Project Information Document (PID)

Concept Stage | Date Prepared/Updated: 23-Jul-2019 | Report No: PIDC26360
### BASIC INFORMATION

#### A. Basic Project Data

<table>
<thead>
<tr>
<th>Country</th>
<th>Project ID</th>
<th>Parent Project ID (if any)</th>
<th>Project Name</th>
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<tr>
<td>Angola</td>
<td>P170123</td>
<td></td>
<td>Angola Decentralization for Improved Service Delivery (P170123)</td>
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<td>Mar 13, 2020</td>
<td>Governance</td>
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<thead>
<tr>
<th>Financing Instrument</th>
<th>Borrower(s)</th>
<th>Implementing Agency</th>
</tr>
</thead>
<tbody>
<tr>
<td>Investment Project Financing</td>
<td>Ministry of Finance</td>
<td>Ministry of Finance, Ministry of Territorial Administration</td>
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**Proposed Development Objective(s)**

To strengthen the institutional capacity, resource management, and accountability of local governments to improve the delivery of services.

### PROJECT FINANCING DATA (US$, Millions)

#### SUMMARY

- **Total Project Cost**: 250.00
- **Total Financing**: 250.00
- **of which IBRD/IDA**: 250.00
- **Financing Gap**: 0.00

#### DETAILS

**World Bank Group Financing**

| International Bank for Reconstruction and Development (IBRD) | 250.00 |

**Environmental and Social Risk Classification**

- Low

**Concept Review Decision**

- Track II - The review did authorize the preparation to continue.
B. Introduction and Context

1. This project concept note (PCN) proposes a Decentralization for Improved Service Delivery Project to strengthen the institutional capacity, resource management, and accountability of local governments in Angola to improve the delivery of services. This is in response to a request from the Government of Angola (GoA) dated December 2018 for technical and financial support from the World Bank toward implementation of its decentralization agenda, in particular, for locally elected government (“autarquias”) in 2020.¹ The PCN draws substantially on preliminary analysis undertaken as part of the ‘Fiscal Decentralization Assessment and Options for Policy Reform Report’ — the analytical work recently concluded by the Bank—assessing the current deconcentration process in Angola and the most recent decentralization developments.

2. The proposed project is for five years, with a budget of US$250.0 million and utilizing an Investment Policy Financing (IPF) with Disbursement Linked Indicators (DLI) instrument. It will be implemented by the Ministry of Finance (MINFIN), in collaboration with the Ministry of Territorial Administration (MAT), the Ministry of Justice (MINJUSDH), the Office of the Auditor General (OAG), line ministries and those municipalities that will become autarquias in 2020.

3. The GoA has committed to holding local government elections in municipalities in 2020 and there are signs pointing out to renewed political investments in favor of decentralizing power. A package of decentralization reform laws is under discussion in Parliament. For the reform process to advance on solid ground, adequate fiscal arrangements need to be addressed, considering the country’s difficult macro-fiscal situation. There is a clear opportunity to engage in ways that support a sound fiscal decentralization framework, capacity building of subnational governments, and increases in local level resources to signal service delivery results on the ground, while institutionalizing reforms that begin to change citizen-state relations toward a more responsive and constructive social contract.

Macroeconomic context and social outcomes

4. The GoA has geared its policies towards two broad policy challenges: macroeconomic stabilization and a more sustainable and inclusive economic growth. Following the 2017 presidential elections, which ended the 38-year presidency of Jose Eduardo dos Santos, a new Government took office and launched a Macroeconomic Stabilization Program (MSP) for 2018 and a new National Development Plan (PDN, 2018-2022). The MSP seeks to address macroeconomic imbalances, mitigate fiscal risks emanating from the oil price volatility, and support external sector stability through greater exchange rate flexibility. The PDN aims to lay the foundation for sustainable and inclusive growth. To this effect, it focuses on addressing structural bottleneck and supporting the decentralization process by promoting human development, economic diversification, and governance. At the core of the Government’s reform agenda is the recognition that the country’s high reliance on oil revenue, exposure to volatile oil prices, and potentially diminishing oil reserves calls for a new sustainable and inclusive growth model.

5. The collapse of oil prices since mid-2014 has undermined the country’s fiscal balance and made the restoration and preservation of macroeconomic stability a key priority for the Government. Angola is Sub-Saharan Africa’s second-largest oil producer, behind Nigeria. Growth in Angola is closely linked to natural resource wealth and favorable

¹ In 2020, a predetermined number of municipalities will hold local elections as part of the Government’s “gradual” decentralization process. These selected municipalities will have the centrally appointed municipal administrators replaced by democratically elected mayors and municipal assemblies: “autarquias” (local self-government).
commodity prices, which accounted for about 90 percent of exports and more than two thirds of fiscal revenue between 2010 and 2016. Fueled by high oil production and oil prices, the Angolan economy expanded at an annual average rate of six percent between 2008 and 2014. In 2014, the drop in international oil prices severely impacted Angola’s economy. As shown in Figure 1, economic activity contracted on average by -1.4 percent between 2016-17. Inflation accelerated sharply, peaking at 41 percent in December 2016. Revenues have been declining and, combined with a drop in exports by half, led to a shift from a surplus to a deficit by 2014, although preliminary figures from 2018 suggest that the country has found itself with a modest surplus. Public debt in relation to gross domestic product (GDP) nearly doubled between 2013 and 2016 (Figure 2).

Figure 1: GDP Annual Growth, in Percentage (2008-2020)  
Figure 2: Public Debt, in Percentage (2010-2020)

Source: IMF (2016, 2018) and World Bank calculations.

6. **Past growth in Angola was largely driven by natural resource exploitation, but that growth has not been inclusive.** Angola’s booming oil industry contributed significantly to national output—GDP per capita doubled from US$2,079 in 2002 to US$4,164 in 2014; but this did not contribute to employment growth and poverty reduction.² Productivity decreased in the sectors that concentrate the most workers (notably agriculture and services) and is drastically higher in capital-intensive industries that have limited capacity to generate jobs. Past economic expansion also did little to reduce poverty. The proportion of people living below the US$1.90 poverty line showed a small decline, from 32.3 percent in 2000 to 28.0 percent in 2014.³ Large inequalities across the population have gotten worse: Angola’s Gini coefficient increased from 0.43 in 2008 to 0.47 in 2014.

7. **Angola’s economic outlook is positive, a comforting scenario for the decentralization reform.** GoA has begun to implement a series of macroeconomic reforms aimed at greater exchange rate flexibility, tighter monetary policy to anchor inflation, and economic diversification. Fiscal consolidation turned the country’s fiscal deficit into a modest budget surplus of 0.4 percent GDP in 2018. Angola’s growth is expected to reach almost three percent over the medium term. Nevertheless, inflation is still high and public debt is on an upward trajectory due to larger financing needs and the recent currency depreciation. There is scope to free up additional resources by using the budget more efficiently and effectively in the medium term.

8. **Past non-inclusive growth and inefficient allocation resulted in sizable spatial disparities.** Even though the poverty rate declined slightly, the absolute number of Angolans living in poverty increased from 4.9 million to 6.7 million

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² World Bank, Systematic Country Diagnostic (SCD), 2018
³ INE conducted another household survey in early 2019; updated poverty data is scheduled to be made available shortly.
between 2000 and 2014 due to rapid population growth and increasing urban poverty. Angola exhibits large disparities in terms of poverty and economic opportunities between rural and urban locations: one in two rural Angolans live in poverty compared with one in six urban Angolans. Five of Luanda’s municipalities had the lowest poverty incidence (2-5 percent) while poverty was very high particularly in the southern and eastern provinces (Figure 3). In terms of revenue per capita, two thirds of all municipalities (107 out of 162) were below the average of US$44, whereas 11 municipalities had a revenue per capita over US$173 (Figure 4).4

![Figure 3: Angola’s distribution of poverty rate, 2014](image)

![Figure 4: Revenue per capita, 2017 (in Kwanza)](image)


Source: MINFIN and SCD’s poverty calculations.

9. **Social outcomes are another dimension affected by geographic disparities.** Angola’s Human Capital Index (HCI) was 0.36 in 2018, indicating weak education and health outcomes that are magnified in rural areas and less well-off provinces and municipalities.5 Rural areas have lower primary attendance rates while, across provinces, the wealthier and more urbanized province, like Luanda and Zaire, perform better than the rest (Figure 5). 62 percent of children under the age of 5 are not stunted (compared to 86 percent in South Africa) and, at the provincial level, the nutrition outcomes are lowest for children under five years of age living in Bié and Cuanza Sul, where about half of all children are stunted (49.2 and 51.2 percent stunted, respectively). Conversely, Cabinda and Zaire (in the northwestern tip of the country) have the best nutrition outcomes, where approximately three quarters of children under 5 reach an adequate height for their age, at 78.4 and 75.1 percent not stunted, respectively (Figure 6).

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4 Note income expressed gross domestic product per capita is not available by municipality.

5 The World Bank’s HCI provides a simple, composite measure of the expected human capital of the next generation in a given country. A country in which a child born today can expect to achieve both full health (no stunting and 100 percent adult survival) and full education potential (14 years of high-quality school by age 18) will score a value of 1.0 on the index.
10. Similar disparities exist in the access of the population to water and sanitation facilities with about 20 percent of rural population having access to basic drinking water and sanitation facilities compared to 61 percent in urban areas.

Sectoral and Institutional Context

**Renewed political commitment to decentralization**

11. While decentralization has had several false starts in the past, Angola’s 2017 elections brought new impetus to the country’s protracted reform agenda. The new administration has identified as one of its top priorities the establishment of autarquias scheduled for 2020. This commitment is a major stepping stone in the development of the country’s democracy and for the establishment of a favorable environment for socio-economic development. Decentralization is a core element of the PDN (2018–2022) and the Strategic National Plan for the Administration of Territory (PLANEAT 2015–2025). Strengthening of local government is seen by the current administration as critical to improving the efficiency of public services, strengthening state-building, and enhancing the effectiveness and legitimacy of the state. In line with the state’s embrace of geographic gradualism, 2020 elections will establish the first autarquias, with other municipalities to be elected afterwards. In preparation for the upcoming local elections and establishment of autarquias, high-level political institutions and coordination mechanisms have been established to guide and monitor implementation of decentralization reforms – for instance, an Inter-ministerial Commission for the Reform of the State, the Local Governance Council, and the Fiscal Decentralization Working Group – and a package of six decentralization reforms has been developed and submitted to Parliament.

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6 The package includes: the organic law on local elections, the organization and functioning of autarquias, local financing, the institutionalization of autarquias, the transfer of attributes from the central government to autarquias, and administrative tutelage from the central government.
12. The recent moves in favor of decentralization present a critical opportunity to institutionalize more workable arrangements between central line ministries and subnational authorities that may promote incentives for improved service delivery. As laid out below, the basic financial systems are in place, human resource management is in active transition, service delivery responsibilities are being transferred, and the flow of resources to autarquias is increasing. The potential lies in both technical instruments to help ‘sort out’ existing incongruities and in providing incentives to undertake needed reforms and facilitate functional cooperation among the multiple stakeholders for improved service delivery.

**Territorial structure of the governments, local service delivery responsibilities, and lack of identification as a main constraint to access services**

13. The organization structure of municipal governments is largely appropriate for a decentralized system, but capacity is unevenly distributed. The territorial composition of Angola includes 18 provinces at the intermediate level and 164 municipalities at the local level. Provinces and municipalities are deconcentrated administrative units of the central government. Municipalities vary significantly in population size: 112 municipalities (around 70 per cent) have populations between 25,000 and 250,000 inhabitants, 25 municipalities have populations under 25,000 inhabitants, and 25 municipalities have populations above 250,000 (Figure 7). There is also wide variation in terms of population density. The municipalities in Luanda Province, together with 15 out of 18 capital provinces, are the most populated municipalities. The 25 least populated municipalities are spread throughout the country. Around 17 percent of municipalities have a population density between 20 to 50 inhabitants per km² while 40 percent have less than 20. In general, the eastern provinces—Cuando Cubango, Cunene, Lunda Sul, and Moxico—are the least densely populated. Institutional and fiscal capacity are therefore unevenly distributed (Figure 8).

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7 To give some prospective, the literature identifies a range of population between 25,000 and 250,000 as the most efficient in terms of the provision of public services. There are diseconomies of scale beyond 250,000 people, while administrative entities under 25,000 are generally considered less efficient when it comes to the delivery of specialized and capital-intensive services.
14. **Municipalities carry out only a small fraction of general government expenditures in Angola.** Execution of general government expenditure by municipalities stood at 1.5 percent of GDP in 2014 while the central government and provinces accounted for 47.7 and 5.9 percent of GDP, respectively. Since 2014, municipal expenditure contracted slightly from 1.5 to 1.4 of GDP while the contraction at central government and provincial levels has been far more pronounced (from 47.7 to 28.7\(^8\) and 5.9 to 4.4 of GDP, respectively) (Figure 9).

![Figure 9: Expenditure trends by level of government in Kz, by percent of GDP (2008–2016)](source: MINFIN)

15. **The bulk of municipal expenditure is absorbed by three functions: health, general public services, and education but expenses are mainly related to salaries\(^9\), crowding out expenditure needed for public services.** The functional composition of expenditures at municipal level shows that, on average, about one third were spent on health and general public services and 27 percent on education over the period 2014 and 2016 (Figure 10). Salaries comprise a large—and increasing—share of municipal-level expenditure, crowding out capital expenditure needed to delivery public services. Between 2014 and 2016, salaries compromised the largest portion of the municipalities’ expenditures, accounting on average more than half of the municipal spending, followed by goods and services (26 percent) and investments (11 percent) (Figure 11).

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\(^8\) The downward trend in the central government spending since 2014 is largely attributable to the drop in oil prices.

\(^9\) Salaries of municipality staff. Regarding health and education: the staff consists in guards, cleaners and general support staff.
16. There are significant disparities among municipalities in per capita expenditures. In terms of expenditure per capita, two thirds of all municipalities (110 out of 162) were below the average of US$33, whereas 5 municipalities had an expenditure per capita of above US$150 (Figure 12).

17. Recent legislation—both Presidential Decree 20/18 and the draft law on the Competencies of Autarquias—increases substantially the service delivery responsibilities of municipalities and future autarquias. According to the draft law on the competencies, autarquias will be attributed substantial responsibilities in pre-primary and primary education, social welfare, primary health care, water, sanitation and local economic development. Annex 2 provides more details on service delivery responsibilities of municipalities vs. provinces.
18. **Low rates of identification are a key constraint to access to services, as the identity card (BI) is a requisite for receiving numerous public services (as well as participating in local economic development).** These include: studying past the sixth grade, accessing specialized health services, requesting municipal administrative services, paying municipal fees (taxas comunitárias), applying for a job, opening a bank account, requesting a bank loan, or registering a SIM card. These are essential services that vulnerable and marginalized citizens—i.e., those least likely to have BIs—are most in need of.

19. **Obtaining an identity card is a cumbersome and indirectly costly ordeal.** To obtain a BI, one first needs a birth certificate; to possess a birth certificate, both one’s parents need to have birth certificates. Considering the huge backlog of undocumented adults—a consequence of the period of armed conflict—the country remains in a deadlocked situation: undocumented parents result in undocumented children, with the vicious cycle thus repeating itself over generations. Furthermore, the process is overly bureaucratic and in need of rationalization: birth certificate and BI centers are notorious for wait times that extend over days, which is inefficient and leads to indirect costs. Annex 3 maps the birth certificate and identification processes.

20. **The magnitude of the problem is considerable: birth registration and identification rates remain stubbornly low.** 53.5 percent of the population have their births registered, according to the 2014 Census; however, this percentage varies widely across provinces (see Figure 13) and only 29.6 percent of the rural population are registered. Rates of individuals with BIs are even lower: of the entire population of Angolans 6 years of age or older (the age in which Angolans can apply for the BI), only 21.8 percent possess an Identity Card (Figure 14).

![Figure 13: Proportion of the population with birth certificate, by province (2014)](source: 2014 Census)

![Figure 14: Proportion of Population Age 6 and Over with Identity Card, by province (2019)](source: 2014 Census, MINJUSDAH)

21. **Angola has made great strides to modernizing and rationalizing its civil registration and vital statistics (CRVS) system since 2002 and through the municipalization of these services, improved results are foreseen.** Although the Civil Registry Code remains outdated and many common practices are not in compliance, various efforts have been made to simplify procedures and digitize certain services. The birth registry process remains paper-based filing although automatization is in process (however, there is still no national civil registry). Conversely, the BI system is fully informatized— even including biometric technology — and interfaced with electorate data, social security numbers, and tax identification numbers (NIFs). However, access to civil registration and identification services is unevenly distributed throughout the
country and 46 out of 164 municipalities currently do not have BI posts; residents in these municipalities must rely upon mobile brigade services. Municipal administrations (and thus autarquias) will soon be able to register births and issue BIs through the One-Stop Shop for Administrative Services, the Balcão Único de Atendimento ao Público (BUAP). This will ensure that each municipality has at least one unit that provides civil registry-related services and help citizens obtain necessary documents to be able to receive and benefit from public services.

Municipal organization structures and human resource management

22. The current organizational structure of municipal governments is not suitable for decentralization and existing individual job descriptions, roles, and functions are not clearly defined. The structure of deconcentrated municipal administrations does not meet the needs of future autarquias, with their increased service delivery responsibilities and greater levels of autonomy.

23. Currently neither enough staff nor enough specialized staff work at the municipal level and plans for the constitution of the autarquias' civil service are unclear. The current vacancy-filling strategy is focused on raw numbers of staff, instead of pressing to fill specialist vacancies, which should be revised to prevent service delivery disruptions following decentralization. Even so, municipal administrations suffer from a severe lack of public servants. Figure 15 visualizes this shortage: of 50 municipal administrations surveyed, a full half of them only had 40 percent or less of their positions filled. Figure 16 shows that this problem is heightened at the professional level: many municipal administrations do not have any specialized staff in critical areas such as energy and water, economy and production, or social affairs.

10 Reasons found for these shortages, according to a recent in-depth assessment by MAT, include low salaries, lack of supplemental benefits (such as stipends for hardship posts or paid housing), and overly centralized recruitments. Particularly detrimental for the filling of positions in rural municipalities is the lack of basic conditions for potential recruits, such as housing, water, and electricity.
24. Recruiting more staff and providing hiring and retention benefits—as stated in the draft law on the organization and function of autarquias—however, require fiscal space whereas the Government is undertaking fiscal consolidation. Notwithstanding, a widespread perception among stakeholders—which has not yet been formally codified into law—is that current municipal staff together with provincial officers\(^\text{11}\) will be transferred to autarquias, to then potentially pass a selection process to be hired as autarquia staff, so as to avoid service delivery disruptions.

25. Finally, the low quality of public servants at the municipal level, coupled with the lack of a performance management system to boost quality, complicates the ability of future local governments to provide decentralized services to their constituents. In practice, performance management is not taking place in an adequate manner; rather, existing systems focus on minimum expected characteristics such as punctuality and comportment. The lack of effective performance evaluation management limits the incentive for public servants to provide quality services or improve their on-the-job performance.\(^\text{12}\)

**Financial resources and availability for local service delivery**

26. Municipalities rely almost fully on transfers from the central government, but these resources not disbursed in a predictable manner. Ordinary transfers represented on average 65 percent of municipal revenue sources in 2015-2017; shared taxes stood at 35.5 percent; and municipal fees, charges, and licenses were only 0.5 percent (Figure 17). Municipalities report that transfers often arrive late and not in full, disrupting service delivery. As shown in Figure 18, there are indeed discrepancies between the budgets and the actuals of municipalities between 2014 and 2016. This is consistent with the 2017 Public Expenditure and Financial Accountability (PEFA) assessment which identifies weak planning and budget execution management as responsible factors for the gap between budget and execution.\(^\text{13}\)

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\(^{	ext{11}}\) As a result of the significant shift in responsibilities from the provincial to municipal-level government.

\(^{	ext{12}}\) In its field visit to the Province of Huila, the task team noted that the provincial government does in fact have a human resource management system for municipal-level staff; however, said system does not manage “performance” per se, but rather, minimum expected characteristics (such as punctuality and comportment).

\(^{	ext{13}}\) Furthermore, in 2015, this practice was certainly reinforced by the central government’s cash flow problems caused by the macro-fiscal crisis that was ignited by the global drop in oil prices, thus contributing to the unreliability of financial quotas.
27. **Significantly, the relative importance of the different revenue sources varies considerably across municipalities.** While ordinary transfers on average cover about 65 percent of municipal expenditures, in 53 small municipalities (out of 162) it is as high as 100 percent. There is also great disparity in revenue sharing among municipalities, ranging from 90-95 percent in the municipalities in Luanda and two mining municipalities (Cabinda and Mbanza Congo) on the one hand, to 0 percent in 79 municipalities.

28. **In sum, the current system of Angola’s revenue assignment does not provide for adequate resources and fiscal autonomy to ensure effective subnational financial management, service delivery, and accountability.** As a matter of fact, the poorest one fifth of municipalities receive about 22 percent of public resources whereas one fifth of the richest municipalities receive almost a similar share (20 percent) (Figure 19). With overall limited public resources transferred to municipalities (the average revenue per capita amounts to US$44 per municipality), there is considerable scope to improve the geographic focus and targeting in favor of the most vulnerable municipalities.

![](Figure 19: Revenue per Capita and Poverty Index)

Source: MINFIN and SCD’s poverty calculations.

29. **Municipal own tax revenues are nonexistent and nontax revenues (fees, charges, and so forth) are low, due to weaknesses and leakages in collection efforts and management.** Municipalities have neither own revenue assigned to them nor authority over the bases or rates of fees and charge, since those are determined by the central authorities. In 2015-2017, the share of nontax revenues over total expenditures at the municipal level was 0.5 percent on average (Figure 17). There is little transparency over the collection and management of municipal fees and charges, and, based on an analysis of the municipal revenue sources, nearly half of the 162 municipalities do not collect or receive (back) the municipal fees and charges.

30. **The proposed autarquia finance law, currently before Parliament, incorporates a number of important changes to the autarquias’ sources of revenue.** The legislation includes a proposed revised local tax structure, access to subnational borrowing, introduction of the Autarquias Equalization Fund (FEAL) and the Municipal Equalization Fund (FEM), and continuation of the already existing revenue sharing. Annex 4 provides an analysis of the recent developments in the financing framework of municipalities.

14 The FEAL is divided into three subaccounts based on different objectives: financial equalization, equity among autarquias, and social ends.
Financial management, oversight and accountability, and citizen engagement

31. **Budgeting processes are fragmented and not based on consultation with beneficiaries.** Municipalities prepare a draft budget based on ceilings received from the province, which then consolidates provincial budget and submits to MINFIN. As a result, the adjusted budget is often disconnected from municipal needs. Furthermore, there is very limited capacity at the municipal level to develop budgets according to their local priorities and needs through a more participatory budget process. The institutionalized channels of participation—namely, the Council for Social Consultation and Dialogue (CACs)—are non-representative, only informative in nature, and not serving their original function.

32. **Budget execution at the municipal level is performed through Angola’s integrated financial management information system, SIGFE, but municipal funding is not managed through the treasury single account (TSA).** The central government and all subnational bodies use the SIGFE to manage the budget preparation and execution processes. Nonetheless, about 40 percent of municipalities do not have consistent access to the internet and need to go to provincial capitals to carry out transactions. Municipalities do not possess designed sub-accounts in the TSA and operate out of the provincial TSA subsidiary account managed by the provincial financial delegate.

33. **Important progress has been made in public procurement following the approval of a new public procurement law (Law nº 6/16 of 16 June 2016).** The new law provides for improved control for civil work and sanctions, enhanced transparency requirements (i.e., publishing bidding opportunities) and improved process to appeal award decisions. The decree also supports the use of competitive methods and gives participants the right to appeal award decisions while making mandatory the use of the Electronic Public Procurement System (SNCPE).

34. **The e-procurement system piloted in two ministries has been encouraging and the expansion of this system to additional entities and autarquias could relieve fiscal pressure from these institutions.** With internal resources, the SNCP developed an e-procurement platform and ran a pilot with encouraging results in terms of savings and attraction of new suppliers (nationals and foreigners). For instance, the pilot phase was implemented in five contracting entities associated with the Ministry of Health (4) and MINFIN (1). The level of savings was around 38 percent of the estimated cost, which ensures value for money. The system currently offers modules for planning and procurement processes (advertisement, bidding documents, submission of bids, bids opening, reverse auction, and contract award). Other functionalities are being developed such as the registry of contracts (contract database) and contract execution.

35. **The new procurement law does apply to municipalities but their capacity to implement it is weak.** Some municipal administrators do not have the capacity to engage in their own procurement and thus rely on provincial administrations for their procurement needs. The Public Procurement Authority (SNCP) has undertaken different capacity initiatives in favor of provinces and municipalities; a critical action considering municipalities are now responsible for public contracting up to of Kz18 million (~US$82,000) for goods and services and Kz89 million (~US$390,000) for capital expenditures.

36. **Financial oversight is compromised by weak accountability and audit functions at the local and central levels.** The internal audit function is limited and the Office of the Auditor General performs, on demand, external audits across government bodies; however, it has not carried out any recent audits of municipalities. That said, it is widely recognized that mismanagement is rarely sanctioned. Transparency and accountability at the local level in Angola is minimal. Since municipal administrators are centrally appointed, downwards accountability is nonexistent and citizen participation in politics and economics is minimal. To add to that, a culture of secrecy, limited capacity, and poor information and data management also contribute to opacity at the municipal government level: little local government data is shared with the
population. Whilst, with the support of the World Bank’s Social Action Fund (FAS), some social accountability mechanisms have been put in place to solicit feedback from local populations, mainly on the procurement and implementation of capital expenditure projects. The Government committed to participatory budgeting in the 2019 budget law, in an effort to support citizen involvement in the municipal budget preparation process; however, this positive step has not yet been translated into concrete actions.

Relationship to CPF

37. The proposed project is consistent with the priorities outlined in the World Bank Group’s 2018 SCD for the Republic of Angola and supports Objective 1.3 of its draft Country Partnership Framework (CPF). The project addresses the fourth identified binding constraint to poverty reduction and shared prosperity: weak governance. A cross-cutting constraint, weak governance includes weak institutions, corruption and crony capitalism, and insufficient decentralization. To improve service delivery and thus address issues of poor social and economic outcomes, more autonomy and flexibility must be attributed to local government units and those units will need to build their administrative and financial capacity to deliver upon devolved competencies. As such, this project will support autarquias’ ability to deliver decentralized public services while institutionalizing transparent and accountable local governance, directly addressing CPF objective 1.3: “strengthen capacity, transparency, and accountability in decentralized service delivery.”

C. Proposed Development Objective(s)

38. The proposed project development objective (PDO) is to strengthen the institutional capacity, resource management, and accountability of local governments to improve the delivery of services.

Key Results (From PCN)

39. The following indicative indicators will track progress towards achievement of the PDO:
   i. Modalities for the repartition of State transfers to autarquias reformed and applied in the timely allocation of resources to autarquias.
   ii. Percentage of autarquias that have met minimum conditions\textsuperscript{15} in the annual performance assessment (DLI5)
   iii. Percentage of citizens (over 6 years old) with Identity Cards

40. The follow indicative intermediate indicators will track progress towards achievement of project outputs:
   i. Decentralization policy and implementation framework improved
   ii. Increased predictability of resource flows to autarquias
   iii. Increase in number of MDAs using the e-procurement system
   iv. Annual external audit of autarquias conducted in a timely and regular manner
   v. Number of participants in project-financed social accountability initiatives: citizen report cards, social audits, and public consultation for a (#)
   vi. Strengthening of Identity Management Systems

\textsuperscript{15} Minimum conditions focus on ensuring local government conformity with basic planning, budgeting, reporting, and staffing norms—key bottlenecks to the management of resources at the local authority level which impact on service delivery.
D. Concept Description

41. The overall intervention logic of the proposed project is that a combination of targeted incentives, increased financing for service delivery and technical assistance will contribute to improved capacity and performance of central government, and autarquias to deliver services.

42. The proposed Project will have a duration of five years and it will be implemented at the central level and through 32 pilot autarquias. It adheres to the phased/gradual implementation logic of Angola’s decentralization process and seeks to support national level structural reforms whilst piloting the introduction of a system for incentivizing improved service delivery performance in the 32 autarquias. While the National Assembly is still debating the criteria for the definition of the first batch of 2020 elected municipalities, the PCN proposes an indicative number of 32 autarquias\(^{16}\) based on preliminary agreements with the Government counterparts. Furthermore, over the course of five years, the project will cover national level structural reforms that will have an impact on all municipalities across the country. This approach will both enable the Government to lay the institutional foundations to advance administrative and fiscal decentralization in the country, while also stimulating tangible results at the local level and preventing disruptions to public services during the transition from deconcentrated to decentralized service delivery.

43. The project will deliver results which address an agreed subset of bottlenecks facing service delivery in five areas. These areas (see Figure 20) were selected based on extensive consultations with different GoA institutions, as well as development partners, during task team missions to Angola in March 2018, October 2018, and April 2019. The proposed project will address these bottlenecks operating at the different level of government (see Figure 21).

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\(^{16}\) The number might have to be revised during project preparation.
44. The package of interventions will be delivered, and associated results achieved through different project components with a combined cost of US$250 million. Each component will include a combination of technical assistance and DLIs. The project will use DLIs to incentivize both central government policy and implementation to alleviate constraints to local service delivery and autarquias’ performance in PFM and service delivery management. The DLIs will disburse against a program of eligible expenditures. The IPF-modality will provide capacity and technical assistance to help national government entities and autarquias achieve results. The blending of these two instruments—IPF with results-based financing in the form of DLIs—should create the necessary institutional incentives and support to accelerate achievements of the Project’ objectives and more broadly of the government’s decentralization reform. Table 1 summarizes the program components and indicative funding allocation.

Table 1: Preliminary Budget Breakdown (in US$ millions)

<table>
<thead>
<tr>
<th>Components</th>
<th>Input-based</th>
<th>DLIs</th>
<th>Performance grants</th>
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<tr>
<td>Component 1: Reinforcing the Financial Capability of Autarquias to Invest</td>
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<td>in Social Services and Local Development</td>
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<tr>
<td>1.1: Improving Central Government Policy and Implementation for Local</td>
<td>25</td>
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<tr>
<td>Service Delivery</td>
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</table>
1.2: Improving Financial Management Capacity, Performance and Accountability of Local Government for Service Delivery

<table>
<thead>
<tr>
<th>Component 2: Strengthening Identity Management</th>
<th>35</th>
<th>15</th>
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<tbody>
<tr>
<td>2.1 Modernizing Identity Management Systems and Processes</td>
<td>20</td>
<td>15</td>
<td>35</td>
</tr>
<tr>
<td>2.2 Boosting CVRS Services at the Municipal Level</td>
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<td>Component 3: Project Management</td>
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<td>3.0 Project Management</td>
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<tr>
<td>Totals</td>
<td>110</td>
<td>40</td>
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</tbody>
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Component 1: Reinforcing the financial capability of autarquias to invest in social services and local development

45. This component aims at improving the performance of autarquias in managing service delivery through: enhancing the organizational structure of autarquias; building the capacity of their public servants; improving financial viability of autarquias; boosting transparency, accountability, and participation at the local level, so as to create the conditions necessary for more effective municipal-level delivery of public services; and strengthening the central government-level’s governance, PFM, and fiscal framework supporting decentralized delivery of services. To pursue this objective the component envisages a two-tier approach:

- At the national level, the component will focus on alleviating constraints to autarquias caused by lack of human resources and unequal distribution of human resources among municipalities; unclear division of responsibilities between ministries and autarquias that cause inefficiencies; lack of planning and budgeting and budget execution processes and procedures; unpredictable and insufficient financial resources and; poor financial management oversight.
- At the local level, the project will incentivize improved service delivery management through performance-based grants while improving PFM and administrative capacity and accountability.

Sub-component 1.1: Improving central government policy and implementation for local service delivery

46. This sub-component focuses on restructuring and strengthening the capacity of central government entities to strategically manage, coordinate, monitor, and evaluate the implementation of decentralization. This subcomponent will contribute to establishing effective central-level support arrangements to accompany the decentralization reform while alleviating constraints to local service delivery. This sub-component will include two windows: one with DLIs, and the other input-based.

47. The input-based window will finance technical assistance to support the MINFIN, MAT directorates, the Procurement Authority (SNCP), the National School of Administration and Public Policy (ENAPP), line ministries and Office of the Auditor General (OAG) on:

- National Directorate of Autarquias (DNAL) in MAT: to develop a whole-of-government decentralization strategy, including a road map for the gradual transformation of all municipalities into autarquias; establish the necessary institutional arrangements to evaluate and verify autarquias performance (APA will involve both top-down mechanism as well as bottom-up arrangement as for instance citizen scorecards); prepare a monitoring and evaluation (M&E) system for performance measurement to benchmark municipalities’ on development and service

17 The robustness of the annual assessment is often checked through an annual sample audit of the APAs. The independent verification of the APA is often conducted in the first two years by an independent firm and then handed over to the OAG, subject to a No Objection from the World Bank. This activity is included in Project Component 3.
delivery performance indicators; clarify territorial organization (carry out a study to assess the cost and benefits associated with the creation of supra- and/or infra-municipalities); improve the legal and regulatory framework for decentralization (develop a law on the transition for decentralization - providing clarity on the future of municipal employees-, amend the legislation related to functions and their assignment, develop legislation for intra-municipal cooperation); clarify assignment of expenditure responsibilities; conducting autarquias functional reviews to support the revision of the organogram of autarquias, including definition of job titles and descriptions, based on newly decentralized competencies; study on the introduction of financial and non-financial incentives for hardship posts to address chronically unfilled autarquias priority posts; develop autarquias’ personnel file management system; strengthen human resource management, including career development system for autarquias; develop, pilot, and scale up a performance appraisal system tied to career management.

- ENAPP: design a continuous training programs to build and sustain capacity of autarquias; design training programs to build the capacity of municipal assemblies to perform their oversight functions.

- Line ministries: development of planning and budgeting tools and guidelines at autarquias and facility (school, health post, municipal hospital, etc.) that encourages cooperative decision making and accountability; develop, design, and implementation of guidelines and systems that promote human resources and service standards’ oversight; pilot of schools and municipal hospitals as budget units.

- National Directorate of Budget (DNOE) in MINFIN: establish a Fiscal Decentralization Unit; revision/reparameterization of SIGFE; develop autarquias’ budget call circulars; consolidate and publish autarquias’ budget execution reports; provide capacity building to autarquias in budgeting (procedures, processes, etc.) and associated SIGFE modifications; design of municipal participatory budgeting to allow citizens to participate in the process of identifying and prioritizing investment activities based on local needs; accompany the introduction of participatory budgeting at the municipal level, including development of manuals and guidelines; complete and fine tune the new intergovernmental transfer system (define an appropriate level of transfers as percentage of GDP based on expenditure need); reform the present system of natural resource taxation to provide a more equitable sharing of these resources; design broader local taxation reforms based on analysis of the fiscal potential of different categories of local government’s tax structures; roll-out the Portal do Munícipe.

- National Directorate of Public Investment (DNIP) in MINFIN: revision/reparameterization of SIPIP; preparation of toolkits and guidelines for autarquias’ annual and pluriannual investment planning; provide capacity building to autarquias on investment planning.

- National Directorate of Treasury (DNT) in MINFIN: development of tools for financial programming (circular, templates for collecting cash flow forecasts from budget units, cash flow planning model and assessment reports on forecasts and actuals); improving tools/processes for commitment control (removal of weekly authorization of commitments); consolidation and public access to financial information on autarquias; expand the coverage of the TSA to autarquias; provide capacity building to autarquias on budget execution (procedures, processes, etc.) and associated SIGFE controls, and conducting change management related activities.

- SNCP under MINFIN: improving the transparency of procurement data and statistics; providing capacity building to autarquias in procurement planning, execution and contract management; assessment, upgrading and implementation of the SNCPE system to enable it deliver on the requirements of procurement entities, oversight institutions and suppliers in line with the law and regulations (revision of the business process of the e-procurement and deployment and connection to SIGFE, price reference baseline study; e-GP value chain improvement plan); capacity building for e-procurement through training in system use (training room at SNCP with equipment, ITC.

18 The institutionalization and broadening of the annual performance assessment (APA) for the performance grant allocation.
computer equipment for each contracting entity connected to the e-procurement), connectivity, software, and training to contracting entities; communication plan, flyers, and manuals.

- Office of the Auditor General: establish and build the technical capacities of the autarquias’ audit directorate’s staff; support the development of a methodology, and develop tools to conduct autarquias financial audits in accordance with International Standards of Supreme Audit Institutions (ISSAIs).

48. This is an indicative list of activities. Specific studies and technical assistance needed to advance the reform will be refined with national counterparts during project preparation.

49. The DLIs window will incentivize MEF and MAT directorates, SNCP and the Office of the Auditor General to build upon the technical assistance and capacity provided and achieve the reforms. This subcomponent will have the following indicative DLIs, to be refined during project preparation:

- **DLI1:** Decentralization policy and implementation framework improved\(^{19}\)
- **DLI2:** Increased predictability and improved management of resource flows
- **DLI3:** Increase in number of ministries, departments, and agencies (MDAs) using the e-procurement system
- **DLI4:** Annual external audit of autarquias conducted in a timely and regular manner
- **DLI5:** More effective human resources staffing at autarquia level

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### Table 2: DLIs 1-5

<table>
<thead>
<tr>
<th>DLI</th>
<th>DLR Year 1</th>
<th>DLR Year 2</th>
<th>DLR Year 3</th>
<th>DLR Year 4</th>
<th>DLR Year 5</th>
</tr>
</thead>
<tbody>
<tr>
<td>DLI1: Decentralization policy and implementation framework improved</td>
<td>DLR1.1: Assignment of expenditure responsibilities revised and adopted</td>
<td>DLR1.2: Sectoral devolution plans designed and implemented</td>
<td>DLR1.3 Monitoring and evaluation (M&amp;E) system to benchmark municipalities institutionalized</td>
<td>DLR1.4 Monitoring and evaluation (M&amp;E) system to benchmark municipalities operational</td>
<td>DLR1.5 Monitoring and evaluation (M&amp;E) system to benchmark municipalities operational</td>
</tr>
<tr>
<td>DLI2: Increased predictability and improved management of resource flows</td>
<td>DLR2.1: Timely intergovernmental fiscal transfers as agreed disbursed in full and accounted for</td>
<td>DLR2.2: Timely intergovernmental fiscal transfers as agreed disbursed in full and accounted for</td>
<td>DLR2.3: Timely intergovernmental fiscal transfers as agreed disbursed in full and accounted for</td>
<td>DLR2.4: Timely intergovernmental fiscal transfers as agreed disbursed in full and accounted for</td>
<td>DLR2.5: Robust intergovernmental fiscal formulae and transfer systems adopted, including performance conditions</td>
</tr>
<tr>
<td>DLI3: Increase in number of MDAs using the e-procurement system</td>
<td>DLI3.1: Assessment and roadmap for upgrading e-procurement system finalized and adopted</td>
<td>DLI3.2: E-procurement system updated and interfacing with SISTAFE</td>
<td>DLI3.3: 10 MDAs (and 10 autarquias)</td>
<td>DLI3.4: 15 MDAs (and 20 autarquias)</td>
<td>DLI3.5: 20 MDAs (and 32 autarquias)</td>
</tr>
</tbody>
</table>

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\(^{19}\) Annex 1 details DLI baseline data and indicative amount of resources.
<table>
<thead>
<tr>
<th>DLI4: Annual external audit of autarquias conducted in a regular and timely manner</th>
<th>DLR4.1: Organizational structure, methodology, and tools for auditing autarquias adopted and implemented</th>
<th>DLR4.2: Annual financial audits of 32 target autarquias conducted</th>
<th>DLR4.3: Annual financial audits of 32 target autarquias conducted</th>
<th>DLR4.4: Annual financial audits of 32 target autarquias conducted</th>
<th>DLR4.5: Annual financial audits of 32 target autarquias conducted</th>
</tr>
</thead>
<tbody>
<tr>
<td>DLI5: More effective human resources staffing at autarquia level</td>
<td>DLI5.1: HR strategy and arrangements for provincial and municipal staff to be assigned to autarquias developed, endorsed, and implemented</td>
<td>DLI5.2: Autarquia organogram developed, job titles and descriptions finalized</td>
<td>DLI5.3: Equitable deployment of service providers (human resource for health, education, social protection) within autarquias</td>
<td>DLI5.4: 33% of core vacant positions at autarquias filled based on functional review</td>
<td>DLI5.5: 66% of core vacant positions at autarquias filled based on functional review</td>
</tr>
</tbody>
</table>

50. The DLIs will be complemented by introducing minimum staffing level criteria and the institutionalization and operationalization of participatory mechanism (e.g. public consultations of budget documents during municipal budget formulation process institutionalized, establishment of annual participatory budgeting mechanisms, etc.) into the performance-based grant system.

51. **A detailed Eligible Expenditure Program (EEPs) will be determined in collaboration with national counterparts during project preparation.** On a preliminary basis, eligible expenditures could include goods and services, non-consulting services, training (including workshops and learning events), operating costs and salaries of civil servants under MINFIN, MAT, and the Office of the Auditor General’s departments responsible for activities financed under the project.

- Goods and services (for example, IT equipment)
- Non-consulting services (for example, publications)
- Training (for example, study tours, workshops, dissemination, consultations)
- Operating costs (travel costs, communications, maintenance of web-sites)
- Salaries under relevant MINFIN, MAT and Office of the Auditor General’s departments

**Subcomponent 1.2: Improving financial management capacity, performance and accountability of local government for service delivery**

52. This sub-component will strengthen the capacity, performance, and accountability of autarquias for service delivery through capacity building and technical assistance for planning, budgeting reporting, and financial management (FM), administrative services, while improving accountability and leveraging the autarquias’ financial resources setting up a performance-based grants, supplementing the existing transfers. This sub-component will also include two windows: one with performance based grants, and the other input-based.

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20 Please see below for a detail description of Performance based Grants.
53. The input-based window will finance technical assistance (including consultancies and non-consultancies services, training, equipment, IT systems and connectivity) to the autarquias on:

- Planning and budgeting.
- Public investment management (PIM): multiyear planning, including cleaning backlog of (non-feasible) projects; developing investment studies such as regulatory structure analysis, feasibility studies, socio-economic analyses, and value-for-money; assessing capital needs, operation and maintenance (O&M) of facilities, capital planning, cash flow projections, and project management; hire transaction advisors to bring projects into ‘corporate social responsibility’ and submit to banks for assessing loans; train and build capacity of staff involved in deals; strengthen project implementation and supervision support structure at the autarquia level to ensure investments are well supervised.
- Revenue management and the use of Portal do Munícipe.
- Public procurement planning tools, procurement procedures, and piloting of procurement committee with citizen’s participation.
- FM and debt management strategies: training on the use of modified SIPIP and SIGFE; budget execution and financial report analysis; and arrears stocktaking, prioritization, and liquidation strategies and processes.
- Support the reform of CACs through: increase the representativeness (to include more female representation), capacity, and efficacy of municipal CACs by clarifying and broadening the selection criteria, providing training on planning and budgeting processes, and institutionalizing local governments’ responses to their recommendations;
- Provide training to civil service organizations (CSOs) to engage with local government in a constructive manner on the development, implementation, and monitoring of public policy at the municipal level; provide technical support and subgrants to non-state actor groups focused on supporting women’s empowerment.
- Develop and institutionalize beneficiary feedback mechanisms and the leveraging of new technologies to solicit feedback from service delivery beneficiaries (including through the use of mobile and ICT technologies) and close the feedback loop by providing follow-up information on suggestions and preferences received and actions taken by the government in response.
- Support greater oversight of public expenditure, institutionalizing public consultation and social audits (pilot and implement open budget meetings/accountability day to formal and systematic participation by non-state actors e.g., CSOs, representatives from the private sector, and media); support to development and dissemination of municipal citizens’ budgets.
- Promote increased women’s participation in public administration through targeted information sessions, training, and mentoring.
- Facilitate cross-autarquia learning.

54. The capacity building initiatives in the areas outlined above will be provided through different approaches. These include: (i) supply-driven arrangements, such as attending the continuous training (traditional conventional modules) developed and rolled out by the National School of Administration and Public Policy (ENAPP), in collaboration with other government institutions (MINFIN, MAT, line ministries etc.); (ii) demand-driven arrangements that could assume the form of coaches and/or mobile capacity-building teams serving multiple autarquias and delivering on the job training.

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21 Transaction advisers are financial experts that could support the autarquias to present projects to the private sector to be eligible to the corporate social responsibility financing as well as could support autarquias in their borrowing negotiations with the commercial banks.
55. **The Performance based grant window will incentivize autarquias to improve resource management for service delivery through grants linked to assessments of autarquias’ performance.** This window will introduce performance grants as part of the overall intergovernmental transfer system. In so doing, it will provide the fiscal space to increase transfers over time and thus contribute to the socioeconomic development of autarquias, while testing a performance-based approach that could later be scaled up to the second batch of autarquias. Performance grants will be allocated to autarquias based on a two-tiered grant system. A first-tier grant will be available to autarquias based upon their satisfaction of a defined set of minimum conditions (MCs). Indicatively, the MCs focus on ensuring local government conformity with basic planning, budgeting, reporting, and staffing norms—key bottlenecks to the management of resources at the local authority level which impact on service delivery. Demand-driven capacity initiatives will be made available for those municipalities that do not meet the minimum conditions (Ref. input-based window). A second-tier conditional grant will be available to autarquias that meet a set of Performance Indicators (PIs). Indicatively, PIs measure autarquias’ performance against defined good governance standards in the areas of (i) municipal management; (ii) citizen engagement; and (iii) service delivery targets such as, for instance, proportion of deliveries assisted by a trained professional, share of population with access to clean water, etc.

56. **A full list of agreed MCs and PIs will be defined during project preparation.** A simulation will be conducted during project preparation to enable baselines to be established and to calibrate the selection of annually required MCs and PIs in order to ensure that the annual performance targets set are both realistic and provide incentives for eligible autarquias to improve upon their existing performance. The project will support the design and implementation of an Annual Performance Assessment (APA) system to measure, monitor, and independently evaluate autarquias performance; the assessment will include, in addition to a third-party validation agent, a citizen score card aspect allowing beneficiaries to validate the achievement of good governance related targets of the performance grants as another way of supporting citizen engagement. See Box 1 below a list of World Bank Operations using performance based grants.

**Box 1: WB Operations using Performance-based Grants**

- Ethiopia P163452 - Urban Institutional and Infrastructure Development Program
- Kenya P149129 – Kenya Devolution Support Programme
- Malawi P164961 – Governance to Enable Service Delivery
- Mozambique P163989 – Urban and Decentralization Project
- Senegal P157097 – Municipal and Agglomeration Support Program for Results
- Pakistan P157507 – Public Financial Management and Accountability to Support Service Delivery
- Zambia P169384 – Governance for Service Delivery

**Component 2: Strengthening Identity Management**

57. **This component aims to increase the number of Angolans with legal identity, thus helping ensure greater access to administrative and public services.** This involves revising the institutional and legal framework of the civil registry and national identification systems, simplifying and automating processes, reinforcing the organic link between systems, and building the capacity of autarquias to provide deconcentrated identity management services. The end goal is to develop capacities of the GoA to provide secure and trustworthy identification credentials, particularly to the most vulnerable populations (including women), aligned with the ten Principles on Identification for Sustainable Development. To pursue

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22 A selection of WB operations.
23 These principles revolve around universal coverage and accessibility; robust, secure, responsive, and sustainable design; and building trust by protecting privacy and user rights.
this objective the component envisages a two-tier approach, in line with best practices from the Identification for Development (ID4D) initiative:\(^{24}\)

- At the national level, the component will focus on simplifying, standardizing, integrating and interoperating, modernizing, automating the processes and systems of identity management, including both the CRVS and the national identification system and rolling out the BUAPs while strengthening personal data protection and privacy.
- At the municipal level, the component will provide technical assistance and direct support to autarquias to ensure that BUAPs are functioning and can address the backlog of demand for legal identification while supporting campaigns and brigades to reach the remote areas and the most vulnerable population with CRVS and ID services.

**Subcomponent 2.1: Modernizing Identity Management Systems and Processes**

58. **This subcomponent focuses on simplifying and rationalizing Angola’s civil registry and identification systems.** This includes the provision of technical assistance on best practices in modernizing legislation, procedures, and systems to address bottlenecks hampering increased birth registration and identification, as well as results-based financing to incentivize needed reforms. It also includes the establishment of mechanisms to ensure the sustainability of the systems after the completion of the project.

59. **The input-based window will finance technical assistance to support MINJUSDH and MAT directories on:**

- Cabinet of the Executive Secretary in MINJUSDH:\(^{25}\) (i) revise the administrative organization of the civil registry system and national identification systems and enhance administrative efficiency and transparency; (ii) ensure systematic interoperability between civil registry and national identification systems to promote robust and secure data exchange, reduce the risk of duplication, error and fraud, and contribute to a foundational legal identity; (iii) ensure greater institutional coordination among the numerous institutions that currently use civil registry and national identification services; (iv) support, with MAT, management of provision of identity (civil registry and national identification) services through BUAPs; and (v) support to update, strengthen and enforce data privacy and protection laws and institutions.

- The National Directorate of Registries and Notaries (DNRN) in MINJUSDAH to: (i) conduct a skills gap capacity analysis and develop a needs-based capacity building program for the DNRN; (ii) update and revise the civil registry’s legal and regulatory framework, and ensure that legislation and practice are aligned; (iii) conduct a business process review (BPR) with the objective of identifying ways to simplify the currently onerous birth registration process to ensure that vulnerable populations (particularly single women\(^{26}\)) can more easily register and then upgrade the system and reform existing procedures to simplify the birth registration and late birth registration processes; (iv) assess the two ongoing digital solutions and, with these findings, support to automate civil registration; and (v) develop a single, national civil registry and lay the foundation for a digital foundation identification system for Angola\(^{27}\).

- The Directorate of Civil and Criminal Identification (DAICC) in MINJUSDH to (i) conduct a skills gap capacity analysis and develop a needs-based capacity building program for the DAICC; (ii) revise (as needed) identification-related legal and regulatory framework while strengthening the protection of privacy and personal data (as per Law

\(^{24}\) The ID4D TF will support project preparation, in particular for the legal review.

\(^{25}\) The Cabinet of the Executive Secretary is in charge of the identification system and reform as a whole.

\(^{26}\) If a child is born out of wedlock, both the mother and the father must be present to register the child’s birth. This is an onerous burden upon single mothers: they are unable to register their children unless the father is willing to appear at a birth registry unit. It is also not customary for men—regardless of whether or not they are married—to accompany the mother of their unborn child to hospital for the birth.

\(^{27}\) At present, different adatabases of civil registry are located in different conservatorias. For more details see Annex 3.
22/11); (iii) undertake gender-specific research to address the unique challenges of women and SOGI minorities; and (iv) identify and implement ways to deconcentrate the management and printing of BIs to reduce lags in their production and delivery.

- National Directorate of Autarquias (DNAL) in MAT: (i) support to the conceptualization and proper functioning of BUAPs, including training in its use.

**60. The DLI window will provide results-based financing to encourage reforms.** This subcomponent will have the following DLIs, to be refined during project preparation:

- **DLI 6: Strengthening of the Civil Registry**
- **DLI 7: Strengthening of Identity Systems**
- **DLI 8: Support to BUAPs**

<table>
<thead>
<tr>
<th>Table 3: DLIs 6-8</th>
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<tr>
<th>DLI</th>
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<th>DLR Year 2</th>
<th>DLR Year 3</th>
<th>DLR Year 4</th>
<th>DLR Year 5</th>
</tr>
</thead>
<tbody>
<tr>
<td>DLI 6: Strengthening of the Civil Registry</td>
<td>DLR6.1: BPR of birth registration conducted, recommendations initiated</td>
<td>DLR6.2: Revision of Civil Registry Code submitted to National Assembly</td>
<td>DLR6.3: Development of a digital national civil registry</td>
<td>DLR6.4: 70% of population has their birth registered</td>
<td>DLR6.5: 85% of population has their birth registered</td>
</tr>
<tr>
<td>DLI 7: Strengthening of Identity Systems</td>
<td>DLR7.1: Revision of legal framework submitted to National Assembly</td>
<td>DLR7.2: BPR of identification conducted, recommendations initiated</td>
<td>DLR7.3: Interfacing of civil registry and identification systems</td>
<td>DLR7.4: 50% of population has BI (among which 50% woman and 50% men)</td>
<td>DLR7.5: 80% of population has BI (among which 50% woman and 50% men)</td>
</tr>
<tr>
<td>DLI 8: Support to BUAPs</td>
<td>DLR8.1: Establishment of services, process, procedures and IT sustainability plan for BUAPs developed</td>
<td>DLR8.2: 16 autarquias have BUAP in place</td>
<td>DLR8.3: All 32 autarquias have BUAP in place</td>
<td>DLR8.4: All 32 autarquias have in place strategies to ensure maximal inclusion through offline, mobile mechanisms</td>
<td>DLR8.5: All 32 autarquias have in place strategies to ensure maximal inclusion through offline, mobile mechanisms</td>
</tr>
</tbody>
</table>

**Subcomponent 2.2: Boosting CVRS Services at the Municipal Level**

61. This subcomponent focuses on boosting the capacity of autarquias to provide civil registration and BI services through BUAPs. This includes the provision technical assistance to strengthen municipal governments’ provision of identity management services.

62. The input-based window will finance technical assistance to support on:

- Autarquias: (i) technical and financial support for management and maintenance of BUAPs; (ii) training to autarquia staff in use of BUAPs; (iii) IT support to ensure BUAP functionality; and (iv) to ensure maximum inclusion, the bringing of municipal services to populations unable to access BUAPs (due to remote locations or physical disabilities) either through the use of mobile or offline-capable equipment via campaigns and brigades.

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28 Annex 1 details DLI baseline data and amount of indicative resources.
Component 3: Project Management

63. This component aims to support capacity building and institutional strengthening related to achievement of key results while also providing just in time funds for future priorities. Activities supported under this subcomponent include: (i) support for overall project coordination, including operating and human resources costs; (ii) support to Steering Committee and Operational Technical Committee; (iii) technical assistance to support project management and implementation (including project M&E, set-up of an environment and social management arrangements, change management and ICT); (iv) just-in-time technical assistance allocation to respond to emerging needs during project implementation; and (v) recruitment of Independent Verification Agency for the verification of Project DLIs and annual financial audit of the Project. Resources will also be used to support communication and dissemination activities, including workshops and communication through different media. The key result of this component is enhanced capacity for project management and institutional coordination to achieve project results.

<table>
<thead>
<tr>
<th>Legal Operational Policies</th>
<th>Triggered?</th>
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<tbody>
<tr>
<td>Projects on International Waterways OP 7.50</td>
<td>No</td>
</tr>
<tr>
<td>Projects in Disputed Areas OP 7.60</td>
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</tbody>
</table>

Summary of Screening of Environmental and Social Risks and Impacts

The proposed project is aimed at supporting the Government of Angola, to improve service delivery through enhanced local capacities and performance. The project will help ensure that locally elected municipal governments can deliver on newly decentralized public services by building their capacity, improving their resource management skills, and strengthening accountability. This will be done through project interventions around six areas: (i) supporting central ministries and agencies in charge of the decentralization process; (ii) civil service organization, functions, and human resources; (iii) financial resources; (iv) public financial management; (v) participation and accountability; and (vi) identity management. The project shall provide support through 2 instruments: a) the disbursement linked indicators, (DLIs) to incentivize both central government policy and implementation to alleviate constraints to local service delivery and autarquias’ performance in PFM and service delivery management; and b) The IPF-modality will provide capacity and technical assistance to help national government entities and autarquias achieve results. The project will also include national level structural reforms that will have an impact on all municipalities across the country.

Note To view the Environmental and Social Risks and Impacts, please refer to the Concept Stage ESRS Document.
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