



global witness

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## Angola: Time to Walk the Talk on US Anti-Kleptocracy Initiative

As Angolan President Jose Eduardo dos Santos takes part in the United Nations General Assembly in New York, the Bush Administration should follow through on its Anti-Kleptocracy Initiative and urge President dos Santos to clean up Angola's management of public revenues.

Angola is one of the most corrupt countries in the world<sup>i</sup>. Despite enjoying huge oil and diamond wealth, its people remain desperately poor,<sup>ii</sup> with the world's highest infant mortality rate.<sup>iii</sup> Over 70% of Angolan citizens live on less than \$2 a day<sup>iv</sup>, while 70% of the country's budget is still earmarked for 'special use', with no clarity over how this money is used<sup>v</sup>.

According to the OECD and the World Bank, although there have been some improvements, controls over public finances remain notoriously lax, with the government maintaining off-budget financing through the national oil company Sonangol, in violation of Angola's own financial legislation.<sup>vi</sup> Similar conflicts of interest and opacity in the diamond sector mean there is no public oversight over billions of dollars of revenues from natural resources.<sup>vii</sup>

In August 2006, the Bush administration launched an initiative to defeat kleptocracy or high level corruption<sup>viii</sup>, recognizing that "the culture of corruption has undercut development and good governance and bred criminality and mistrust around the world". The main aim of the initiative was "to deny corrupt officials access to the international financial system as a means of defrauding their people and hiding their ill gotten gains" through the imposition of travel bans and the seizure of assets.

'Angola is one of the top ten oil exporters to the US, and our government seems more concerned about oil supplies than about human rights or corruption' said Corinna Gilfillan, Head of Global Witness' US office. 'The Administration should take concrete action to encourage financial transparency in Angola and follow through its Kleptocracy Initiative by investigating whether public officials or their family members have assets or financial dealings in the US'.

This week Global Witness along with Swiss NGOs drew attention to the \$21 million in Angolan public funds still blocked in Swiss banks following a criminal investigation in Geneva in 2002 into corruption related to the rescheduling of Angola's debt to Russia<sup>ix</sup>. This deal resulted in around \$600 million of Angola's oil revenues flowing out through a shell account at UBS Geneva to high-ranking Angolan officials, middle men and other mysterious shell companies. French newspaper *Le Monde* reported that, according to Tracfin, the anti-money laundering service of the French Foreign Ministry, accounts in the name of three Panamanian-registered companies at the Banque Internationale de Luxembourg (BIL) also received transfers related to the Russian debt repayment. The paper stated that '[a]ccording to Tracfin, the 'economic beneficiar[y]' of one of these accounts was the Angolan President dos Santos himself.<sup>x</sup>

On human rights, Angola has a similarly 'poor' record. The US State Department cites unlawful killings, torture and arbitrary detention,<sup>xi</sup> and this month Amnesty International also denounced a 'culture of police impunity'<sup>xii</sup>. Abuses are widespread in diamond mining areas, and ongoing serious violations of the right to housing and forced removals have raised international concern.<sup>xiii</sup> Most recently, public threats were made by a government official against independent civil society organizations aiming to educate the population in the run-up to elections.<sup>xiv</sup>

In particular, Global Witness believes that the US should re-examine Angola's eligibility for favourable trading

terms under the Africa Growth and Opportunity Act (AGOA). Progress on good governance and respect for human rights are supposed to be key criteria for AGOA eligibility - criteria that Angola clearly fails to meet.

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**Editors Notes:**

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- <sup>i</sup> Transparency International's Corruption Perceptions Index ranks Angola 142<sup>nd</sup> of 163 countries surveyed
- <sup>ii</sup> Angola ranks 161<sup>st</sup> of 177 countries in the Human Development Index published in the UNDP Human Development Report 2006 (<http://hdr.undp.org/hdr2006/pdfs/report/HDR06-complete.pdf>)
- <sup>iii</sup> In 2007, the CIA World Fact-book found Angola to have the highest infant mortality with an estimated 184.44 deaths per 1000 live births (<https://www.cia.gov/library/publications/the-world-factbook/rankorder/2091rank.html>)
- <sup>iv</sup> World Bank Angola Country Brief, updated August 2007 (<http://web.worldbank.org/WBSITE/EXTERNAL/COUNTRIES/AFRICAEXT/ANGOLAEXTN/0,,menuPK:322500~pagePK:141132~piPK:141107~theSitePK:322490,00.html>)
- <sup>v</sup> See UNDP Millennium Development Goals Progress Report 2005 & 'ANGOLA: Poor marks for progress on MDG', IRIN, 23 Oct 2006 (<http://www.irinnews.org/Report.aspx?ReportId=61395>)
- <sup>vi</sup> 'Angola Country Economic Memorandum: Oil, Broad Based Growth, and Equity', World Bank, October 2006 p.ix, p.xii, p.43 ([http://www-wds.worldbank.org/external/default/WDSContentServer/WDSP/IB/2006/10/24/000090341\\_20061024104820/Rendered/PDF/35362.pdf](http://www-wds.worldbank.org/external/default/WDSContentServer/WDSP/IB/2006/10/24/000090341_20061024104820/Rendered/PDF/35362.pdf))
- <sup>vii</sup> Angola: Country Economic Memorandum, World Bank, October 2006, p. ix; AFDB/OECD Africa Outlook, Angola report May 2007. See also Country Report: Angola, Economist Intelligence Unit, March 2007, p. 28
- <sup>viii</sup> 'National Strategy Against High-Level Corruption: Coordinating International Efforts to Combat Kleptocracy' August 2006 (<http://www.state.gov/r/pa/scp/2006/70236.htm>)
- <sup>ix</sup> 'Angola/Switzerland: Millions in Angolan public funds still frozen in Swiss banks' Global Witness Press Release, September 24, 2007 ([http://www.globalwitness.org/media\\_library\\_detail.php/572/en/angolaswitzerland\\_millions\\_in\\_angolan\\_public\\_funds](http://www.globalwitness.org/media_library_detail.php/572/en/angolaswitzerland_millions_in_angolan_public_funds))
- <sup>x</sup> 'Time for Transparency' Global Witness, March 2004, pp. 41-45 ([http://www.globalwitness.org/media\\_library\\_detail.php/115/en/time\\_for\\_transparency](http://www.globalwitness.org/media_library_detail.php/115/en/time_for_transparency))
- <sup>xi</sup> Angola Country Report on Human Rights Practices, 2006. Released by the Bureau of Democracy, Human Rights and Labor on March 6, 2007 (<http://www.state.gov/g/drl/rls/hrrpt/2006/78718.htm>)
- <sup>xii</sup> 'Above the Law: Police Accountability in Angola' Amnesty International USA, September 2007 Ref: AFR 12/005/2007 (<http://www.amnestyusa.org/document.php?id=ENGAFR120052007&lang=e>)
- <sup>xiii</sup> See Human Rights Watch/SOS Habitat "They Pushed Down the Houses": Forced Evictions and Insecure Land Tenure for Luanda's Urban Poor, A 1907, May 15 2007 (<http://hrw.org/reports/2007/angola0507/angola0507web.pdf>) & Amnesty International *Angola: Lives in Ruins: forced evictions continue*, AFR 12/001/2007, 15 January 2007 (<http://web.amnesty.org/library/index/ENGAFR120012007>)
- <sup>xiv</sup> See Joint Statement to the President of European Council by Amnesty International, COHRE, Christian Aid, Front Line, Global Witness, ICCO, NIZA and Oxfam Novib, 31 July 2007 & 'Christian Aid calls for an end to the harassment of human rights defenders', Christian Aid press release, August 01 2007.