Department of Economic and Social Affairs
Secretariat of the Committee for Development Policy

Ex-ante impact assessment of likely consequences of graduation of

Angola

from the least developed country category

2015 triennial review

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Ex-ante impact assessment - Angola
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Abstract

This ex-ante impact assessment considers the likely implications of graduation on Angola from the list of the least developed countries (LDCs), in particular, those emanating from possible changes in the country's access to LDC specific international support measures. It indicates that the impact of eventual loss of preferential market access due to LDC status on Angola's exports would be limited due to the country's high concentration in the oil exports (98 per cent of the total merchandise export). The country's reliance on ODA flows is very small (0.2 per cent of GNI) and thus the impact of any eventual reduction of ODA on the economy would not be large. Yet, graduation may lead to loss of access to the GEF-LDC Fund, and to concessional loans by the Republic of Korea in the future. In addition, the contribution to UN regular and peacekeeping budgets will increase by about $1 million and $663,000, respectively, and the country will lose access to travel support to participate UN General Assembly after a transition period. Regardless of its LDC status, it is critical that the international donor community continues to provide support to required national policy efforts to address the country's development gaps, in particular its low level of human development.

1. Background

At its 2012 triennial review of the list of least developed countries (LDCs), the Committee for Development Policy (CDP) considered Angola eligible for graduation from the LDC category for the first time, as it met the "income only" criterion.[1] The income-only criterion was established on the basis of a recommendation CDP made at its seventh session in 2005. It stipulates that a country would be considered eligible for graduation if its GNI per capita was more than twice the amount of the graduation threshold, even if the country did not meet any of the other criteria for graduation as measured by its Human Asset Index (HAI) or Economic Vulnerability Index (EVI) scores.[2] At the 2012 review (table 1), Angola's GNI per capita amounted to $3,747, which was more than three times the income graduation threshold ($1,190). Angola shares a common characteristic with other LDC net fuel exporters: high income level, low HAI and high EVI, as observed in Equatorial Guinea, Sudan and Timor-Leste.

Based on the 2012 triennial review outcome, the Committee requested the Department of Economic and Social Affairs (DESA) to prepare an ex-ante impact assessment of the

[1] United Nations Committee for Development Policy, Report on the fifteenth session of the Committee for Development Policy, 18-22 March 2013 (E/2013/33, Supplement No. 13)
[2] United Nations Committee for Development Policy, Report on the seventh session of the Committee for Development Policy, 14-18 March 2005 (E/2005/33, Supplement No. 13)

likely consequences of graduation for Angola.[3] The impact assessment is undertaken in conjunction with, and as a supplement to, the report on Angola's vulnerability profile which is prepared by the United Nations Conference on Trade and Development (UNCTAD).

The ex-ante impact assessment aims at examining the likely consequences of graduation for countries' economic growth and development. It should identify potential risk factors, or gains that countries may face after graduating in view of the possible change in the nature of support received by development and trading partners. As such, the impact assessments are to provide a better understanding of the relation between the benefits received (preferential markets access, special treatment regarding WTO obligations, ODA and general assistance) and a country's economic growth and development.

One important element of the ex-ante impact assessments is to gather information not only through research, but also from countries' main development and trading partners on the amount and/or type of preferences, benefits and assistance accorded to a given country due to its LDC status.

The country's development partners were invited by DESA to provide inputs for the impact assessment in August 2014. Partners were asked for their views with respect to the likely treatment they would extend to Angola, in particular, concerning the continuation of development aid, technical cooperation and trade preferences if the country's graduation were confirmed at the next review in 2015 and implemented in 2018, the earliest date the country would graduate. As of January 2015, DESA received responses from the European Union, Japan, and the United States, as well as UNDP Regional Bureau for Africa and UNDP Angola office. The Department is very grateful to those Governments and institutions that participated and contributed to this exercise.

This draft report was circulated to the Government of Angola for comments before being finalized for submission to the CDP consultations in 28-30 January 2015, prior to the triennial review on 23-27 March 2015. It is acknowledged with appreciation the comments provided by the Government of Angola on a previous version of this report (annex). This however does not necessarily imply that the Government of Angola either aligns itself with the main findings and conclusions of this report or is responsible for remaining errors and omissions.

2. Methodology

The purpose of the ex-ante impact assessments is to provide an indication of possible outcomes, should trade preferences, assistance and support be withdrawn or changed. Despite a wide array of existing impact assessment methodologies to draw on, there is no internationally recognized methodology for identifying and assessing actual or potential

[3] See Report on the fourteenth session of the Committee for Development Policy, 12-16 March 2012 (E/2012/33, Supplement No. 13), and ECOSOC resolution (E/2012/32) on the Report of the Committee for Development Policy on its fourteenth session.

consequences incurred by graduating countries as a result of a reduction in receiving special international support measures related to their status as an LDC.

The LDCs derive special support measures both from the donor community; including bilateral donors and multilateral organizations, as well as from the special treatment accorded to them by trading partners and certain multilateral and regional trade agreements. These measures fall into three main areas: international trade; official development assistance (ODA), including development financing and technical cooperation; and general support. Currently, the major support measures extended owing to LDC status vary among development partners and are mostly related to trade preferences and the volume of ODA. A comprehensive catalogue of LDC specific international support measures is available at http://www.un.org/ldcportal.

It is important to emphasize that the analysis carried in this report involves the identification of support measures that are made available to the country concerned exclusively *on the basis of its LDC status alone*. Some of those measures can be easily identified, for instance, the preferential market access granted to LDCs, such as in the Everything-But-Arms (EBA) Initiative of the European Union and other similar initiatives, or the support provided by the United Nations in terms of caps to budget contribution and participation at various international meetings.

However, in some other instances, it is not possible to make a distinction between LDC specific measures and "regular" development assistance for which all developing countries are eligible. For example, the commitment by donor countries to reach 0.15 to 0.20 per cent of their GNI as ODA flows to LDCs does not imply that ODA goes to LDCs exclusively on the basis of their status as such. Hence, this report will identify major bilateral and multilateral donors and briefly provide an overview of their development assistance strategies vis-à-vis Angola and highlight those areas (if any) that could be potentially affected.

The qualitative analysis employed in this report is supplemented by quantitative data to an extent possible. Every effort has been made to collect most up-to-date information from national, regional and international sources on socio-economic data of Angola and on relevant trade and external aid data of its development partners. As of late-2014, most data are available at least up to the end of 2012 or 2013.

3. Support measures and special treatment related to trade

WTO members grant reciprocal Most Favoured Nations (MFN) treatment to each other's exports, which attempts to ensure non-discriminatory and equal treatment among all signatories with respect to market access conditions. This notwithstanding the "Enabling Clause" was introduced in 1979, which allows developed countries to extend more favourable, non-reciprocal treatment towards the exports of developing countries in general (thereby giving the legal basis to the Generalised System of Preferences – GSP) and deeper margins of preferences for LDCs which may or may not be WTO members. In 1999, Members of the WTO adopted a waiver that allows developing countries to extend preferential treatment to the imports from LDCs.[4] The possibility of receiving preferential treatment has also been extended to services and services suppliers of LDCs[5] although the operationalization of the Services waiver has not yet been finalized.[6]

As an LDC, Angola can have access to preferential treatment extended to LDCs by developed countries such as the EBA initiative of the European Union, and the special programmes that other developed countries have for LDCs, within their GSP schemes, as is the case of Japan, Canada and the United States, among others. Similar preferences have also been granted to LDCs by emerging and higher income developing countries and duty-free imports to these countries have been increasing in recent years.[7]

Independent of its LDC status, Angola can access markets on a preferential basis due to its participation in regional free trade agreements. Angola is one of the 15 member states of Southern African Development Community (SADC),[8] but remains as one of the three countries -- together with the Democratic Republic of Congo and the Seychelles – that have not yet signed the SADC Trade Protocol to establish a free trade area.

Angola has signed bilateral economic cooperation and trade agreements with more than 30 countries since 1976, including its major trading partners.[9] China is the top destination market for Angola's exports, followed by the United States and India. The governments of China and Angola signed a bilateral trade agreement in 1984 and set up a Mixed Economic and Trade Commission in 1988. Since 2003, Angola has been a party to the United States' African Growth and Opportunity Act (AGOA). In 2009, the United States Trade Representative and the Angolan Minister of External Affairs signed a Trade and Investment Framework Agreement which provides a forum to address trade issues and help enhance trade and investment relations between the United States and Angola. The governments of India and Angola signed a trade agreement in 1986 and have maintained cooperative relations.[10]

3.1 Main export products and markets

Angola has a large trade surplus, and its exports are dominated by extractive activities (table 2). Mineral fuel exports accounted for 98 per cent of the merchandise export

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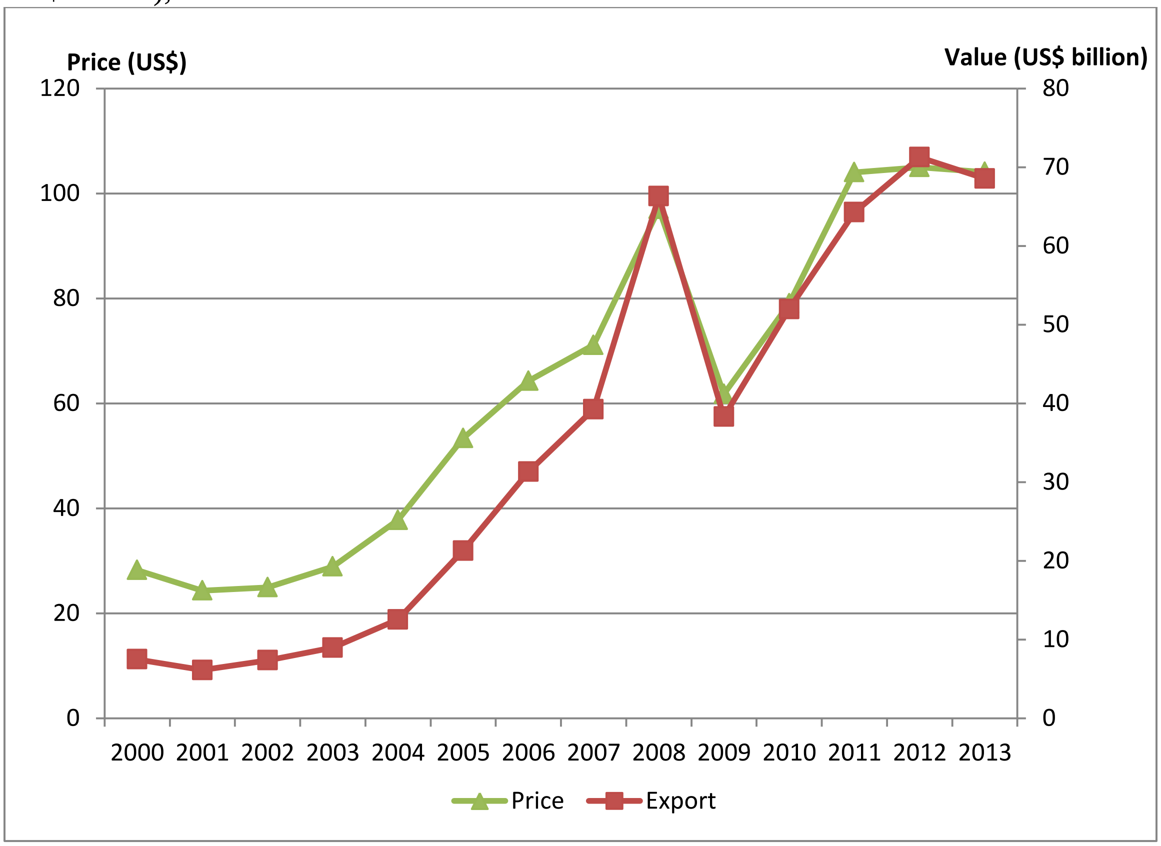
[4] WTO, WT/L/304/17, 17 June 1999.
[5] WTO, TN/S/37, 29 November 2011.
[6] See also LDC Portal at http://esango.un.org/ldcportal/trade/all-isms for global system of trade preferences among developing countries and preferential treatment for services and service supplies.
[7] See WTO, WT/COMTD/LDC/W/58, 10 September 2013.
[8] Current Signatories include Angola, Botswana, The DR Congo, Lesotho, Madagascar, Malawi, Mauritius, Mozambique, Namibia, Seychelles, South Africa, Swaziland, Tanzania, Zambia, and Zimbabwe. Detailed information is available from http://www.sadc.int
[9] WTO, Member information: Angola. Available from http://www.wto.org/english/thewto_e/countries_e/angola_e.htm; WTO, Trade Policy Review: Angola. Available from http://www.wto.org/english/tratop_e/tpr_e/g158_e.doc
[10] WTO, Trade Policy Review: Angola. Available from http://www.wto.org/english/tratop_e/tpr_e/g158_e.doc

revenues, while diamond and other products from the extractive industry accounted for 1-2 per cent (table 3).

Between 2000 and 2013, Angola's oil export increased almost tenfold from $7.5 billion to $68.6 billion, while oil prices rose from $28 per barrel to $104 in the same period (figure 1). The fast-growing oil export and high oil prices propelled the GNI per capita growth from $420 in 2000 to $6,770 in 2013.[11] Angola is set to overtake Nigeria as the largest oil producer in Sub-Saharan Africa in 2016, according to projections by the International Energy Agency (IEA).[12]

Figure 1. Oil prices (current US$ per barrel) and Angola's oil exports (current US$ billion), 2000-2013



Source: IMF, Commodity price database; UNCTAD, Comtrade, accessed 10 October 2014

Growth prospects over the longer term, however, are uncertain as the amount of commercially viable oil reserves is still under examination.[13] Current estimates (January

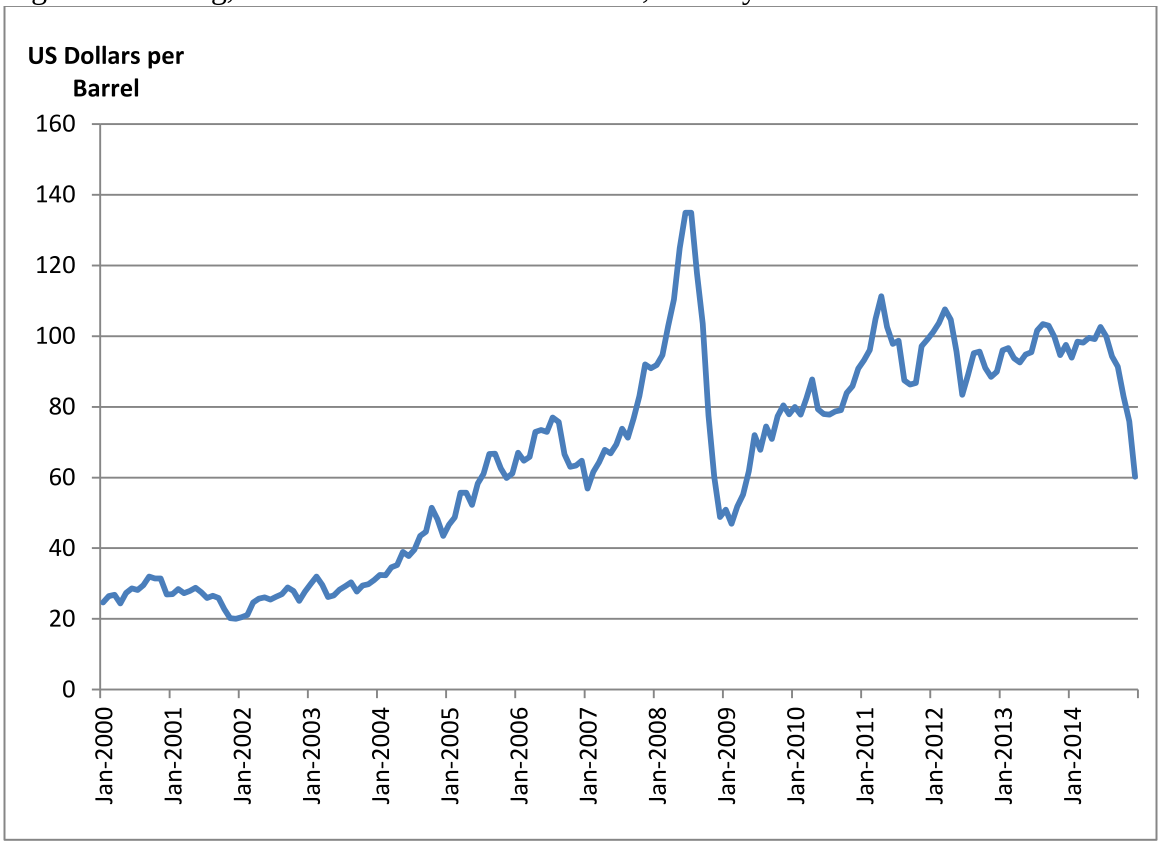
[11] UNCTAD, Angola's graduation from LDC status: rules, facts and figures, background note prepared on the occasion of the Training and Capacity-building Workshop on Sustainable Graduation, Luanda, 30 July – 1 August 2013.

[12] IEA (2014), Africa Energy Outlook: World Energy Outlook Special Report. Available from http://www.iea.org/publications/freepublications/publication/WEO2014_AfricaEnergyOutlook.pdf

[13] Economist Intelligence Unit (2014), Country update. Available from http://country.eiu.com/article.aspx?articleid=1252367909&Country=Angola&topic=Economy&subtopic=Forecast&subsubtopic=Fiscal+policy+outlook&u=1&pid=122303196&oid=122303196&uid=1

2014) place proved oil reserves at almost 9.1 billion barrels. Angola is also a natural gas producer and recently started exporting small quantities of LNG. The country has proven reserves estimated at 366 billion cubic meters. Total oil production has averaged around 1.8 million bbl/d. Production has been stagnant as a result of technical problems which have disrupted supply from some fields. Rapid reservoir depletion has also resulted in steep decline rates at some fields, but offset by new fields coming on stream. In fact, several new projects are expected to start producing in the next five years.[14] However, oil prices are expected to continue on their moderating trend (see figure 2) not only due to the slow recovery of global demand[15], but also in light of a more fundamental shift in the global oil market in the form of the continued ascent of the United States as a major oil producer. This creates the possibility of a lasting change in global oil price dynamics, both in terms of the equilibrium price level and the variability of oil prices. Angola's high reliance on the oil sector creates an especially pronounced exposure to these market changes and has contributed to the high vulnerability of the country, which will be analyzed in greater detail in the vulnerability profile report that is prepared by UNCTAD.

Figure 2 Cushing, OK crude oil future contracts 4, January 2000 - December 2014



Source: US Energy Information Administration, accessed 20 January 2015

[14] US Energy Information Administration. Angola country profile and brief overview available at http://www.eia.gov/countries/cab.cfm?fips=AO (downloaded on 24 November 2014).

[15] United Nations (2014), World Economic Situation and Prospects 2014: Update as of mid-2014. Available from http://www.un.org/en/development/desa/policy/wesp/wesp_current/WESP2014_mid-year_update.pdf

As mentioned above, Angola's export markets are also concentrated in a few countries. China (43.5 per cent of Angola's exports), United States (15.7 per cent), the EU (over 11 per cent) and India (10 per cent) were the main trading partners in the period of 2011-13 (table 4). Only three per cent of Angola's export was destined to SADC countries, mainly South Africa, in the same period.

Angola's main exports incur zero tariff rates under the Most Favoured Nation (MFN) treatment or preferential market access, in all of their main markets. Tariff rates on Angola's exports to China, EU and India incur zero tariff rates under MFN treatment.[16] Angola's exports have been able to enter the United States market duty-free under AGOA. Angola also exports small amounts of refined products which corresponded to less than 1 per cent of the country's export revenues in 2011, which often incur tariffs, ranging from about 1 to about 7 per cent under the MFN treatment, depending on the trading partner.[17]

3.2 Possible impact of loss in preferences

Angola is an original member of the WTO. Its petroleum exports will continue to enjoy zero tariff rates even after it graduates from the LDC category, because the MFN rates on its petroleum exports are zero in China, EU and India, as well as Canada and South Africa (table 5). Angola's exports can enter the United States market through AGOA with zero tariff after the graduation, as access to the scheme is not related to LDC status. While not being affected by change of status may be seen as positive as far as market access is concerned, it should be noted that Angola has not been able to make use of LDC preferential treatment to diversify its exports due to supply side constraints. This is especially noteworthy in view of the significant public funds derived from oil exports, which could underpin significant policy space for pursuing successful diversification strategies.

Graduation from LDC status implies that differential treatment in the observance of WTO disciplines will not be allowed after graduation. LDCs are exempted from certain disciplines such as the prohibition on export subsidies, or are allowed temporary use of measures incompatible with the Agreement on Trade-related Investment Measures (TRIMs). LDCs are granted longer implementation periods, reduced reporting obligations under the trade review policy, etc. As an LDC, Angola is not required to implement the Agreement on Trade –related Intellectual Property Rights (TRIPS), other than Article 3 (national treatment), Article 4 (MFN treatment) and Article 5 (precedence of WIPO procedures), until 1 July 2021, as the transition period for LDCs has been extended.[18] TRIPS is a complex agreement and it involves changes in existing domestic property

[16] See LDC portal. http://www.un.org/ldcportal
[17] Muxito, Adelino A.S. and Gilberto D.F. Antonio. A Graduação de Angola dos PMA: Perpectivas e Desafios. Editando- Edição e Comunicação, Ltda., Dezembro 2013. Available from http://www.info-angola.ao/attachments/article/4438/A%20gradua%C3%A7%C3%A3o%20de%20Angola%20dos%20PMA_perspectiva%20e%20desafios_Sum%C3%A1rio%20Executivo.pdf
[18] WTO (2013), IP/C/64

right laws and/or adoption of compatible new legislation. While one could not expect Angola to implement it immediately after graduation, there are no smooth transition measures envisaged for countries graduating from the category, and there is no guarantee that other WTO members will not request a prompt implementation of the TRIPS. Thus, it is not clear how and how long implementation would take place or the extent of costs involved.[19] Additionally, loss of LDC status may imply in reduced policy space as the country will no longer be exempted from certain disciplines. It is not clear, however, how much use Angola currently makes of these prerogatives.

From the above, it is expected that, at least in the short term, Angola's market access for its current exports will not be affected by graduation as its main exports already enter markets with zero tariff under the MFN treatment or benefit from preferential treatment not related to LDC status (AGOA, for instance).[20] A recent study on the process of graduation of Angola confirms this conclusion.[21] However, in the medium and long term, the graduation might have a potential impact on the national policy of diversification of exports, if implemented, due to lack of access to preferential treatment granted by trade partners and some importing countries' policies that include higher tariffs on semi-processed or processed goods, including oil-derivatives. In 2013, the Government of Angola set up a national commission on LDC graduation, comprised of secretaries of the President for economic affairs, diplomatic affairs, and international cooperation, as well as ministers of planning, foreign affairs, finance, economy, trade, industry, agriculture, and fisheries.[22] A report of the commission on the graduation process and its impact on Angola's economy is under preparation.[23]

3.3 Capacity building in trade

Angola's LDC status allows access to the Enhanced Integrated Framework (EIF) to receive financial and technical assistance on removing obstacles to trade development. Under the EIF, Tier 1 funds can be used to fund the preparation of Diagnostic Trade Integration Study (DTIS) and to provide support to National Implementation Units. Tier 2 funds are available to finance priority small-scale projects to build up trade-related and supply-side capacities. [24]

Angola undertook preparations for a DTIS in 2006. The DTIS focused on agriculture and manufacturing sectors in order to diversify the economy, reducing oil dependency, while building an export capacity that could lead to a better integration of Angola into the

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[19] Article 1 of the Decision Of The Council For Trips Extension Of The Transition Period Under Article 66.1 For Least Developed Country Members Of 11 June 2013 states: "Least developed country Members shall not be required to apply the provisions of the Agreement, other than Articles 3, 4 and 5, until 1 July 2021, or until such a date on which they cease to be a least developed country Member, whichever date is earlier."

[20] UNCTAD (2011), op cit.

[21] Adelino Muxito and Gilberto António (2013), op cit.

[22] Government of Angola, letter to the Committee for Development Policy Secretariat, dated 29 December 2014 (see Annex).

[23] Government of Angola (2013) Despacho Presidencial, 26 April 2013.

[24] Additional information available at www.un.org/ldcportal.

international markets. This primary goal supports the objective of building strong export capacities of non-oil sectors in the medium to long-term.[25] Since 2006, however, there was no follow up activity or project under consideration.[26]

Graduation of Angola from the LDC category will not immediately affect the current programme in effect or under consideration, because the graduation will take place in 2018 at the earliest. Additionally, the EIF adopted smooth transition provisions in July 2010 for countries leaving the LDC category. Accordingly, a graduating LDC has access to EIF benefits automatically for three years and an additional two years subject to justification and approval by the EIF Board.[27]

Specialized training and technical assistance in trade can continue to be provided to Angola under the framework of the Aid-for-Trade, which is available for all developing countries, if the country graduates from the LDC category. At the 9th WTO Ministerial Conference in Bali, WTO members issued a declaration on aid for trade as follows: "We reaffirm our commitment to Aid for Trade and reiterate the mandate given to the Director-General to pursue actions in support of Aid for Trade. The new Aid-for-Trade Work Programme should be framed by the post-2015 development agenda." According to the WTO, the total Aid-for-Trade amounted to $9.4 billion for LDCs, and to $24.2 billion for other developing countries in 2011 (disbursement). Angola received US$41.4 million in Aid-for-Trade in 2011, equivalent to about 20 per cent of the total ODA received.[28]

4. Official Development Assistance

ODA flows to Angola are minimal compared to the size of the economy: on average, the country's ODA/GNI ratio was around 0.2 percent over the period of 2011-2012.[29] The net total ODA inflow was $242 million in 2012, and 55 per cent of the total was from bilateral partners (table 6).

Angola's development partners have been involved in various projects to support the implementation of Angola's national development plans to address poverty as well as the country's several challenges to achieve sustainable development. The Government has set out its vision for equitable and inclusive development for all in three overarching

[25] IF (2006), Angola: Diagnostic Trade Integration Study, and Country profile, available from http://www.enhancedif.org/en/country-profile/angola

[26] The information is based on a communication received from EIF.

[27] EIF, Compendium of EIF Documents: A User's Guide to the EIF, Access to the EIF Programme: the Technical Review. Available from http://enhancedif.org/en/system/files/uploads/eif_tier_1_project_guidelines.pdf

[28] WTO (2013), Aid for Trade at a glance 2013: connecting to value chains. Available from http://www.wto.org/english/res_e/booksp_e/aid4trade13_e.pdf

[29] OECD/DAC, Aid at a glance: Angola. Available from http://www.oecd.org/dac/stats/documentupload/AGO.JPG

strategic frameworks: (a) Vision 2025; (b) National Development Plan 2013-2017: and (c) Poverty Reduction Plan 2010-2015.[30]

4.1 Bilateral Flows

Japan, Norway, the Republic of Korea and the United States are Angola's major bilateral donors during the period of 2008-2012 (table 6). As described below, some bilateral donors have development assistance plans and strategies in place which seem to have been established regardless of Angola's status as an LDC. Generally, the bilateral assistance appears to be guided by humanitarian, economic or political considerations, not by the LDC status of the country.

Bilateral ODA has been allocated mostly to social infrastructure and services (70 per cent of the total bilateral ODA receipts) in the period 2008-2012 (table 7). The focus on the social sector is observed among all major partners (table 8).

The United States is Angola's largest donor, contributing with $72 million in 2008-2012, on average (57 per cent of the total bilateral ODA to Angola). Social infrastructure and service sector absorbs most of these funds (89 per cent). The 2014-2017 US development assistance strategy for Angola has two main objectives: the first is to increase catalytic technical assistance to government ministries involved in public administration, financial management, and health system strengthening; the second is to engage the private sector and civil society in reaching the country's development objectives.[31] For 2015, the United States plans to contribute $57.3 million, which mainly focuses on the health sector, and includes small peace and security sector funds. The Government of United States indicated to the Secretariat that Angola's graduation from LDC category would have no impact on its assistance programme for the country.[32]

Japan is Angola's second largest OECD donor with a total aid allocation of $12.6 million in 2008-12 average (10 per cent of the total ODA inflow to Angola). Japan's aid has been directed mainly toward programme assistance (71 per cent), focusing on economic development, peace and security, and health sector. The Government of Japan does not consider the country's LDC status in its ODA allocation, and currently does not have a comprehensive development assistance strategy in place for Angola.[33] Japan's ODA

[30] World Bank (2013), Country Partnership Strategy FY14-FY16 for the Republic of Angola. Available from http://www-wds.worldbank.org/external/default/WDSContentServer/WDSP/IB/2013/09/06/000442464_20130906093626/Rendered/PDF/762250CAS0Ango0800OUO0900Box379823B.pdf

[31] USAID (2014), Country Development Cooperation Strategy 2014-2017. Available from http://www.usaid.gov/sites/default/files/documents/1870/USAID%20Angola%20CDCS%2027%20Feb%202014%20Public%20Ver_Branded_FINAL_042114.pdf

[32] Letter from Permanent Mission of the United States to the UN, dated 25 September 2014, in response to inquiry by DESA concerning support measures provided to countries identified for graduation.

[33] Ministry of Foreign Affairs of Japan, International Cooperation: Angola. Available from http://www.mofa.go.jp/mofaj/gaiko/oda/shiryo/kuni/13_databook/pdfs/05-01.pdf

loans carry concessional interest rates for LDCs, but Angola currently does not borrow concessional loans from Japan.[34]

Norway's aid to Angola was $12.6 million in 2008-2012, on average (10 per cent of the total ODA received by Angola). Norwegian development cooperation with Angola is focused on: oil for development; good governance; human rights; and women and gender equality.[35] In particular, Norway has provided petroleum-related assistance to Angola since 1987, and the most recent technical assistance to the petroleum sector has been implemented from 2006 to 2012. The objective of the agreement was to promote improved management of petroleum resources as a tool for sustainable economic and social development in Angola. In 2013, a five-year institutional cooperation programme was developed, but put on hold as the Government of Norway conducted a review of the programme in a number of countries, including Angola. In 2013, Norway provided support to a research programme which aims to enhance knowledge and policy based research in Angola on issues such as public financial management and good governance in the oil sector.[36] Norway's development cooperation policy for Angola does not appear to be associated with the country's LDC status.

The Republic of Korea's aid to Angola was $12.4 million in 2008-2012, on average, accounting for 10 per cent of the total ODA to Angola. Most of Korean ODA was in the form of loans financed by Economic Development Cooperation Fund (EDCF) of the Export-Import Bank of Korea. The focus of Korea's development aid for Angola is on agriculture, education and public administration. As an LDC, Angola has been able to access Korea's EDCF at concessional terms (0.01 per cent concessional interest rate and 40 years of repayment period, including 15 years of grace period). Should the country graduate from the LDC category, a higher interest rate (2 per cent) and shorter repayment periods (30 years, including 10 years of grace period) would be applied for new projects in Angola initiated after the country's graduation.[37]

4.2 Multilateral Flows

Among Angola's multilateral partners, the main goal of EU's development assistance to Angola is to contribute to sustainable development through institutional support and capacity building, and through support for the Angolan government's strategy to combat poverty and achieve the Millennium Development Goals (MDGs). Building on that strategy, €214 million in total financing was provided under the programmes identified in

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[34] Letter from Permanent Mission of the United States to the UN, dated 2 October 2014, in response to inquiry by DESA concerning support measures provided to countries identified for graduation.

[35] NORAD, Development cooperation: Angola. Available from http://www.norad.no/en/countries/africa/angola; UNCTAD (2013), Who is benefiting from trade liberalization in Angola? A gender perspective. Available from http://unctad.org/en/PublicationsLibrary/ditc2013d3_en.pdf

[36] NORAD, The Oil for Development programme in Angola. Available from http://www.norad.no/en/thematic-areas/energy/oil-for-development/where-we-are/angola/The-Oil-for-Development-programme-in-angola

[37] The information is based on a communication received from the Export-Import Bank of Korea in 8 October 2014.

the 2008-2013 EU Angola Country Strategy Paper (CSP).[38] EU indicated that graduation would not have an immediate impact on development cooperation for the country in the period 2014-2020 under the 11th European Development Fund (EDF) since bilateral assistance envelopes have already been decided and based on criteria which are different from those used for the graduation. In the period 2014-2020, EU will pay particular attention to the business environment in Angola, the regulatory framework for foreign investment and education levels, and structural elements which are crucial for the country's efforts to diversify its economy and reduce oil dependency.[39]

Under the United Nations Framework Convention on Climate Change (UNFCCC), special funds have been created to address the special needs of developing countries for climate change mitigation and adaptation. In 2001, UNFCCC parties established the Least Developed Countries Fund (LDCF) to support LDCs in carrying out the preparation and implementation of National Adaptation Programmes of Action (NAPAs). Since Angola completed the NAPA preparation in 2011, four country projects (on soil management, land management, coastal adaptation and disaster risk management) have been approved to be financed by LDCF, and about $30 million has been secured as of 2014.[40]

The current World Bank portfolio in Angola is comprised of five projects funded by the International Development Association (IDA) with a total net commitment of $426 million dollars as of September 2014. Access to IDA funds however does not depend on LDC status. In fact, Angola was graduated from IDA in fiscal year 2014.

Similarly, Angola's access to funds provided by other multilateral financial institutions such as the International Monetary Fund (IMF) and the African Development Bank (AfDB) is not contingent on its status as LDC.

Angola has received support from Global Alliance for Vaccines and Immunizations (GAVI) for strengthening immunization. The provision of sound primary health care services to its population is especially relevant in Angola, where the child mortality rate is among the highest in the LDCs (170 per 1000 in the 2012 triennial review).[41] The support from GAVI does not depend on LDC status.

4.3 Possible impact of graduation on ODA

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[38] EU, EU relations with Angola. Available from http://eeas.europa.eu/angola/index_en.htm

[39] Letter from European Union Delegation to the United Nations, dated 10 October 2014, in response to inquiry by DESA concerning support measures provided to countries identified for graduation.

[40] GEF, GEF project details. Available from http://www.thegef.org/gef/project_list?keyword=&countryCode=AO&focalAreaCode=all&agencyCode=all&projectType=all&fundingSource=LDCF&approvalFYFrom=all&approvalFYTo=all&ltgt=lt&ltgtAmt=&op=Search&form_build_id=form-FaJocQFIChCxg7ihc7fGapwrZ--SqWi361NOkvf-0NI&form_id=prjsearch_searchfrm

[41] United Nations Committee for Development Policy (2012), Report on the fourteenth session of the Committee for Development Policy, 12-16 March 2012 (E/2012/33, Supplement No. 13)

The country's main bilateral donors have indicated to the Secretariat that a change in Angola's LDC status would not affect their level of assistance to the country. The development assistance strategies of such countries are not associated with the country's LDC status. Donors are guided by humanitarian, economic and political considerations in determining their aid priorities for Angola.

However, it should be noted that graduation may involve the reduction of concessionality of the foreign aid and a possible increase in tied aid.[42] Some of the donor countries, including the Republic of Korea, indicated that graduated countries may face higher interest rates on loans which are approved after the country's graduation.

At the multilateral level, the projects funded by LDCF will continue to completion, if the projects are approved before the graduation. Should Angola graduate, new projects will not be eligible to be funded by the LDCF. The country will remain eligible to access funds available at other financing sources of UNFCCC, such as the Global Environment Facility Trust Fund, the Special Climate Change Fund, the Adaptation Fund, and the Green Climate Fund (GCF). According to latest decisions of the GCF Board, 50 per cent of the funding will be allocated to adaptation, of which 50 per cent will be allocated to the particularly vulnerable countries of the LDCs, Small Island Developing States (SIDS) and Africa, which implies that Angola will continue to remain in a preferential group.[43]

UN agencies give priority to LDCs in providing funding and capacity building support, as a part of their corporate strategies. For example, UNDP's core resources are distributed to programme countries based on the so-called Target for Resource Assignment from the Core (TRAC) system. For the period 2014-2018, the percentage allocation to LDCs has been established at a minimum of 60 per cent of the core budget.[44] Angola may lose this priority assigned by UN agencies on LDCs upon its graduation, but the impact is not quantifiable at this moment.

Development assistance from EU, World Bank, IMF, AfDB and GAVI would not be affected by changes in Angola's LDC status, because the assistance from those institutions does not depend on LDC status of recipient countries.

5. General support measures

5.1 Support by the United Nations

All Member States have to contribute to the UN regular budget. Assessments to the budget are established on the basis of gross national income and other considerations, such as debt-burden adjustment. Contributions by an LDC are capped at 0.01 per cent (ceiling) of the total UN budget, regardless of other factors, such as the country's national income or debt burden. A minimum contribution of 0.001 per cent (floor) is, however,

[42] Adelino Muxito and Gilberto António (2013), op cit.
[43] The information is based on a communication received from the UNFCCC in November 2014.
[44] Additional information available at www.un.org/ldcportal.

required for all Member States.[45] Angola is assessed at the maximum rate of 0.01 per cent for LDCs, for the regular budget for 2013, 2014 and 2015.[46]

Contributions to the UN peace keeping budget are based on gross national income and other considerations, such as the LDC status. Angola is included in the J level group of countries which consists of the LDCs, and the effective rate for 2014-2015 is 0.001 per cent, receiving a 90 per cent discount on its regular budget assessment of 0.01 per cent.[47]

The United Nations offers travel support for up to five representatives of each Member State designated as a LDC to attend the regular sessions of the General Assembly.[48] The travel support for Angola would be about $9,000 per person.[49]

5.2 Possible impact of graduation on general support measures

Should the country graduate from the LDC category, Angola’s assessment to the UN regular budget is likely to increase. In 2014, the assessment rate for Angola would have been at 0.052 per cent, if the LDC ceiling had not been applied, implying that the estimated regular budget assessment would have been $1,327,020 which is some $1 million above the actual assessment of $255,196.[50]

Regarding the peace keeping budget of the UN, should the country graduate from the LDC category, Angola will be included in the level I category which consists of the non-LDCs with GNI per capita below the US$8,338 (2013-2015) threshold, receiving an 80 per cent discount rate. Changes in the regular budget assessment and also the discount rates on the assessment would imply an increase in the country’s contribution to the peacekeeping budget of the UN. In 2014 fiscal year, if Angola had not been an LDC, the contribution to the peacekeeping budget would have been $734,240 (0.0104 per cent), which is $663,640 more than the actual contribution of $70,600 (0.001 per cent).[51]

If Angola is to graduate from the LDC list, the travel support to attend the UN General Assembly is extended, if requested, provided the availability of budget resources. This benefit can be extended to a maximum of three years after graduation.[52]

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[45] United Nations (2014), Report of the Committee on Contributions (A/69/11)

[46] United Nations (2012), Scale of assessment for the apportionment of the expenses of the United Nations (A/RES/67/238).

[47] United Nations (2012), Implementation of General Assembly resolutions 55/235 and 55/236 (A/67/224/Add.1)

[48] United Nations (1991), Rules governing payment of travel expenses and subsistence allowances in respect of members of organs or subsidiary organs of the United Nations (ST/SGB/107/Rev.6). Available from http://documents-dds-ny.un.org/doc/UNDOC/GEN/NS0/000/21/img/NS000021.pdf?OpenElement

[49] The information is obtained from the travel support unit of the United Nations.

[50] The information is based on a communication received from the United Nations Committee on Contributions Secretariat in September 2014.

[51] Calculated from the peacekeeping budget of $7.06 billion for 1 July 2014 - 30 June 2015. United Nations (2014), Approved resources for peacekeeping operations for the period from 1 July 2014 to 30 June 2015 (A/C.5/68/26)

[52] United Nations (2011), Implementing the smooth transition strategy for countries graduating from the list of least developed countries (A/RES/65/286)

6. Conclusions

On the basis of available information, the graduation of Angola from the LDC category is unlikely to have a significant impact on the country's development achievements *as far as the withdrawal of LDC-specific support measures are concerned*.[53]

With respect to trade, exports will not be affected by graduation due to the country's heavily concentrated export structure on fuels which enter at zero tariff under MFN treatment in most importing markets. Preferential market access granted by some of Angola's main trading partners (e.g., the US for Angola's exports) will continue to be in effect because these advantages are not contingent on LDC status. At the same time lack of access to preferential treatment may impinge on the country's possible diversification efforts in the future. Similarly, full implementation of WTO obligations will bring additional costs for the country, at least in the short to medium run, and may imply in reduced policy space.

Angola's dependence on ODA flows is very low, and most of the current support with respect to ODA will likely remain unaffected by the country's graduation from the LDC category. Replies by major donor countries suggest that most development support to the country will not be affected by a change in Angola's LDC status, although the terms of such assistance may change as donors have no specific commitments regarding tied aid and deeper concessionality targets for non-LDC developing countries (see below). Financial assistance and technical support by the AfDB, IMF, and the World Bank would not be influenced by the possible graduation.

Graduation may have a negative impact on the country's access to LDC specific financing, such as some multilateral LDC-specific funding (EIF and LDCF), which will be phased out after graduation takes place. Currently, Angola has a few climate change related projects approved to be funded by LDCF, while there is no development project in effect or in process of being financed by EIF. Angola benefits from development loans with concessional rates by the Republic of Korea for projects which are currently being implemented or approved before the country's graduation. Angola may face higher interest rates for the loans by the Republic of Korea for the projects which are approved after the country graduates from the LDC category.

Regarding general support measures, a noticeable impact of Angola's graduation would be the increase in the contribution to the regular and peacekeeping budget of the United Nations, and the loss of LDC-related travel support for General Assembly sessions. Travel support is to be phased out over the period up to three years after graduation.

It is worth highlighting that Angola's national income rose quickly to satisfy the income-only graduation criteria, and the country's potential is considerable. Besides its fuel

[53] UNCTAD (2013), Training and capacity building workshop on sustainable graduation: Policies and strategies for structural transformation, productive capacity building and inclusive growth in Angola. Available from http://unctad.org/meetings/en/SessionalDocuments/aldc2013_02_ConceptNote_en.pdf

resources, Angola is the fifth largest world's diamond producer while it also has significant other resources such as copper, iron, and gold whose production is being reactivated after collapsing due to the civil war. The country used to be an agricultural commodity exporter (coffee and staple foods) due to fertile soil and adequate climate conditions and was almost food sufficient before the conflict.[54]

However, the country's progress toward achieving development goals has been gradual, particularly in the areas of human development. As described in table 1, the 2012 triennial review suggested that Angola's HAI was only 31.6, which places the country below the bottom quartile of the distribution of HAI scores of countries analyzed in the review.[55] The review data also showed that under-5 mortality was as high as 170 per 1000 children, and gross secondary school enrolment was as low as 31 per cent. Public spending on health and education has been limited, less than two per cent of GDP, until 2011.[56] While Angola is increasing allocation of resources to the education and health sectors, progress is lagging and the country may not have sufficient resources and institutional capacity to fully shoulder the development programs needed to address all its development challenges.[57] It is critical that development partners continue to support Angola in improving human development, if the country graduates from the LDC category.

[54] UNCTAD, Who is benefitting from trade liberalization in Angola? A gender perspective. UNCTAD/DITC/2013/3.
[55] United Nations Committee for Development Policy (2012), Report on the fourteenth session of the Committee for Development Policy, 12-16 March 2012 (E/2012/33, Supplement No. 13)
[56] World Bank, World Development Indicators, accessed September 2014.
[57] UNCTAD (2013), op.cit.

Table 1. Angola: indicators for the LDC classification, 2009 and 2012 triennial reviews

Indicator	*2009*	*2012*
GNI per capita	$1,963 ($1,086)	$3,747 ($1,190)
HAI	26.0 (66.0)	31.6 (66.0)
EVI	49.8 (38.0)	51.3 (32.0)

Source: UN Committee for Development Policy, LDC Data Retrieval, available from http://www.un.org/en/development/desa/policy/cdp/ldc/ldc_data.shtml
Note: Graduation thresholds are in the parentheses.

Table 2. Angola: balance of payments, 2009-2013.
(Current US$ billion)

	2009	**2010**	**2011**	**2012**	**2013**
Current account balance	-7.5	6.7	13.1	13.4	6.8
Trade balance	18.2	33.1	47.1	46.9	41.7
Exports of goods, f.o.b.	40.9	49.8	67.3	70.7	68.0
Of which: oil and gas	39.9	48.5	64.8	69.2	66.4
Imports of goods, f.o.b.	-22.7	-16.7	-20.3	-23.7	-26.3
Of which: oil sector	-4.3	-3.1	-3.4	-3.6	-3.5
Services (net)	-18.5	-17.9	-22.9	-21.3	-22.9
Receipts	0.6	0.9	0.7	0.8	0.1
Payments	-19.2	-18.8	-23.7	-22.1	-24.2
Of which: oil sector	-12.3	-11.0	-16.4	-18.0	-18.6
Income (net)	-6.8	-8.1	-9.7	-10.4	-10.2
Receipts	0.1	0.1	0.2	0.3	0.3
Payments	-6.9	-8.2	-9.9	-10.7	-10.5
Of which: oil sector	-6.3	-7.5	-9.1	-8.9	-8.6
Transfer (net)	-0.4	-0.4	-1.4	-1.8	-1.7
Capital and financial account	2.5	-0.9	-3.6	-8.9	-9.3
Capital account	0.1	0.0	0.0	0.0	0.0
Financial account	2.5	-0.9	-3.6	-8.9	-9.3
Foreign direct investment	2.2	-4.6	-5.1	-9.6	-8.0
Memo items					
Current account (percent of GDP)	-9.9	8.1	12.6	11.7	5.5
Trade balance (percent of GDP)	24.2	40.1	45.2	40.7	33.6
Oil production (billions of barrels per day)	1.8	1.8	1.7	1.7	1.7
Brent oil price (average US dollar per barrel)	61.9	79.6	111.0	112.0	109.1

Source: IMF (2014) Angola: 2014 Article IV Consultation

Table 3. Angola: value of merchandize exports by selected commodity, 2011-2013.
(Current US$ million)

HS	*Commodity*	*2011*	*2012*	*2013*	*Average (2011-13)*	*Share (%)*
02	Fish	11.0	14.4	18.0	14.1	0.02
25	Salt	34.5	45.1	41.1	40.8	0.06
27	Mineral fuel	64,300.0	71,300.0	68,700.0	68,100.0	98.42
44	Wood	2.9	8.5	5.8	6.0	0.01
48	Paper	14.8	16.1	0.1	10.5	0.01
70	Glass	0.2	7.4	6.6	5.2	0.01
71	Precious stone	0.8	0.8	0.6	0.7	1.09
72	Iron	64.4	88.4	53.4	70.8	0.10
73	Articles of iron	5.9	62.1	3.1	24.6	0.04
74	Copper	11.5	21.6	30.2	21.8	0.03
76	Aluminum	9.0	9.6	13.7	10.6	0.02
84	Machinery	63.4	76.1	31.8	59.4	0.09
	Total	65,400.0	72,500.0	69,600.0	69,200.0	100

Source: UN Comtrade database, accessed 11 September 2014

Table 4. Angola: value of merchandize exports by selected destination, 2011-2013.
(Current US$ billion)

Destination	*2011*	*2012*	*2013*	*Average (2011-13)*	*Share (%)*
Canada	2.4	1.9	1.5	1.9	2.8
China	24.9	33.5	31.9	30.2	43.5
France	1.8	1.2	1.2	1.4	2.0
India	6.0	8.0	6.7	6.9	10.0
Italy	2.0	0.8	0.7	1.2	1.7
Netherlands	0.9	0.7	1.4	1.0	1.4
Portugal	1.6	2.2	3.4	2.4	3.5
South Africa	1.5	2.8	1.9	2.1	3.0
Spain	0.5	1.4	2.8	1.6	2.3
US	13.8	10.0	8.9	10.9	15.7
World	65.4	72.5	69.6	69.2	100

Source: UN Comtrade database, accessed 11 September 2014

Table 5. Import tariffs on petroleum exported by Angola, selected markets, 2013

Country	*HS*	*Commodity*	*Tariff*	*Advalorem*	*Non advalorem*
China	27090000	Petroleum oils and oils obtained from bituminous minerals, crude	LDC	0	
			MFN	0	
EU	2709009000	Petroleum oils and oils from bituminous minerals, crude, (excl. natural gas condensates)	LDC	0	
			MFN	0	
India*	27090000	Petroleum oils and oils from bituminous minerals	LDC	0	
			MFN	0	
US	27090010	Petroleum oils and oils from bituminous minerals, crude, testing under 25 degrees A.P.I	LDC	0	
			AGOA	0	
			MFN		5.25 cents/bbl

Source: TRAINS, accessed 15 September 2014
Note: *2009 data

Table 6. Angola: composition and distribution of ODA flows by donors, 2008-2012.
(Net disbursements in current US$ million)

	2008	*2009*	*2010*	*2011*	*2012*	*Average(2008-2012)*	*Share (%)*
All donors, total	368.82	238.71	238.23	194.25	242.35	218.30	
DAC countries, total	**218.61**	**141.1**	**152.85**	**119.62**	**133.92**	**126.77**	**100**
Australia				0.22	0.19	0.21	0.16
Austria	0.05	0.06	0.02	0.02	0.04	0.03	0.02
Belgium	0.9	-0.55	0.38	1.12	0.14	0.63	0.50
Canada	0.44	0.9	0.66	1.02	0.2	0.61	0.48
Czech Republic	1.87	2.32	1.86	1.41	0.46	0.94	0.74
Denmark	5.98	3.79	1.23	1.17	0.01	0.59	0.47
Finland	2.4	2.16	1.95	1.57	1.86	1.72	1.35
France	2.92	4.15	4.09	4.24	5.31	4.78	3.77
Germany	11.65	8.4	7.05	5.68	4.83	5.26	4.15
Greece	0.02	0.02	0.12	0.03	0.02	0.03	0.02
Ireland	3.46	2.41	1.17	1.14	0.57	0.86	0.67
Italy	32.01	1.45	0.23	-0.6	1.35	0.38	0.30
Japan	17.75	6.76	37.62	11.42	13.79	12.61	9.94
Korea	25.92	28.34	18.83	16.75	7.98	12.37	9.75
Netherlands	-2.67	-3.27	-2.72	-2.96	-2.74	-2.85	-2.25
Norway	17.79	17.84	13.22	13.05	12.13	12.59	9.93
Poland	6.87	7.33	1.37	-0.1	-0.24	-0.17	-0.13
Portugal	19.11	-9.85	-12.8	-7.49	1.54	-2.98	-2.35
Spain	13.57	20.29	5.49	2.71	5.91	4.31	3.40
Sweden	4.96	1.94	1.18	1.4	1.34	1.37	1.08
Switzerland	1.38	0.67	0.4	0.59	0.42	0.51	0.40
United Kingdom	9.55	4.44	16.68	0.69	0.56	0.63	0.49
United States	42.68	41.5	54.82	66.54	78.24	72.39	57.10
Multilateral, total	**150.64**	**97.6**	**85.29**	**74.38**	**107.5**	**90.94**	**100**
AfDF	3.86	4.28	6.71	7.84	2.05	4.95	5.44
EU Institutions	49.39	38.9	24.39	28.1	26.51	27.31	30.03
GAVI	14.79	5.64	7.77	9.63	16.24	12.94	14.22
GEF			2	0.21	0.06	0.14	0.15
Global Fund	29.58	9.61	25.88	3.79	10.85	7.32	8.05
IAEA	0.38	0.24	0.36	0.12	0.2	0.16	0.18
IDA	22.45	20.33	3.9	7.3	36.28	21.79	23.96
IFAD	-0.29	-0.75	-0.18	-0.77	-0.2	-0.49	-0.53
OFID	3.42	1.99	1.02	0.23	1.58	0.91	1.00
UNAIDS	0.46	0.6	0.7	0.79	0.51	0.65	0.71
UNDP	5.33	3.88	2.2	2.11	2.64	2.38	2.61
UNFPA	2.59	2.11	1.76	2.31	2.72	2.52	2.77
UNHCR	1.19	2.24	0.49	3.39		3.39	3.73
UNICEF	16.25	8.5	8.29	7.61	6.49	7.05	7.75
WHO				1.72	1.59	1.66	1.82
Non-DAC countries, total	**-0.43**	**0.01**	**0.09**	**0.25**	**0.93**	**0.59**	**100**
Israel	0.02		0.01	0.03	0.02	0.03	4.24
Romania			0.08	0.17	0.5	0.34	56.78
Russia					0.4	0.40	67.80
Turkey	0.01			0.03	0.01	0.02	3.39
United Arab Emirates	0			0.02		0.02	3.39

Source: OECDstat, accessed 22 September 2014

Table 7. Angola: bilateral ODA by sector, 2008-2012.
(Commitments, current US$ million)

	2008	*2009*	*2010*	*2011*	*2012*	*Average*
Total	**226.3**	**152.2**	**321.0**	**156.5**	**142.7**	**199.8**
SOCIAL INFRASTRUCTURE & SERVICES	124.6	118.2	232.2	121.9	104.7	140.3
Education	16.9	23.2	61.0	24.5	11.5	27.4
Water supply and sanitation	2.1	4.5	4.5	0.7	2.9	2.9
ECONOMIC INFRASTRUCTURE AND SERVICES	41.6	9.1	8.7	4.1	2.2	13.1
Transport and Communications	39.3	0.6	0.9	0.8	0.6	8.4
Energy	0.8	0.1	2.8	0.5	1.3	1.1
PRODUCTION SECTORS	7.9	9.3	55.9	7.2	3.7	16.8
Agriculture, forestry and fishing	5.1	7.4	30.5	5.1	3.3	10.3
Industry, mining and construction	2.7	1.6	25.0	2.1	0.4	6.4
Trade and tourism	0.1	0.3	0.4	0.0	0.0	0.2
MULTISECTOR	7.9	5.6	6.4	8.7	7.3	7.2
PROGRAMME ASSISTANCE	1.8	4.1	3.2	12.4	23.2	8.9
Food Aid	1.7	4.1	3.2	3.2	2.4	2.9
ACTION RELATING TO DEBT	30.0		8.8			19.4
HUMANITARIAN AID	3.9	1.2	3.5	0.8	0.7	2.0
UNALLOCATED/UNSPECIFIED	8.6	4.8	2.2	1.5	0.8	3.6

Source: OECDstat, accessed 22 September 2014

Table 8. Angola: bilateral ODA by sector and by main donors, 2012.
(Commitment in current US$ million)

	Japan	*Korea*	*Norway*	*United States*
Total	**8.03**	**0.33**	**9.44**	**71.53**
SOCIAL INFRASTRUCTURE & SERVICES	4.68	0.17	8.89	63.42
Education	0.91	0.15	0.32	
Water supply and sanitation				1.9
ECONOMIC INFRASTRUCTURE AND SERVICES	1.82		0.05	0.24
Transport and Communications	0.6			
Energy	1.22		0.05	
PRODUCTION SECTORS	1.37	0.16	0.43	
Agriculture, forestry and fishing	1.03	0.16	0.43	
Industry, mining and construction	0.32			
Trade and tourism	0.02			
MULTISECTOR	0.17			4.79
PROGRAMME ASSISTANCE				2.41
Food Aid				2.41
ACTION RELATING TO DEBT				
HUMANITARIAN AID				0.68
UNALLOCATED/UNSPECIFIED			0.07	

Source: OECDstat, accessed 22 September 2014

Annex: letter of the Government of Angola dated 29 December 2014

REPUBLIC OF ANGOLA
MINISTRY OF EXTERNAL RELATIONS
Office of the Minister

Luanda, Monday, December 29th, 2014

Excellency,

I am honored to acknowledge receipt of your letter dated November 25th, 2014, submitting the Draft Report on the "ex ante Impact Assessment of the possible consequences of Angola's graduation from the category of Least Developed Country", prepared at the request of the Committee for Development Policy (CDP), for which we are very grateful.

I would also like to take this opportunity to thank you for the invitation to attend the meeting of experts of the CDP subcommittee, scheduled for January 2015, which will make an analysis and discussion of the report in preparation for the Plenary Meeting and the Least Developed Countries (LDCs) triennial review.

In this connection, after a careful reading of the document, and without prejudice to the voluntary oral presentation scheduled for January 29th, 2015, where we plan to report in greater detail on the position of Angola regarding Graduation and its efforts to overcome obstacles to development, I am pleased to state that in general terms, we believe that the content and level of analysis of the economic and social issues contained in The Report reflect the real economic situation in the Republic of Angola.

In this context, we submit for all intents and purposes the Memorandum on my Country's position regarding the above mentioned ex ante Assessment Impact Report on Angola's graduation to the middle income country category.

With nothing further to add, please accept the assurances of my highest consideration.

The Minister
[*Signature*]
Georges Rebelo Pinto Chikoti

H.E.

Ana Cortez

Secretary, Committee for Development Policy

New York