

AFRICA RISK CONSULTING

Angola Monthly Briefing April 2023

Angola Summary 20 April 2023

Attorney general Hélder Pitta Groz announces on 12 April that chief justice Joel Leonardo will be charged with corruption, nepotism and mismanagement of the court. Leonardo has not resigned and remains chief justice, causing a crisis in the reputation of Angola's anti-corruption strategies and the legitimacy of the judiciary. Portugal's finance minister, Fernando Medina visits Angola between 2 and 6 April to sign two new cooperation agreements focused on budgetary and fiscal matters. The agreements signal improved relations between Portugal and Angola, and Angola's interest in operating at international standards that pertain to the European Union (EU). A presidential decree is issued on 30 March to extend the Programa de Privatizações (PROPRIV) (privatisation programme) until 2026. The programme should have been completed by the end of 2022 but, unsurprisingly, the divestment of many state-owned companies is not yet complete. Among the state shareholdings listed as being for sale are some of Angola's largest companies, including UNITEL.

Head of Angola's Supreme Court charged with corruption.

Attorney general, **Hélder Pitta Groz**, announced on 12 April that chief justice, **Joel Leonardo**, president of the supreme court and the superior council of the supreme court's judicial judiciary since 2019, has been charged with corruption, nepotism and mismanagement of the court.¹

The charges relate to Leonardo's handling of at least two high-profile corruption cases in the supreme court. In the first case, he is alleged to have blackmailed **Augusto da Silva Tomás**, the former transport minister who was found guilty of corruption in a case Leonardo conducted before he became supreme court president.² Tomás was imprisoned for his crimes in September 2018 and was entitled to be released on parole in April 2022, but this wasn't granted until 28 December 2022.³ Tomás was asked to pay a bribe of \$6m to the judge for his release or be returned to prison. Tomás reported that he was being blackmailed and the information reached President **Joao Lourenço** (2017-present).

The attorney general's office presented taped evidence of the alleged extortion attempt of Leonardo and his associate, his nephew Major **Silvano Antônio Manuel**, who was carrying out the actual extortion and went to Tomás house in December to ask for \$6m. Tomás was also present at the prosecutor's office during the presentation. Manuel was arrested on 1 February after being caught in **Benguela** province travelling to Namibia.⁴

Anti-corruption campaigner, **Rafael Marques de Morais**, has made equally serious allegations and requested on 19 April that the attorney general's office open a criminal investigation into Leonardo for failing to prosecute **Higino Carneiro**, the former provincial governor of **Luanda**. Carneiro was to be prosecuted for alleged crimes of embezzlement, nepotism, influence peddling, criminal association and money laundering, acts he allegedly committed between the years 2016 and 2017. However, Marques alleges that Leonardo expressly ordered that the case be suppressed.⁵

¹ Angop, 12 Apr 2023

² Club-K Net, 12 Apr 2023

³ Verangola, 28 Dec 2022

⁴ Club-K Net, 12 Apr 2023

⁵ Maka Angola, 19 April 2023

Leonardo is also being charged with improper financial transfers totalling Kz 400m (\$790,300) during 2021 and 2022 from the supreme court's bank account at Luanda's **Banco de Comércio e Indústria** (bank of commerce and industry). The payments were made to companies of Leonardo's family members and to his account. He is also accused of embezzling court revenues of \$528,0000, which were due to be paid to treasury accounts during the period April to July 2022. Leonardo will be expected to return the Kz 400m.⁶

The payments were made from an account of the supreme court with three signatories - Leonardo, the finance director **Fátima Mendes Ferreira**, and Leonardo's niece by marriage, **Irina Gomes Martins Apolinário**.⁷ Apolinário headed the general secretariat of the supreme court with the responsibility of controlling the institution's finances. A company she owns allegedly fraudulently obtained \$33.5m from the supreme court in payment for services. Apolinário has fled to **Portugal** to avoid charges of embezzlement, unjust enrichment, and criminal association.⁸

Leonardo has not resigned and is still technically Angola's chief justice, however, the plenary of the supreme court voted on 17 March to refuse to judge cases in which Leonardo presided, pending the completion of investigations.⁹ The case against Leonardo is causing a crisis in the reputation of Angola's anti-corruption strategies and the legitimacy of the judiciary.

Portugal and Angola sign cooperation agreements in public finance arena.

Portugal's finance minister **Fernando Medina** visited Angola between 2 and 6 April to sign two new cooperation agreements focused on budgetary and fiscal matters. The agreements signal improved relations between Portugal and Angola, and Angola's interest in operating at international standards that pertain to the **European Union (EU)**. Portugal is Angola's gateway to the EU.¹⁰ The technical cooperation agreements are expected to aid the Angolan government in managing its treasury, national and international financing and contract public debt more effectively.¹¹

The agreement Medina and Angola's finance minister **Vera Daves** signed are part of the technical cooperation developed by the two finance ministries, with an impact on budgetary and fiscal matters, treasury management, financing, and public debt. Portugal is to contribute to the capacity building of Angolan service and technical staff on the management of public finances, as part of Angola and Portugal's 2018-2022 and 2023-2027 strategic cooperation programmes.¹²

Portugal increased the flow of financing for Angola by a further €500m (\$548m), as part of the new arrangements. Portuguese loans to Angola now reach €2 billion (\$2.20 billion).¹³ Medina expressed confidence in the fiscal reforms in Angola, noting that this confidence led to this additional step in their cooperation.¹⁴

Daves said that the additional financing will encourage Portuguese companies to engage in the construction process of a 'new Angola'. However, the loan came only after Luanda had settled its outstanding debts to Portuguese companies. The minister noted that Angola had already paid off in full the certified debt incurred to Portuguese companies operating in the country and other uncertified debts had been delivered to the **Inspecção Geral da Administração do Estado** (general inspectorate of the state administration) for due investigation.¹⁵

⁶ Club-K Net, 8 Apr 2023

⁷ Club-K Net, 8 Apr 2023

⁸ Club-K Net, 10 Apr 2023

⁹ Jornal de Angola, 17 Mar 2023

¹⁰ Energy Capital Power, 6 Apr 2023

¹¹ Energy Capital Power, 6 Apr 2023

¹² Jornal de Angola, 3 Apr 2023

¹³ Energy Capital Power, 6 Apr 2023

¹⁴ Angop, 3 Apr 2023

¹⁵ Angop, 3 Apr 2023

The Portuguese government has also received assurances that corruption charges laid in Portugal against Angola's former vice president **Manuel Vicente** will be pursued.¹⁶ Vicente was charged with bribery, money laundering and document falsification in Portugal over allegations that he bribed a magistrate with €760,000 (\$800,000) in 2012 to drop two investigations against him.¹⁷ Vicente had immunity against prosecution until 2022 and the case was transferred to Angola on the understanding that Vicente would be prosecuted there.¹⁸ Angola's attorney general confirmed that charges against Vicente were pending, but that Vicente now lives outside the country.¹⁹

Lourenço also met with Medina and noted that the meeting was frank and very productive, highlighting that Portugal and Angola will develop financial instruments to support a faster diversification of the Angolan economy. Relations will be further cemented in June with an official visit to Luanda by Portugal's prime minister **António Costa** (2015 – present).²⁰

Programa de Privatizações (PROPRIV) (privatisation programme) is extended.

A presidential decree issued on 30 March has extended the **Programa de Privatizações (PROPRIV)** (privatisation programme), initially set to end at the end of 2022, until 2026, as the divestment of many state-owned companies remains incomplete. The **Instituto de Gestão de Ativos e Participações do Estado (IGAPE)** (state asset and participation management institute) is responsible for the privatisations and expects to dispose of 62 assets by tender during 2023, with a further 11 being sold off in 2024.²¹ **Patrício Vilar**, director of IGAPE stated:

*"For now, the percentage to be alienated is not defined, and will depend on the appetite of the market and the strategic vision of the State."*²²

He added that the extension of the deadline is justified by the need to complete the restructuring processes and the emergence of newly recovered assets to be privatised, following their return to the state through the asset recovery process, as well as the need to create a dynamic privatisation mechanism while reforming the public business sector.²³

PROPRIV has been profitable, despite its slow progress, and in its first phase, a list of 195 companies was established including public companies and companies set up by national oil company **Sonangol-EP**. However, half the assets sold were not paid for and have been returned for sale. Angola has so far received Kz 569 billion (\$1.124 billion) from asset sales.²⁴

For this year, major assets including the new international airport in Luanda, **Dr Antonio Agostino Neto airport**, **TV Cabo Angola**, and insurance company **Ensa – Seguros de Angola SA**, are the companies first in line to be privatised.²⁵ **China International Fund's (CIF)** assets, recovered last year, including the CIF beer, car and cement factories may be privatised later this year through an electronic auction.²⁶

Media and telecom companies to be wholly or partly privatised this year include Angola's largest telecoms company, **UNITEL**, **Angola Telecom** and the smaller **Multitel**. **Banco Fomento Nacional** will also be privatised. Offshore companies belonging to Sonangol EP will be sold off, including Portugal-based **Sonacergy Lda**, **Société Ivoirienne de Raffinage (Cote d'Ivoire)**, shares in **United**

¹⁶ Angop, 12 Apr 2023

¹⁷ Maka Angola, 27 Feb 2017

¹⁸ Angop, 26 Jun 2018

¹⁹ Angop, 12 Apr 2023

²⁰ Energy Capital Power, 6 Apr 2023

²¹ Jornal de Angola, 9 Apr 2023

²² Jornal de Angola, 9 Apr 2023

²³ Jornal de Angola, 9 Apr 2023

²⁴ Jornal de Angola, 30 Mar 2023

²⁵ Jornal de Angola, 1 Apr 2023

²⁶ Jornal de Angola, 9 Apr 2023

Kingdom-based OPS Production and OPS-Oil Production Services and Bermuda-based companies Sonasing Mondo Ltd and Sonasing Xikomba Ltd.²⁷

The major national references companies, such as Sonangol EP, state diamond mining company **Endiama EP**, stock exchange **Bodiva**, national airline **TAAG**, and cement factory **Nova Cimangola** will be able to start their divestiture processes in 2024, with ongoing restructuring to be ready for privatisation on the Stock Exchange. IGAPE noted that the process is expected to take three years to complete, until 2026.²⁸

Planner

2020-2025 **(Angola) World Bank** to provide funding to increase economic diversification for five years;

23 - 24 Apr 2023 **London (United Kingdom)** Angola to attend a **United Kingdom** government held African summit to promote trade and economic investment;

Jun 2023 **Luanda (Angola)** Portugal's prime minister **António Costa** to make a state visit;

Jul 2023 **Lobito (Angola)** The implementation of the Single Window for Trade Facilitation (JUMA), which the **International Maritime Organization (IMO)** is introducing in the **Commercial Port of Lobito**, is to be completed, providing digitisation of the port services;

Q1 2023 **Namibe (Angola) Caraculo** photovoltaic (solar) power plant in **Namibe** province comes online;

Jul 2023 **Luanda (Angola)** Angola's sole purpose-built gold refinery expected to open in **Viana**,

Aug 2023 **Luanda (Angola)** Provisional certification of fitness for the Dr **António Agostinho Neto International Airport** scheduled;

Nov 2023 **Luanda (Angola) Aeroporto Internacional Dr Antonio Agostino Neto** expected to open;

Dec 2023 **Cabinda (Angola)** First phase of **Cabinda Refinery** ends, and testing begins to measure the productive efficiency of the refinery;

2023 **Luanda (Angola)** Angola and the **European Union (EU)** to open negotiations for a trade agreement;

2023-2024 **Luanda (Angola)** Angola to create two new provinces and a further 417 municipalities by 2024;

Q 1 2024 **Lucapa (Angola)** The **Lucapa** photovoltaic will start producing power;

2024 **(Angola)** Government is to carry out its second census

2024 **(Angola)** Angola to begin exporting 'green' hydrogen energy to **Germany**;

December 2024 **Cabinda (Angola)** Completion of the deep-water port, **Porto do Caio**, in **Cabinda** province, is expected;

2026 **(Angola) Programa de Privatizações (PROPRIV)** (privatisation programme) extended to manage government divestment of 138 companies;

²⁷ Jornal de Angola, 9 Apr 2023

²⁸ Jornal de Angola, 9 Apr 2023

Chronology

- 19 Apr 2023 **Luanda (Angola)** *Jornal de Angola*. **Assembleia Nacional** (parliament) approves the **Conta Geral do Estado** (general state accounts), following the court of auditors review;
- 14 Apr 2023 **Luanda (Angola)** *Novo Jornal*. **Banco Nacional de Angola** (central bank) to fine **Banco Sol** and **Banco Comercio e Industrial** for failures of internal control and lack of adequate money laundering procedures, and **Banco Millenium Atlantico** for lack of protection for consumers in financial products and services;
- 14 Apr 2023 **Luanda (Angola)** *Jornal de Angola*. **José de Lima Massano**, governor of **Banco Nacional de Angola** (central bank), invites more international banks to operate in the Angolan financial market, noting the BNA has hired the **Bloomberg** platform to stabilise the financial, operational, inflation control and exchange rate management systems;
- 14 Apr 2023 **Luanda (Angola)** *Jornal de Angola*. Transport minister **Ricardo Viegas D'Abre** announces that a restructuring plan is underway to allow state-owned airline **TAAG** to part privatise with an international partner in 2 to 3 years;
- 14 Apr 2023 **Luanda (Angola)** *Angop*. President **João Lourenço** meets **Democratic Republic of Congo's** president **Felix Tshisekedi** to discuss the shaky ceasefire ahead of the proposed cantonment of the **M23** militia and the implementation of an Angolan peacekeeping contingent in the eastern DRC to protect the members of the ad hoc verification mechanism;
- 14 Apr 2023 **Luanda (Angola)** *Jornal de Angola*. Deputy attorney general **João Freitas Coelho** says there is a decrease in reported cases of corruption and embezzlement from the public treasury;
- 14 Apr 2023 **Luanda (Angola)** *Angop*. Angola's **Capital Market Commission (CMC)** says four more brokerage firms and six distributors will operate in the Angolan market, to develop investment activities in securities and derivatives instruments;
- 14 Apr 2023 **Washington D.C. (United States)** *Human Rights Watch*. US-headquartered **Human Rights Watch** calls on government to investigate reports that Angolan security force personnel and others have raped **Congolese** women and children and otherwise abused them during mass expulsions of migrant workers over the past six months;
- 11 Apr 2023 **Luanda (Angola)** *Angop*. Attorney general **Hélder Pitta Groz** asks magistrates of the public prosecutor's office to step up the fight against crimes of corruption at the opening of new training courses for magistrates;
- 11 Apr 2023 **Arusha (Tanzania)** *Angop*. Angola's **Financial Information Unit** announces the presentation of a mutual evaluation report at the technical meeting of the task force of the **Anti-Money Laundering Group for Eastern and Southern Africa (ESAAMLG)**, to assess the level of technical compliance of Angola's laws and regulations with the 40 recommendations of the global **Financial Action Task Force**;
- 10 Apr 2023 **Washington D.C (United States)** *Angop*. Finance minister **Vera Daves de Sousa** attends spring meetings of the **World Bank** and **International Monetary Fund (IMF)**;
- 10 Apr 2023 **Mokpo (South Korea)** *Angop*. **South Korean** shipbuilder, **Hyundai Samho Heavy Industries**, delivers a \$68 m oil tanker with capacity to transport a million barrels of crude oil to Angola's state-owned oil company **Sonangol EP**;
- 8 Apr 2023 **Havana (Cuba)** *Jornal de Angola*. Angola and **Cuba** update their bilateral agreements and memoranda of understanding during the XV Session of the intergovernmental commission on economic and technical-scientific cooperation, with emphasis on higher education, science, technology and innovation, and youth and sport;
- 8 Apr 2023 **Windhoek (Namibia)** *Angop*. Mineral resources, oil and gas minister **Diamantino Azevedo** and **Namibia's** mines and energy minister **Tom Alweendo** discuss issues regarding mining

registration in Namibia, legislation on diamond cutting factories, offshore diamond exploration, and legislation and tax regime for the exploration and exploitation of uranium. The **Lobito Refinery** and shared exploration and production of hydrocarbons were also discussed;

7 Apr 2023 **Amsterdam (Netherlands)** *de Rechtspraak*. State oil company **Sonangol EP** and **Netherlands**-based **Esperaza Holding B.V.** are listed for initial hearing on 13 April at the business court in **Amsterdam** to establish whether there has been mismanagement by Esperaza Holding;

7 Apr 2023 **Luanda (Angola)** *Angop*. State oil company **Sonangol** announces plans to expand exports, with 200,000 barrels of oil by-products to be reserved for export from 2025 to the **Southern African** market, covering **Zambia**, the **Democratic Republic of Congo (DRC)**, **Botswana**, **Tanzania** and **Namibia**, after the completion of refineries under construction in Angola and **South Africa**'s reported dismantling of its 6 oil refineries;

4 Apr 2023 **Luanda (Angola)** *Angop*. The **United Nations Environment Programme (UNEP)**, announces it is to carry out a study and collect data to discover how much methane is extracted from oil wells on the coast of Angola and **Gabon** and help map emissions of the gas;

4 Apr 2023 **Luanda (Angola)** *Angop*. President **João Lourenço** pays tribute to the former president **José Eduardo dos Santos** for his part in the **Luena** agreement, which put an end to the civil war in Angola;

30 Mar 2023 **Luanda (Angola)** *Angop*. The **United Nations Global Fund** announces a grant of \$126m to Angola for the next financing cycle (2024/2027) to support the programmes to combat malaria, HIV/AIDS and tuberculosis in **Cuanza Sul** and **Benguela** provinces;

30 Mar 2023 **Luanda (Angola)** *Angop* Energy and waters minister **João Baptista Borges**, announces that Angola intends to export green hydrogen to **Germany** in 2025 in the form of ammonium;

30 Mar 2023 **Juba (Sudan)** *Angop* Parliamentary forum of the **International Conference on the Great Lakes Region (ICGLR)** announces it will send a good offices mission to Angola to seek information from authorities on the degree of implementation of actions aimed at ending the conflict in eastern **Democratic Republic of the Congo (DRC)**;

29 Mar 2023 **Luanda (Angola)** *Angop*. Angola's **National Electricity Transport Network (RNT-EP)** and the **Mozambican Electricity Network (EDM)** sign a cooperation agreement as part of the preparations for Angola's entry into the electricity supply market to the countries of the **Southern African Development Community (SADC)**;

29 Mar 2023 **Luanda (Angola)** *Angop*. **Italy**-based **International Fund for Agricultural Development (IFAD)** announces it intends to grant Angola \$28m to refinance smallholding farming;

29 Mar 2023 **Luanda (Angola)** *Angop*. National assembly approves the extension of the Angolan military mission in the ambit of the **SADC Standby Force task in Mozambique**, for a further three months, comprising 20 soldiers, material resources, an aircraft, and financial resources, equivalent to \$1.7m;

27 Mar 2023 **Luanda (Angola)** *Angop*. Foreign affairs minister **Téte António** sends a letter to the **United Nations** secretary general **António Guterres** denying that Angola has sent mercenaries to fight for **Russia** in **Ukraine**, following a report by **CNN-Portugal** on 24 March;

21 Mar 2023 **Luanda (Angola)** *Angop*. The **United Nations Childrens Fund** says that improvement of the water, sanitation and hygiene (WASH) sector in Angola requires an annual investment of about 10% of the general state budget;

20 Mar 2023 **Buenos Aires (Argentine)** *Angop*. Angola sends a delegation including the state secretary for human rights and citizenship, **Ana Celeste Januário**, and the deputy ombudsman, **Aguinaldo Cristóvão** to the **III World Forum on Human Rights**;

20 Mar 2023 **Luanda (Angola)** *Angop*. National assembly consults on the detailed terms of the new **General Labour Bill**, which was approved by members of parliament in general terms in February;

18 Mar 2023 **Luanda (Angola)** *Angop*. State minister and head of the military affairs office **Francisco Furtado** says that sending a military contingent to the **Democratic Republic of Congo (DRC)** will begin when the cantonment areas for **M23** rebels are constructed;

14 Mar 2023 **Luanda (Angola)** *The Shift*. Attorney general's office files a request for cooperation with **Malta** in investigating whether funds were illicitly transferred from Angola to 14 shell companies in Malta owned by **Isabel dos Santos** and her late husband **Sindika Dokolo**.

About Africa Risk Consulting:

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