

# **Enhanced Integrated Framework (EIF)**

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# CABO VERDE

# **Core details**

Population:

500,585

WTO accession:

23 July 2008

Poverty head count (%):

N/A

Share of international non-oil trade (%):

0.706

Per capita growth rate (%):

3

Value of non-oil goods traded (in US\$ million):

15

**WB Trading Across Borders rank:** 

N/A

**Employment in non-traditional export sectors:** 

N/A

Under the Integrated Framework (IF), Cabo Verde undertook a <u>Diagnostic Trade Integration Study (DTIS)</u> [1] in September 2007. The DTIS, "Cape Verde's Insertion in the Global Economy" was completed and validated in December 2008.

In December 2007, Cabo Verde graduated from the Least Developed Country (LDC) category, and following the EIF Board Decision on Graduating Countries in 2010, the EIF continued to support Cabo Verde to integrate into the global trading system. Cabo Verde's graduation from LDC status (the only African country with graduating status) occurred against the backdrop of an unfavorable global financial and economic scenario, and declining external assistance from development partners. In this context, the EIF has continued dialogue with the Government to assess the state of play in the DTIS Action Matrix implementation, and, to identify additional areas of support by the EIF.

In 2012, Cabo Verde undertook an entirely country led <u>DTIS Update (DTISU)</u> [2] that was validated in May 2013 with significant political buy-in. The DTIS Update validation workshop was attended by the Ministers of Foreign Affairs, Culture, and Tourism, Industry and Energy.

# **Main Projects Ongoing**

Description of the projects (objectives and interventions):

Cabo Verde's Tier 1 support to National Implementation Arrangements (NIAs) project was approved in November 2011. The project aims to promote sustainable development and poverty reduction through the integration of the Cabo Verdean economy into the international trading system. This is to be achieved by strengthening the capacity of Cabo Verdean institutions in the formulation of trade-related policies and projects through the establishment of the EIF National Implementation Unit (NIU).

Under the EIF Tier 1 Project, the EIF National Steering Committee (NSC) is in place and is an active body enjoying participation from wide sectors of the Cabo Verdean society, composed of a broad spectrum of line ministries, private sector, and non-governmental organizations. The implementation of the EIF programme in Cabo Verde is carried out under the leadership of the Director General of Commerce and Industry of the Ministry of Tourism, Industry and Environment, also serving as the EIF Focal Point (FP).

The specific intended outcomes of the project are to achieve sufficient institutional and managerial capacities in light of implementing trade-related strategies. Trade mainstreaming is another specific expected outcome of the EIF programme in the country. Complementing these outcomes, the project has been successful in providing a coordinated platform for the delivery of Aid for Trade resources.

#### Main progresses to date:

Cabo Verde's Tier 1 support to NIAs project was approved by the EIF Board in November 2011 and in 2012, the EIF Board also approved funds to carry out a DTISU in September 2012. Cabo Verde subsequently undertook the DTISU [2] that was validated in May 2013 and revised in July 2013. The DTISU, a country led process has been aligned to the III Growth and Poverty Reduction Strategy Paper (III GPRSP).

Cabo Verde's agenda for transformation, growth and poverty reduction are currently delineated and elaborated in the Program of Government for the VIII legislature (2011-2016) and the III GPRSP. The Agenda for Transformation, the III GPRSP and the DTISU are interlinked and premised on the proposition that Cabo Verde's future growth depends on greater integration and competitive participation in the global economy. The III GPRSP and the DTISU lay out in greater detail the strategic areas of priority investment and as reflected in the DTISU, the III GPRSP also gives strategic priority to tourism, agroindustry, the creative economy, and the maritime economy.

During the Fourth Global Aid for Trade Review in July 2013, the Government of Cabo Verde in partnership with the EIF showcased the country's challenges and priorities since graduation, elaborating on efforts towards overcoming declining revenues, contracting fiscal situation and the country's navigation through the ongoing financial crisis. This was discussed in a <a href="Cabo Verde Roundtable-event on "Growth and Poverty Reduction through Transformation and Global Integration" [3]. A WIPO, EIF facilitated event titled, "Making Money out of Music: the Cabo Verde experience" also highlighted Cabo Verde's strategic objective to increase and improve Cabo Verde's exports of creative goods and services.

#### **Outlook:**

The Government of Cabo Verde is undertaking a Medium-term program (MTP) in order to assist Tier 2 project proposal developments. Additionally, the country is in the final stages of deliberation of a comprehensive Tier 2 proposal, aiming to leverage resources for implementation of a multi-sectorial project. The Government of Cabo Verde is also looking at incorporating the findings from the DTISU and the III GRSP into the national development plans.

Cabo Verde is working on its Tier 1 Phase 2 extension proposal in order to continue implementing its Tier 1 project objectives.

# Results

The EIF has supported training to 39 Small and Medium sized Enterprises (SMEs) to strengthen their capacities and knowledge in labour laws, food safety and hygiene that have helped them to reach higher standards in food management protocols.

# Links

QIR, Ministerio do Turismo, Indústria e Energia <a href="http://www.gircaboverde.org.cv/">http://www.gircaboverde.org.cv/</a> [4]

# State of implementation

TIER 1 OUTCOME AND INDICATORS

Outcome 1: Sufficient institutional and management capacity built in Cape Verde to formulate and implement trade-related strategies and implementation plans

Outcome 1 indicators	Baseline	'10	'11	'12
O1.1: Support to NIAs (Y/N)	No	No	Yes	Yes
O1.2: DTIS Action Matrix (Date) 2008	Yes	Yes	Yes	No
O1.3: Fiduciary capacity (1-5)	N/A	N/A	2	2
O1.4: Trade strategy updated (Y/N)	No	No	No	No
O1.5: Trade Strategy quality (1-5)	5	5	5	5
O1.6 Trade strategy implemented (1-5)	5	5	5	5

Outcome 2: Cape Verde mainstreams trade into its national development strategies and plans				
Outcome 2 indicators	Baseline	'10	'11	'12
O2.1: Trade in the National Development Plan (1-5)	3	3	3	2
O2.2: Trade in Productive Sector Strategies (Y/N)	No	No	No	Yes
O2.3: Public-Private Dialogue (1-5)	1	1	1	1

**Outcome** 3: Coordinated delivery of trade-related resources (funding, TA, etc.) by donors and implementing agencies to implement Cape Verde's priorities following the adoption of the DTIS Action Matrix

Outcome 3 indicators	Baseline	'10	'11	'12
O3.1: Annual joint sector implementation overview (Y/N)	1	1	1	1
O3.2: Frequency of Government-Donor consultation in trade (1-5)	3	3	3	3
O3.3: UN-CEB Cluster activities based on DTIS Action Matrix (Y/N)	No	No	No	No
O3.4: Joint donor initiatives in trade (Y/N)	No	No	No	Yes

Outcome 4: Cape Verde secures resources in support of initiatives that address DTIS Action Matrix priorities

Outcome 4 indicators	Baseline	'10	'11	'12
O4.1: Medium-term Programme (1-5)	5	1	1	1
O4.2: Government budget contribution (Y/N)	No	No	No	No
O4.3: Number and amount of projects funded from DTIS Action Matrix (in US\$ million)	0	0	0	4 (21.2

# **Financial information**

# **DTIS Update**

Starting date / End date 25/09/2012 Approved Budget 200,000 **Board Approval Date** 19/09/2012 Disbursement 200,000 **Expenditure Reported** 200,000 MOU Approval Date 24/09/2012 MOU Expiry Date 14/12/2014 Phase: Completed

# **NIA Support**

Starting date / End date 15/12/2011 Approved Budget 900,000 **Board Approval Date** 23/11/2011 Disbursement 830,000 Expenditure Reported 677,825 MOU Approval Date 15/12/2011 MOU Expiry Date 15/12/2015 Phase: Implementation

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