CABO VERDE
THE MID-ATLANTIC GATEWAY TO THE WORLD'S ECONOMY
The Strategic Plan for Sustainable Development (PEDS, using the Portuguese acronym) is the document that embodies, in programmatic and operational terms, the programme of the Government of Cabo Verde that establishes development targets for the period 2017-21. The PEDS describes the process for the conceptualisation and implementation of the Government’s strategy for the current legislature, but furthermore lays the foundations for a longer term vision for Cabo Verde’s sustainable development for the period 2018-2030 that is aligned with the 2030 sustainable development agenda as a means to build a better future for all Cabo Verdeans.

The PEDS was conceived using a participatory and inclusive approach with great efforts being made to ensure the involvement of not only the central administration and local governments and other national entities and institutions, but carefully including a range of civil society organisations, the private sector, and Cabo Verde’s development partners. The PEDS puts Cabo Verde on a pathway to comply with the principles of the 2030 Agenda for Sustainable Development and was specifically prepared to align with the United Nation’s Sustainable Development Goals (SDGs).

The logic and structure of the PEDS comprises a narrative that is set out in seven chapters. The first four chapters support the development of the Government’s vision for the future of Cabo Verde, its strategy for arriving there, and the objectives that it will seek to achieve by 2021. The final three chapters focus on the operational modalities and financing mechanisms that will be used to implement the plan, and identify potential risks and how these will be overcome or mitigated.

The chapters of the PEDS are as follows:

1. Diagnosis
2. The major challenges to sustainable development in Cabo Verde
3. Cabo Verde of the future
4. The objectives of the PEDS
5. Operationalization of the PEDS
6. Financing and implementation
7. Risks

The diagnosis presents a photograph of the current situation in Cabo Verde, placing it in the context of the world to which it belongs to take global trends fully into account. On the basis of this analysis, Cabo Verde’s principal development challenges are identified in line with the principles and vision of the Government’s Programme for the current legislature. The PEDS strategy was developed to overcome these challenges and the objectives for the period 2017-2021 are defined. Following is a summary of the key chapters in terms of their substance and the operationalization of the strategy.
Chapter 1: Diagnosis

Diagnosis - describes both the national and the global context in which Cabo Verde exists and presents a profound analysis of the country’s development in 2016. The global scenario is considered challenging with average growth of the world economy reducing from 3.7% for the period 2007-2011, to 3.4% for 2012-2016. The advanced economies experienced growth of only 0.7%, with the Euro Zone, Cabo Verde’s main trading partner, rising by only 0.2% for the same period.

In the region of the Economic Community of West African States (ECOWAS), the countries of the West African Economic and Monetary Union (UEMOA) stand out as achieving more impressive growth rates, partially explained by the institutional advances achieved in recent years, as well as by more moderate inflation rates.

Nevertheless, despite the weak global economic dynamics, world tourism continued to grow at a steady pace, maintaining an upswing registered since 2009. The flow of tourists at global level increased by 3.9% in 2016, reaching a total of 1.2 billion arrivals worldwide, with the African market being one of the most dynamic, and with an overall increase of 8% in 2016, reaching 58 million tourists.

Turning to Cabo Verde, statistical projections point to a country with a growing population. The resident population is projected to rise from 531,239 in 2016 to 621,141 by 2030, a scenario that presents both opportunities and challenges.

An increasing working-age population will allow the country to reduce dependency rates, creating a window of opportunity to improve the quality of education and making it more inclusive, increase investment in technology and skills and boost economic output to strengthen and diversify the economy and generate the wealth needed to cope with the future aging population. However, the demographic dynamics also present a set of challenges including the need to create economic opportunities for young people and women, and increased spending on the social security, health and education.

In 2016, the national economy grew by 3.8%, marking the end of a cycle of low economic growth, which averaged 1.5% in the period 2011 and 2015.

However, treasury data shows that the contribution of each island to the national economy has been linear and uneven in recent years, with the island of Santiago alone accounting for some 52% of GDP, followed by São Vicente (16%) and Sal (12%). This is indicative of the regional inequalities that Cabo Verde faces, with the remaining six inhabited islands accounting for only 20% of the national GDP.

These economic asymmetries have direct consequences for the distribution of poverty within the country. In 2015, 35% of the population lived in poverty, of which 10.6% lived in extreme poverty.

In 2016, a population of 386,147 were aged over 15 years, of which 63.9% (246,680) were economically active, but...
only 209,725 working and thus 36,955 (15%) unemployed.

The tertiary sector is the main generator of employment, averaging around 61 out of every 100 employees, but reaching 72.6% in urban areas. Unemployment, which is structural, remains too high and is particularly pronounced among women (17.4%) compared with men (12.9%).

All the country’s 22 municipalities guarantee access to basic and secondary school education. However, access to higher education is only available on the islands of Santiago and São Vicente. The quality of education is a significant challenge at all levels, requiring the urgent introduction of improvements. Moreover, in the specific case of higher education, the courses offered by universities often do not correspond to the needs of the market.

In the health sector, despite progress made, challenges remain with regards to access to, and the quality of, services and thus measures need to be taken to improve the complementarity between the public and the private sectors in order to strengthen human resource coverage, management capacity (including the maintenance of infrastructures and equipment), health information systems, inspection services and health regulation, as well as the consolidation of the infrastructure network – in this latter case, preceded by a comprehensive review of the Health Charter.

Regarding water, only 64.6% of households obtain their drinking water primarily from the public network, with this percentage being higher in urban areas, where it reaches 69.5%, than in rural areas (53.6%).

In 2016, 89.6% of households had access to electricity as the main source of energy for lighting, a percentage that was also more pronounced in urban areas (93.0%) than in rural areas (83.1%).

Whilst gas is the main source of household energy for cooking, and used by the vast majority of urban households (76.0%), it is only used by (42%) of rural households where wood is still a more widely used source (55.2%), representing a threat to vegetation and soil cover.

The current state of the environment in Cabo Verde is characterized by the prevalence of strong pressures on the use and exploitation of natural resources putting the capacity of environmental systems to function for, and serve society, and the maintenance of ecosystems, at significant risk. Response measures and specific strategies are required to address this, including a response from civil society itself.
Moreover, the physical, geographic and ecological characteristics of Cabo Verde significantly influence the load capacity of the territory, which, due to its fragmentation, has limited space for biodiversity.

Equally important is the country’s vulnerability to the effects of drought, floods and hurricanes all of which are predicted to become more intense as a result of climate change.

Chapter 2: the major challenges to sustainable development in Cabo Verde

it is to these challenges that the PEDS sets out short, medium, and long-term responses designed to overcome the deficiencies and challenges but also emphasising the country’s comparative and competitive advantages, and taking advantage of present and future development opportunities.

Vulnerabilities and Resilience

As a medium-income, island state, Cabo Verde’s biggest challenge is to build an economy with a high level of sustainable and inclusive growth, in order to overcome the key constraints to development, namely the country’s structural vulnerabilities, external dependence, high unemployment and poverty, uneven income distribution, and decreased opportunities for emigration and potentially, declining remittances.

Cabo Verde is confronted with a number of natural risks and vulnerabilities related to its volcanic origin, its geographic configuration as an archipelago, its location in the Sahel region, the scarcity of rainfall, and the lack of mineral resources. Furthermore, its small territory, population and market, and its physical isolation from the African continent are characteristics that constrain its development potential.

The Cabo Verden nation faces the following major vulnerabilities:

• Agricultural production: Cabo Verde imports more than 80% of the food that it needs;
• Exports: Cabo Verde’s exports are limited to a very small number of niche products;
• Environment: decreasing and irregular rainfall are the origin of the droughts that are the main cause of desertification, which is having devastating effects on the country’s fragile ecosystems;
• Climate Change: As a Small Island State with below average income, the effects and impact of climate changes are particularly acutely felt and likely to intensify;
• Geographic dispersion: the insular and fragmented nature of the country, spread across 10 islands, with steep and rugged topography (on most islands) has a significant impact on the costs of providing basic infrastructures, public services and essential goods;
• Safety: Cabo Verde’s strategic location, its extensive coastline, and its exclusive economic zone, make it particularly vulnerable to new threats, such as drug and human trafficking, illegal immigration and international crime;
• Energy: Cabo Verde’s external
energy dependence is approximately 75%.

Cabo Verde is confronted with two major additional challenges to which it has to respond simultaneously:

1. the challenge of ensuring, in the medium term, and with endogenous resources, the improvement of the standard of living of its resident community, in the context of reducing Official Development Assistance (ODA);

2. the challenge of facilitating accelerated, self-sustaining and inclusive development to respond to the legitimate aspirations of its people.

Analysis shows that the balance of payments of goods is characterized by a deep structural deficit, coherent with the fact that Cabo Verde imports most of its consumer goods. The balance of services, which although positive, only accounts for less than 50% of the negative balance in goods, is also aggravated by the negative balance in primary income. Equilibrium is only achieved through external transfers.

This is one of the traps into which the Cabo Verdean economy has fallen, that has a tendency to be self-reinforcing and requires a redoubling of efforts to overcome. The only alternative and realistic solution is to replace foreign aid, which has been declining since the country attained middle income status in 2007, with private investment, from both the national and international level. However, to be effective and sustainable, this alternative requires an enabling business environment, based on trust, a reduction of doing business costs, and the creation of conditions favourable to long term business sustainability.

Exploiting the islands and their endogenous resources

Another major challenge is that of fully exploiting the potential of all the islands and of their endogenous resources.

Public policies that favour decentralization and focus on the territorialisation of instruments for the management of development are already in place. It is clear that municipal authorities require more resources and new mechanisms to exercise more effectively, and efficiently, the tasks that are already decentralized. But, it is becoming increasingly evident that a new wave of decentralization is required in order to take advantage of the endogenous potential at regional and island level, in order to accelerate both local and national economic growth, reduce regional asymmetries, and promote regional balance. To reinforce greater understanding of territorial opportunities and potential, an inventory of environmental assets and tourist, historical and patrimonial resources is urgently required, in addition to an analysis of existing technical and organizational capacity at local level.

Municipal Sustainable Development Plans (PEMDS), elaborated within the policy framework of the PEDS, and aligned with the SDGs, are the instruments that can provide the methodology and the mechanisms for dialogue and the mobilization of resources strengthening the case for the further decentralisation of competencies. Moreover, the PEMDS are increasing the commitment and involvement of local authorities in finding and implementing
local solutions to developmental challenges, and strengthening their capacity to respond to local needs and priorities. PEMDS will also serve to signal the business and investment opportunities that exist across the territory and to achieve a shared vision between central and local authorities for the development of each island in Cabo Verde.

Within the framework of the PEDS, and based on regional development plans, priority will be given to mechanisms that prepare the public administration, civil society and local authorities for regionalization and the pathway to decentralization and the transfer of territorial competencies. These competencies can not only be exercised with greater rationality at local level, but can be exercised in an inclusive and participative way and add greater value to endogenous resources in a way that benefits all citizens and ensures that no-one is left behind.

**Excellence in education**

The Cabo Verdean educational system has tended to concentrate, almost exclusively, on day-to-day management and giving priority to the quantity of students in the system in an attempt to raise the number of citizens with basic educational knowledge and skills. This has led to a deficit in terms of quality in the educational system, particularly at the higher education level. The education system needs to confront a set of reforms required in the area of curricula development and particularly in the pedagogical domain. It is in these areas that the main challenges lie.

The human resource training policies set out in the PEDS foresee the need for profound reform in the education and vocational training systems, focusing on both curricular and pedagogical development. With respect to the first, it is fundamental that the curricula at all levels of the education system are adapted to the human resource requirements of the market and particularly the digital and nano-technology economy. Moreover, curricula development needs to ensure that Cabo Verdeans are equipped with the essential capacities to respond to the general challenges embodied in the country’s development options, particularly those that will arise from the implementation of the seven programmatic areas identified and detailed in the PEDS that will be the driving vectors for Cabo Verde’s dynamic integration into the global economy.

Regarding the second domain, the main objectives of the reform process will be to integrate the different levels of education, from pre-school to university, promoting greater levels of articulation, coherence and consistency, and to introduce, as universal and key pedagogical resources, ICTs, video-image, distance learning, and conditions to access digitized information, universally available for all students and teachers.

**Chapter 3: Cabo Verde of the Future**

sets out the Government’s vision of the future for Cabo Verde, describing the strategic response that will be adopted to overcome the country’s challenges and for the development and exploitation of both present and future opportunities. The Government’s Programme for the IX Legislature (2016-2021) is clear when declaring its forward-looking vision for the country:

“A developed Cabo Verde, inclusive, democratic, open to the world, modern, safe, where full employment and full freedom rule”

The current international context, together with the realities of Cabo Verde, particularly within the context of the
The Strategic Concertation Agreement of July 2017 created a real strategic alliance between the Government and social partners, and thus a political and social environment characterized by stability and commitment, compatible with a true paradigm shift for development, based on Cabo Verde’s strategy for dynamic insertion in the global economy.

This strategy is based on profound reforms, which aim to create the necessary confidence in the economy, minimize costs and ensure the sustainability of development.

The Agreement puts the economic and social gains, inclusion, and preservation of environmental equilibrium at the centre of its approach on an equal footing, with an explicit, and tripartite compromise between social partners, the Government and present and future generations. It also establishes a binding and decisive commitment to balanced regional development, capable of reversing the migratory dynamics which have affected the country in recent years. These dynamics are characterized by internal migration that is responsible for some prevailing social tensions, and for the difficulty of the State in adequately and effectively responding to its specific responsibilities in the field of security and in the fight against poverty (in particular concerning access to employment, food, health, education, housing, safe drinking water, energy, sanitation and communications), and making it difficult to improve relative and extreme relative poverty indicators.

Dynamic Insertion in the Global Economic System

The concept of the dynamic insertion of Cabo Verde in the global economy can be defined as a procedure of permanent adjustment (namely in the economic and

balance of payments analysis, suggests that the following drivers are of strategic significance for the dynamic insertion of Cabo Verde into the global economy:

1. Cabo Verde’s geo-economic and geopolitical location in the mid-Atlantic
2. Tourism
3. Human resources

Taking advantage of the geo-economic location of Cabo Verde means, first of all, the creation of a reliable, trustworthy and stable country and the minimization of external costs. Only then, can the country become attractive to the type of investment that is essential to the country’s development and sustainable growth.

The creation of an environment of confidence, and the minimization of costs implies, necessarily, profound reforms, that are able to change the current state of doing business and lead to an improvement in both economic freedom and good governance indicators. Only in this way, by adjusting the country’s internal conditions to the new requirements of the global economy can Cabo Verde become a competitive country, capable of taking maximum advantage of its resources, in order to achieve two essential objectives:

• First, and a quasi-emergency objective, to create the necessary and sufficient conditions to ensure, in structural terms, the current account balance, as a basis for guaranteeing the standard of living of the resident population over the short, medium and long term.
• Secondly, the objective of ensuring the accelerated, sustainable and inclusive development of Cabo Verde, based on the concept of a “hub economy”.

The highest priority is to ensure the creation of conditions that will allow the country, within the framework of the PEDS, to solve the complex problems of the current account deficit, without endangering the standard of living of the resident community.
security spheres), in which the gains from internal reforms, that influence the nature of the insertion, are added to those that result from the evolution of a more favourable development and investment environment, whether this occurs naturally or is induced.

Dynamic insertion is a response to contextual changes in the global environment, and adjusting to them in order not to be left behind. Forecasting and proactive action are necessary in order to be fully prepared for, and adapt more effectively, to these changes.

Applied to a Small Island Developing State (SIDS) like Cabo Verde, the fundamental elements of the concept are as follows:

- Cabo Verde, due to its size, and the fact that it faces additional costs resulting from its insularity and its archipelagic nature, cannot, in general terms, achieve economic success (both at the micro and macro level), outside of the framework of the global economy and the significant economic opportunities it presents and the profound economic relationships that it creates. The economic performance and success of the country depends, necessarily and fundamentally, on its insertion into the global economy.
- Insertion into the global economy, if dynamic, can be a significant opportunity, that is to say, if it occurs as a process and is guided by permanent, articulated and strategic action at both an internal and external level, which can condition or promote development. In this sense, globalization can only be an advantage.
- Acting on the elements of an external nature can create the best conditions to ensure the optimization of the advantages of insertion into the global economy, taking into account, in particular, the economic, and security spheres. This presupposes a consistent bilateral, multi-lateral and regional cooperation policy.
- Action on the elements of an internal nature will allow the transformation of the economic, cultural and political environment in a way which will promote economic growth, development and progress.
- The action on internal and external factors must be coherent, aligned and consistent with the overall objectives of the PEDS, and should be duly articulated. It can never create a conflict situation.

In this context, Cabo Verde’s dynamic insertion into the global economy is based on the concept of “Cabo Verde - a Hub Economy Located in the Mid-Atlantic, at the crossroads of the Atlantic continents”.

Chapter 4: The PEDS Objectives

describes the four goals set by the PEDS, for Cabo Verde’s dynamic insertion into the global economy, and which are aligned with both the Programme and the Government’s Vision for the IX Legislature, and international development agendas, notably the Sustainable Development Goals, and the international commitments assumed by Cabo Verde.

It also describes the particular strategies that will be implemented to achieve each objective. The first two objectives refer to national economic development, the third to social development, and the fourth focusses on issues of national sovereignty.

The first development objective of the PEDS is to “Make Cabo Verde a Hub
Economy located in the Mid-Atlantic”.

Within the framework of this objective, the country will lay the foundation stones for the implementation of seven programmes that provide the strategy for promoting the development of Cabo Verde as a hub economy. These seven programmes are:

1. The development of a logistical port and transhipment facilities (Maritime Platform) to service international shipping fleets that pass or approach Cabo Verde, including the ships circulating in the West Africa region;

2. The development of a logistical airport for the international distribution of passengers and cargo and to link the continents and countries bordering the Atlantic Ocean (Air Platform);

3. The establishment of a critical mass of businesses to transform Cabo Verde into an International Business Centre, to attract Foreign Direct Investment (FDI) and to promote local business initiatives (Commercial and Industrial Platform);

4. Creation of an international financial services platform (Financial Platform);

5. Creation of conditions conducive to promoting and increasing the participation of Cabo Verdeans residing abroad in the country’s economic and social development and also to give priority to the ethnic and cultural dimensions of development (Ethnic Investment Platform);

6. The development, consolidation, improvement and diversification of tourism and the diversification in internal destinations and products, making tourism a phenomenon that will extend to all the islands and all communities (Tourism Platform);


The construction of the Cabo Verde as a hub economy presupposes a strong strategy for the attraction of FDI supported by an equally strong diplomatic strategy - both multilaterally and bilaterally - both of which are detailed in chapter 4.

Indeed, Cabo Verde’s dynamic insertion strategy emphasizes the importance of FDI, something not unique to Cabo Verde, but in fact characteristic of all dynamic economies, whether large or small.

Like all other SIDS, Cabo Verde suffers from an enormous shortage of capital, technology, qualified human resources, high-level organizational capacity and markets. FDI brings in resources and, in doing so, has direct, indirect and induced effects on all sectors of economic and social life, as well as the improvement of macroeconomic variables, like GDP, the balance of payments, employment, income and government revenue.

The programme to create the conditions to reverse current trends and make
Cabo Verde a truly competitive economy that can attract FDI, aims to significantly strengthen confidence, minimize costs and build a sustainable economy.

The programme will focus mainly on three areas in order to strengthen confidence:

1. Strengthening political, economic and social stability
2. Reinforcing the predictability of key variables (in particular in the currency exchange, tax and legal fields).
3. Strengthening economic freedom through improving performance in relation to key indicators in the economic freedom index. Cabo Verde is currently classified as “mostly unfree” in the index, occupying 116th place in the world ranking. The only SIDS in the top ten in the index is Barbados, a position it only attained in 2016.

Within the scope of the PEDS, Cabo Verde’s diplomatic efforts will be upscaled to create, as an essential prerequisite, the political conditions and international cooperation required to enable Cabo Verde’s dynamic insertion in the global economy. It is therefore a top priority for the diplomatic sector to deepen political and cooperation relationships within the Atlantic region and, in particular with the European Union (EU) and the Euro area, with European non-EU countries (including Russia), with the countries of the North American Free Trade Area (NAFTA), and in particular the USA, with the countries of West Africa (including Morocco, Mauritania and the Economic Community of West African States - ECOWAS) and with Southern Africa, (with emphasis on Angola and South Africa).

Outside the Atlantic area, diplomacy will give special priority to deepening political and cooperation relationships with the Middle East (including Turkey, Egypt and Israel), the People’s Republic of China and East Timor.

The general objectives of Cabo Verde’s diplomatic efforts will be to:

1. Establish or deepen cooperation agreements improving the free circulation of goods, capital, technology and persons between those countries or regions and Cabo Verde.
2. Establish or deepen cooperation agreements in the field of human capital development, namely of highly qualified human resources.
3. Create conditions for the insertion of Cabo Veridian institutions (namely health, research, scientific and technological production, and training and development of human capital, in particular highly qualified human resources) in global networks of knowledge, know-how and innovation production.
4. Establish or deepen agreements for the elimination of double taxation.

The second development objective of the PEDS is to “Ensure Economic and Environmental Sustainability”. This objective, intrinsically linked with the first, relates to the importance of tourism to Cabo Verde, since this sector is the engine of the economy, and will be the catalyst for development in other sectors from the viewpoint of the value chain.

Tourism in Cabo Verde currently faces,
at least four major challenges: competitiveness, sustainability, concentration and maximization of the impact on Cabo Verdeans’ wealth and well-being. These challenges will be addressed by the **Cabo Verde -Tourism Platform Programme**.

The promotion and development of tourism, as a generator for the dynamic insertion of Cabo Verde into the global economy, has two essential dimensions that will be addressed in parallel:

1. Stabilise the balance of payments: almost the only practical alternative in the medium term in response to the reduction of ODA flows. To achieve this objective, it is essential to act immediately to resolve the negative consequences of internal migration, particularly in the areas of employment, health, education, housing, water, energy, sanitation and urban planning. It is also essential to ensure, in the two main tourism destinations, Sal and Boa Vista, high tourist safety standards, and to minimize the negative environmental impacts resulting, in particular, from human actions.

2. Make Cabo Verde a world reference country for sustainable tourism, well known by citizens of those countries that are the source of tourists, with diversified products based on the geography, history, culture and nature of each of the islands. Diversification of the tourist markets, destinations, operators, products, reception infrastructures and the reduction/elimination of seasonality are essential objectives.

In order to promote domestic production and exports, the following key sectors must be developed in parallel and in complementarity to the development of tourism: fisheries, agriculture, light industry and the creative industries.

It is clear that the interconnections and inter-linkages of these sectors with tourism have an incalculable potential for the economic sustainability of Cabo Verde, as well as a valuable contribution to improving the well-being of the Cabo Verdeans. Thus, strategies for the development of these sectors and increasing their contribution to GDP and the sustainability of the national economy are also detailed in chapter 4.

To achieve objective 2, basic structural reforms are necessary, and are described in the PEDS’ consideration of public sector reform comprising reform of the public administration, state enterprises, the administrative authorities and regionalization, the business environment (relating to good governance, economic freedom and doing business, including fiscal reforms), and financing the economy (which describes the strategy of access and the alternatives for financing the economy).

Strategy relating to infrastructure and transportation, energy, land-use and environment and biodiversity are also set out and are considered fundamental to
achieving the objective of guaranteeing the sustainability of the national economy.

The development of infrastructures and means of transport are defined as one of the priorities in order to guarantee safety, efficiency and quality of movement of people and goods.

An integrated, competitive and secure transport system will be built to contribute in a relevant way to national wealth, the balance of payments, employment and national and international mobility.

Concerning maritime, air cargo and passenger transport systems, the PEDS seeks to ensure unification of the national market and integration into the international market - backed principally by the creation of the maritime and air platforms. In this context, infrastructures and means of transport form an integral part of the transportation and movement strategy, ensuring safety, efficiency and quality in the movement of people and goods.

Cabo Verde’s geostrategic position gives the country a privileged opportunity to become a major goods transhipment hub for the West African region and for the logistical interests of maritime operators, and a large bunkering services centre.

In this context, these form the two principal pillars for the sustainability of the maritime platform and also enhance the case for the development of naval repair facilities in Cabo Verde.

For the maritime platform to succeed, it is crucial that Cabo Verde fulfils its commitments as a coastal, flag and port state within a sectoral sustainability framework. This will be achieved through the participation of all sector players, in the regulation and operationalization of the Maritime Transport Security and Development Autonomous Fund (FADSTM) and the creation of a maritime safety tax.

The country’s geo-strategic location generates favourable conditions and positive synergies for success, implementation and development of an air traffic distribution hub, generating income and jobs, and improving the competitiveness of the transportation value chain and business tourism.

Improving performance in the energy sector is of vital importance for the sustainable development of Cabo Verde, and is an established policy in the Government’s Programme. The strategic guidelines for the energy sector programme identify, as key concerns, energy security, price stability and energy bill reduction as priorities.

In this context, the National Programme for Energy Sustainability was elaborated with the following interventions: institutional reinforcement and improvement of the business environment, reform of the organisational structure of the energy market, investment in strategic infrastructure, development of renewable energies and the promotion of energy efficiency.

To boost progress in this sector, the Institute of Energy and Industry (IE & I) will be created to act on technical regulation, planning, research, policy formulation and the promotion of innovation in the energy and industrial sectors.

Special attention is given to improving energy sector planning, to monitoring and evaluation, the development and adaptation of the legal and regulatory framework, and to regulatory enforcement.
The potential for the exploitation of endogenous renewable resources, namely wind and solar, is foreseen as the principal instrument for reducing electricity and water costs and increasing both energy security and the competitiveness and diversity of the national economy. The programme calls for the use of clean and renewable energies, mainly wind energy (as far as technically and economically feasible) on a large scale up to the maximum penetration rate, photovoltaic solar energy (for centralized production and distributed generation) and thermal solar (for water heating).

Spatial and land-use planning is an important instrument for the organization and sustainable management of the national territory. The sustainable use of land and territorial waters, as environmental resources, where infrastructure and social-economic activities are located, is crucial for the promotion of balanced, harmonious and ecologically sustainable economic development.

A more efficient functioning of the housing sector is a fundamental condition, not only for revitalizing the real estate sector, for urban rehabilitation and cities, but also for the social inclusion of families and the mobility of people, and a means through which they can progressively improve their conditions of life.

Urban rehabilitation, and particularly the rehabilitation of the homes of the poorest families, and improving the accessibility of remote localities, are considered key activities for the reconfiguration of urban design and improving the quality of life of the population. In this context a large housing programme will be developed with priority given to tourist cities and the areas of greatest urban degradation.

The Government recognizes the need and the importance of adopting integrated environmental policies to ensure the sustainable management of the environment and natural resources, for the enjoyment of a quality environment by society, and to enhance the value of the environment as an asset and a factor in the country’s economic competitiveness, taking into account the need to achieving a balance between meeting current needs and the expectations of future generations. To reach this goal, a set of commitments has been established, resulting in the development of environmental policies that will be capitalized through concrete actions.

Institutional action on the environment will be taken during the governance cycle (2017-2021) from the perspective of mitigating constraints, managing fragilities and taking advantage of opportunities, considering the reference situation and, in order to change the existing scenario, aimed at continuous improvement in terms of performance against environmental quality indicators leading to the gradual improvement of the environment in Cabo Verde.

The third PEDS objective is to “Ensure social inclusion and the reduction of social and regional inequalities and asymmetries”. This objective aims to deal with issues relating to people and their basic needs and rights, as members of Cabo Verdean society.

This PEDS presents strategies for improving families’ living conditions and social inclusion, education, access to housing, decent work, youth, national health, the social security system, gender equality, culture and sport.

Poverty and social inequalities are reflected in the difficult living conditions
of many households which still cannot meet their basic living needs. Poverty in families is a result of the existence of low levels of schooling and lack of basic skills which have implications for employment and quality of life, such as poor housing conditions, poor access to basic social services and consumer goods.

Social inequalities are particularly noticeable in relation to gender, physical and/or mental condition, income, age and place of birth, with a considerable part of the population, especially women, still unable to meet their basic living needs through paid work.

The Government’s Programme, as well as the PEDS, puts a strong emphasis on social inclusion and the Government is fully committed to fight against social inequality. The policy focus favours social insertion and promotes the principles of human dignity and autonomy as a means to create a more inclusive country through employment, income and education, and boosting upward mobility for the poor, by improving access to paid work and enhancing income and quality of life.

In order to overcome these challenges and mitigate the impacts of poverty and other social phenomena affecting Cabo Verdean society, an integrated and inclusive approach will be adopted in which the well-being of people and families is placed at the centre of public policies. The main intervention will relate to: improving access to income and basic social services, dependents’ care systems, the social inclusion of people with disabilities, integrated care for vulnerable households, the integration of immigrant families, and the protection of children and adolescent’s against situations of personal and social risk.

The Government has developed the Strategic Plan for Education (2017-2020) as a medium-term instrument for the implementation of the policy for the education and higher education sector.

The plan is aligned with the Sustainable Development Goals and the Agenda 2030, guaranteeing and incorporating the principles of respect for human rights, inclusion, respecting diversity and education professionals, and establishing the following objectives:

1. Ensure a quality education for all Cabo Verdeans;
2. Reduce inequalities throughout the national territory, focusing on the specificities of each municipality and identifying local potentialities and dynamics.

Access to housing is one of the key instruments of economic and social policy for the promotion of human dignity and autonomy. However, housing policy is complex and interacts with other socio-economic and environmental policies. Consequently, in order to respond to the housing challenges, a National Housing Plan will be developed within the framework of the PEDS.

Employment and vocational training are strongly linked and make a fundamental contribution to the achievement of Cabo Verde’s vision for the future. The sectors identified as transformational for economic growth - namely the sustainable oceans economy, agribusiness, renewable energy, tourism, trade, industrial development, culture and creative industries - have great potential for the generation of decent employment in skilled jobs.

Achieving progress in the areas of employment and vocational training requires a multi-sectoral approach, involving all actors from the public, private and voluntary sectors to create an environment conducive to economic growth and to leverage opportunities for decent employment.

The Government’s vision and political guidelines advocate for a youth prepared to live in the world as authentic citizens
with full rights and assumed values. In this sense, youth is considered a priority for the development of a sustainable and well-balanced society.

As a cross cutting matter, youth policies will be developed through dialogue between the Government and youth organisations to identify and promote innovative measures that can meet their needs and expectations, particularly in the areas of employment, training, recreation and sports, associativism and volunteering.

On this basis, the Government makes the following commitments: to promote young entrepreneurship, especially micro-businesses, to create an Initial Professional Qualification and to overhaul the Educational/Training System, to guarantee professional internship as part of the curriculum and to promote professional experience, to create the Youth Employment Plan and to promote improvements in the quality of life of young people with regard to health, education, sport, culture and safety. The Government will combat youth unemployment with better education and vocational training.

Health policy naturally aligns with the principles that govern the National Health Service, namely the universality of access to services at all levels of health care; the solidarity of all in ensuring the right to health and in contributing to the health care financing; the defence of equity in the distribution of resources and in the use of services; the safeguarding of human dignity and the preservation of the physical and moral integrity of users and providers, and the safeguarding of professional ethics and deontology in the provision of services.

In order to sustain the required changes in the health sector, openness to participation by the private sector will be prioritized, through Public-Private Partnerships (PPPs), which will broaden the response to demand and will leverage funding for the health sector, taking into account complementarity, improving health regulation policy, designing a new Health Charter taking into account not only the size of the resident population, but also the touristic demand, and adapting health infrastructures to current needs.

Gender equality is one of the central issues for inclusive development and a precondition for achieving sustainable development. The country continues to face significant challenges in achieving full gender equality. It is necessary to stress the need to accelerate women’s access to decent work, especially in rural areas and among young women, access
to decision-making positions, including in the political sphere, and the institutionalization of victim support services for gender-based violence (GBV), areas where the current situation is still unfavourable to women.

In order to overcome these challenges, particularly economic empowerment, and taking into account the obstacles and opportunities identified, the PEDS will focus on interventions in the following areas: gender mainstreaming, eliminating Gender-Based Violence (GBV), improving political participation and the exercise of power, economic empowerment (in the productive and reproductive economy), and improving access to sexual and reproductive health rights, and education and vocational training.

Culture is the glue that binds people and communities, reinforces their identity and contributes to national unity. In this context, the PEDS approaches culture, first, as a primordial factor of human and social development, and second, recognizing the State’s fundamental role, as a facilitator and promoter of the conditions that guarantee the development of personal, technical and environmental capacities, aligned with issues of gender equality and equity and local development.

The sector faces, however, a number of problems and challenges and thus the PEDS incorporates a new paradigm and mind set for culture, aiming at the following sectoral strategies:

1. Enhancing the availability of cultural and artistic products through promoting a wider range of cultural and artistic activities. This will involve the development of technical and professional training programmes for the arts sector, meeting the specific needs of local professional groups (with a strategic focus on the sector specific niches, young women, female heads of households, young artists) in both the rural and urban areas of all islands, in order to ensure the inclusion of all segments of the population that are in a situation of social vulnerability, through training and professional qualifications and the creation of job opportunities.

2. The exploitation of Cabo Verde’s the historical, cultural and touristic heritage. Strategies for this purpose will be implemented through interventions related to the preservation, conservation, study and transmission of cultural values for the generations to come, and actions that allow a better understanding and approach to heritage as a product for marketing and a promoter of development, jobs, territorial differentiation and regional and national identities.

Sport plays an extremely important role in social stability for Cabo Verdeans and is considered as a developmental factor of a cross-cutting nature that interacts with education, health and the well-being of the population, tourism and the international projection of Cabo Verde, the sports industry and the out-migration of talented sports persons, as well as an important mechanism for young people and for social inclusion and civic participation.

National sport will have its development model redefined in order to promote the recognition of its importance in the national context. To this end, a medium and long-term sports policy will be defined for the period 2017-2021, and accompanied by the allocation of the necessary resources, with the ambition of building an integrated and competitive Cabo Verdean Sports System, through medium and long-term planning, priorities, objectives, goals and modalities.

The fourth objective of the PEDS is to “Reinforce sovereignty, valuing democ-
racy and orienting diplomacy for the country’s development challenges”. This chapter addresses strategies for consolidating democracy, a culture of peace and justice, security and territorial defence, and foreign policy.

Cabo Verde’s democratic path has become a benchmark for, and central element in, the country’s credibility with the international community. The creation of a new constitution, based on the principles of parliamentary democracy has laid the foundations for the democratic rule of law, the institutionalisation of fundamental freedoms, the introduction of structural reforms, and for the development of a market-based economy.

The current constitution has led to the introduction of an efficient and independent electoral system, which has resulted regular and periodic elections over a 26 year period at presidential, parliamentary and municipal level.

However, an increasing level of abstentions in elections could indicate a certain level of fatigue with the electoral process, if not a crisis in the way power is exercised in the national democratic system, especially at the representative level. In this context, the PEDS will oversee profound reforms aimed at:

- Establishing scientific research mechanisms for the dissemination and international promotion of Cabo Verdean democracy, and in particular its best practices;
- Consolidating the function of parliament in relation to monitoring and control, by bringing parliament closer to citizens, by improving the rights of the democratic opposition, by legislative transparency, and by improving parliamentary ethics and decorum;
- Promoting an open-parliament;
- Revising the electoral code, covering emerging issues, such as the constituency system, the number of deputies and locally elected representatives, the system of incompatibilities, and the computerization of the electoral process - from the census to voting, and prior inspection, organization and strengthening of the electoral administration and the electoral justice system;
- Promoting a review of the Constitution of the Republic, particularly in the areas of fiscal control, public accounts, state organization and regionalization;

Social peace is one of the most important conditions for ensuring a stable environment for economic growth and sustainable development, based on predictability and the existence and fulfilment of clear and objective rules for social relationships. It is inseparably linked to swift justice and judicial security, and it is incompatible with the present situation that involves long delays in the justice system.
Priority will be given to tackling delays in judicial decisions, to give citizens relevant, wide-ranging and effective legal information, to reform the legal aid system, to adjust the organizational structure of the judicial system (bringing the courts to an intra-municipal level), promoting the specialization of the various branches of the justice system (including commercial and economic justice), encouraging the use of information and communication technologies (ICTs), developing the technical capacities of the Courts and the Ministry of Justice, and reforming criminal procedures, etc.

Security is increasingly becoming an area of concern to Cabo Verdeans, to the extent that it has become a challenge to guarantee residents an acceptable standard of safety and making Cabo Verde a country with exemplary security for tourism, as the main axis of economic activity. Cabo Verde is not immune to the global impacts of insecurity and must develop security alliances with both European Union and the USA.

Priority will be given to the improving the security of air and maritime borders and documentation. Public order is another critical area for national security. The protection of the physical, moral and psychological integrity of citizens, of property, heritage and of enterprises, will be resolutely pursued.

The essence of national diplomacy continues to be the preservation of national sovereignty and the defence and promotion of the country’s interests. The PEDS seeks to introduce a new paradigm for diplomacy that pursues the following strategic objectives: economic development (through the safe and advantageous insertion in the world of a credible and useful country in the international context), reinforcement of collective and cooperative security partnerships and integration in the African continent (aiming at its position as an international reference platform for the provision of specialized goods and services in Africa). A further important goal is to give prominence to emigrant Cabo Verdean communities with regard to their relationship with their host countries, providing them and their descendants with dignified treatment, integration and empowerment.

The PEDS proposes a re-alignment of foreign policy, to respond to the priorities arising from the internal and external constraints, and directing national diplomacy on the basis of the following fundamental principles:

- Addressing the specific problems of Small Island States;
- Renewal of the special partnership with the European Union;
- Reinforcement of the political dialogue and cooperation with leading traditional partners, such as Luxembourg, USA, as well as with Portuguese-speaking African countries (PALOP) and East Timor;
- Regional integration and proactive participation in multilateral international bodies, such as ECOWAS, the African Union (AU) and the Community of Portuguese Speaking Countries (CPLP);
- Extension of partner relationships to countries in Asia and the Middle East;
- Mobilization of development aid and financing mechanisms, consistent with the country’s actual situation, capabilities and potential;
- Integration of Cabo Verdean communities abroad, working
on and negotiating questions of deportation, under the prism of prevention and inclusion;

- Exploitation and preservation of cultural manifestations in the diaspora and the diffusion of Cabo Verdean culture in the host countries and in those with which Cabo Verde maintains friendship and historical ties.

Chapter 5 of the PEDS “Operationalization”:

Describes the rationale for the plan’s implementation, and how it will be monitored and evaluated.

The PEDS will be implemented through a programmatic approach, in which sectoral and cross-sectoral programmes will be designed to achieve the plans objectives for the period 2017-2021.

The PEDS programmatic structure is organised around three pillars: the economy, the social sphere and sovereignty, with a total of 35 programmes, including a “Management and General Administration” programme that addresses the administrative aspects of the entire state machinery. The PEDS estimates an overall resource requirement of CVE 389,208,119,737 (EUR 3.5 bn.) to respond to the 4 macro objectives described above.

Concerning sustainable development, the PEDS pillars are explicitly aligned with the United Nations Agenda 2030, and will contribute, in the long term, to Cabo Verde achieving the Sustainable Development Goals (SDGs).

Pillar 1. the Economic Sphere, comprises 20 programmes that fall under the responsibility of the following government institutions: the Head of the Government, and the ministries of economy and employment, finance, agriculture and environment, culture and creative industries, infrastructure, and spatial planning and housing. The pillar contributes essentially to Objectives 1, 2 and 3 of the PEDS and marginally to objective 4; this pillar has an indicative resource requirement of CVE 133,013,916,004 (EUR 1.2bn.) and contributes to SDGs 1, 2, 4, 5, 6, 7, 8, 9, 10, 11, 12, 13, 14, 15, 16 and 17.

Pillar 2. Social Development comprises 8 programmes that fall under the responsibility of the following government institutions: the Head of the Government, and the ministries of agriculture and environment, infrastructures, spatial planning and housing, sports, education, family and social inclusion, health and social security. It contributes to PEDS objectives 1, 2 and 3 and has an indicative budget for the period 2017-2021 of CVE 118,804,460,324 (EUR 1.1bn.) and contributes to SDGs 1, 3, 4, 5, 8, 10 and 16.
Pillar 3, Sovereignty comprises 6 programmes that fall under the responsibility of the Ministries of internal administration, defence, justice, labour, foreign affairs and communities. It contributes all PEDS objectives and has an indicative resource requirement for the period 2017-2021 of CVE 43,693,590,676 (EUR 400m), contributing to SDGs 1, 3, 4, 5, 8, 10, 13, 16 and 17.

The PEDS has also an administrative programme, transversal to all ministries, with a budget of CVE 94,326,592,279 (EUR 311m)

The PEDS includes an integrated results matrix which establishes targets for the period 2017-21 and evaluation indicators. The PEDS adopts a Result Based Management approach as a means to maximise the harmonization, alignment and efficacy and efficiency of implementation, monitoring and evaluation. Annual follow-up and evaluation of strategic plan impact indicators are anchored in the statistical agenda and guaranteed by the National Institute of Statistics (INE), and will follow an agenda stipulated by the National Planning System (SNP).

The PEDS includes an analysis of the different regions of the country, which addresses their specific strengths and opportunities and establishes regional goals, to exploit the islands and their endogenous resources and, above all, to reduce asymmetries.

To conclude, the PEDS describes the processes of its financial planning and funding, as well as the operational mechanisms to ensure implementation processes and national ownership by the different stakeholders and, finally, a risk analysis for its implementation.