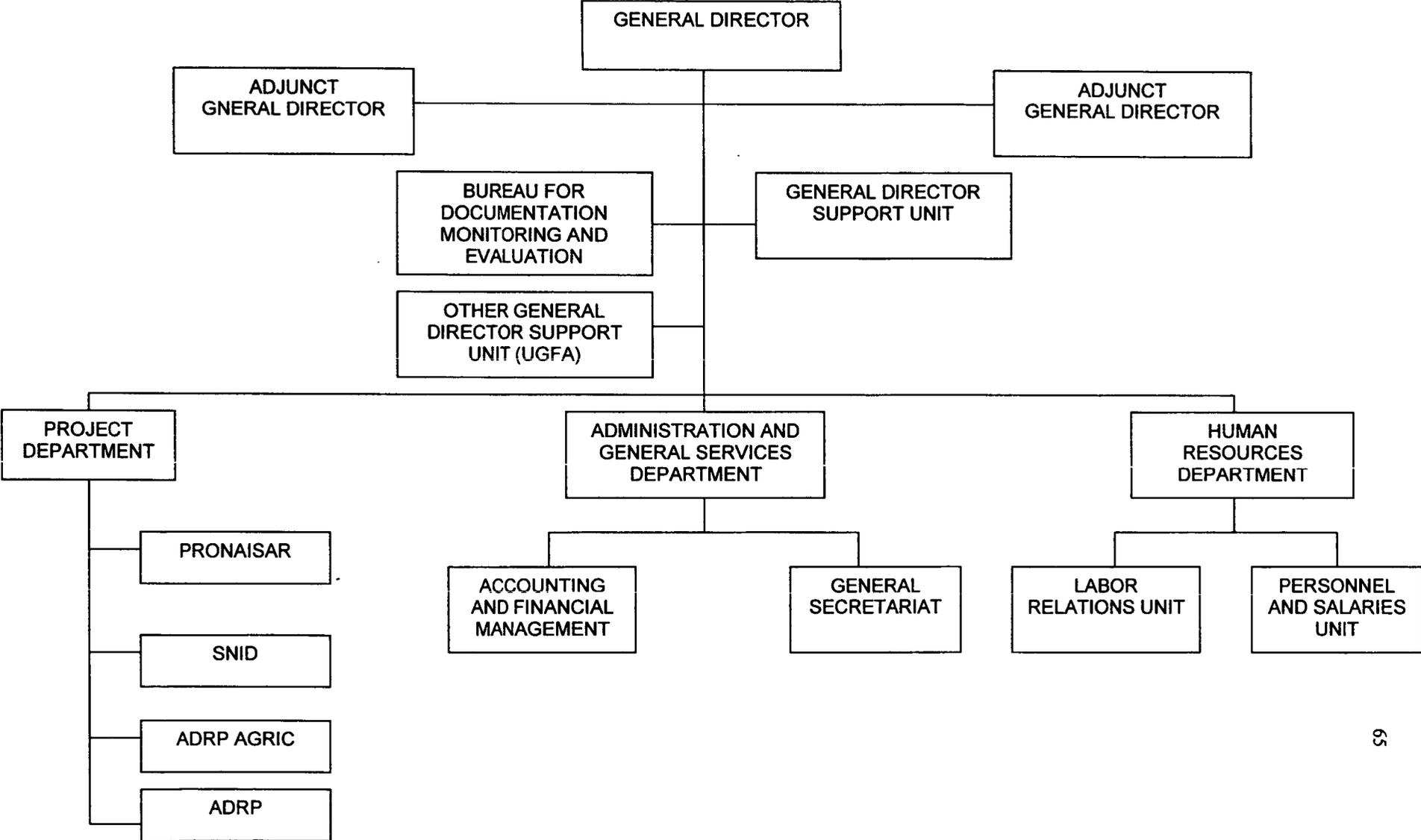
5/ Post-discharge salary payments to SWATF ex-combatants not included.

6/ Duration of service, location of settlement, disability, access to other benefits (pension, civil service).

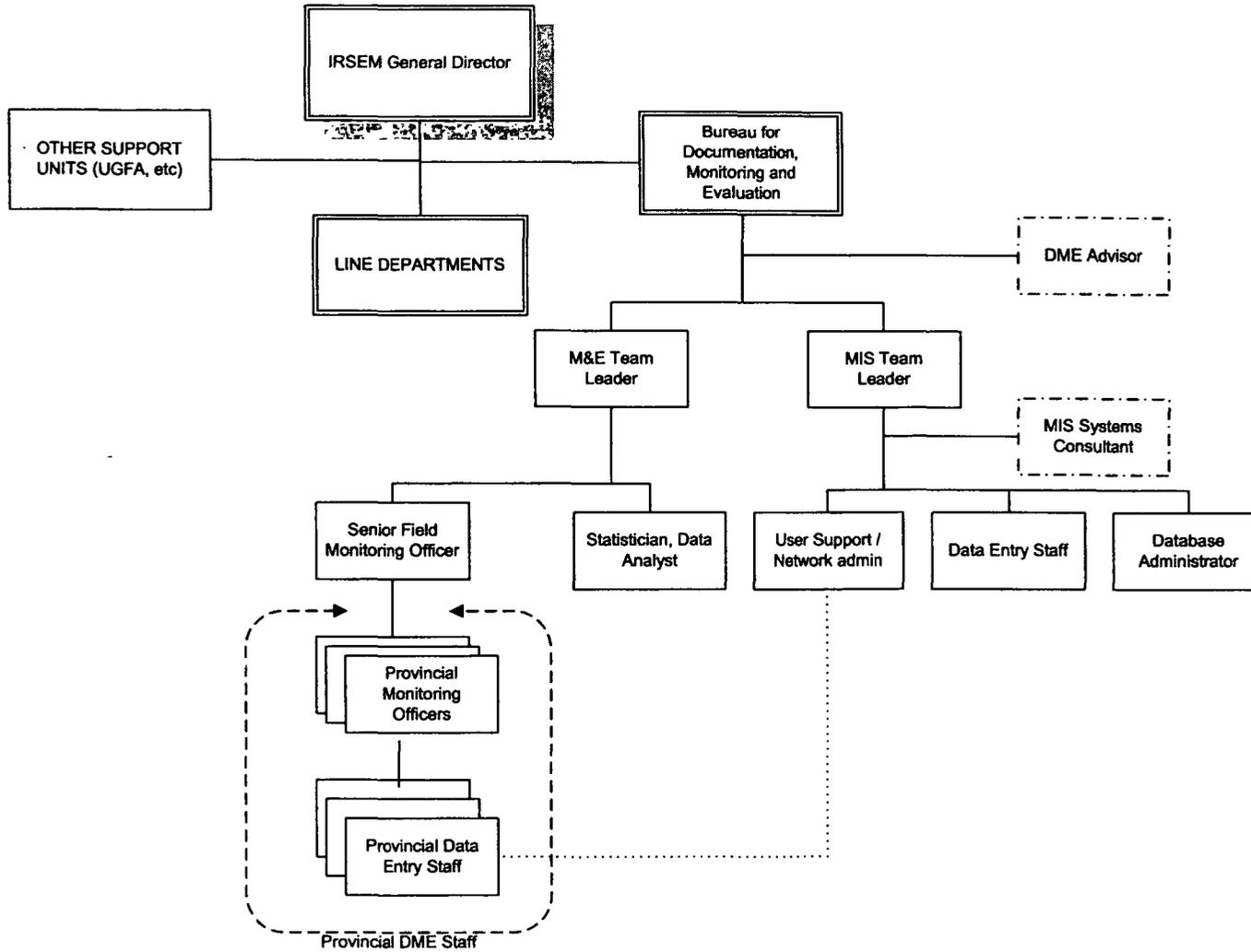
7/ Core package only (irrespective of rank).

Source: Kostner 2001 for all lines except Angola, where source is Government of Angola.

**Attachment 4(a)  
IRSEM Overall Organizational Structure**



**Attachment 4(b)**  
**IRSEM Organizational Structure/BDM&E**



**Attachment 5  
Program Implementation Plan**

Angola Demobilization and Reintegration Program Overall Program Implementation Plan											
Component	Responsibility	Jul-Dec 02	Jan-Jun 03	Jul-Dec 03	Jan-Jun 04	Jul-Dec 04	Jan-Jun 05	Jul-Dec 05	Jan-Jun 06	Key Output	
Project Preparation	IRSEM										
Project Negotiations w/ IDA	GOA/IDA		X							successfully concluded	
Board Presentation & Effect.	WB/GOA		X X								
Demobilization & Discharge	FAA									discharge -80,000 ex-FMU	
Reinsertion Support	GOA										
Economic Reintegration:											
x special projects	Partners									~50,000 ex-FMU assisted	
x national program	IRSEM/Parts.									~100,000 provided assist.	
Social Reintegration	"										
Reintegration of Vulnerable	"									~29,000 assisted	
Info., Sensit., Cours., & Ref.	IRSEM/Parts.										
Project Management	IRSEM										
Project Supervision	IDA/MDRP			X	X	X	X	X	X	6 joint missions conducted	
Project Audits	Ext. Auditor			XX	XX	XX	XX	XX	XX	6 semi-annual audits comp.	

## **Attachment 6**

### **Social and Environmental Safeguard Arrangements**

The Angola Demobilization and Reintegration Program (ADRP) aims to demobilize a large number of ex-combatants and support their reintegration into civilian life. To enhance the chance of success, the ADRP needs properly to address a range of social and environmental aspects. The objective of this analysis is to identify important social and environmental dimensions, summarize the social and environmental management arrangements under the Program, outline targeted monitoring and evaluation activities, and propose institutional capacity-building activities.

#### **1. Social and Environmental Dimensions**

1.1 Successful long-term reintegration of ex-combatants can make a major contribution to conflict resolution and the restoration of social capital, while failure to achieve reintegration can lead to crime and insecurity and also increase the risk of resumed conflict. Reintegration takes place at the community level, and the perceptions, attitudes and organizational capacity of communities to receive and support ex-combatants become a major factor for determining the success or failure of a demobilization and reintegration program.

1.2 Ex-combatants may face profound social reintegration problems. There may be a generalized fear that ex-combatants are merely conveyers of violence, crime and sexually transmitted diseases. Communities may then resent support provided to what is perceived as an overly privileged group. Ex-combatants may be discriminated against on the basis of previous military affiliation. Their personal security may be at risk, especially if they committed atrocities in the communities to which they return.

1.3 Female ex-combatants who have become accustomed to a more independent way of life in the military may struggle to adapt to the expectations of traditional communities. Female partners of ex-combatants and their children who migrate to communities of other ethnic, linguistic and/or cultural backgrounds may be rejected. Last but not least, the years of development children lose to soldiering profoundly affect their future identity.

1.4 Ex-combatants may also exert pressure on the natural resource base, especially in communities with high population densities. Community members may be involuntarily displaced or ex-combatants involuntarily resettled to communities that are not of their choice. Traditional tenure arrangements may bar female ex-combatants from access to land. Ex-combatants may start income-generating activities that, if uncontrolled, may lead to overgrazing, deforestation or improper waste management.

#### **2. Social and Environmental Management Arrangements**

2.1 Building on lessons from reintegration programs for displaced persons and ex-combatants in Angola and elsewhere, the ADRP contains a number of specific elements to identify social and environmental risks and devise appropriate mitigation measures.

The procedures and measures will be spelt out in detail in the Program Implementation Manual.

2.2 *Access to land.* The program would seek to facilitate access of ex-combatants to land in areas of return in accordance with local land tenure systems and with support from local authorities. The following principles would be applied: (i) the program would not bear the cost of land acquisition; (ii) ex-combatants will be free to settle in the community of their choice; (iii) no citizen would be compelled to cede any land to an ex-combatant; (iv) thus there would be no involuntary displacement of civilians as a result of ex-combatants settling in a community. More permanent solutions to minimize land tenure disputes are being publicly discussed in the context of a bill which will be presented to Parliament.

2.3 While landmines are considered a potential obstacle to fully reclaiming agriculture land, it is felt that local populations have general knowledge of the whereabouts of landmines and can avoid these areas until such time as they are made safe through specialized agency programs. In response, the project will provide priority institutional support to local-level service providers, as necessary, through small capital investments and technical assistance from the primary contractors.

2.4 *Social reintegration.* The principle objective of social reintegration assistance would be to ease the return of ex-combatants into civilian life while promoting reconciliation and harmony. Given that the number of years that the ex-FMU have spent in military service is on average more than ten, many have only known war in their adult life. This fact, coupled with the lack of previous work experience and low educational levels of many of the former soldiers, will require social support starting in the quartering areas and following them to their return communities.

2.5 Facilitators already working with ex-combatants in the context of IRSEM's PRONASAR pre-discharge orientation will undertake activities to promote the social reintegration process. Activities to be supported will include:

- (i) Community-level sensitization and confidence-building programs;
- (ii) Awareness-raising programs focused on civic rights and responsibilities;
- (iii) Landmine awareness programs;
- (iv) Information and counseling on sexually transmitted diseases (STDs), HIV/AIDS, health and sanitation;
- (v) Media campaigns through radio, posters, pamphlets and print media;
- (vi) Conflict analysis and reconciliation activities in areas of real or potential tension to develop concrete interventions to diffuse potential conflict; and
- (vii) Community activities (cultural, sporting events or work projects) which promote social cohesion and help to rebuild social capital in return communities.

2.6 While some of these activities may be sub-contracted at a national level to networks of civil society groups or media, most social reintegration sub-projects will be supported at the provincial level. A social reintegration facilitating organization may be

engaged to promote and identify projects at local level in consultation with IRSEM at the provincial level.

2.7 *Gender.* On the basis of a partial survey of ex-FMU completed to date, it appears unlikely that the number of female ex-combatants to be demobilized will be sizeable (of some 78,000 surveyed, only 320, or 0.4 percent, were female). Even so, given the experiences of other demobilization and reintegration programs, the ADRP would provide targeted support for the social and economic reintegration of female ex-combatants. Specific measures would include the following:

- (i) Ensuring that all benefits for ex-combatants are equal for and equally accessible to men and women;
- (ii) Including partners of ex-combatants and women in communities of return in community-level counseling activities; and
- (iii) Monitoring the impact of the program on partners of ex-combatants and women in communities of return and bringing emerging problems to the attention of the relevant authorities.

2.8 *Disabled ex-combatants.* Initial available data on the ex-FMU in the quartering areas indicates a low percentage of disabled (less than six percent), which is inconsistent with reports from both forces as well as historical data on the conflict in Angola and in other countries. It has therefore been assumed, by both parties, that a large number of disabled ex-FMU ex-combatants did not participate in the quartering exercise. The FAA is currently visiting those areas where the ex-FMU have indicated that their disabled are or were residing. The Government will provide updated estimates of the total number of disabled to be supported under the program before effectiveness.

2.9 To date, only limited medical and economic assistance has been provided to disabled ex-combatants. The ADRP would provide assistance for medical rehabilitation depending on the degree of disability, and including the provision of physical rehabilitation assistance (prosthesis and orthosis), counseling, vocational training and/or support for micro-enterprise activities. Furthermore, the ADRP would seek to reinforce key medical facilities (such as the provincial orthopedic workshops in or near areas of return) to provide systematic prosthetic and physiotherapy services, including maintenance of prosthetic devices, to ex-combatants.

2.10 The program would also seek systematically to address the medical needs of chronically ill ex-combatants. The program would endeavor to ensure access to medical care and counseling for chronically ill ex-combatants for up to 12 months after demobilization. After this period, the program would transfer responsibility for these ex-combatants to relevant health authorities. In cases where ex-combatants are too ill or too severely disabled to pursue economic activities themselves, the program would support the deferral of program benefits to a family member identified by the ex-combatant.

2.11 *Underage ex-combatants.* In close coordination with MINARS and the child protection network, the ADRP will support assistance to underage soldiers and other minors associated with both armed forces in accordance with the Cape Town Principle

definition of “child soldier”. The Government currently estimates that there are approximately 6,000 ex-FMU underage soldiers, but this number needs to be confirmed. Based on previous Angolan and international experiences, and taking into consideration the criteria established under the Cape Town Principle, the actual number may be considerably higher. Implementing partners, including UNICEF, Christian Children’s Fund, Save the Children UK, and church groups, are expected to provide assistance to the reintegration of underage ex-combatants, which would include family tracing and unification, trauma counseling and psycho-social care, and facilitation of access to education and recreation in communities of settlement. Children older than 15 years may have different needs and would receive appropriate support (e.g., for vocational training). The program of assistance will be jointly developed by the child protection network (CPN) and it is expected that the CPN will be able to provide complementary financial support for this sub-component of the ADRP.

**2.12 *Environmental classification.*** The program is classified as environmental category B, although the phased and widely dispersed reintegration of 138,000 ex-combatants into civilian life is expected to be environmentally neutral. Furthermore, the program will not finance the construction or rehabilitation of infrastructure other than the possible small-scale rehabilitation of certain medical rehabilitation centers. Environmental mitigation measures under the program include the screening and monitoring of sub-projects financed under the reintegration component for environmental impact according to the procedures, acceptable to IDA, set up by the Government.

**2.13 *Environmental screening.*** The ADRP would provide reintegration support to ex-combatants in the form of sub-projects in the areas of agricultural activities, community works, training, and promotion of income-generating activities. Community works activities and income-generating activities would be screened for environmental impact. The objective of environmental screening would be to minimize the negative environmental impacts of the Program. The screening procedures will be tailored to the small-scale nature of community works and income-generating activities, examining the potential for impacts and identifying any mitigation measures. The focus of the screening would be on the following issues: health, water and sanitation, natural resource exploitation, erosion, pesticide use and any other safeguard-related issue. The screening will also assess the potential environmental impact of community works and income-generating activities on neighboring communities. In case of wider negative environmental impact, actions would be agreed upon with the relevant local administrations.

### **3. Social and Environmental Monitoring and Evaluation**

**3.1** The ADRP will seek to promote participatory social and environmental monitoring. Annual evaluations would include an assessment of, among other things: the procedures governing access to land; the occurrence of involuntary displacement or resettlement; the degree of community acceptance; the existence of discrimination on the basis of gender or previous military affiliation; the level of personal security of ex-combatants; the level of criminal activities undertaken by ex-combatants; and the impact on an ex-combatant’s family members. The evaluations would help to identify social and

environmental impact, determine the appropriateness of procedures and processes, and make recommendations for improvements where necessary.

3.2 *Social assessment.* Shortly after Grant effectiveness and building on relevant preparatory activities (preparation of the sensitization program and of the pre-discharge orientation), a social assessment will be undertaken and will include the following:

- (i) A stakeholder analysis;
- (ii) An institutional capacity diagnostic;
- (iii) The development of a public consultation mechanism as part of the ADRP's sensitization program; and
- (iv) The design of a participatory monitoring and evaluation framework.

3.3 The social assessment will help identify the social and cultural structure of incentives and constraints that guide and govern behavior with respect to building social cohesion and promoting the sustainable use of natural resources. Furthermore, it will help determine the relevant social indicators for participatory monitoring, including on the social exclusion of returning ex-combatants.

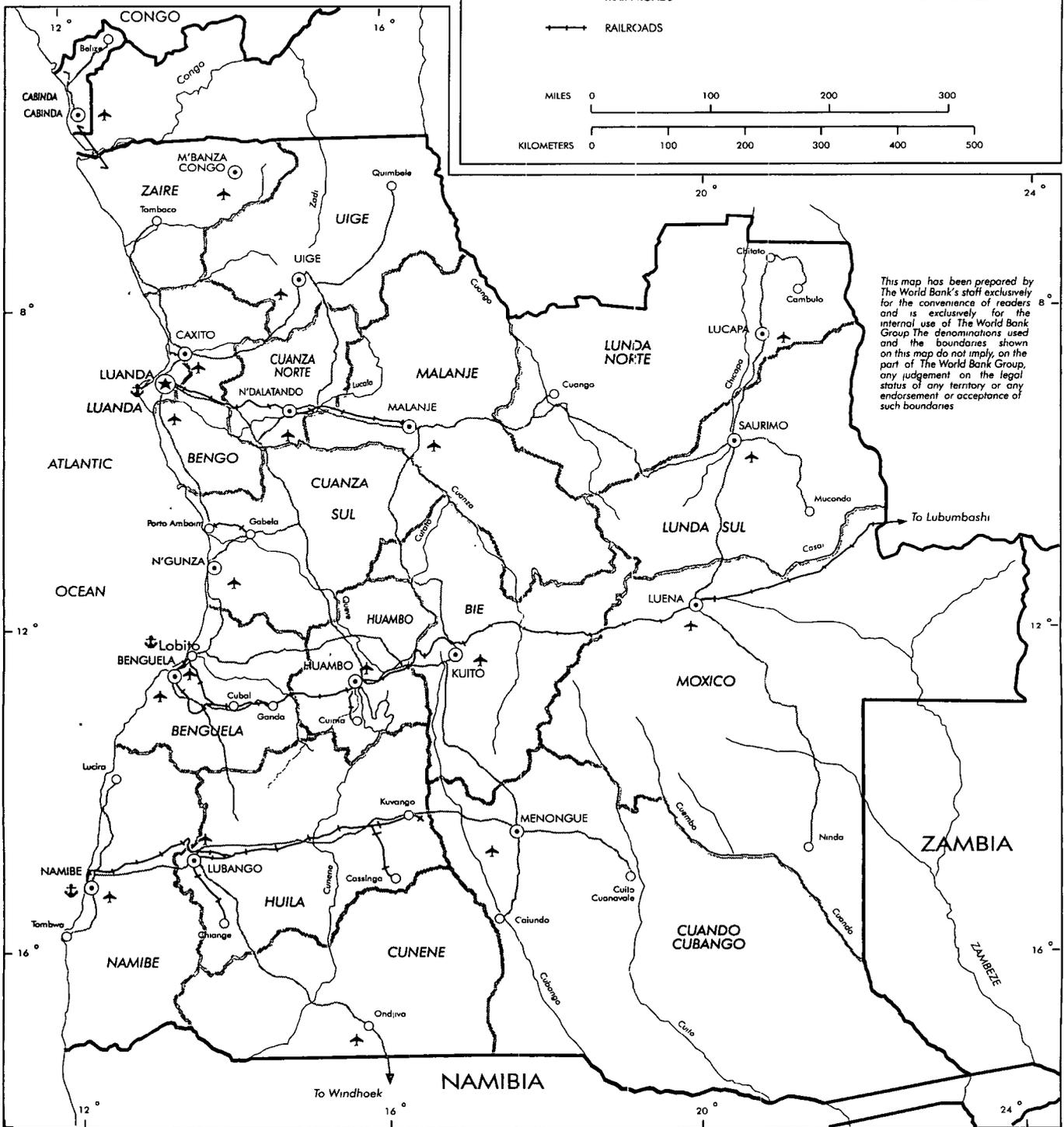
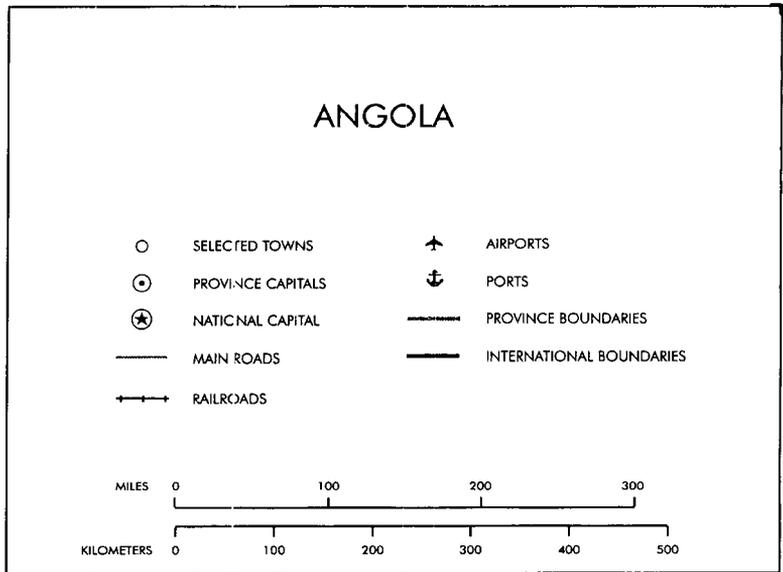
3.4 Information will be distributed horizontally (especially important for the beneficiaries and in general for sake of transparency) and vertically in the management structure of the Program. Information will be readily available for assembly and analysis into periodic monitoring and evaluation reports. The Program's computerized Management Information System is built around these parameters.

3.5 *Independent evaluations.* A special Program element would be annual evaluations of environmental and social indicators as part of the annual Program evaluation undertaken by independent consultants. These evaluations would include a beneficiary assessment and a review of Program achievements. The issues to be addressed would include, among other things: the procedures governing access to land; the occurrence of involuntary displacement or resettlement; the degree of community acceptance; the existence of discrimination on the basis of gender or previous military affiliation; the level of personal security of ex-combatants; the level of criminal activities undertaken by ex-combatants; and the impact on an ex-combatant's family members. The evaluations would help to identify social and environmental impacts, determine the appropriateness of procedures and processes, and make recommendations for improvements where necessary.

3.6 The monitoring and evaluation system is designed in such a way that the regular review of social and environmental aspects is part and parcel of Program implementation, and that mitigation measures would be initiated quickly as needed.

**MAP SECTION**





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## IMAGING

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