

AFRICA RISK CONSULTING

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Angola Summary 21 June 2024

Angola adopts a new anti-corruption strategy to improve the prevention, detection and prosecution of corruption and related crimes. The previous policy has been severely undermined by recent successful appeals against convictions for procedural irregularities. Three further high-profile court cases against beneficiaries of corruption under late president Jose Eduardo dos Santos (1979-2017) are also progressing. Without urgent reforms, the same kinds of judicial errors could undermine these cases. Natural resources, oil and gas minister Diamantino Azevedo says on 11 June that Angola may terminate the construction contract for the Soyo refinery, awarded to the United States-based consortium Quanten Angola LLC in 2021. Quanten Angola has failed to raise the \$3.5 billion in funding needed for the project.

Angola introduces new national strategy to prevent corruption

Angola adopted a new **Estratégia Nacional de Prevenção e Repressão da Corrupção** (national strategy for the prevention and suppression of corruption) on 7 June, intended to improve the prevention, detection and prosecution of corruption and related crime. The strategy also aims to promote integrity, transparency, accountability and improve service provision across all sectors.¹

Minister of State and the president's chief of staff **Adão de Almeida**, who announced the new strategy, said Angola was now moving out of the 'emergency phase' of tackling corruption and will now systematise its policies between 2024 and 2027, aiming for internationally recognised good practice.²

Prevention and detection strategies will be coordinated by the **Inspecção Geral da Administração do Estado (IGAE)** (general inspectorate of state administration), and investigation, prosecution and asset recoveries will be coordinated by the attorney general's office.³ Almeida said the strategy gives a considerable focus to the preventive dimension, and on improving ethics in public administration, the business environment in the country and public procurement mechanisms, shifting emphasis on anti-corruption from investigating past crimes to current issues.⁴

Angolan constitutional lawyer, **Nédio Dias**, commented that the national strategy needs laws, the development of strong institutions, *"and a collective commitment to change the culture of impunity"*.⁵ **Manuel Homem**, the first secretary and member of the political bureau of the ruling **Movimento Popular de Libertação de Angola (MPLA)**, also issued a warning to party cadres that the fight against corruption, and the development of integrity and ethics in the public service is a commitment, saying:

*"The MPLA has the great challenge of improving its performance, as the party that supports the Government."*⁶

¹ Jornal de Angola, 4 Jun 2024

² Jornal de Angola, 4 Jun 2024

³ Jornal de Angola, 4 Jun 2024

⁴ Jornal de Angola, 4 Jun 2024

⁵ Jornal de Angola, 17 Jun 2024

⁶ Jornal de Angola 17 Jun 2024

In addition to the emphasis on developing probity in the administration, Almeida highlighted the need for preparation and training for the IGAE, the attorney general's office and the judiciary.⁷ The importance of these requirements has been emphasised by recent successful appeals against convictions for procedural irregularities which breach the rights of the accused.

The **Tribunal Consitucional** (constitutional court) in April 2024 overturned the conviction of **José Filomeno dos Santos**, the former head of Angola's sovereign wealth fund and son of former president **José Eduardo dos Santos** (1979-2017). José Filomeno dos Santos had appealed to the constitutional court alleging that his constitutional rights to a fair trial had been breached by the proceedings of the **Tribunal Supremo** (supreme court) (see *ARC Briefing Angola Apr 2024*).

In another example, **Carlos São Vicente** was sentenced, in March 2022, to nine years imprisonment for embezzlement, money laundering and tax fraud. He is believed to hold almost \$2 billion in assets offshore; more than \$1 billion in **Switzerland**, \$550m or more in **Singapore**, \$200m in **Bermuda**, approximately \$18m in **Dubai (United Arab Emirates)** and \$21.5m in **Portugal**.⁸

São Vicente appealed to the **United Nations (UN) Working Group on Arbitrary Detention (WGAD)**, and parts of his appeal were upheld in the WADG opinion published on 13 Dec 2023. The publicly available WGAD report was scathingly critical of Angola's government's late and very inadequate responses to its questions, and this formed part of the basis for its findings.⁹ The WADG recommended that São Vicente be released and compensated. The WGAD also criticised the late and inadequate responses of the Angolan government and the 2021 law that says Angolan courts will receive 10% of the value of the assets seized by the state, stating:

*"That creates a potential financial interest for judges in the course of proceedings [and] could create a doubt about the court's impartiality in the present case."*¹⁰

Following this ruling the Swiss government decided it could not release \$1 billion held in São Vicente accounts to the government, though the funds remain frozen.¹¹

... but three high-profile corruption trials will test the new strategy and courts

The government's presentation of a new anti-corruption strategy is timely as it is preparing for the high-profile court cases of former president dos Santos' daughter **Isabel dos Santos**, General **Helder "Kopelipa" Van Dias** and his close associate **Leopoldino Fragoso de Nascimento**, and former vice president **Manuel Vicente**.¹² Without reforms, the same kinds of judicial errors could fatally undermine these cases, President **Joao Lourenço's** (2017-present) anti-corruption strategy and Angola's improved reputation. They could also make it impossible for Angola to recover billions of dollars in allegedly embezzled funds.

Attorney general **Hélder Pitta Gróz** confirmed in April that preparation for the case against Isabel dos Santos is complete and the pre-trial notifications to the defendants have also been prepared. Gróz also confirmed defendants in Portugal have already received the notification, but the response of Isabel dos Santos is awaited. The notification is a crucial step, informing the defendant of the charges.¹³ The attorney general's office has charged Isabel dos Santos with 12 crimes, including embezzlement and fraud, relating to her time as CEO of Angola's state oil company **Sonangol**. Since there is an international arrest warrant outstanding against dos Santos, she is unlikely to travel to Angola from the UAE, where she is believed to be hiding, to be heard.¹⁴

⁷ Jornal de Angola 4 Jun 2024

⁸ Jornal de Angola 19 Apr 2024

⁹ UNWGAD Opinion no 63/2023 13 Dec 2023

¹⁰ UNWGAD Opinion no 63/2023 13 Dec 2023

¹¹ Lusa 22 Sep 2022

¹² Jornal de Angola 4 Jun 2024

¹³ Jornal de Angola 19 Apr 2024

¹⁴ Reuters 30 Nov 2022

The case against van Dias and his close associate **Leopoldino Fragoso de Nascimento** is also ready to go to court and awaits the trial date.¹⁵ The two were charged on 4 July 2022 for crimes relating to the **China International Fund Angola Ltd (CIF)** and two other companies in which the pair are alleged to have defrauded the state of hundreds of millions of dollars from **Chinese** loans.¹⁶

Van Dias and Nascimento face multiple charges of criminal association, money laundering, fraud, falsification of documents and influence-peddling. Van Dias also faces additional charges of abuse of power and speculation (*see ARC Briefing Angola Jul 2022*). The two generals were part of the “*Triumvirate*”, the three powerful men closest to former president dos Santos until he stepped down in 2017.¹⁷ Vicente was the third member of the triumvirate. Gróz said that the first stages of proceedings against Vicente had begun but did not clarify whether these were investigative or procedural, or what the charges might be.¹⁸

The prosecutor’s office has not responded strongly to the overturning of the cases against Filomeno dos Santos and São Vicente, as yet. Gróz himself denied there are any issues São Vicente case, saying that Angola has not yet been officially notified of the WGAD ruling.¹⁹ On this basis, he said he is also still negotiating with Switzerland for the return of assets.²⁰

In the face of these large complex trials and the headroom for error, the new anti-corruption strategy has to rapidly reform the judiciary and several laws, to ensure that judgements in corruption cases cannot be overturned by what appears to be an institutionalised inability to provide fair trials in cases of global interest.

Soyo refinery unable to raise \$3.5 billion financing after 3 years.

Natural resources, oil and gas minister **Diamantino Azevedo** on 11 June told the parliamentary committee on the economy that Angola may terminate the contract for the construction of the **Soyo** refinery, awarded to a **United States (US)**-based consortium **Quanten Angola LLC** in 2021.²¹ Azevedo stated that the consortium has had difficulty in obtaining funding for the project and if it does not succeed, Angola will look for an alternative.

The consortium consists of three US-based companies - Quanten LLC, **TGT INC** and **Aurum & Sharp LLC** - and Angolan company **ATIS-Nebest Angola**.²² The consortium was awarded the Build-Operate-Own (BOO) contract for the construction of the refinery following an international public tender issued in 2019. Angola’s state private investment regulatory body, **Agência de Investimento Privado e Promoção das Exportações (AIPEX)** signed the Soyo refinery investment contract with Quanten Angola in August 2022.²³ The minister has now given Quanten Angola an undisclosed deadline for raising the 22-month overdue agreed investment of \$3.5 billion.

Quanten has a difficult record in working on refineries. The company tendered to rehabilitate the refinery in **Aruba** in 2021. In June 2022, Aruba’s government ended an exclusivity agreement with Quanten for the purchase of its refinery and said it would invite other companies to negotiate for the refinery.²⁴ In May 2022, Quanten entered discussions with **Trinidad and Tobago** to buy the closed **Pointe-a-Pierre** refinery.²⁵ In December 2021, Trinidad and Tobago’s prime minister Dr **Keith Rowley** (2015 – present) told Parliament that the state-owned petroleum company, **Trinidad**

¹⁵ Jornal de Angola 19 Apr 2024

¹⁶ Deutsche Welle, 12 Jul 2022

¹⁷ Maka Angola, 14 Jul 2022

¹⁸ Jornal de Angola 19 Apr 2024

¹⁹ Jornal de Angola 19 Apr 2024

²⁰ Angop 31 May 2024

²¹ Mirempet.gov.ao, accessed 12 Jun 2024

²² Trade.gov, accessed 19 Jun 2024

²³ Jornal de Angola 9 Aug 2022

²⁴ Daily Express 18 Jun 2022

²⁵ Offshore Technology 30 May 2022

Petroleum Holdings Ltd. (TPHL) had “on the advice of their international advisors terminated all discussions with Quanten LLC” on 5 December 2022.²⁶

The potential failure of this contract delays a crucial part of Angola’s fuel import substitution strategy. It is one of three new refineries to be built to produce fuel for domestic consumption and was scheduled for completion in 2025.²⁷ Angola currently produces about 20% of internal fuel needs, the other 80% being imported and heavily subsidised by the government. Cuts in government fuel subsidies and consequent rising prices caused demonstrations in **Luanda** in June 2023.²⁸

At present, only the **Cabinda** refinery will go into operation in 2025. Angola hopes for an initial production of 30,000 barrels per day.²⁹ It should ultimately deliver around 10% of Angola's domestic demand for refined oil but this project is also well behind schedule as it was initially expected to be operational by early 2022.³⁰ The much larger **Lobito** refinery, with a production capacity of 280,000 barrels per day, continues to move slowly as Sonangol looks for a partner and shareholder for investment.³¹ Azevedo noted that between the three refineries, Angola will have a production capacity of 420,000 barrels per day, allowing it to meet internal needs and still be able to sell some.³² However, this outcome looks to still be between three and five years away.

Planner

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

Jun 2024 **Luanda (Angola)** Part **Russian-owned VBT Africa Bank** to present shareholders report and crisis plan;

Q2 2024 **Lucapa (Angola)** The **Lucapa** photovoltaic power plant will start producing power;

1-7 Jul 2024 **Luanda (Angola)** 55th plenary assembly of the **Southern African Development Community (SADC)** parliamentary forum;

Jul 2024 – Jul 2026 **(Angola)** Angola assumes the rotating presidency of the **Peace and Security Council of the African Union (CPS-AU)** for two years;

Jul 2024 **(Angola)** Government to carry out its second census with technical and logistical support from the **United Nations Population Fund (UNFPA)**;

Aug 2024 **(Angola)** Angola to pass the rotating presidency of **Southern African Development Community (SADC)** to **Southern African Development Community (SADC)**;

Sept 2024 **(China)** President **João Lourenço** to attend the **China-Africa Summit**;

2- 3 Oct 2024 **Luanda (Angola)** **Angola Oil & Gas 2024 Conference & Exhibition 2024 (AOG 2024)**;

Dec 2024 **Cabinda (Angola)** Completion of the deep-water port **Porto do Caio** is expected;

2024 **(Angola)** First phase of the construction of the **Barra do Dande Ocean Terminal** to be completed;

2024 **Cabinda (Angola)** First phase of **Cabinda Refinery** ends, and testing begins to measure the productive efficiency of the refinery;

2024 **Luanda (Angola)** Angola to create two new provinces and a further 417 municipalities during this year;

²⁶ Jamaica Observer 12 Dec 2022

²⁷ Mirempet.gov.ao, accessed 12 Jun 2024

²⁸ Mirempet.gov.ao, accessed 12 Jun 2024

²⁹ Mirempet.gov.ao, accessed 12 Jun 2024

³⁰ Deutsche Welle 21 Jul 2023

³¹ Mirempet.gov.ao, accessed 12 Jun 2024

³² Mirempet.gov.ao, accessed 12 Jun 2024

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

2024 **Luanda (Angola)** Completion of Angola's sole purpose-built gold refinery at **Viana** is expected;

Jan 2025 **Houston (United States)** Angola launches the next round of licensing oil and gas concessions, inviting exploration and production companies in the United States;

2023-2026 **(Angola) Programa de Privatizações (PROPRIV)** (privatisation programme) extended to manage government divestment of 138 companies;

Chronology

20 Jun 2024 **Luanda (Angola) APA News. United States-**headquartered energy company **Chevron** signs agreements with the Angolan government to allow it to commence exploration at two of its blocks in Angola's **Lower Congo Basin**;

19 Jun 2024 **Luanda (Angola) Bloomberg.** A group of investors, led by **Singapore-**headquartered **Trafigura**, orders 275 container wagons for the **Lobito** railway, a key step in the **Lobito Corridor** project that will connect Angola, **Democratic Republic of Congo** and **Zambia**;

17 Jun 2024 **Luanda (Angola) Jornal de Angola.** The **World Bank** approves \$500m to support the government in strengthening skills in higher education, science, technology and innovation;

17 Jun 2024 **Luanda (Angola) Bloomberg.** **Banco Nacional de Angola** (central bank) says there is a high risk of money laundering in the bank industry and a medium risk of terrorist financing among commercial lenders;

17 Jun 2024 **Luanda (Angola) Jornal de Angola.** **Cutato Steel** is set to ship its second consignment of 24,000 tonnes to the **United States** on 22 June for \$9m;

14 Jun 2024 **Luanda (Angola) Jornal de Angola.** **United States** and Angolan governments discuss energy security and a technical cooperation programme for the development of the regulatory framework and policies that contribute to the attraction of investment to Angola;

14 Jun 2024 **Luanda (Angola) Human Rights Watch.** Angola officially becomes the first **African Union** member state to ratify the statute of the **African Court of Justice and Human Rights**, known as the **Malabo Protocol**, with fourteen other AU countries needing to ratify the statute before it enters into force;

13 Jun 2024 **Luanda (Angola) Lusa.** **Instituto Nacional de Estatística (INE)** (national statistics institute) reports annual inflation reached 30.16% in May, its highest level since June 2017;

12 Jun 2024 **Luanda (Angola) Angop.** Energy and water minister **João Baptista Borges** says private sector will lead reforms of the electricity transmission infrastructure, backed **United States (US)** financing, to produce cheaper and more widely available electricity for domestic and export markets;

13 Jun 2024 **Luanda (Angola) Jornal de Angola.** The Angolan and **United Arab Emirates (UAE)** chamber of commerce sign two cooperation agreements to improve economic relations and create more investment opportunities for entrepreneurs and investors in both countries;

12 Jun 2024 **Luanda (Angola) Angop.** Former prime minister **Fernando José de França Dias Van-Dúnem** dies **Portugal**;

12 Jun 2024 **Luanda (Angola) Jornal de Angola.** **Office of the United Nations High Commissioner for Refugees (UNHCR)** in **Southern Africa** regional director **Chansa Kapaya** highlights challenges faced by forcibly displaced and stateless people in Angola, and requests Angola to advocate for the protection of migrants and refugees in **Southern African Development Community (SADC)** and the **Great Lakes** region;

12 Jun 2024 **Luanda (Angola) Angop.** The new law raising the national minimum wage from 32,181 kwanza (\$37.66) to 100,000 kwanza (\$117.03) is promulgated;

6 Jun 2024 Luanda (**Angola**) *Jornal de Angola*. Energy and water minister **João Baptista Borges** and his **Namibian** counterpart **Tom Alweendo** sign the pre-agreement for the construction of the shared 870MW **Baynes Hydroelectric Dam** in the **Cunene River** basin on the border between Namibia and Angola;

6 Jun 2024 Luanda (**Angola**) *Jornal de Angola*. Angola and the **United States (US)** launch a regional programme to support political parties for a resilient and inclusive democracy with funding of \$10m;

3 Jun 2024 Luanda (**Angola**) *Angop*. **Banco de Desenvolvimento de Angola**, the country's development bank, becomes a publicly-owned limited company;

3 Jun 2024 Luanda (**Angola**) *Angop*. Council of ministers approves the Production Sharing Contracts signed by the **Agência Nacional de Petróleo, Gás e Biocombustíveis (ANPG)** and the contractor groups for oil blocks CON 2 and CON 8;

3 Jun 2024 Luanda (**Angola**) *Angop*. Council of Ministers approves the memorandum of understanding between the mineral resources, oil and gas ministry and **Ghana's** energy ministry, an instrument that aims to establish a general framework to encourage cooperation in the field of hydrocarbons;

31 May 2024 **Huila Province (Angola)** *Jornal de Angola*. President **João Lourenço** inaugurates the upgraded **Matala Hydroelectric Power Plant** which now produces 40.8MW;

31 May 2024 **Washington DC (USA)** *Jornal de Angola*. Angola and **United States (US)** sign a military cooperation agreement to allow closer logistical assistance between the armed forces of the two countries and strengthen Angola's technical and operational capacity;

21 May 2024 Luanda (**Angola**) *Jornal de Angola*. Energy and water minister **João Baptista Borges** says 20 of Angola's 189 existing dams have structural weaknesses and need repairs;

20 May 2024 Luanda (**Angola**) *Jornal de Angola*. **Brazil's** ambassador to Angola denies corruption allegations linked to the issue of Brazilian visas, following very high demand in Angola;

17 May 2024 Luanda (**Angola**) *Jornal de Angola*. President **João Lourenço** proposes that state-owned **Sonangol** should be more committed to increasing oil and gas production capacity in the country in a meeting with the entity's board of directors;

16 May 2024 Luanda (**Angola**) *Jornal de Angola*. Angola and **Zimbabwe** signs ten new legal agreements to strengthen cooperation including extradition agreements, mutual judicial assistance in criminal matters, justice, and a memorandum of understanding in the field of fisheries and agriculture.

About Africa Risk Consulting:

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