



REPUBLIC OF CAPE VERDE

**Strengthening Efforts to Eradicate Poverty and Hunger, Including Through the Global
Partnership for Development:**
Executive Summary

June 2007

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This report focuses on Cape Verde's progress with MDG 1 and presents the Government of Cape Verde's strategy for graduating from LDC while achieving the MDGs.

Cape Verde has had economic growth, averaging 5.6% in real terms during 2001-2006, with low inflation, exchange rate stability and reduction of public debt.

Of the MDGs, primary education for all is a reality and a program to reinforce the quality of the education system, secondary education and vocational training is in progress. Gender equality is guaranteed in primary, secondary and higher education. There is a strong feminine presence in public institutions, such as the Parliament and the Government. The mortality rate decreased from 43.6 per thousand in 1995 to 20.2 per thousand in 2005; the mortality of under five-year-olds decreased from 56 per thousand in 1993 to 22.6 per thousand in 2005. Access to drinking water rose from 42% in 1990 to 85% in 2006.

Despite progress, the country remains one of the most vulnerable in the world and is highly dependent on Official Development Assistance and emigrants' remittances. Food insecurity in Cape Verde is structural and caused by agro-ecological constraints made worse by drought and desertification.

Regarding governance, the Government has implemented measures and policies to promote the transparency of public management, make democratic institutions function, increase civil society participation in public life, promote and protect private property and investment, respect rights and liberties. Such measures have earned the consensus of national political and social stakeholders as well as international partners.

MDG 1: Reduce Extreme Poverty and Hunger. Despite significant economic growth rates in recent years, poverty remains a problem. Data published by the National Statistics Institute (INE), resulting from the Household Expenditure and Income Survey, confirm that 37% of the population was poor in 2002, and 20% very poor. These data show that relative poverty and extreme poverty increased between 1989 and 2002. With regard to poverty at the family level, approximately 28% were poor and 14% extremely poor in 2002. The level of poverty is not identical throughout the country. Due to limited arable land, climatic conditions unfavorable to agriculture, an agrarian situation that prevents productive investments, there is a structural and chronic shortage of farming and cattle raising. Agricultural production, even in years of high rainfall, meets under 20% of cereals needs. Despite food insecurity, the national context may be considered, in general, as favorable to food insecurity reduction.

With regard to public policies, Cape Verde has a National Strategy for Food Security (ENSA), developed in 2002 but ending in 2015 with a Five-Year Program for Food Security (PSA 2002-2007), both adopted by a Cabinet resolution in 2004. The national food security program for 2007-2011 has been submitted for Government's approval. There is also a National Strategy for the Development of Agriculture and Fisheries up to 2015 with an Action Plan 2005-2008.

To achieve the MDG goals there are several challenges in areas of poverty alleviation and food insecurity reduction. Implementation of the growth and poverty reduction strategy focuses on actions to achieve the MDGs.

Cape Verde's graduation from LDC, scheduled for 2008, is a milestone for both the international community and the Capeverdean nation and a signal of progress in several sectors, including the MDGs.

Cape Verde will have achieved most of the MDGs by 2015. If GDP continues to grow at an accelerated rate, poverty is expected to have halved by 2015. Some MDGs have been reached at macro level while others are being reached thanks to the Growth and Poverty Reduction Strategy. Sanitation and infrastructures have high investment needs. There is also an increasing gap between rich and poor, urban and rural areas, men and women, and the islands.

The key issue is to know if Cape Verde's graduation from LDC category will be successful taking into account its lack of natural resources and vulnerabilities in economic and security areas. Will this positive drive continue after graduation? Will Cape Verde be able to graduate from LDC in a successful and sustainable manner, despite its vulnerabilities?

Within the framework of UN General Assembly Resolution A/59/209 of December 20th 2004, a consultative mechanism named Transition Support Group, GAT¹ was created in May 2006. The GAT, in its third meeting on the 12th of June 2007, adopted a Declaration on the effective and sustainable graduation of Cape Verde from LDC. The GAT also urges donors particularly bilaterals and multilaterals, and the private sector, to reinforce partnership with Cape Verde focusing on synergies between public and private investment, support to market access, improved access to funding and investments, capacity building for development, and participation of emigrants in transforming the country.

In formulating the new **Growth and Poverty Reduction Strategy, GPRSP II**, the main objective is to identify what the country intends to accomplish by establishing priority actions to be implemented as well as expected outcomes and needs in terms of financial resources for their implementation. All this will be achieved based on dialogue between government authorities, civil society, private sector and development partners.

¹ The GAT includes the Government of Cape Verde and the following partners: Austria, China, Spain, United States of America, France, Netherlands, Luxemburg, Portugal, African Development Bank, World Bank, European Union, and the United Nations System.