Financing Sustainable Forest Management in Cape Verde

Cape Verde is home to many of the forest financing problems shared by SIDS in general. With little attention paid to forests and trees, and scarce resources allocated to sustainable forest management, the country will need to resort to innovative means of raising forest finance should it want to maintain its current forest cover.

Cape Verde is an insular archipelagic State comprising 10 islands and eight islets, located approximately 450 km from Senegal off the West African coast. The natural conditions in Cape Verde, combined with socio-economic conditions have contributed directly or indirectly to environmental degradation in the country. GDP has been growing in recent years, although the contribution of forests to both the GDP and its growth remains negligible. There is no forest industry in the country to speak of and almost all forest investment is dependent on external sources, notably official development assistance (ODA). Only the Cape Verde-based Association of Friends of Nature has made investment in the forests. As for private sector sources of forest financing, these remain non-existent.

Thanks to the efforts of successive Governments, the forested area in Cape Verde was approximately 22% in 2010 according to official data, most of it planted by the State. Although strategic guidelines exist for sustainable forest management in Cape Verde, their implementation is weak due to a lack of suitable economic and financial conditions in the country. Deforestation is a consequence of the pressure from both anthropogenic activities and natural causes such as drought. The main causes of deforestation are related to urbanization and the construction of infrastructure. Economic development and population increases have resulted in the construction of infrastructure and enhancement of urban centres.

The Ministry of Environment, Rural Development and Marine Resources is the national institution responsible for designing and implementing public policy on forests. All policies and strategies of the government are reflected in the Strategy Document on Growth and Poverty Reduction (GPRSP) II. It is, however, very important to underscore that the GPRSP II does not call any attention to forests. It has a whole chapter on environmental issues (agriculture, water management, soil erosion, etc.), in which forests are not mentioned.

Forest-related policies do exist, however. One of the plans implemented in Cape Verde, the National Forestry Action Plan (NFAP), is structured around cross-cutting themes, such as forest, wood energy, agroforestry, wood, non-wood products and management of natural reserves. The guiding principles of the actions of NFAP are complete involvement with the people who use the forest resources for their livelihoods.

Forests primarily attract political attention insofar as they conserve soil and water in a country struck by drought and severe land degradation. Another purpose of afforestation is to contribute to improving the living conditions of populations through the rational exploitation of natural resources to help meet the populations’ needs for firewood, fodder and wood. These functions of forests should be further built upon so as to attract attention and funding for SFM.
Forests have strong cross-sectoral linkages with agriculture and nature conservation as the largest populations of wild flora and fauna as well as endemic, indigenous and naturalized species are concentrated in protected areas throughout the archipelago. Forests also enjoy a link with tourism, which is a rapidly growing industry in Cape Verde – having contributed significantly to the increase in foreign direct investment observed in the 2000s – and is thus a promising source of financing. Rural tourism is the increase and is considered by the local communities to be a source of income through payment of fees to access the already existing protected areas and natural parks.

Other innovative opportunities lie in forest product intensification and product diversification, like the exploitation of *Phoenix atlantica*, an endemic date palm. Moreover, selling of carbon credits to developed countries can create new income that can be leveraged to finance forestry projects. Regional collaboration also constitutes an important opportunity, not only to share experiences, but also to attract further financing to the country.