



UNITED NATIONS
INDUSTRIAL DEVELOPMENT ORGANIZATION



Cabo Verde

COUNTRY PROGRAMME 2022-2026



UNITED NATIONS
INDUSTRIAL DEVELOPMENT ORGANIZATION



Cabo Verde Country Programme

for inclusive and sustainable industrial development

2022 – 2026

Brief description:

The Country Programme (CP) will support the Government of Cabo Verde in the implementation of its Vision 2030 and the Strategic Plan for Sustainable Development (Plano Estratégico de Desenvolvimento Sustentável – PEDS II) 2022-2026, currently under formulation. The CP is aligned with the Cabo Verde United Nations Development Assistance Framework (UNDAF) 2018 – 2022 and will contribute to the implementation of the United Nations Strategic Development Cooperation Framework (UNSDCF) 2023-2027.

Under the leadership of the Ministry of Industry, Trade and Energy as the Chair of the CP Steering Committee, the CP will strengthen the existing and forge new partnerships for inclusive and sustainable industrial development of the country. The envisioned CP impact is to ensure that Cabo Verde’s population benefits from enhanced integration in regional and global value chains through a competitive, diversified, sustainable and innovative industrial economy, strong and active private sector and adequate policies and strategies. The CP is structured into three focus areas: 1) Institutional and Trade Capacity Building, 2) Industry Upgrading towards Industry 4.0 and 3) Resilient, Carbon Neutral Growth and Circular Economy.

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List of abbreviations

AU	African Union
AfCFTA	African Continental Free Trade Area
CIP	Country and Industry Profile
CP	Country Programme
CPSC	Country Programme Steering Committee
CSO	Civil Society Organizations
CV	Cabo Verde
ECOWAS	Economic Community of West African States
ECREEE	ECOWAS Centre for Renewable Energy and Energy Efficiency
EU	European Union
FDI	Foreign Direct Investment
GDP	Gross Domestic Product
IDDA III	Third Industrial Development Decade for Africa 2016-2025
IP	Industrial Parks
IRPF	Integrated results and performance framework
ISID	Inclusive and Sustainable Industrial Development
ITPO	Investment and Technology Promotion Office
LDC	Least Developed Country
L-MIC	Lower Middle-Income Country
MITE	Ministry of Industry, Trade and Energy
MSMEs	Micro, Small & Medium Enterprises
MTPF	UNIDO's Medium-Term Programme Framework
MVA	Manufacturing Value Added
ODA	Official Development Assistance
PEDS	Strategic Plan for Sustainable Development (Plano Estratégico de Desenvolvimento Sustentável)
RBM	Results Based Management
SDG	Sustainable Development Goals
SIDS	Small Island Developing State
UN	United Nation
UNCT	United Nations Country Team
UNDP	United Nations Development Programme
UNIDO	United Nations Industrial Development Organization
UNSDCF	United Nations Sustainable Development Cooperation Framework

1 Executive summary

Cabo Verde’s vision for the industry sector, enshrined in the Ambition 2030, consists of achieving, a competitive and innovative industrial sector, contributing significantly to sustainable and inclusive development, integrated in the regional and global value chains¹.

Therefore, the *main objective* of UNIDO Country Programme Cabo Verde 2022-2026 is to ensure that Cabo Verde’s population benefits from enhanced integration in regional and global value chains through a competitive, diversified, sustainable and innovative industrial economy, strong and active private sector and adequate policies and strategies.

The substantive CP design process was initiated through a UNIDO-led industrial diagnostic study of Cabo Verde, which – in close consultation with the government – identified the focus areas, thematic components, cross-cutting issues and industrial priority sectors that the CP could most effectively contribute to:

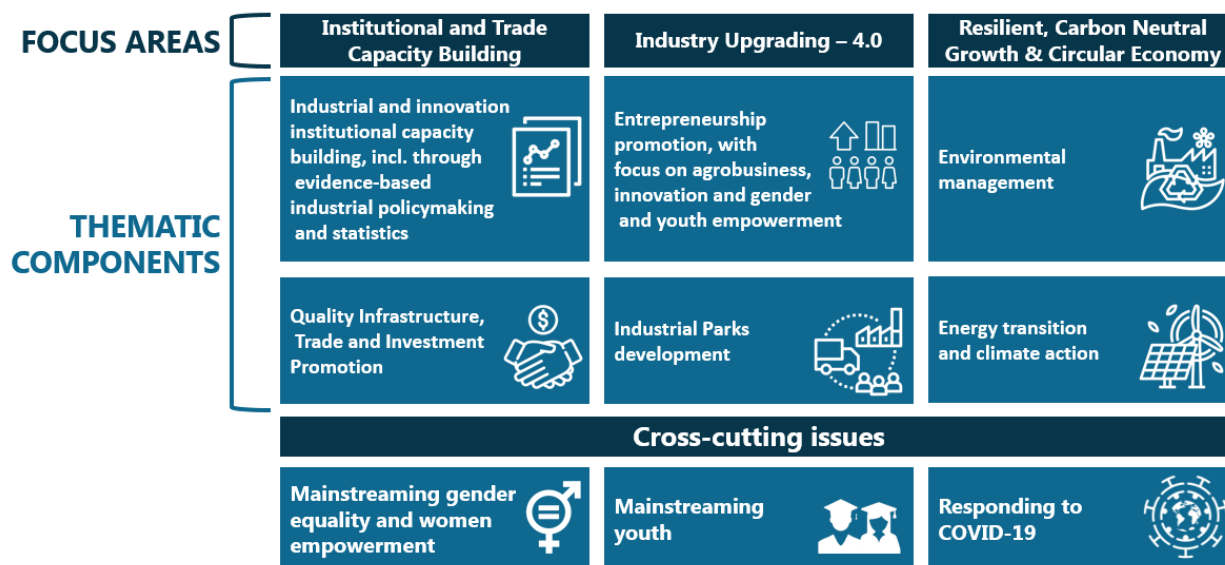


Figure 1. Overview of CP focus areas and thematic components

In order to maximize impact, build synergies, and ensure the expected programme-level impact, all CP-supported activities will work towards a common set of results:

RESULT	
IMPACT	Cabo Verde’s population benefits from enhanced integration in regional and global value chains through a competitive, diversified, sustainable and innovative industrial economy, strong and active private sector and adequate policies and strategies for a resilient and sustainable economic transition
OUTCOME 1 (Component 1)	Selected National Institutions have strengthened institutional and technical capacity for the development of industrial and innovation policies and plans

¹ [Government of Cabo Verde, Declaration of Commitment for Sustainable Development](#)

OUTCOME 2 (Component 2)	Enhanced access to and participation in regional and international markets and advanced business competitiveness through quality systems and investment promotion
OUTCOME 3 (Component 3)	Young people and women have enhanced ability to secure employment, including self-employment, in selected priority sectors, to recover and transform from COVID-19 pandemic in an inclusive and sustainable manner
OUTCOME 4 (Component 4)	Strengthened institutional capacity of relevant national Institutions to foster private sector development and enhance VCs through establishment and upgrading of Industrial Parks and SEZ
OUTCOME 5 (Components 5 & 6)	Enhanced national capacities to apply integrated and innovative approaches for sustainable and participative management of natural resources, climate change adaptation and mitigation
OUTCOME 6 (Coordination, M&E, Advocacy)	Awareness of CP stakeholders and their readiness to engage in partnerships under the CP, to support the country's industrial priorities is enhanced and materialized through new initiatives, incl. TC and outreach

While the CP derives from the national development priorities identified in the Plan for the VIII Constitutional Government of the Republic of Cabo Verde (2021-2026), it will contribute to the Strategic Plan for Sustainable Development (Plano Estratégico de Desenvolvimento Sustentável – PEDS II) for the period 2022-2026, currently under formulation. It is also aligned with the Cabo Verde United Nations Development Assistance Framework (UNDAF) 2018 – 2022.

The Country Programme Steering Committee (CPSC) will oversee the CP implementation strategically. The Ministry of Industry, Trade and Energy (MITE) chairs the CPSC. The Committee brings together all ministries relevant to industrial development of the country, to ensure inter-ministerial coordination and a conducive environment for ISID, enabling thus the envisioned impact of the CP.

2 Country context

Cabo Verde is known for its beautiful landscapes and welcoming spirit Morabeza, as well as for its good governance and solid human capital. After 45 years of independence and stable democracy, the country stands out as an example in the region. Archipelago of 10 islands, located 500 kilometres off the west coast of Africa, in 2020, Cabo Verde is a L-MIC with a GDP per capita (constant 2010 US\$) of USD 3,293.7² and a population of 555,988 inhabitants.

Based on a strong institutional framework and a well-functioning system of checks and balances, education and health, the country's overall economic performance has been well above regional average. However, since the graduation from the Least Developed Country (LDC) to Lower-Middle Income Country (L-MIC) category in 2007, and following the global economic crisis (2008), most governance and human capital indicators have shown stagnation or slight decline, reflecting the difficulties faced by domestic public finance and Foreign Direct Investment (FDI) to replace Official Development Assistance (ODA) in a challenging context.

This context is characterized by structural constraints often typical of Small Island Developing States, such as a small domestic market and fiscal basis, dependence on imported raw materials, overreliance on tourism, a narrow manufacturing base, relative isolation and fragmentation, especially in terms of regional asymmetries, high per-capita cost of services, among others. In addition, Cabo Verde's socio-economic development is challenged by growingly adverse global economic shocks, negative climate change impact, and the COVID-19 pandemic.

Despite these challenges, the GDP grew at an average of 5% in the last 20 years.³ Although unemployment decreased by 1 p.p in the four years before COVID-19, women's unemployment increased by 1 p.p, and rural unemployment by 4.1 p.p.⁴ The [UNIDO 2021 Country and Industry Profile](#) for Cabo Verde outlines and provides more detailed analysis of main challenges and bottlenecks for the country's industrial development.

2.1 National vision and development goals

In 2020, Cabo Verde developed its sustainable development strategic agenda called “**Cabo Verde Ambition 2030**” with the following national vision⁵:

“Cabo Verde will be, in 2030, an emerging country which guarantees total security, a circulation economy located in the mid-Atlantic, strongly integrated into the ECOWAS economic and social space, with a GDP per capita of above US\$6,000, with full employment eradicated extreme and reduced absolute poverty, with low levels of regional inequality and imbalance, one of the 10 most resilient societies in the world and one of the 10 most advanced democracies, with a private sector leading the economy, a proud reference for the diaspora, and a country contributing to the international community.”

Under its **Plan for the VIII Constitutional Government of the Republic of Cabo Verde (2021-2026)** launched on 15 June 2021, the Government underscored the need for diversification of economy and increased resilience as main priorities for the economic recovery and sustainable growth of the country following a series of severe droughts in the recent years and the COVID-19 pandemic.

² World Bank 2019, <https://databank.worldbank.org/source/world-development-indicators>

³ WBG, World Development Indicators

⁴ INE, IMC 2019, [Indicadores do Mercado de Trabalho](#), 2020

⁵ [Government of Cabo Verde, Declaration of Commitment for Sustainable Development](#)

To achieve this goal, the Government will foster the country's integration in the global economy through production of tradable goods and services in the areas of:

- 🌐 tourism (tourism platform),
- 🌐 maritime economy (maritime and logistics platform),
- 🌐 digital economy (digital and innovation platform),
- 🌐 industry (industrial platform, including integration in regional and global value chains) and
- 🌐 health (health industry and tourism platform).

The Government also plans to accelerate the energy transition, implement the water management strategy for the agricultural sector in association with the use of renewable energies. The Plan acknowledges the country's exposure to climate change has environmental, social, and economic impacts and shapes the conditions for the country's future development. It thus aims to preserve biodiversity, geodiversity and promote environmental protection and sustainability as well as resilience to adverse impacts related to climate change. Within this Plan, the Government identifies 5 main priorities for Cabo Verde's sustainable development⁶:

1) Covid-19 mass vaccination of the population

The target is to have at least 70% of the population vaccinated in 2021.

2) Revival of the economy and employment

Main focus is the recovery and sustainable growth of the tourism sector. The Government will reinforce actions to improve the business environment and competitiveness of Cabo Verde, thus strengthening the MSMEs, attracting private investment and creating more employment opportunities. This will also imply enhancing the management of the country's macro-fiscal risks for greater fiscal competitiveness and a better-functioning financing ecosystem. Furthermore, the Government plans to carry out an administrative reform of the Public Administration to make it more efficient and effective; review the labour laws; improve the transport and connectivity system; and implement policies and measures for greater energy efficiency and water management. Investment in the qualification, employability and entrepreneurship of young people are also among the Government's priorities, so that, in 2026, the number of young people out of education, out of employment or training can be reduced from the current 58,000 to 20,000.

3) Eliminate extreme poverty and reduce absolute poverty

The Government will expand access to social welfare scheme and related benefits to all households suffering from extreme poverty. Further, the coverage of the social pension will be extended to include all the elderly, people with disabilities, and the poor not covered by the welfare scheme. In the same vein, the care network will be expanded to create opportunities for children in poor families, accelerate the transition from informal to formal economy, implement a housing security program, strengthen the transversality of health policies, promote gender equality and promote territorial cohesion to reduce regional asymmetries.

4) Increase the country's resilience and diversification of the economy

Strategies and plans will be implemented to foster human capital development, as well as transition to renewable energy and sustainable practices in the tourism and the blue economy sector, as well as in water management particularly for agricultural purposes as part of the country's climate action, enhancement of digital economy and industry.

⁶ <https://www.governo.cv/>

5) *Maintain good governance*

Cabo Verde will maintain good governance by ensuring efficient and effective security, justice and health system. The Cabo Verde's Strategic Plan for Sustainable Development 2017-2021 (PEDS) embodied, in programmatic and operational terms, the program of the Government of Cabo Verde and established the development targets for the period 2017-2021. The PEDS described the process for conceptualization and implementation of the Government's strategy for the IX Legislature and laid the foundations for a long-term vision for Cabo Verde's sustainable development through the period 2018-2030, in line with the 2030 Sustainable Development Agenda and as a means to build a better future for all Cabo Verdeans. The CP formulation process has thus considered the PEDS priorities and built on the experiences and lessons learned from its implementation.

The PEDS set forth ambitious goals for the period 2017-2021 and proposed a consistent, long-term approach for their achievement, based on four objectives:

- (1) make Cabo Verde a circular economy in the Middle Atlantic;
- (2) ensure economic and environmental sustainability;
- (3) ensure social inclusion and reduction of social and regional inequalities;
- (4) strengthen sovereignty, value democracy and guide diplomacy towards facing the challenges of the country's development.

The PEDS proposed establishment of a new model of economic growth based on the concept of "country plataformas " capable of transforming Cabo Verde into a circular economy, "open to the world and fully inserted in the World Economic System (WES)".

The Plan includes seven priority hubs, or "plataformas", that will spearhead the country's future growth:

- (1) Maritime platform to provide supplies and services to freighters, cruise ships, and other vessels;
- (2) Air transport hub for passengers from countries bordering the Atlantic;
- (3) Commercial and industrial hub that transforms Cabo Verde into an international business centre;
- (4) Financial hub, creating an international financial platform;
- (5) Investment hub for Cabo Verde's diaspora;
- (6) Development of a tourism sector that benefits all islands and is grounded in the national environment, culture and history; and
- (7) Digital and innovation hub.

Based on the Government Plan for the VIII Constitutional Government of the Republic of Cabo Verde (2021-2026) and building on the lessons learned from the PEDS I (2017-2021) implementation, the new **Strategic Plan for Sustainable Development** (Plano Estratégico de Desenvolvimento Sustentável – PEDS II) for the period **2022-2026** is under formulation by the Government, led by the National Directorate of Planning. UNIDO will actively contribute to the formulation of the document in the scope of the UNCT work, aligned with the new UNSDCF, which *inter alia* envisions consultations with Development Partners.

The CP will contribute to one of the main drivers of new economic growth model: industrialization, with the aim of increasing the export capacity and taking advantage of international agreements like the African Growth and Opportunity Act (AGOA) with the US, regional integration in ECOWAS and in particular of the African Continental Free Trade Area (AfCFTA). The CP will also contribute to the Government's ambition to accelerate its energy transition to renewable energy sources.

2.2 Policy framework

2.2.1 National Policies and Strategies

Cabo Verde's Digital Strategy (EDCV)⁷ establishes four strategic axes in line with the vision of building a [Regional ICT HUB in Cabo Verde](#): I. Connectivity; II. Capacity; III. Marketplace and IV. Governance.

With prioritization of digitalization and innovation in national development plans, the Government is committed to enhancing its human capital, creating more business opportunities to improve the competitiveness of Cabo Verde, developing an open economy to promote trade, competitiveness and export, and to alleviating poverty through information communication and network technologies. Through implementation of the eGovernment project, the Government of Cabo Verde is attempting to build a nationwide eGovernment office network and a national data centre. The purpose is to greatly improve the Government's administrative efficiency and Cabo Verde's digitalization level, promote knowledge sharing, and build the country into an information hub for West Africa's coastal countries.

The **National Power Sector Master Plan 2018-2040** provides forecasts of energy growth and outlines key strategies for the execution of on-grid energy related policies and targets. The Master Plan for the electricity sector establishes the level of renewable energy, fossil fuel reinforcements and storage solutions that are optimal from the point of view of costs, taking into account the expected increases in demand, the evolution of costs of different technologies and the criteria for power supply quality. It establishes mechanisms to ensure competitiveness and reduced energy costs as priorities. The Government envisions to revise the Plan every 5 years, to maintain its relevance in view of changing circumstances and newly occurring changes and potential challenges. Jointly with the **National Program for Energy Sustainability**, the Government of Cabo Verde aims to make a transition to an energy sector that is secure, efficient and sustainable, seeks to reduce dependence on fossil fuels and ensure universal access and energy security. The Government also aims at building service delivery skills at regional and international level, improvement of living conditions for the most disadvantaged families, conservation and enhancement of the fragile ecosystem, substantial reduction of greenhouse gas (GHG) emissions and creation of a "Green Island" brand for the tourism sector. The strategies defined for the energy sector are based on a growing involvement of the private sector, which should gradually replace public investments in the energy sector. In this context, the State assumed the role of a promoter and regulator of a dynamic, innovative and efficient energy production and supply market, creating enabling conditions for private investment to replace public investment as part of the energy sector transformation.

National Biodiversity Strategy and Action Plan 2014-2030⁸ is a fundamental guide for implementation of Cabo Verde's nature and biodiversity conservation policy. Having drafted its first Strategy in 1999, Cabo Verde already has considerable experience in implementing a biodiversity conservation policy. This allowed for significant improvements in development and implementation of environmental policies. The national vision for biodiversity conservation is based on three principles: i) effective conservation and integration of biodiversity values; ii) involvement and participation of society as a whole in the conservation

⁷ Available at: <http://estrategiadigital.gov.cv/index.php/pt/paad-2>

⁸ Available at: <https://www.cbd.int/doc/world/cv/cv-nbsap-v2-en.pdf>

and sustainable use of biodiversity; and iii) fair and equitable sharing of benefits that will ensure the country's development and welfare of the population.

The **National Strategic Plan for Prevention and Management of Waste (PENGeR) 2015-2030** assumes a central role in the management of waste in Cabo Verde and was approved as a macro-planning instrument. Decree-Law No. 56/2015 of 17 October 2015 established a new general regime for waste prevention, production and management in Cabo Verde, with the aim of "protecting the environment and human health by preventing or reducing adverse impacts resulting from the generation and management of waste, reducing the overall impacts of resource use and improving the efficiency of such use". It also imposed the obligation of integrated planning of waste management, through the definition of national and municipal policies "adapted to the specific characteristics imposed by the insularity, territorial dispersion and costs of inter-island transport system, aiming to maintain environmental sustainability". Thus, the Strategic Plan contains crucial guidelines on waste management as well as the related multi-municipal, inter-municipal and municipal plans for action on waste. It also contains provisions related to medical waste, establishing specific activities, targets and indicators, which are critical in the context of the COVID-19 pandemic.

Finally, UNIDO supported the Ministry of Industry, Trade and Energy (MITE) with the elaboration of an **Industrial Policy** proposal. The policy is yet to be adopted, bases on 5 strategic axes:






- I. **Governance and Business Environment:** to strengthen institutional governance, the MITE would require support with the necessary means to develop, apply and disseminate the Government strategy for the industry sector. The Strategy should also consider greater integration of the various Ministries around the theme of industry, reinforcement of the quality system, investment promotion and better access to finance.
- II. **Support to Industries:** to foster the development and modernization of the industry, further consolidation of traditional, strengthening of emerging and innovative sectors in Cabo Verde needs to be undertaken. The country needs to promote the development of an ecosystem in which consumers and companies will benefit, and innovation and entrepreneurship in the industry will be fostered. Moreover, the MITE needs to take the lead on attracting and managing investment in the industrial projects and on coordinating the industrial sector in Cabo Verde. These efforts should also contribute to reduction of imports and increased participation in regional and global value chains, notably through manufacturing diversification and greater compliance with international quality standards of the target markets (including AGOA, ECOWAS and AfCFTA).
- III. **Infrastructure:** Ensuring effective and efficient country's infrastructure (electricity, water and communication, transportation by land, air or sea, industrial parks) is key for successful operation of companies. The quality of a country's infrastructure is decisive in the investment decision of both national and external investors and is synonymous with greater productivity of private investment and cost reduction. The logistics associated with transport, such as the cold/refrigeration infrastructure, represents a fundamental factor in attracting investors in the country.
- IV. **Human Capital Development:** Strengthened human resources are essential for the development and modernization of industrial sectors. This can be achieved through improvement of the education system, notably vocational and technical education, and professional training, development of technical courses in secondary and higher education. Adequate training on Industry 4.0 for MSMEs, fostering collaboration between universities and industry through scholarships and internships and collaboration with technical and vocational schools to train teachers and students in the industrial field.

- V. **Systems for Innovation and Technological Development:** promotion of innovation and technological development and investment in research and technological development (R&TD) are essential factors for the country's industrial development. They create comparative business advantages that result in increased productivity and differentiating factors in the markets. Initiatives supporting this pillar should *inter alia* aim to provide Cabo Verde with the necessary means to monitor, evaluate and report on industrial methods and processes, to enable identification of gaps and challenges and subsequent improvement.

2.2.2 UNDAF and UN Sustainable Development Cooperation Framework (UNSDCF)

Cabo Verde United Nations Development Assistance Framework (UNDAF) 2018 – 2022 builds on Cabo Verde's aspirations and vision as expressed in the country's commitment to the Global Agenda 2030 for Sustainable Development. As such, it is aligned with the Government's Programme for the 9th legislative term and the country's Strategic Plan for Sustainable Development (PEDS I) 2017-2021 and responds to jointly identified national strategic priorities where the UN system has a comparative advantage.

The present UNDAF is the result of an extensive joint analysis and a consultative process, conducted under the leadership of the Government of Cabo Verde and with the active participation of civil society organisations, private sector, and international development partners represented in the country. Inspired by the Agenda 2030, the UNDAF is organised around the five key themes: People, Planet, Prosperity, Peace, and Partnerships; and comprises the following five cooperation areas:

-  Sustainable development of human capital
-  Sustainable management of natural resources and biodiversity
-  Economic transformation, and sustainable and inclusive growth
-  Governance, public policy and justice
-  Mobilization, coordination, and efficiency of development resources

The Common Budgetary Framework of the UNDAF (2018-2022) estimates a total amount of US\$96,106,908 for the achievement of envisioned results, which includes the combined UN projected available programme resources as well as the expected resources to be mobilized jointly by the UN System and the Government of Cabo Verde. Operationally, the UNDAF implementation mechanism is composed of a joint Cabo Verde-UN Steering Committee, the UNCT, five Results Groups (RGs) and the Cross-cutting Groups (Monitoring and Evaluation, Operations Management, Communications, and Human Rights and Gender Equality). UNIDO is a signatory of the Cabo Verde UNDAF 2018-2022 and contributes to all of its five pillars. The Organization is also leading the Prosperity RG and participates in Planet and Partnerships RGs. By 2021, UNIDO's estimated budget contribution to UNDAF 2018-2022 is US\$7,546,112.

Cabo Verde anticipated the UN reform at an early stage. The UNDS reform strives for greater coherence and effectiveness of UN's development cooperation with the country. Thus, the establishment of the Joint Office in 2006 comprising UNDP, UNFPA, UNICEF; and becoming one of the initial eight "Delivering as One" pilot countries two years later, in 2008, were crucial for the reform implementation. Building on these

experiences and combining the joint competencies and interventions of the 17 UN resident and non-resident agencies, funds, and programmes, the new UNSDCF to be launched in 2023 will represent a coherent and integrated framework for the UN System cooperation in Cabo Verde. It shall integrate lessons learned from past experiences while incorporating the central principle of the Agenda 2030 of “leaving no one behind”, as well as the human rights approach, gender equality and women’s empowerment; sustainability and resilience; and accountability.

Moreover, the new UNSDCF for Cabo Verde, to be implemented between 2023 and 2027, belongs to a new generation of UNDAFs. It is strategic, responsive and firmly anchored in the integrated vision of Agenda 2030 while also pursuing the guiding vision of the Agenda 2063: “An integrated, prosperous and peaceful Africa, driven by its own citizens and representing a dynamic force in international arena”, and the Samoa Pathway responding to specificities of Small Island Developing States (SIDS). UNIDO is actively participating and has contributed to the Common Country Analysis (CCA) process that is informing the future UNSDCF formulation and the Annual Retreat that identified indicative strategic priority areas as well as the Foresight Exercise for the new UNSDCF. Furthermore, at the CP mid-term review, alignment with the new UNSDCF will be assessed and adjustments of the programme undertaken accordingly.

2.2.3 Continental and Regional Strategies

African Union Agenda 2063 is a strategic framework for the socio-economic transformation of the continent over a period of 50 years. It is the continent’s blueprint and master plan for transforming Africa into a global powerhouse of the future. One of the key features and benefits of the Agenda 2063 is that it seeks to harness the continent’s competitive advantages embodied in its people, history, cultures and natural resources, and geopolitical position to:

- 1) effect equitable and people-centred growth and development;
- 2) eradicate poverty;
- 3) develop human capital; social assets, infrastructure and public goods;
- 4) establish enduring peace and security;
- 5) put in place effective and strong developmental states;
- 6) promote participatory and accountable institutions; and
- 7) empower women and youth to fulfil the African dream.

UNIDO’s technical expertise covers a substantial part of the Agenda. UNIDO’s mandate on inclusive and sustainable industrial development (ISID) helps the organization to contribute to objectives 1, 2 and 7. UNIDO can also contribute to objective 3 through its contributions to human capital development.

The Third Industrial Development Decade for Africa (IDDA III) is a broad-based international partnership to industrialize Africa in a socially inclusive and environmentally sustainable manner. Given the challenge of high unemployment and poverty ravaging the African continent, where more than 70% of the working age population is either unemployed or with insecure jobs, the United Nations declared the period between 2016-2025 as the IDDA III and declared to move “from political commitments to actions on the ground”.

UNIDO contributed to the IDDA III establishment and is now supporting its implementation through the

operations of the IDDA III Secretariat, both at regional and national level. In Cabo Verde, UNIDO will continue to create awareness on the role of industrialization in the overall economic development of the country, including through the celebration of Africa Industrialization Day (AID), provision of support for Cabo Verde to participate actively in the continental free trade area development and harnessing its demographic dividends by contributing to capacity building among youth and women. UNIDO promotes the IDDA III in Cabo Verde within the framework of ISID implementation at state and local levels.

The **African Continental Free Trade Area (AfCFTA)** is a free trade area outlined in the Agreement Establishing the African Continental Free Trade Area. Once fully operational, the trade area will cover a market of 1.2 billion people and a gross domestic product (GDP) of \$2.5 trillion, across all 55 Member States of the African Union. In terms of number of participating countries, the AfCFTA will be the world's largest free trade area since the formation of the World Trade Organization. Cabo Verde has already ratified the agreement. The general objectives of the AfCFTA Agreement are to:

- (1) create a single market for goods, services, facilitated by movement of persons in order to deepen the economic integration of the African continent and in accordance with the Pan African Vision of “An integrated, prosperous and peaceful Africa” enshrined in Agenda 2063;
- (2) create a liberalized market for goods and services through successive rounds of negotiations;
- (3) contribute to the movement of capital and natural persons and facilitate investments building on the initiatives and developments in the State Parties and RECs (Regional Economic Communities);
- (4) lay the foundation for the establishment of a Continental Customs Union at a later stage;
- (5) promote and attain sustainable and inclusive socio-economic development, gender equality and structural transformation of the State Parties;
- (6) enhance the competitiveness of the economies of State Parties within the continent and the global market;
- (7) promote industrial development through diversification and regional value chain development, agricultural development and food security; and
- (8) resolve the challenges of multiple and overlapping memberships and expedite the regional and continental integration processes.

The AfCFTA Agreement considers RECs and their work as the building blocks towards achieving a single market and a united continent. Thus, collaboration with the **Economic Community of West African States (ECOWAS)** will be key for the future CP. Cabo Verde is one of ECOWAS 16 Member States but does not partake in the West African Economic and Monetary Union (WAEMU). Nevertheless, the country strives to align its national development goals and policy framework with the relevant regional strategies and enhance its integration in the regional value chains.

In 2020, the ECOWAS Commission launched the formulation process (including organization of relevant stakeholder consultations) for the **ECOWAS Vision 2050**. The new Vision aims to consolidate on the gains of the ECOWAS Vision 2020 in transforming the region from “ECOWAS of the States” to “ECOWAS of the People”. It will be built upon five pillars: governance, infrastructure, private sector, women, children and youth and sustainable use of natural resources and the environment.

The vision of the **West African Common Industrial Policy (WACIP) 2030**⁹ is to “maintain a solid industrial structure, which is globally competitive, environment-friendly and capable of significantly improving the living standards of the people by 2030. The overall objective is facilitating the industrialization and the promotion of Quality standards in the region. Specific objectives include:

⁹ Available at: <https://ecotis.projects.ecowas.int/policy-development/west-africa-common-industrial-policy/>

1. Diversifying and broadening the region's industrial production base by progressively raising the local raw material processing rate from 15-20% to an average of 30 % by 2030, through support to the creation of new industrial production capacities and the development and upgrading of the existing ones;
2. Progressively increasing the manufacturing industry's contribution to the regional GDP, currently at an average of 6-7 %, to an average of over 20 % in 2030;
3. Progressively increasing intra-Community trade in West Africa from less than 12% to 40 % by 2030, with a 50% share of the region's trade in manufactured goods, particularly in the area of energy (equipment, electricity, petroleum products, etc.);
4. Progressively increasing the volume of exports of goods manufactured in West Africa to the global market, from the current 0.1 % to 1 % by 2030, through the enhancement and development of skills, industrial competitiveness and quality infrastructure (standardization, accreditation and certification), particularly in the areas of information, communication and transport.

ECOWAS Quality Policy (ECOQUAL) was adopted on 27-28 February 2013. It strives to ensure the economic competitiveness of the region, through the provision of excellent quality goods and services, and to effectively protect consumers and the environment. The policy provides a crucial basis for the harmonization or development of national quality policies, which will guide the establishment of quality infrastructure in Member States that is suitable, efficient and in line with internationally accepted standards.

The energy systems of West African countries are facing serious interrelated challenges of energy access, energy security and climate change adaptation and mitigation. To address these multiple challenges, ECOWAS has taken action to adopt and implement the regional **ECOWAS Energy Efficiency Policy (EEEP)**. The policy will complement the existing array of ECOWAS policies by addressing the challenge of making the most efficient use of the region's energy resources. It will also contribute to creating a favourable environment for private investments in energy efficiency and will spur industrial development and employment through the reduction of energy bills and decrease of dependency on fossil fuels. The EEEP Strategy will also add value to national efforts through regional support. The strategy focuses on policy, including energy efficiency labels and standards, regional coordination of capacity building to create the necessary institutional and human skills to implement energy efficient technologies. It also has a component on awareness raising for energy users and the multiple decision makers in the design, purchase and maintenance of energy using equipment and proposes financial instruments to allow users to pay for energy efficient equipment through future energy savings. The EEEP Strategy envisions mobilising finance for sustainability through environmental finance instruments, such as Kyoto, Montreal Protocol, the Stockholm Convention, NAMAs and voluntary markets for Green House Gas (GHG) emission reductions, etc. in order to support regional projects on energy efficiency and renewable energy.

The ECOWAS Renewable Energy Policy (EREP), in combination with the EEEP, responds to a severe energy crisis in the ECOWAS region. The Member States have expressed the need to mainstream renewable energy (RE) and energy efficiency (EE) into their national policies. Due to different barriers, the countries are unable to take advantage of their vast RE and EE potentials. In this context, the countries have agreed to stronger regional cooperation and integration to accelerate this process.




As part of its mandate, the ECOWAS Centre for Renewable Energy and Energy Efficiency (ECREEE) has been leading the process of developing and implementing the EREP, prepared by ECREEE with technical assistance of the ACP-EU Renewable Energy Programme (RECP) and UNIDO. The EREP, which was prepared based on a comprehensive renewable energy baseline report, was adopted by the ECOWAS Ministers of Energy at the ECOWAS High Level Energy Forum, which took place from 29 to 31 October 2012 in Accra, Ghana. The EREP includes a comprehensive action plan. In the following years, ECREEE

and its partners will be focusing on translating the regional objectives to national targets and activities. ECREEE is currently providing technical assistance to Member States in developing National Renewable Energy Policies (NREPs) and corresponding Action Plans as envisaged in the EREP action plan. The main EREP targets include universal access to electricity by 2030 and a more sustainable and safe provision of domestic energy services for cooking.

The **West African Health Organization (WAHO) developed the ECOWAS Regional Pharmaceutical Plan (ERPP)** in 2014. The Plan offers a comprehensive approach to improving access to essential medicines within the region. A central component of the plan is to reduce the reliance on imported products from outside the region. The document, as approved by Ministers of Health, includes the following mission: “The ERPP seeks to lay down a strategic approach for member states to develop an efficient and effective pharmaceutical sector that would manufacture and supply safe and good quality medicines, for national, regional and international markets”.

Increasing access to high quality, affordable essential medicines is a fundamental requirement to enable the ECOWAS and its Member States improve public health of their citizens. At present, the region relies on imports for over 80% of its essential medicines. This situation leaves the countries vulnerable to supply constraints and makes effective regulation of suppliers of the majority of medicines a huge challenge for the Medicines Regulators in the region. It also limits the countries’ ability to respond to regional health emergencies, making them dependent on imports of products funded by international donors, particularly for treatment of HIV/AIDS, malaria, tuberculosis and COVID-19. Developing the pharmaceutical sector is a multifaceted effort requiring long-term support at the national and regional level and involvement of a variety of stakeholders, so that internationally recognized Good Manufacturing Practices (GMP) could be achieved and sustained.

As a cornerstone of the ERPP, UNIDO developed the Regional GMP Roadmap Framework for the Pharmaceutical Manufacturing Industry in ECOWAS in collaboration with WAHO and relevant government counterparts. It was validated in November 2018 in Abidjan, Ivory Coast. The preparation of the Regional GMP Roadmap has followed a rigorous diagnostic process to ascertain the current status of the industry across the region and the variation in quality standards that are currently in place. Importantly, it sets out a framework utilising a risk-based phased approach for the upgrading of manufacturing sites that can be adapted for specific country contexts. It thus establishes common principles to enable Member States to develop their pharmaceutical manufacturing sectors and to move towards creating a pharmaceutical market in the region. The Framework provides guidance and tools, as well as a risk-based phased schedule for upgrading standards:

-  A tool to assess and categorise the level of compliance of individual manufacturers with each of the 17 key quality elements covered by WHO GMP
-  A tool to categorise (and re-categorise) the overall level of GMP compliance of individual manufacturers as being A (low risk), B (medium risk) and C (high risk)
-  A guidance document that breaks down each of the 17 key quality elements into technical specifics and defines actions and milestones for implementation separating out those that pertain to site related and QMS related aspects of GMP.

2.2.4 International Strategies

Global Agenda 2030 for Sustainable Development, captioned “transforming our world”, is a global action plan for people, planet, prosperity, peace and partnership. While UNIDO contributes to a number of 17 SDGs and 169 targets, the Organization is championing the implementation of the SDG9 that envisages to “build resilient infrastructure, promote inclusive and sustainable industrialization and foster innovation”.

UNIDO’s ISID mandate aims to ensure that:

- 🌐 All countries reach a higher level of industrialization in their economies and benefit from the globalization of markets for industrial goods and services
- 🌐 All countries benefit from industrial growth, with prosperity shared between women and men, urban and rural communities, and small and large enterprises
- 🌐 Wider economic and social growth is supported by a sustainable environmental model so that industrial expansion does not jeopardize the wellbeing of future generations
- 🌐 Unique knowledge and resources of all relevant industrial development actors are combined, including the private sector and IFIs, in order to maximize the ISID impact

Goal 9 recognizes industry and industrialization as the main drivers of sustained economic growth, environmental sustainability, and shared prosperity. In order to take full advantage of important natural resources and reap the benefits of the demographic dividend, Africa in general must become industrialized. It is essential that the African countries invest heavily in the training and education of women and young people. To achieve inclusive and sustainable industrialization, a skills revolution must be undertaken, particularly in the areas of science, technology, engineering and mathematics.

Extreme poverty in Africa cannot be eradicated without a structural transformation of the economies of the continent. The urgency of achieving industrial development in Africa is underlined by the challenges and opportunities that the continent faces in terms of environment, social and economic situation: impact of climate change on rural communities, risks related to the economies based on natural resources, implications of increasing urbanization, current and projected growth of the young population, entrepreneurial potential of African youth and women, migratory pressures and a renewed interest of foreign and national, public and private investors in the continent, among others.

The Figure 2 presents the alignment of the envisioned CP outcomes with the relevant SDGs.



Figure 2 - Alignment of CP outcomes with the SDGs







Furthermore, the implementation of the CP will be guided by the **SIDS Accelerated Modalities of Action (S.A.M.O.A) Pathway**, as an international framework developed at the Third International Conference on Small Island Developing States (SIDS Conference) held on 1-4 September 2014 in Apia, Samoa. The Conference, with the overarching theme "*The sustainable development of Small Island Developing States through genuine and durable partnerships*", played a significant role in identifying SIDS priorities that were taken into account for the formulation of the 2030 Agenda. SIDS face similar development challenges, such as geographic and economic isolation, limited resources, environmental fragility, high costs of transportation and energy, and vulnerability to climate change and natural disasters. Thus, the SAMOA Pathway represents ambitious commitments made by 115 SIDS leaders at the Third International Conference on SIDS. Since the first SIDS Conference in Barbados in 1994, SIDS have sought to use the UN conference platform to reinforce international recognition of SIDS as a special case for development cooperation.

As part of its commitment to the SAMOA Pathway, UNIDO formulated its SIDS strategy to streamline and strengthen its interventions in SIDS, with the aim of achieving ISID. Since vulnerability to climate change and natural disasters is a major challenge for SIDS, the recommendations of the Sendai Framework for Disaster Risk Reduction 2015–2030 were also taken into account. The SIDS strategy was also aligned with UNIDO's Medium-Term Programme Framework (MTPF) 2018–2021 (IDB.43/9 and Add.1), the Gender Equality and Empowerment of Women Strategy, 2016–2019 (GC.16/Res.3), and UNIDO strategies for Middle-Income Countries and Least Developed Countries. The SIDS Strategy covering the period from 2019 to 2025 was endorsed and adopted at the 18th Session of UNIDO's General Conference in November 2019, in Abu Dhabi in UAE (GC18./CRP.5). The Strategy also includes a roadmap which will guide the implementation of UNIDO's SIDS strategy for addressing the vulnerabilities and priorities of SIDS as identified in the SAMOA Pathway.

2.3 Role of industry in realizing development goals

Within the scope of its Plan for the VIII Constitutional Government of the Republic of Cabo Verde (2021-2026), the Government considers the resumption of investment in industrialization to be strategic for increasing the country's export capacity and taking advantage of the opportunities linked to the tourism market, as well as the international agreements like AGOA (African Growth and Opportunity Act) with USA, the ECOWAS (Economic Community of West African States) regional market of and the AfCFTA (African Continental Free Trade Area).

To stimulate trade and industrial development, the Government's main industrial priorities are:

-  Adopt proactive policies that raise industries' productivity, facilitate consolidation of existing sectors and development of new emerging and innovative sectors.
-  Support innovation and technological development (Industry 4.0).
-  Complete Cabo Verde's accession process to the World Intellectual Property Organization (WIPO) and the Agreement and Protocols of African Regional Intellectual Property Organization (ARIPO).
-  Promote International Business Centres and improve the business environment.
-  Reinforce investment in oriented professional training and qualification to improve the competitiveness of the industrial sector.
-  Intensify the implementation of the Energy Efficiency Program in industrial units.

- 🌐 Create conditions to increase export to the US under the AGOA regime, and to African CPLP (Community of Portuguese-Speaking Countries) and ECOWAS countries, especially for industrial products, including the pharmaceuticals within the framework of the International Health Platform.
- 🌐 In partnership with export and manufacturing companies, create the conditions to enhance exports to the EU, and notably stimulate the processing of fish and aquaculture products for export.
- 🌐 Encourage the development of the extractive industry, such as the stone and gravel industry, salt, pozzolan and underwater soil mining, that uses sustainable practices.
- 🌐 Reinforce its commitment to the manufacturing industry and explore opportunities in sectors such as apparel, footwear and food.
- 🌐 Stimulate and encourage the added value in agribusiness (food processing), considering its link to the sector of tourism and the diaspora.

2.4 Major industrial development challenges

According to the Government Plan 2021-2026, the industrial sector faces important challenges related to finance access, technical skills, qualifications and specialization of human resources, transport and logistics, infrastructure, absorption of new and innovative technologies in manufacturing processes, quality management and innovation, in addition to institutional governance constraints.

UNIDO developed a [Country and Industry Profile](#) (CIP) that provided an overview of Cabo Verde's industrial development. The Ministry of Industry, Trade and Energy endorsed it on the Government's behalf in 2021. Following UNIDO guidelines, the CIP uses a set of indicators that provide information on the key ISID issues. The below identified challenges are based on the CIP diagnostic exercise.

Weak economic diversification

Apart from tourism (25% of GDP, 39% of jobs), Cabo Verde's economy is driven by: small retail (11% of GDP, 14.6% of jobs), construction (9.3% of GDP, 11.2% of jobs), agriculture and fisheries (7% of GDP, 10.6% of jobs), **manufacturing** – mainly fish processing and to a lesser extent textiles/footwear – (6.2% of GDP and 10.6% of jobs and an MVA/capita of USD 226¹⁰), and transport (13% GDP, 5% of jobs)¹¹ subsector.

Cabo Verde's manufacturing industry is highly concentrated in the Food & Beverages subsector, which accounts for 82% of total manufactures' exports (Figure 3), with canned fish being the main exported product. This presents a risk to the country's industry, as direct competitors may target the same products and markets. For comparison, only three subsectors (Food & beverages, Apparel and Leather & footwear) in Cabo Verde represent 90% of exports. The same is true for 10 subsectors in Mauritius and 6 subsectors

¹⁰ UNIDO SDG Indicators, 2019

¹¹ INECV, Accessible at: <http://ine.cv/quadros/contas-nacionais-2007-2017/>, reference year: 2018

in Senegal, thus demonstrating the need for diversification of Cabo Verdean industry.

Industry share of total manufactured exports (%)

Cabo Verde			Mauritius			Senegal					
	Share % ▼	Change		Share % ▼	Change		Share % ▼	Change			
1	↑ (L) Food & beverages	81.8	+78.7	1	↑ (L) Food & beverages	30.3	-0.3	1	= (L) Food & beverages	30.9	-48.5
2	↑ (L) Apparel	5.5	+0.8	2	↓ (L) Apparel	18.4	-13.2	2	↑ (M) Basic metals	22.7	+22.4
3	↓ (L) Leather & footwear	3.9	-52.4	3	↓ (L) Textiles	12.3	-18.4	3	↓ (H) Chemicals	16.9	+8.0
4	↑ (L) Furniture & other	2.3	+1.9	4	↑ (H) Chemicals	8.6	+7.5	4	↓ (M) Fuels	13.1	+8.6
5	↑ (L) Textiles	2.0	+1.9	5	= (L) Furniture & other	5.9	+4.6	5	↑ (M) Glass, ceramics & cement	5.0	+4.8

Show all + 2018

Figure 3 – Source: UNIDO Industrial Analytics Platform¹²,
Legend: L = Low tech; M = Mid Tech; H = High Tech

Lack of clear policies on industry, trade and investment

Cabo Verde necessitates an up-to-date industrial, trade and investment policies to guide manufacturing performance in the country. Between 2017-2018, UNIDO undertook an evidence-based diagnostic of the present situation of the industry in Cabo Verde through a ONE UN-funded project ‘Diagnosis of the Industry in Cabo Verde’. The project aimed to identify recommendations for the implementation of the new vision of Industry in Cabo Verde. The recommendations are expected to strengthen the institutional capacity of the Government of Cabo Verde and private sector stakeholders and to support the design of future industrial strategies and policies. In sequence, as referred in section 2.2, UNIDO also supported the elaboration of the draft Industrial Policy, which is yet to be adopted by the Government.

Furthermore, Cabo Verde has a National Investment Agency, the *Cabo Verde TradeInvest*, whose mission is to promote sustainable, inclusive and balanced economic growth of Cabo Verde with the mobilization of quality investments and the dynamization of products exports. Although the agency has been very active and has provided the Government with valuable advice on possible enhancement of the investment climate, there is still room for further improvement.

The CIP analysis has further shown that FDI inflows have been contracting steadily since 2007, when they stood at 12.67% of GDP. Despite occasional peaks, such as in 2014 (9.71% of GDP), the FDI net inflows have been shrinking steadily, reaching 5.4% of GDP in 2019¹³. Although some measures are in place to improve FDI regimes, much is still to be done to reinvigorate and diversify FDI into Cabo Verde’s businesses. In that sense, integration into regional and global value chains should also be strongly supported, particularly in terms of the African Continental Free Trade Area (AfCFTA) which Cabo Verde has signed and recently ratified. More could also be done with programmes and initiatives that increase the benefits from FDI by actively supporting linkages with local suppliers and promoting sustainable business practices¹⁴.

Following the expiration of the Strategic Trade Development Plan (2018-2020), the Government is preparing for the development of a new one. With its proven expertise in advancing economic competitiveness, UNIDO would be well positioned to provide support this initiative.

Lack of functional industrial, trade and investment monitoring database

Monitoring of the effects and impacts of industrial, trade and investment policies and generation of information on the social and economic situation in the country is essential for decision-making.

¹² Available at: <https://iap.unido.org/data/explore?p=CPV&s=MUS&t=SEN>

¹³ World Development Indicators

¹⁴ UNCTAD. *Investment Policy Review Cabo Verde*, 2018

Unfortunately, this kind of data is often unavailable or not up to date. When available, the data is disjointed and unprocessed for analysis. For industry, the Directorate of Industry at the Ministry of Industry, Trade and Energy (MITE) collects information as the responsible Government department but does not keep any historical data, meaning that it is not possible to see the evaluation, performance and tenders for the sector. The lack of or inadequate industrial data has made it difficult to establish an industrial performance monitoring system, or indices of industrial production (among other statistics).

In this context, the institutional capacity of public agencies is crucial to generate technical information and promote a continuous dialogue with the private sector to constantly support the implementation, monitoring and evaluation of the respective policies. For the elaboration of important strategic documents, it is important for the Government to have the capacities to analyse the data and elaborate the studies and technical notes based on national and international empirical information. Currently in the country, the National Statistical Institute (INE) has the mission to efficiently produce and disseminate official statistical information of quality [reliable, timely and punctual].

Regional asymmetries (islands)

The national treasury data shows that the contribution of each island to the national economy has been linear and disproportionate in recent years, with the island of Santiago alone accounting for some 52% of the GDP, followed by São Vicente (16%) and Sal (12%) while the remaining six inhabited islands account for only 20% of the national GDP¹⁵. This is indicative of regional inequalities within Cabo Verde. These economic asymmetries have direct consequences for the distribution of poverty within the country. In 2015, 35% of the population lived in poverty, and of which 10.6% lived in extreme poverty.

Dependence on external trade

Foreign trade is fundamental to the development of Cabo Verde. However, it is marked by a structural deficit in payments balance, particularly the trade balance, which had a deficit of 64,593 million Escudos in 2020. In 2018, the volume of exports reached its maximum level since 2010 with 7,060 million Escudos, representing an increase of 43% over the previous year, but decreased to 5,101 in 2020 due to the pandemic effects¹⁶.

Manufactured exports represent 79% of the total exports¹⁷, and Cabo Verdean exports of manufactured goods are dominated by low-tech products (canned fish, fresh and frozen fish and lobsters, confections, shoe parts, spirits and liqueurs). Portugal and Spain are the main export destinations, accounting for more than 80% of the trade volume. Despite the existing free trade agreement between Cabo Verde and ECOWAS, in 2019 Cabo Verde only managed to export 0.3% of total exports to countries belonging to this region¹⁸. The main reason for the low trade between ECOWAS Member States lies in the existing constraints, including the almost non-existent sea and air connections. Notwithstanding the various trade agreements with countries on other continents, the manufacturing export structure is very narrow, which represents a risk for Cabo Verde's competitiveness.

Low competitiveness, insufficient absorption of innovative technologies, unfavourable business climate

Cabo Verde's economy has limited production capacities and global competitiveness is low. As per World Economic Forum (WEF)'s Global Competitiveness Reports (GCR), Cabo Verde ranked 112th out of 141 countries in 2019, 111th out of 140 countries in 2018 and 110th out of 137 in 2017. In general, the reports indicated "market size" as the most problematic factor for Cabo Verde's economic development, followed

¹⁵ INE, 2017 <https://ine.cv/quadros/pib-precos-mercado-optica-do-produto-2017-ilhas-milhoes-escudos/>

¹⁶ INE, 2021 https://ine.cv/wp-content/uploads/2021/03/boletim-das-estatisticas-do-comercio-externo_anual_2020.pdf

¹⁷ UNIDO, CIP 2020 <https://stat.unido.org/database/CIP%202020>

¹⁸ BCV, [Distribuição Geográfica do Comércio Externo de Mercadorias \(2006 a 2021\)](#)

by "business sophistication and dynamism", "innovation capability", "infrastructure" and "ICT adoption".

In 2020, the WEF published a special edition of the GCR¹⁹, focusing on the countries' road to recovery from the COVID-19 pandemic. The report highlighted the significance of strong governance principles and long-term visions, infrastructure upgrade to accelerate the energy transition and broaden access to electricity and ICT, update of the education curricula and expansion of investments into (particularly digital) skills, incentivization and expansion of investments into research and innovation. Similarly, the UNIDO Industrial Development Report 2020²⁰ underscores that the emergence and diffusion of advanced digital production (ADP) technologies—artificial intelligence, big data analytics, cloud computing, Internet of Things (IoT), advanced robotics and additive manufacturing, among others—are radically altering the nature of manufacturing production and are consequently blurring the boundaries between physical and digital production systems. Under the right conditions, the adoption of these technologies by developing countries can foster ISID and the achievement of the SDGs.

Going forward, the Government of Cabo Verde plans to introduce the eGovernment system and other reforms to facilitate and enhance business operations. Moreover, smaller firms could benefit from recent business facilitation measures. Although the Business-in-One-Day is available to all Limited Liability Companies (LLCs), the bulk of private firms are MSMEs, often micro firms with only one owner and very limited economic resources. Since 2015, a simplified registration system has been available for firms wishing to be included in the special legal regime for micro and small enterprises. However, these firms need to register through a paper-based system. In some municipalities registrations for firms applying for the simplified system can take up to two weeks. Also, despite recent simplifications, other interactions with government agencies can still be burdensome, e.g. obtaining permits to set up facilities, and securing sectoral licenses and permits. The unequal level of economic development between the islands has affected state resources at the municipal level and in some municipalities meeting licensing requirements can be substantially more burdensome, especially in terms of waiting time.

In addition, national MSMEs are not well integrated in the tourism value chain, which is essentially dominated by large international resorts located on the islands of Boa Vista and Sal. The large resorts operate based on integrated delivery models, where intermediaries - mostly foreign companies - obtain most of their products and services in the international market. Moreover, the precarious transport sector results in low connectivity between the islands, which continues to limit the inclusion of national operators in the tourism sector.

Although the Strategic Plan for Sustainable Development 2017-2021 (PEDS) already advocated a break with the old economic model of 'recycling foreign aid through public investment' and its substitution through private investments, this alternative, in order to be effective, requires an adequate business environment. The international benchmark suggests that Cabo Verde still has some way to go to become an attractive investment destination.

The 2020 Doing Business report ranks Cabo Verde 137th among the 190 countries analysed regarding the ease of doing business. Cabo Verde's position is more favourable in variables such as "construction permits" (50), "contract execution" (52), "property registration" (69) and "tax payment" (87). The report suggests that Cabo Verde is falling behind in other aspects, such as "business start-up" (121), "access to credit" (144), "obtaining electricity" (154), "protection of minority investors" (170), "trade cross-border" (109) and "resolving insolvency" (168). Hence, reforms of factors affecting the business environment are

¹⁹ Source: <https://www.weforum.org/reports/the-global-competitiveness-report-2020/in-full>

²⁰ Source: https://www.unido.org/sites/default/files/files/2019-11/UNIDO_IDR2020-English_overview.pdf

necessary and urgent to strengthen the private sector and attract foreign investment, diversify the economy and mitigate high unemployment.

Furthermore, the Government of Cabo Verde, as well as the international community have recognized the importance of special economic zones (SEZ) and industrial parks (IPs) as a catalyst to facilitate socially and environmentally responsible industrial development and their contribution to SDGs. By delivering public goods and the accompanying policy interventions in support of investment, through strong collaboration with the private sector (both as the parks' residents, and very often also as design consultants, construction contractors and as the managers of public projects), industrial parks have proven to be a successful model of public-private collaboration that utilizes the critical private sector expertise and reduces government risks.

Given that Cabo Verde's economy is strongly dependent upon foreign capital as a strategic resource as domestically generated flows do not suffice to finance its development (due to various constraints such as the lack of natural resources, the trade balance deficit and the size and division of the territory), SEZs and IPs can play a key role in attracting relevant investment. Foreign investment has the potential to increase the country's competitive capacity and, by extension, its relevance in the international economy. This also implies an employment growth, creation of new types of jobs and enabling of partnerships between foreign and national companies, allowing the latter to expand their business.

The Government of Cabo Verde, through the Legislative Decree No. 1/2011, established the International Business Centre of Cabo Verde (IBC). The Centre's function is to promote international trade and foster investment, enabling greater economic and social development. The IBC comprises (i) the International Industrial Centre (Industrial Free Zones), (ii) the International Centre for Commerce (Commercial Free Zones), and (iii) the International Centre for the Provision of Services. Entities and services providers that perform industrial or business activities in Cabo Verde may register with the IBC. Entities duly registered as IBC operators may be eligible for tax and customs benefits, including VAT exemptions and special relief on corporate income tax. Entities carrying out business activities within the tourism sector, banking and insurance, real estate and civil construction are not entitled to the above tax benefits.

The IBC's relevance as another strategic tool to bring the country closer to its goal of a circulation economy in the mid-Atlantic has been reinstated by the PEDS 2017-2021 and the Government Plan for the VIII Constitutional Government of the Republic of Cabo Verde (2021-2026). In the latter, the Government decided to make further efforts to support innovation and technological development, towards the Industry 4.0, including through update of the quality infrastructure (QI) system and the IGRP System for industrial licensing, and through review and update of the IBC and utilization of SEZs/IPs for export promotion. Some of the main challenges that the IBC still faces are related to the completion of its regulatory framework.

In addition to the IBC, there are a number of IPs under construction. The first operational IP is the Industrial and Logistics Park of Lazareto in S. Vicente, which has been managed by Sociedade de Gestão da Zona Industrial do Lazareto (SGZ) since 2004. The company signed a concession contract in March 2005 with the initial validity period until 2025. The Park is composed of 14 industrial lots of 2500m² and 40 industrial lots of 5000m² and is equipped with electrical power and drinking water distribution network, rain and conditioning system, streets, sidewalks and vehicle parking areas. Even though the Park needs further investment for requalification, it provides useful services to its users, including surveillance and public lighting services, electricity and water supply, collection and removal of solid waste, wastewater collection and wastewater drainage system, air disposal, and telecommunications.

With the objective of stimulating the economy and creating conditions for the installation of industries, the Government intends to create new IPs in Santo Antão, Santiago and Sal. More specifically, the MITE has been collaborating with relevant municipalities to identify new areas for industries in the Municipal Plans.

Several constraints slowed down this process, including:

- 🌍 Lack of relevant basic infrastructure and equipment to establish the parks;
- 🌍 Rigidity of municipal regulations;
- 🌍 Reduced offer of land for industrial and logistic use and conflicts regarding purposing of land for industrial activities and logistics versus other land uses;
- 🌍 Non-existence of effective sectorial policy instruments for the industrial sector; and
- 🌍 Specific financing lines that respond to the specificities of the specificities of the industry sector.

Water, Energy and Transport

Due to severe drought conditions, the domestic water consumption in Cabo Verde, is still close to subsistence levels. At present, the country relies mainly on desalination using reverse osmosis technology in urban areas and pumping from the 360 operational boreholes in rural areas, both of which require a great amount of energy at high costs which has been one of the main deterrents to increase water access. In fact, the utility companies in the country have some of the most expensive water tariffs in Africa. Water shortages and energy challenges limit local productive capacities, especially in terms of reliability and consistency through quality assurance systems. This is a critical barrier for local businesses and organizations operating within the agriculture and fishery value chains to successfully compete with foreign suppliers, mostly based in Europe and currently accounting for a vast majority of services and goods within the tourism industry. Increasing access to sustainable energy to *inter alia* manage water resources is hence instrumental for lifting natural constraints limiting agriculture and industrial development.

Another critical barrier is limited mobility and connectivity within and between islands, especially via maritime channels, which hampers access to services and markets²¹. The transport sector has a significant impact on the country's fuel dependency, considering that approximately 67% of imported fuel goes to ground transport. The Government is thus contemplating sustainable transport measures aligned with the ambitious RE targets, as an opportunity to further diversify the country's energy mix, with anticipated gains in energy security, reduction of GHG emissions, air and noise pollution. In this context and considering the existing favourable conditions such as comparatively short distances, great RE potential, national effort to shift toward greater utilization of sustainable energy options, technology maturity and global call for transition to sustainable transport, Cabo Verde would benefit from the development of electric mobility market and enhanced sustainability of e-mobility.

Environmental degradation and climate change

As a Small Island Developing State (SIDS), Cabo Verde is highly vulnerable to economic and climate shocks. In addition, inadequate protection of its natural capital threatens the tourism sector and other livelihood sources. Its lack of resilience constitutes an important risk to further progress. Given its geographical characteristics and its location in the mid-Atlantic, Cabo Verde is highly exposed to natural disasters, including droughts, extreme storms, sea level rise, and volcanic eruptions. Climate change is expected to rapidly increase Cabo Verde's exposure to extreme weather events, while disaster response options remain insufficient²².

Cabo Verde is also affected by periodic heavy rainfall that, in combination with high elevation steep slopes,

²¹ UN, Cabo Verde CCA 2020

²² Source: World Bank Group, Republic of Cabo Verde – Adjusting the Development Model to Revive Growth and Strengthen Social Inclusion (Systematic Country Diagnostic), 2018.

causes flash floods and leaves trails of destruction in coastal zones and low-lying urban settlements. The country is also exposed to other hazards such as landslides and coastal erosion. Sea level rise and volcanic eruptions also threaten the country's social and economic progress. Historical record of volcanic activity has been noted regarding the Pico de Fogo Volcano, which has erupted 29 times since the discovery. The last time the eruption lasted 88 days, destroying the livelihoods of the two communities of Chã das Caldeiras. The volcanic eruption also impacted the air quality, prevented normal flight operation, and negatively affected the tourism industry.

Such repeated shocks affect the resilience of households — in particular the poor ones — making it increasingly hard for them to recover from such events. International experience shows that vulnerable groups, such as female-headed households, young children, and the elderly, are impacted the most by natural hazards due to their tendency to live in disaster-prone marginal areas and urban slums, their reduced safe housing options, and their low capacity to recover from shocks.

Adverse climate change effects and environmental disasters also have significant implications for the agricultural sector, resulting in reduced agricultural and food production and in increased prices of agricultural products. Agricultural productivity shocks thus have an immediate negative impact on the GDP.

These adverse effects are expected to worsen, as Cabo Verde is one of the countries that is most vulnerable to climate change. The 2016 World Risk Report (WRR) ranked Cabo Verde 31st out of 171 analysed countries with the World Risk Index (WRI) estimated at 10.39%. The 2019 WRR²³ showed a deterioration for Cabo Verde with its ranking moving to 11th place and its WRI increasing to 18.02%. The 2020 WRR still ranked Cabo Verde as 11th with a risk of 17.73%²⁴. The report also highlighted that “continental states bear a low to moderate risk, [but] island states, particularly in the South Pacific Ocean and the Caribbean, face very high risks: with Vanuatu, Tonga, Dominica, Antigua and Barbuda, Solomon Islands, Brunei Darussalam, Papua New Guinea, Philippines, Cabo Verde and Fiji, a total of ten island states are among the 15 countries with the highest risk.

While the sea-level rise is a crucial factor for these high risks, storms and earthquakes also contribute to the risk profile of many island and mainland states”. Furthermore, the report notes that “the African continent bears the second-highest risk of continents with a median of 8.89 for 53 countries. In Africa, the highest risks are found in Cabo Verde (17.73), Djibouti (16.23), the Comoros (14.88), Niger (13.85), Guinea-Bissau (13.32) and Nigeria (13.09). The lack of adaptation capacities is equally pronounced for the African continent because the lowest capacities worldwide are located – together with the West Asian Yemen – in Chad, Mali, the Central African Republic and Niger”.

COVID-19 impact on the manufacturing industry

As demonstrated in UNIDO's World Manufacturing Production Statistics for Quarter 1 2021, the national containment strategies amid the pandemic caused a notable decrease in manufacturing production in 2020, with significant impact on both demand and supply. Consumer demand declined in general due to uncertainties triggered by travel restrictions, remote working, job losses and other factors, while the production of certain goods came to a worldwide halt for several months²⁵. Figure 4 shows how the industry is expected to recover in 2021 in terms of MVA, showing that Africa had the smallest drop in 2020 (-1,9%), and will have the smallest growth in 2021 (2,6%).

²³ Available at: https://reliefweb.int/sites/reliefweb.int/files/resources/WorldRiskReport-2019_Online_english.pdf

²⁴ Available at: <https://reliefweb.int/sites/reliefweb.int/files/resources/WorldRiskReport-2020.pdf>

²⁵ UNIDO, World Manufacturing Production Statistics for Quarter I 2021



	Growth rates 2020, revised	Growth rates 2021, forecasts
World	-6.8	7.6
Grouping by development		
Industrialized economies	-10.4	7.2
Eastern Asia (IE)	-8.5	6.2
Europe (IE)	-11.6	5.7
Northern America (IE)	-10.4	10.3
China	-0.7	9.0
Developing and EIEs (excl.China)	-6.2	5.9
Africa (Dev. and EIE)	-1.9	2.6
Asia and Pacific (Dev. and EIE, excl. China)	-4.6	7.3
Europe (Dev. and EIE)	-6.7	5.3
Latin America (Dev. and EIE)	-11.7	4.2
Emerging industrial economies	-7.2	6.8
Least developed economies	1.9	0.6
Other developing economies	-3.1	2.2
Grouping by region		
Africa	-1.9	2.6
Asia and Pacific	-3.6	7.9
Europe	-11.4	5.7
Latin America	-11.3	4.1
Northern America	-10.4	10.3

Figure 4 - Annual MVA (in constant 2015 US\$) growth forecasts, selected country groups; Source: UNIDO Statistics





In Cabo Verde, it is estimated that the manufacturing sector has suffered less impact with the containment measures. A survey for Rapid Impact Assessment of COVID-19 in enterprises conducted by National Statistics Institute demonstrated that most companies expected their revenues to grow or remain flat during third quarter of 2020²⁶.

²⁶ INE, <https://ine.cv/publicacoes/avaliacao-impacto-da-pandemia-da-covid-19-inquerito-rapido-as-empresas-2o-trimestre/>







3 CP results framework

3.1 Brief overview of the previous CP outcomes and evaluation recommendations

The previous CP 2015-2017 incorporated four components addressing the relevant upstream and downstream issues in a complementary manner, to effectively support delivery of ISID in Cabo Verde:

-  Component 1- Institutional and Trade Capacity Building included strengthening of institutional and trade capacity of the national governance structures to establish a public-private sector dialogue and contribute to policy design, business environment reform, investment promotion. Initiatives under this component also strived to ensure better quality, implementation and monitoring processes for enhanced productivity, upgrade of enterprises and collective efficiency increase.
-  Component 2 - Agribusiness Development focused on the promotion of agribusiness development through linkages between agribusiness clusters development by the private sector on the one, and implementation of integrated value and supply chains on the other hand.
-  Component 3 - Private Sector and Entrepreneurship Development focused on job creation through sustainable development of the existing private sector and entrepreneurship promotion for establishment of new enterprises in selected value chains.
-  Component 4 - Access to Energy and Environmental Management supported enhancement of national capacities to sustain productivity and good environmental performance, including through implementation of effective waste management strategies and promotion of energy efficiency and use of renewable energy creating added value for the country.

For the CP 2015-2017, no independent evaluation was performed. Nevertheless, a self-assessment was conducted in consultation with the government counterparts. This exercise resulted in recommendations that were incorporated into the final CP report prepared in 2017. The recommendations were as follows:

-  Continue promoting partnerships and mobilize funds jointly with the development partners, and in strong collaboration with the national counterparts.
-  Continue promoting partnerships with other UN agencies in areas of complementarity. Also, explore synergies and pursue collaboration between individual UNIDO projects, in thematic areas such as value chain development, cluster creation and enhancement of quality infrastructure.
-  Establish and foster regular meetings of the CP Steering Committee to ensure leadership and ownership of the CP by the Government.
-  Develop a roadmap for the elaboration of the next CP considering the conclusions and recommendations of the UNIDO project Diagnosis of Industry.
-  Establish an Industrial Trust Fund with the financial contribution from the Government as a sign of engagement and commitment towards the national industrial development goals and to leverage further support from the international community and the development partners.
-  Continue advocacy and communication efforts promoting the Government's industrialization efforts and UNIDO's technical support for the country, to ensure CP visibility and maintain strong partnership and collaboration between the Government, private sector, civil society organizations (CSOs), development partners, UN agencies and other relevant stakeholders.





3.2 CP strategy

Cabo Verde's vision for the industry sector, enshrined in the *Ambition 2030*, consists of achieving, a competitive and innovative industrial sector, contributing significantly to sustainable and inclusive development, integrated in the regional and global value chains²⁷.





Therefore, the *main objective* of UNIDO CP Cabo Verde 2022-2026 is to ensure that Cabo Verde's population benefits from enhanced integration in regional and global value chains through a competitive, diversified, sustainable and innovative industrial economy, strong and active private sector and adequate policies and strategies.

In order to achieve this goal, UNIDO, in strong collaboration with the Government of Cabo Verde and other relevant partners and stakeholders, intends to provide advisory, normative and technical support to the policymakers, development agencies and institutions and the private sector, with a particular focus on MSMEs and women-led enterprises, on their path towards inclusive and sustainable industrial development, while propelling multi-stakeholder partnerships and fostering joint UN initiatives and industrial cooperation at the country, regional and global levels.

UNIDO's vision is to assist Member States in accelerating their transformation towards ISID, seizing industrial development opportunities to achieve the AU Agenda 2063, the 2030 Agenda and the SDGs. ISID requires that:

-  Every country achieves a higher level of industrialization in their economies and benefits from the globalization of markets for industrial goods and services
-  No one is left behind in benefiting from industrial growth, and prosperity is shared across the population in all countries
-  Broader economic and social growth is supported within an environmentally sustainable framework
-  Unique knowledge and resources of all relevant development actors are combined to maximize the impact of ISID on development

Therefore, the CP has adopted four ISID thematic areas derived from the Lima Declaration, adopted by UNIDO's Member States in December 2013, which set the foundation for a new vision of ISID and highlighted the role of industrialization as a driver for development:

-  **creating shared prosperity**
-  **advancing economic competitiveness**
-  **safeguarding the environment**
-  **strengthening knowledge and institutions.**

These shall be advanced in national, regional, and global initiatives, through UNIDO's four core functions: (i) technical cooperation; (ii) analytical and research functions and policy advisory services; (iii) normative functions and standards and quality-related activities; and (iv) convening and partnerships for knowledge transfer, networking, and industrial cooperation, in line with UNIDO's Medium-Term Programme Framework 2022-2025 and other relevant policies.

The Country Programme will also be implemented in line with the UNDAF 2018-2022 and will contribute to the UNSDCF 2023-2027, the formulation of which has been informed by the findings and recommendations of the Common Country Analysis (CCA).

²⁷ [Government of Cabo Verde, Declaration of Commitment for Sustainable Development](#)

The CP 2022-2026 will be structured into three main focus areas and six thematic components, addressing the relevant upstream and downstream issues in a complementary manner, to effectively support the achievement of the CP’s main objective (see Figure 5). The components are strongly interlinked and will facilitate the achievement of the envisioned CP impact. Each CP component will be delivered by tailored technical assistance in the areas where UNIDO has a comparative advantage and where joint programming with UN sister agencies and synergies with other development partners can be encouraged. The selected priority sectors include Agro-Industry, Processed Fish and Drinks, Apparel, Footwear, ICT, Pharmaceuticals and Extractive Industry.

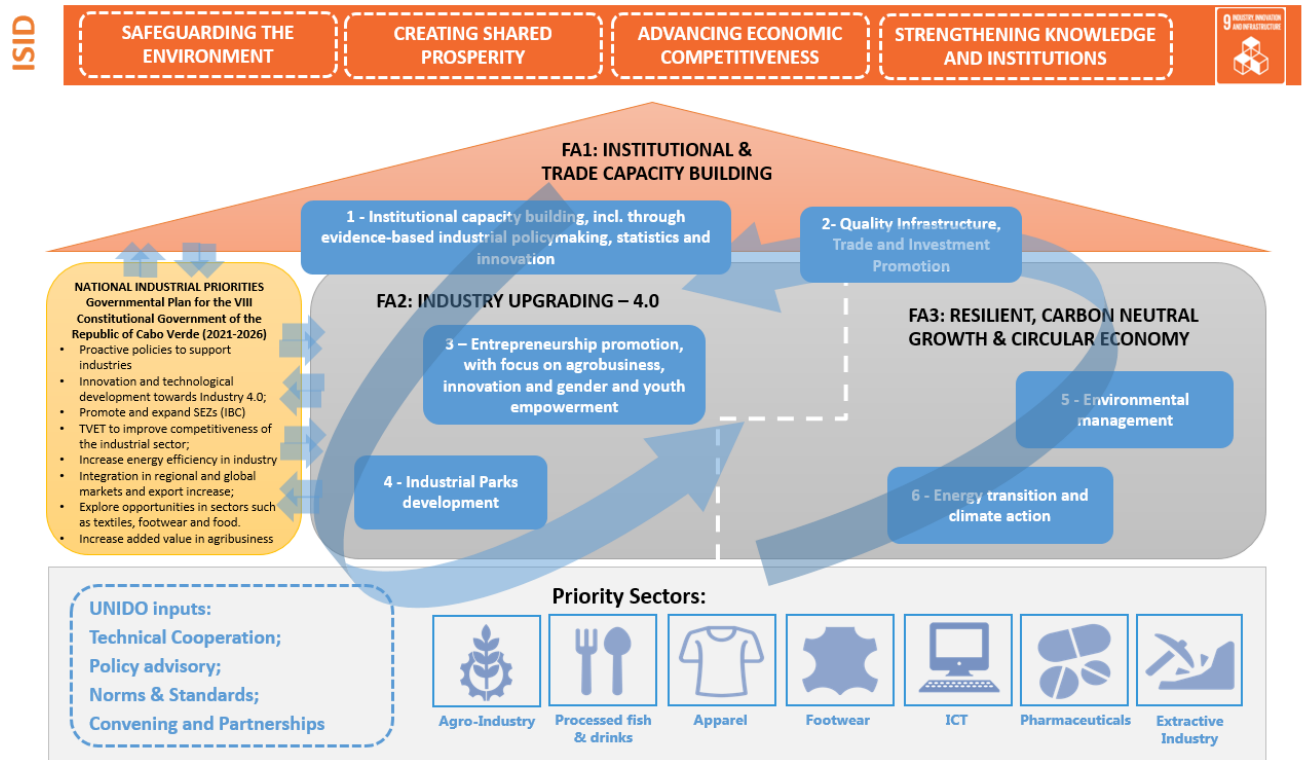


Figure 5 - CP Strategic Map

To ensure the scale-up and sustainability of the CP results, a number of capacity-building activities is planned at macro, meso and micro level, tailored to each of the three CP focus areas. Furthermore, at macro level, the Government will benefit from the CP support through received advice on policies, laws, the regulatory framework and procedures, which once implemented, are expected to stimulate private sector development and the development of local human capital with special focus on women and youth empowerment. The aim of such support is to improve the policy environment and strengthen national institutional capacities. At meso level, the target groups are SME support institutions and industrial zones that aim at strengthening capacities for planning and management of industrial parks and green urbanization projects. At micro level, SMEs are the programme’s target group.

3.3 CP components

The Cabo Verde Country Programme will cover the following Focus Areas and respective Components, that have been endorsed by the Government of Cabo Verde, represented by the Ministry of Industry, Trade and Energy (MITE):

Focus Area 1: Institutional and Trade Capacity Building

Component 1: Institutional capacity building, including through evidence-based industrial policymaking, statistics and innovation;

Component 2: Quality infrastructure, trade and investment promotion;

Focus Area 2: Industry Upgrading towards Industry 4.0

Component 3: Entrepreneurship promotion, with focus on agrobusiness, innovation, gender and youth empowerment;

Component 4: Industrial parks development;

Focus Area 3: Resilient, carbon neutral growth and circular economy

Component 5: Environmental management;

Component 6: Energy transition and climate action.

3.3.1 Focus Area 1: Institutional and Trade Capacity Building

Given the tough global competition, even high-quality products may lose their competitive edge if the support environment (regulatory framework, business infrastructure) and the National Quality Infrastructure (NQI) are inadequate. Strengthening and upgrade of that support environment is essentially a joint venture between the public and the private sector, with the development actors' facilitative role in developing countries and the government playing a key role in creating a conducive trading environment.

3.3.1.1 Component 1: Institutional capacity building, including through evidence-based industrial policymaking, statistics and innovation;

This component aims at providing **institutional capacity building** for the main industrial players of the country, including MITE, Ministry of Digital Economy, Institute of Quality Management and Intellectual Property (IGQPI), covering two thematic sub-areas: support the innovation environment through enhancement of the **National System of Innovation (NSI)** and contribute to **evidence-based industrial policymaking** with knowledge sharing and relevant technical advisory support.

Challenges and opportunities

Over the years successive Cabo Verdean governments have defined industrial policies and strategies, based primarily on the priorities introduced in various Government Programs, state budgets, national development plans and other strategic documents, including the Sustainable Development Strategic Plans (PEDS) and the Growth and Poverty Reduction Documents (DECRPs). However, implementation of these industrial policies and strategies has often lacked efficiency and effectiveness. Moreover, design of industrial policies requires stronger consideration of pertinent trends likely to influence industrial policy-making, including but not limited to rapid digitalization of industrial activities, trends towards economic integration in the African countries, and others.

Similarly, several reforms have been carried out in the industry sector, notably to adapt state institutions to specific areas involving business activity and participation in the multilateral trade system, but they have

also proved insufficient in the face of the development and growth challenges posed to the country.

Whilst a new draft industrial policy for the period 2020-2030 is yet to be adopted by the government, there is a need to strengthen implementation capacities, including for the monitoring and reporting on relevant industrial development strategies to ensure evidence-based, well-informed decision-making. In addition, there is a need for institutional capacity building through individual/organizational learning, formal/informal education and training. Cabo Verde institutions require enhanced capacities to provide appropriate support to the private sector in terms of a) trainings for enhanced innovation competences, b) convening and fostering partnerships with other relevant economic actors and c) modernized services and operational efficiency.

UNIDO’s comparative advantage

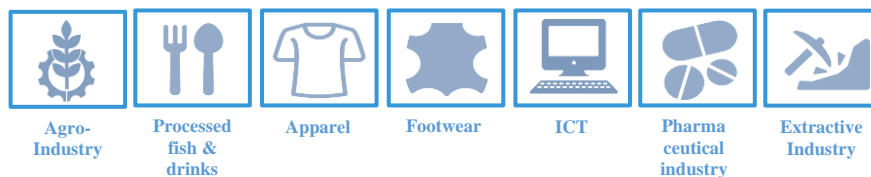
Within UNIDO, the Research and Industrial Policy Advice (RAP) Division as part of the Department of Policy Research and Statistics has long-lasting and demonstrated experience in assisting Member States to design and implement industrial strategies and accelerate inclusive and sustainable industrial development on the policy level.

UNIDO distinguishes between ‘industrial **strategy**’, which provides the direction to where development should lead, and ‘industrial **policy**’, which comprises a set of policy measures and tools that enable a country to move towards specific strategic goals. The typical policy process can be seen as a cycle and involves five distinct steps, the content of which is suggested by international best practices: (1) industrial diagnosis, (2) strategy design, (3) policy formulation, (4) policy implementation, and (5) monitoring and evaluation.

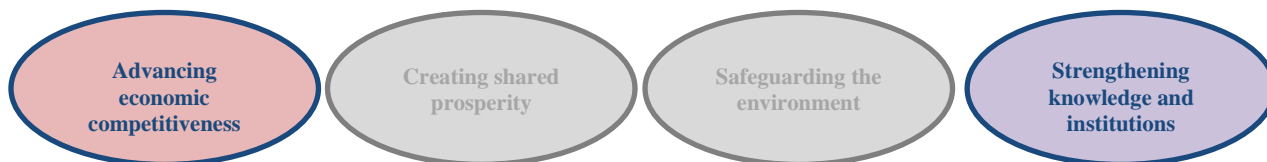
Global experience shows that effective industrial policy processes need to be evidence-based, participatory and focused on realistic objectives. International best practice examples also suggest that a successful industrial policy cycle must start from a thorough industrial diagnosis that maps the local and global industrial landscape and provides an in-depth understanding of country characteristics, constraints and opportunities, as well as global trends. UNIDO has been assisting its Member States in such initiatives, including via Country and Industry Profiles and country diagnostics for development of CPs and PCPs.

CP Cabo Verde Approach

Priority sectors:



ISID strategic priorities:



Targeted outputs:





OUTPUT 1.1	Capacity building provided to strengthen government’s capacity for production and analysis of industrial statistics and for strategy development
OUTPUT 1.2	Preparation and support in implementation of the action plan for a strengthened NSI

Supporting the development of national System of Innovation Action Plan: this activity will build on the request of the Government of Cabo Verde (GoCV) for UNIDO’s assistance in the development of the Cabo Verde National System of Innovation (CVNSI) dated 27 January 2020. The initiative will focus on elaboration and implementation of an action plan for the NSI development, thus contributing to the PEDS vision of establishing a digital platform for technological innovation and transforming Cabo Verde into a regional ICT Hub.

This work will draw from the findings and recommendations of UNIDO’s report “Cabo Verde National System of Innovation – Measurement, Analysis and Policy Recommendations”. For the benefit of the GoCV and the government entities, the report surveys and depicts essential and systemic features of the landscape of innovation and innovativeness in Cabo Verde. It underscores the “need to strengthen linkages between crucial CVNSI actors, particularly for the use and application of research, skills orientation and development”. Secondly, the analysis highlights that the “relationships between CVNSI actors are imbalanced, which stymies the flow of knowledge and information crucial to the innovation process”. This links to the third finding that “the most significant latent factor barrier to innovation for the system is unsophisticated market knowledge, without which there is limited drive to innovate”. The report is a result of UNIDO’s project “Cabo Verde National System of Innovation Survey”, implemented in partnership with the PROEMPRESA Institute of Business Promotion and Support, INE – National Statistics Institute and the Chamber of Commerce of South. These will continue to be key counterparts in the implementation of this CP component.

For an effective and sustainable innovative ecosystem in Cabo Verde, it is imperative that knowledge-based institutions (KBIs) such as higher education institutions, public and private research institutes are identified and included as key stakeholders in all strategies and related activities.

Finally, the CVNSI report acknowledges the great potential of KBIs and industrial actors already present in the country. However, it also highlights their remoteness and independence from the policymaking processes, especially in terms of wielding influence in configuring and calibrating policy to exploit knowledge as well as intermediating the flows of technical know-how. It also highlights the currently truncated relationship between KBIs and industrial actors. As the key driver for building skilled human capital in Cabo Verde, KBIs are among the key partners for the implementation of the CP Component 1. Considerations that should be considered when framing and articulating interventions are:

-  Promoting better knowledge flow between institutions and utilization of the knowledge-base as a national resource.
-  Linking the industry’s demands and requirements to the supply generated by KBIs.
-  Develop relevant curriculum that adapts to technological trends, esp. the 4th Industrial Revolution
-  Promoting financial investments into R&D activities (including its marketization)

Build capacities in evidence-based policymaking: UNIDO deploys a range of capacity-building schemes, including class and on-the-job training, study tours, expert group meetings, staff exchange programs and knowledge platforms, all aiming to transfer knowledge and practical experience around evidence-based policymaking. The training schemes are based on and propagate the use of one or more tools from UNIDO’s toolbox on [Enhancing the Quality of Industrial Policies \(EQuIP\)](#). This is a set of analytical tools that support decision-makers to design evidence-based industrial policies in a sustainable and self-determined way. It

can help policymakers to address important strategic questions, such as how to move from an agrarian to industrial economy, diversify the economy, create more jobs in the industry, upgrade industry, promote the greening of industry and reduce poverty through industry.

Based on its [Strategic Industrial Intelligence and Governance approach](#), UNIDO supported Cabo Verde in the past in the scope of the project “Institutional Capacity Building for Competitiveness” that aimed at strengthening the public sector in designing and implementing an industrial policy for diversification. UNIDO has set up a Competitiveness Intelligence Unit (CIU) at the Centre of Strategic Policy. CIU members have been trained in UNIDO’s methodology for industry and trade competitiveness analysis for country diagnosis, and value chain and sectoral competitiveness. The team has finalized the Cabo Verde Industrial Competitiveness Report 2011, including engagement with the MITE.

As part of the CP 2022-2026, there is potential to mobilize, update and upgrade existing capacities at the CIU to carry out background analytical work to inform prospects for CV’s industrial activities in context of regional integration efforts in Africa. These activities can be supported by recent RPA efforts to revamp its EQUIP toolkit to address issues around trade and value chain analysis, digitalization and other areas that could be of relevance to inform CV’s draft industrial policies, by including more detailed evidence and recommendations around regional integration efforts.

Potential partnerships:

MITE, Ministry of Digital Economy, PROEMPRESA Institute of Business Promotion and Support, INE – National Statistics Institute, Chamber of Commerce of South

3.3.1.2 Component 2: Quality Infrastructure, Trade and Investment Promotion

The goal of this component is to strengthen Cabo Verde’s regional and international market access, competitiveness and consumer protection by supporting the country’s quality system. Successful trade and market access require that the exports meet the standards, specifications and regulations of the importing countries and that the private sector understands the importance of compliance to quality standards, innovation and successful marketing strategies in raising competitiveness. In order to achieve this, the country needs a sound and solid National Quality System (NQS), which can be achieved through technical assistance successfully delivered at three levels: political, institutional and private sector.

NQS is a catalyst for improving the quality of products and services on a national and regional scale. It therefore helps to stimulate demand for products and services, which in turn invigorates individual businesses and the economy as a whole, providing the underpinnings that enable producers and enterprises to compete nationally and internationally. By helping national industry to meet the requirements of export markets, the NQS increases the competitiveness of the country’s economy and its ability to participate in global trade and in Global Value Chains (GVC). The ultimate goal of the NQS is to comply with the requirements of product application. Therefore, it plays a crucial role in internationalization processes and advances competitiveness of the enterprises. It enhances market transparency and the welfare of society.

NQS can only function properly as a whole. The absence or weakness of any one of the institutions will compromise the effectiveness, and ultimately the efficiency, of the whole system, thereby negatively affecting the business environment. It is hence an important element in maintaining a conducive business environment, which is a prerequisite for trade and competitiveness that are essential for growth and poverty reduction.

In order to improve market access in Cabo Verde, there is a strong and growing need to develop a sustainable and targeted QI, catered to the market entry requirements. Furthermore, strengthening firms’ compliance capacity, and promoting awareness and a general culture of complying with relevant quality standards will ensure that a country reaps benefits of a stronger QI. As quality does not only refer to

products, but extends to all areas of production, distribution and management, a quality culture is required to assist MSMEs to strengthen their competitiveness sustainably, in order to effectively compete in the global market. In turn, the development of a quality culture in Cabo Verde is crucial for ensuring demand for the QI services. Thus, it creates a link between the strengthening of the NQS and the private sector, bringing the two components together.

Challenges and opportunities

Cabo Verde's solid foreign direct investment (FDI) attraction performance was instrumental in the country's graduation to middle-income economy. However, FDI and economic activity largely remained concentrated in a few sectors (tourism) and limited to a few locations (Sal and Boa Vista Islands)²⁸.

Furthermore, FDI inflows have been contracting steadily since 2007 (12.67% of GDP). Despite occasional peaks, such as in 2014 (9.71% of GDP), the FDI net inflows continued shrinking reaching 5.4% of GDP in 2019. Although some efforts are in place to improve FDI regimes, much is still to be done to reinvigorate and diversify FDI²⁹. Integration into regional and global value chains should be strongly supported, particularly in terms of the African Continental Free Trade Area (AfCFTA) which Cabo Verde has signed and recently ratified. More could also be done through programmes and initiatives that increase the benefits from FDI by actively supporting linkages with local suppliers, and through promotion of sustainable business practices.³⁰

Manufactured exports (dominated by low-tech products such as canned fish, fresh and frozen fish, fresh and frozen lobsters, confections, shoe parts, spirits and liqueurs) represent 79% of the total exports with Portugal and Spain as the main export destinations, representing more than 80% of the volume.³¹ Despite the existing free trade agreement between Cabo Verde and ECOWAS, Cabo Verde only managed to export 0.3% of total exports to countries belonging to this region in 2019.³² The low trade with ECOWAS countries is partly due to logistical constraints, including the almost non-existent sea and air connections. Notwithstanding the various trade agreements with various continents, the manufacturing export structure is very concentrated which composes a risk to Cabo Verde's competitiveness. For example, trade agreements established with the United States of America under the AGOA, represent an enormous potential but necessitate relevant mechanisms to facilitate the access of Cabo Verdean economic operators to this vast market. Similarly, given the large number of consumers in the African market, enhanced regional trade is a strong opportunity for Cabo Verde's industrial development.³³

As a source of development finance, FDI has enabled Cabo Verde's graduation from least developed country (LDC) status in 2008 and the creation of a tourism industry, which is currently the economy's most important sector. However, FDI remains heavily concentrated in all-inclusive tourism and in two locations (the islands of Sal and Boa Vista). A high concentration of FDI limits opportunities for linkages and spill-overs within the domestic economy and increases vulnerability to economic shocks such as those witnessed during the pandemic. To ameliorate the weakness exposed by COVID-19, the Government is encouraged to upgrade investment policy and promotion to strategically attract FDI in new sectors that could enable greater integration into global and regional value chains, boost transfer of new technology to local firms, exports, and skilled jobs. Tourism will continue to play an important role as a source of income and jobs, and a proactive linkages policy in the sector could increase local sourcing of promising products, especially in agriculture or fishery sectors.

²⁸ UNCTAD, *Investment Policy Review Cabo Verde*, 2018

²⁹ UNCTAD, *Investment Policy Review Cabo Verde*, 2018

³⁰ UNCTAD, *Investment Policy Review Cabo Verde*, 2018

³¹ UNIDO, CIP 2020 <https://stat.unido.org/database/CIP%202020>

³² BCV, *Distribuição Geográfica do Comércio Externo de Mercadorias (2006 a 2021)*

³³ MICE, *Cabo Verde Diagnosis and Recommendations for the Industry (Final Version)*, May 2020

In addition, private sector reforms are essential to unlock new sources of growth and ensure a faster economic recovery from the pandemic. Over the medium term, spurring new investment, improving the business environment, and fostering competition and private sector entry is needed for Cabo Verde to increase economic diversification, support sustainable growth and ensure fiscal responsibility. This objective includes diversifying investment across sectors, islands and within tourism as well as to increase resilience to potential shocks.

The notion of quality culture comprises of shared values, beliefs, expectations and commitments toward quality, that are supported by policies, systems and processes which guide how actions are performed and how improvements are made to everyday practices and consequent activities. It applies to all levels - individual, organizational, societal and national – that together contribute to the development of effective care for quality.

Strengthening the quality culture in Cabo Verde is the most effective, meaningful and sustainable way to ensure and improve quality, and to embed a dynamic system of change for better competitiveness at all levels. As quality does not only refer to products, but extends to all areas of production, distribution and management, a quality culture is required to assist SME to strengthen their competitiveness sustainably, in order to effectively compete in the global market. In turn, the development of a quality culture is crucial for ensuring demand for the QI services. Thus, it creates a link between the strengthening of the QI and the private sector, bringing the two components together. Enhancing awareness for quality is the first step in achieving a quality culture.

UNIDO's comparative advantage

UNIDO has an extensive and proven record of accomplishment in working with governments, industry and other major stakeholders in trade facilitation and trade capacity building through quality and standards compliance, with many projects implemented around the world. UNIDO has unique global expertise, being the largest multilateral player in QI development and a preferred partner of many developing countries and development partners, widely recognized to be a center of excellence in this area. It strengthens national and regional QI systems by defining quality-related policies and good governance strategies, strengthening metrology, standardization and accreditation services, enhancing the competitiveness of the private sector and promoting quality awareness.

UNIDO helps developing countries and economies in transition to comply with international standards. Product traceability is just one example of the global standards with which exporters need to comply in order to enter foreign markets. Manufacturers and related industry support institutions need to develop systems to comply with the new management standards, and therefore require assistance in related capacity building, awareness building and the dissemination of the necessary expertise and information. UNIDO also provides technical assistance to ensure that products are adequately tested according to international standards and conformity assessment requirements before they enter global markets. In this vein, UNIDO supports the operation of national laboratories to test products and samples for compliance to international standards.

On the supply side, UNIDO supports enterprises in their efforts to offer competitive, safe, reliable and cost-effective products to world markets. This requires identifying sectors and products that have a comparative advantage and are suitable for local value addition, as well as analyzing and assessing trends in industrial performance at national, regional and global level, and formulating strategies and business plans to improve industrial competitiveness, overcome technical barriers to trade (TBT) and comply with sanitary and phytosanitary measures (SPS). UNIDO further assists countries with upgrade of manufacturing processes in sectors with high-export potential to internationally acceptable levels and supports the creation of export

consortia, a specialized form of SME network as well as designing and implementing national and regional commodity-based trade capacity-building programmes, in cooperation with international partner agencies such as WTO, ITC, FAO and CFC.

Value Chains (VC) have become an increasingly dominant feature of world trade and investment. At the international level, integration into existing Global Value Chains (GVC) can provide a valuable step to economic development. Given the leading role of VC development in poverty reduction, particularly by creating increased employment in both rural and urban areas (off-farm processing and income diversification), VC assist in providing market access to smallholders, while creating business linkages to SMEs. The use of the VC approach to development allows for a comprehensive approach to working with the private sector, facilitating a deeper understanding of the economic, social and political dynamics, and making the QI development more directly linked to the goal of export/trade development. Furthermore, the VC approach allows for a focused approach to incorporating key cross-cutting issues, resulting in the design of systemic, demand driven interventions, to ensure more comprehensive and effective impacts and results. UNIDO focuses on private sector development solutions to promote the selected VC of the CP. At policy and institutional levels, the initial focus is on removing constraints identified as obstacles to the effective performance of the VC. UNIDO services in this area include: (i) creating an enabling environment for private sector development; (ii) developing business services, including the collection and dissemination of market information and the promotion of knowledge flow, and assistance in such areas as technology upgrading, quality management, and training; and (iii) establishing the necessary infrastructure for compliance with accreditation systems.

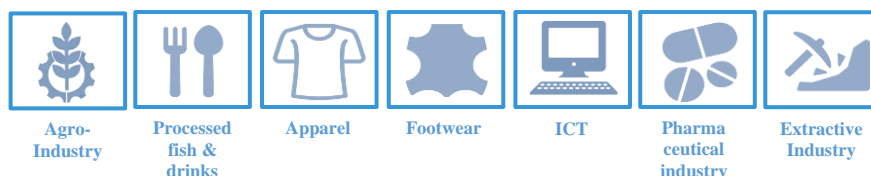
The purpose of UNIDO’s technical cooperation function is to build capacity of Member States to initiate and carry out their own programmes in the field of industrial development. Thus, tailored assistance is provided to developing countries under the principles summarized in below table, that emphasize hand-in-hand and hands-on cooperation with stakeholders on collective actions based on shared objectives.

Principles	Brief description of main functions
Coordination with other initiatives, where possible, to take benefit of synergies.	A detail mapping of other cooperation projects and initiatives in the same field at the country and regional level is undertaken at project inception phase, to determine linkages and synergies. UNIDO promotes these synergies where possible.
Knowledge transfer to local staff.	For project execution, UNIDO uses a blend of national and very renowned international experts, as required for each specific project. Through the blending with local experts and local institutions, knowledge is transferred, while enhancing awareness, commitment and involvement of local stakeholders, laying the foundation for sustainability.
International experience exchange.	Through UNIDO’s international network of enterprises, experts and institutions, the organization strives to promote experience exchanges relevant to the beneficiary countries.
Holistic approach to upgrading, including sustainability aspects.	When working with enterprises directly, UNIDO applies a holistic approach, which does not only focus on compliance and delivery parameters, but also includes good governance and sustainability considerations.

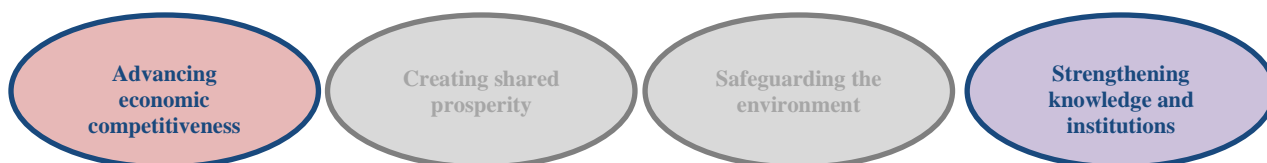
UNIDO also has a wide array of instruments and networks that could be deployed to support the process of identification and promotion of industrial investment opportunities. One such instrument is UNIDO’s [Subcontracting and Partnership Exchange \(SPX\) Centres](#), which firstly act as a platform for matchmaking of suppliers and buyers at the national, regional and international level, then provide follow-up on investment opportunities emanating from the process. Another important instrument is UNIDO’s [Computer Model for Feasibility Analysis and Reporting \(COMFAR\)](#), a cutting-edge feasibility analysis tool that aims to ensure the bankability of projects during their development phase. Links to international markets or potential investors can then be established through UNIDO’s Network of eight [Investment and Technology Promotion Offices \(ITPOs\)](#).

CP Cabo Verde Approach

Priority sectors:



ISID strategic priorities:







Targeted outputs:

OUTPUT 2.1	Enhance the National Quality System, in line with regional and global standards
OUTPUT 2.2	Identification and promotion of industrial investment opportunities are facilitated through convening and mobilization of partnerships, including South-South cooperation

Through the Quality component of the “**West Africa Competitiveness and Quality Infrastructure Project (WACQIP)** - Sustainable value chain development and successful trade integration”, UNIDO will contribute to Cabo Verde’s goal to strengthen its national quality system. The project already contributes significantly to removing the technical barriers to trade on a national level, enhance the competitiveness of West Africa’s private sector as well as enhance regional integration and trade.

More specifically, the following project activities will feed into the future CP:

-  Consolidate ongoing support and enhance the regional quality infrastructure to develop and implement standards and regulations with focus on selected VCs
-  Update of the action matrix of the National Quality Policy (NQP)
-  Support the setting up and promotion of regional reference laboratories through accreditation
-  Promotion of quality and ECOWAS Certification Mark

Coordinate quality infrastructure of Member States and encourage networking of national quality units. In addition, UNIDO will support IGQPI in updating the PEDS-II (2022-2026) through a sectoral approach to include quality infrastructure related interventions and address specific needs to enhance the National

Quality System in Cabo Verde through this strategic framework.

UNIDO is also supporting the **pharmaceutical** sector in the country. The Organization developed the National Roadmap for Cabo Verde³⁴ which provides a technical basis for updating the pharmaceutical production standards. This Roadmap was developed in the scope of the regional project “Strengthening the local production of essential medicines in developing countries through advisory and capacity-building support”, in which UNIDO supported the ECOWAS and its Member States by developing the Good Manufacturing Practices (GMP) Roadmap Framework for the pharmaceutical industry in the ECOWAS Region and a National Roadmap for each of the ECOWAS Member States in 2019. The roadmaps were developed in close cooperation with the West African Health Organization (WAHO).

Cabo Verde is a beneficiary in an inter-regional EU-funded initiative implemented jointly by ITC, WBG and UNIDO titled “Support to business friendly and inclusive national and regional policies, and strengthening productive capabilities and value chains”. Within the scope of the project, on a macro level, the WB team will address gaps in diagnostics and identify complementarities with technical assistance support, as well as at least three lending operations worth approximately US\$60 million. Analytical work is also conducted in relation to debt management, privatization, human capital development and tourism sector development. Moreover, UNIDO is also part of the joint project “Connecting blue economy actors: Generating employment, supporting livelihoods and mobilizing resources” implemented by UNIDO, UNDP, FAO and IOM. The project aims at unleashing the potential of the blue economy by *inter alia* promoting investments into the sector and enabling access to finance for SMEs and local communities.

Additionally, through the demonstration and scaling-up components of the two GEF projects further described in Focus Area 3 section, UNIDO will promote investments in innovative and clean technologies solutions.

Potential partnerships:

CVTrade Invest, MITE, IGQPI, Inpharma, Independent Health Regulatory Authority (ERIS), West African Health Organization (WAHO), GEF.

3.3.2 Focus Area 2: Industry Upgrading towards Industry 4.0

The fourth wave of technological innovations, often referred to as the Fourth Industrial Revolution (4IR), is characterized by the integration of digital connectivity and advanced technologies. 4IR gives rise to automated industrial systems and smart production processes that boost efficiency across economic activities. It plays a key role in enabling ISID. Innovation and digital transformation are not only a source of quality employment and the backbone of any knowledge-based economy, but they also enable vulnerable groups to increase their participation in productive activities. This new wave encompasses a wide variety of technologies ranging from adoption of computers and automation enhanced by smart and autonomous systems, big data and complex artificial learning algorithms, as well as digitally connected manufacturing, 3D printing, robotics, new materials, as well as biotechnology and smart production systems.

3.3.2.1 Component 3: Entrepreneurship promotion, with focus on agrobusiness, innovation, gender and youth empowerment

The Government has identified Agriculture and Agribusiness as key sectors for development. Guided by the motto “from a subsistence agriculture to a business agriculture”, the Government intends to launch a transition to agriculture and agroindustry that respects and protects the environment, generates fair income

³⁴ Available at: <https://open.unido.org/api/documents/16381793/download/Roteiro%20de%20BPF%20para%20Cabo%20Verde.pdf>

for the farmers and other actors in the agro-value chain, contributing to poverty reduction. It further aims to increase competitiveness of the sector and enhance the integration of the agricultural products in international markets (particularly by finding relevant niches for Cabo Verdean local produce), thus ensuring food and nutritional security of the population and increasing the export capacity of the country.

The primary sector and the whole value chain in combination with the manufacturing industry have enormous development potential for the domestic market as well as the tourism industry. Currently, the annual tourist influx in Cabo Verde represents a potential market that can secure more than EUR 60 million in earnings for the fisheries and the agricultural sector, i.e. the food industry. This figure may double in the next 5 years and the Government's ambition is to adopt policy measures to achieve at least 30% of this predicted earnings amount. In this context, the Government will promote a paradigm shift of agriculture vocation, including evolution from family farms to modernized, competitive agricultural units, with improved production and marketing methods. This is expected to diversify the agriculture production, solve problems related to market access and credit, production factors and technologies, the quality and organization of value chains.

The UN in Cabo Verde, especially UNIDO and FAO, have been supporting the Government with policy advice and technical assistance to reduce rural poverty by increasing and maximizing employment opportunities and supporting the establishment of a stronger economic base to sustain current rural livelihood systems with a focus on agriculture, livestock and fisheries. Special attention has been given to youth and women in rural areas via entrepreneurial and vocational training.

Challenges and opportunities

Cabo Verde has a poorly developed productive base due to a set of structural constraints, such as the lack of natural resources, small territorial size, insularity, territorial discontinuity, prolonged droughts, scarce water resources, reduced potential of cultivable areas. In this sense and due to its Sahelian location, the agricultural potential of the country is limited, being able to satisfy its production only in 10% to 15% of the food consumption needs³⁵.

Furthermore, the country's food processing industry is poorly diversified, with a small panoply of activities in this branch due to the structural challenges of the country, essentially the shortage of raw materials and recurrent shortages of consumer and intermediate goods needed for industrial production, due to dependence on imports. This sector presented some minor innovations over the years in small industries that have predominance in baking industries, cheeses, jams and jellies and the production of beverages such as brandy, wine, coffee, juices and soft drinks, located mainly on the islands of Santiago, Santo Antão and São Vicente.

The agribusiness and food system in Cabo Verde consist of imports, primary production, processing and marketing (direct or after processing) to consumers. It is based essentially on the marketing of fresh produce, mainly vegetables and the production of some agro-industry (sweets with fruit pulp, cheese, sausages, coffee, liqueurs, cane brandy, wine, etc.). Imports constitute the bulk of our food system and the Government itself recognizes that it is not possible, there are no structural conditions, to produce locally the quantity of food that the population needs³⁶.

The Government of Cabo Verde also recognized, even before the pandemic, the need for greater economic diversification³⁷, which has become even more urgent in the context of the present pandemic. Diversifying tourism, connecting local value chains to hotels and restaurants, boosting the blue economy, tapping into

³⁵ Minister of Agriculture and Environment (MAA – DGASP)

³⁶ VIII Government Plan (2021)

³⁷ Cabo Verde Sustainable Development Strategic plan 2017-2021 (PEDS)

the potential of digital economy, while enhancing local agriculture and fisheries and promoting ISID, are all essential for immediate recovery and future resilience of the country.

UNIDO’s comparative advantage

UNIDO has extensive experience in providing technical and vocational education and training (TVET) assistance to developing countries around the world. UNIDO’s technical coordination services and highly adaptable training materials are developed and backstopped by TVET in-house experts. This includes access to a global network of specialized TVET experts to provide short-term contributions when needed.

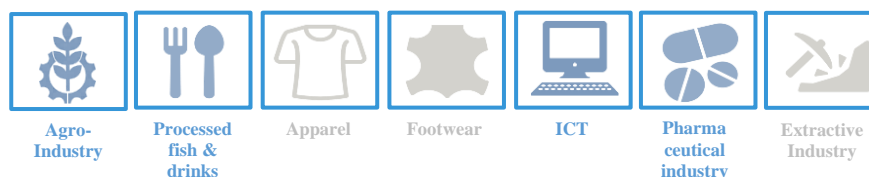
UNIDO’s solutions use a holistic approach that aims to engage actors on multiple levels. This includes: working directly with individuals (with a focus on youth) and small and medium enterprises to upgrade skills; supporting private and public training facilities in upgrading their curricula and overall training delivery capacities, and advising on how to better align curricula with international qualification frameworks and standards as well as market demands; and assisting governments in evaluating their TVET systems by identifying shortcomings, financial and human capacity requirements as well as creating new and enhancing existing links with the private sector.

Agro-industrial activities benefit a number of groups, including poor and marginalized rural populations, urban agro-industries and communities facing food security challenges or requiring urgent supplies of agricultural equipment and the rehabilitation of food industries. Technical cooperation and capacity-building services are provided primarily to agro-based and agro-related businesses and industries in the food, leather, textiles, wood and agricultural equipment sectors, amongst others. UNIDO promotes investment in agribusiness and value chain development; builds partnerships and linkages with strategic financing institutions; organizes various global forums and expert group meetings in related fields; and publishes specialized training manuals, guidelines and electronic media.

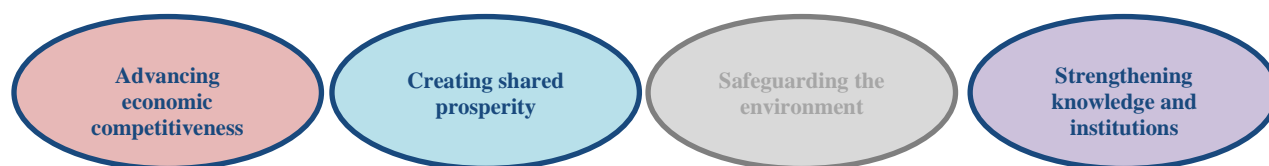
Finally, UNIDO has developed and applied a methodology called Innovation, Development and Entrepreneurship for All (IDEA), which focuses on engaging local women and youth in productive processes by enhancing their entrepreneurial skills and employability. The Organization also provides necessary tools to effectively launch and run green businesses in the formal sector. IDEA approach has been utilized to develop a number of projects on accelerating job creation for African youth, through agribusiness and entrepreneurship development.

CP Cabo Verde Approach

Priority sectors:



ISID strategic priorities:



Targeted outputs:

OUTPUT 3.1	Entrepreneurship training and vocational programmes organized for MSMEs and students, fostering industrial skills, including industry 4.0
OUTPUT 3.2	Capacity building provided to relevant MSMEs to uptake innovative technologies and integrate better into relevant VCs
OUTPUT 3.3	Capacity building provided to strengthen agrobusinesses and agro-industries, especially the ones led by youth and women

UNIDO is currently engaged in projects targeting the MSMEs and their modernization and industrial upgrade. The UNIDO-FAO joint programme “**Opportunities for Youth in Africa**” (OYA). For example, focuses on job creation and entrepreneurship in agriculture and agribusiness. The initiative was launched in 2019 and encompasses six pilot countries: Cabo Verde, the Democratic Republic of the Congo, Ghana, Kenya, Tunisia and Zambia. The Government of Cabo Verde, through the Ministry of Agriculture and Environment, and the MITE, has manifested their interest to participate in the programme.

As clearly expressed by the national Government, Cabo Verde aspires to become a digital hub where digital skills and technologies are extensively available and used by local enterprises and national institutions. UNIDO will support the digital transition mainly by advocating for creation of an innovative ecosystem and accompanying the modernization of the MSMEs.

In the scope of the United Nations Country Team (UNCT), UNIDO is also part of the SDG Funded joint project “**Connecting blue economy actors: Generating employment, supporting livelihoods and mobilizing resources**”. The project is implemented by UNIDO, UNDP, FAO and IOM, and aims at unleashing the potential of the blue economy in Cabo Verde as an accelerator of the SDGs and an engine of socio-economic inclusion for the poor coastal communities in the island of Santiago, Cabo Verde, especially women and youth. Its objectives are to increase the income of youth and women in the pilot coastal communities by improving their access to innovation, decent jobs, markets, services and finance, and to foster investments to finance blue economy income-generating projects, in particular impact and diaspora investments.

Potential partnerships:

MITE, PROEMPRESA Institute of Business Promotion and Support, Private Sector trough Chambers of Commerce and Young Entrepreneurs Association of Cabo Verde (AJEC), Academia, Development partners UNDP, FAO and IOM.

3.3.2.2 Component 4: Industrial Parks development

Inclusive and sustainable IPs are a feasible, innovative and integrated intervention, which can be used to support countries, especially developing countries and middle-income economies, in accelerating their inclusive and sustainable industrialization and structural transformation. They help overcome business infrastructure constraints and barriers to firm entry into the markets. IPs have the capacity to generate high productivity, stimulate innovation, promote investment and foster social inclusion and environmental protection.

Recently, a number of trends have been shaping the future of IPs. Firstly, the increase in the number of IPs since the early 1990s has created a competition to attract investment and pressure to offer ever better services. Secondly, increasing urbanization and the growth of residential and mixed-use areas in or adjacent to IPs has created pressure to better integrate them into their broader urban context. Thirdly, better management of environmental externalities in recent years, particularly in the context of increased awareness of climate change, has become an increasingly significant factor in business operations and decision-making for ‘green growth’ and resource-efficient ‘circular economy’ business models. Fourthly,




the digital transformation, particularly in technologies related to Industry 4.0, presents opportunities and challenges for enterprises that actively embrace the trend and make an effort to stay abreast of the productivity gains.

Investment in industrial parks presents valuable opportunities to leverage support of the international community and the private sector for development of Cabo Verde's economy and notably its industry sector. This is demonstrated in Country and Industry Profile report produced by UNIDO with strong results for the benchmark countries like Mauritius and Côte d'Ivoire.

Within the scope of its Programme for the VIII Constitutional Government of the Republic of Cabo Verde (2021-2026), the Government is committed to promote International Business Centers, as a specific type of IPs, through legislative revision and of a competitive program to attract investors and companies.

Challenges and opportunities

According to Law Decree n° 57/2017, the International Business Center (CIN) was established through legislative decree n° 1/2011 and was designed to promote international trade and encourage investment, making greater economic and social development more viable. It was later altered by Law Decree 38/2013 and Law Decree 41/2016. Setting up the CIN will give fresh impetus to the country's industrial sector, in the sphere of industrial park development. The CIN is characterized as follows:

-  Geographically delimited areas, called Industrial and Logistical Development Zones;
-  Free trade zones or free warehouse zones (may coincide either in whole or in part with the ZIL – Industrial and Logistical Zones); and
-  Properly licensed companies or establishments.

The economic operators operating in the CIN may perform industrial activities in the CII (International Industrial Center), trade activities in the CIC (International Trade Center), and service provision activities geared towards export in the CIPS (International Service Provision Center). The investor license and the exporter certificate, under Law Decree 42/2015, are issued by the responsible government body through the BUI – Investor One Stop Service Center.

The Government may grant a particular body a public service concession on the establishment, management, use and promotion of the CIN. Similarly, under Section X of Law Decree 13/2010, the Government promotes the creation of industrial and logistical parks or zones, and can authorize the installation, management, use, and promotion of these.

There are several IPs currently under construction. The first operational IP is the Lazareto Industrial and Logistical Park in São Vicente, managed since 2004 by the Sociedade de Gestão da Zona Industrial do Lazareto, S.A. (SGZ). The park consists of 14 industrial lots spanning 2,500m² and 40 industrial lots spanning 5,000m². It is supplied with: (i) electric power distribution network, MT and BT; (ii) drinking water distribution network; (iii) wastewater and rainwater drainage system; (iv) roads, sidewalks and vehicle parking zones.

The Lazareto Industrial and Logistical Park – while requiring investment for further upgrade – offers several services to its users, such as security services, public lighting, electricity and water supply, collection and removal of solid waste, collection and drainage of wastewater and telecommunications. The Government of Cabo Verde also established the Industrial Park of Achada Grande Trás, in Praia. The intent was to attract and concentrate all industries operating in Praia within the park area but scattered in different zones (Tira-Chapéu, Praia-Negra, etc.) and to attract new investments. Meanwhile, this initiative suffered some deviations. Some industries located in Praia are still operating outside the industrial park, although a number of retail and distribution companies relocated to Achada Grande Trás. Currently, this industrial park faces space-related challenges and necessitates further expansion.

With the goal to dynamize the economy and create appropriate conditions for attracting business, there are plans to create new industrial parks on Santo Antão, Santiago and Sal. A team from the MITE has been working on the creation of these parks and has negotiated with municipal councils to provide zones for industries to use in the MMP – Municipal Master Plan.

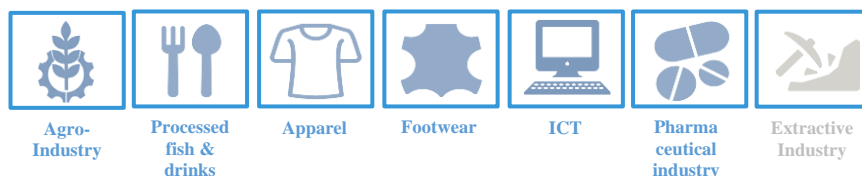
Further yet, a Special Economic Zone (SEZ) is currently being established in São Vicente for the maritime economy. The project anticipates provision of maritime transport, port operations, fishing, services specializing in logistical support, as well as tourism, science and education specializing in the sea sector. Finally, two Technological Parks are under development in Praia and in Mindelo. This is a government’s flagship initiative to realize its vision of Cabo Verde as a Technological Hub.

UNIDO’s comparative advantage

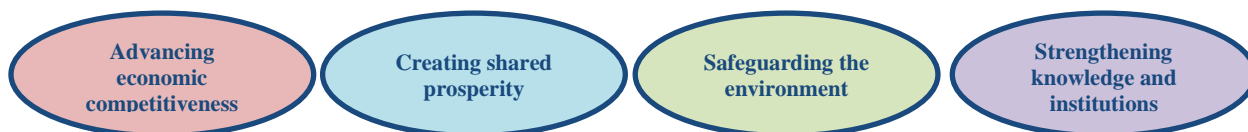
Over the past four decades, UNIDO has been promoting the establishment of industrial parks. It has been assisting its Member States in the planning and establishment of industrial parks to support sustainable growth through industrial development. UNIDO provides the technical support in infrastructure development and complements this with appropriate policy analysis and advice to support the operationalizing of the industrial parks. It can further support its member countries to mobilize diverse partners, financial resources and knowledge in order to create the synergies required to promote and implement industrial development, and to maximize development opportunities following the establishment of IPs. As part of its holistic approach, UNIDO consolidates best practices and develops the necessary guidance tools to support its Member States and partners on issues related to industrial park development. In November 2019, the Organization published the “[International Guidelines for Industrial Parks](#)”, a comprehensive reference framework to guide the development of competitive, inclusive and sustainable parks.

CP Cabo Verde Approach

Priority sectors:



ISID strategic priorities:



Targeted outputs:

OUTPUT 4.1	Policy instruments and regulatory reforms for Sustainable Industrial Parks (IPs) are developed
OUTPUT 4.2	Capacity building provided for relevant national institutions to attract investment into SEZs and IPs

UNIDO can provide a wide range of services related to Industrial Parks (IP) development in Cabo Verde, including for Integrated Agro-Industrial Parks (IAIPs), Special Economic Zones (SEZ), Agro-poles, Eco-Industrial Parks and Technology Parks. Such services entail *inter alia* improving the regulatory framework, policies and guidelines for accelerating the establishment of IPs, promoting partnerships with private sector

and donors, and UNIDO ITPO networks, encouraging technology transfer, new skills development, and investment; supporting the design and implementation process for established IPs.

More specifically, the following project activities will feed into the future CP:

Developing relevant policies and improving legal/regulatory frameworks: Clear recommendations would be prepared with regards to comprehensive and conducive policies and legal/regulatory frameworks governing IPs/SEZs in Cabo Verde. This would not only attract investors and enterprises, but also ensure that these zones are established in line with economic, social and environmental standards, while clarifying the role of each stakeholders involved. To reach this objective, activities can include (i) a comprehensive gap analysis, including a review/assessment of the current legal and regulatory framework, (ii) recommendations/action plan on the most appropriate legal and regulatory reforms to be undertaken, based on the local context, gaps identified and international best practices, (iii) amendments of the laws/decrees in force, (iv) a review of the investment package (tax and customs incentives) offered by existing incentive schemes, and (v) drafting legal texts related to the administration and management of IPs/SEZs (selection procedures of developers, operators and enterprises, installation authorizations for companies, texts on urban planning, security, etc.)

Building capacities of national institutions: Attracting more and long-term investments to the IPs/SEZs of Cabo Verde is key to the development of value chains, the creation of sustainable jobs and the acceleration of economic diversification. For that, coordination, supervision and management mechanism need to be innovative, so as to ensure effective and efficient interaction between public and private stakeholders and sufficient and prompt provision of high-quality public services, taking into consideration the experience from other successful IPs/SEZs and international good practices. The IPs component of Cabo Verde CP will contribute to enhancing the institutional capacity of the national institutions and relevant actors to effectively fulfil their mandate of promoting FDIs, creating jobs and enhancing regional integration through the development of IPs/SEZs. Given that public finance could not be sufficient, establishing or strengthening contacts between the country and international financing institutions (e.g. the World Bank, the African Development Bank, etc.) is utmost importance for supporting the mobilization of national and foreign investors in the IPs/SEZs of Cabo Verde.

Potential partnerships:

MITE, Ministry of Digital Economy, Chambers of Commerce.






3.3.3 Focus Area 3: Resilient, carbon neutral growth and circular economy

Pollution, climate change, habitat destruction and over-exploitation of natural resources such as fresh water and fisheries are doing great harm to human health, wellbeing and livelihood, especially among poorer regions, as well as undermining the prospects for a long-term resilient and robust economy. One of the prerequisites for industry to flourish in a sustainable manner is the availability of a reliable supply of affordable and clean energy, together with improved resource efficiency.

3.3.3.1 Component 5: Environmental management

Inclusive and sustainable industrial development is widely recognized as a growth engine. On the other hand, massive production and consumption of resources, challenges related to waste management and population exponential growth make the globally prevalent linear model of “take-make-use-dispose” no longer sustainable. In a context of climate emergency, the linear models of consumption and production contribute to GHG emission, water consumption and resource scarcity.

Resource-efficient production and circular economy are alternatives seeking to decouple economic growth and social well-being from environmental degradation. Circular economy is an industrial economy that returns products, parts and materials (biomass, fossils, metals and non-metallic minerals) into use several times, based on the principles that:

-  Products are designed to last;
-  Value is maintained for as long as possible;
-  Generation of waste and pollution is minimized;
-  Transition to low-carbon energy systems along a value chain, as much as possible;
-  Climate adaption and resilience.

Circular economy principles are applicable to all economies, whether industrialized or less industrialized, and to all actors, governments, businesses and consumers.

In addition to increased attention on circular economy approaches to prevent environmental degradation, the international community has promoted global treaties and actions aiming to reduce pollutants, reduce GHG emissions and phase-out ozone-depleting substances, leading to the continuing degradation of human health and the environment. The Montreal Protocol on Substances that Deplete the Ozone Layer focuses on phasing out ozone-depleting substances and phasing down potent GHG used in refrigeration and air-conditioning. The Stockholm Convention on Persistent Organic Pollutants (POPs), is a global treaty to protect human health and the environment from chemicals that remain intact in the environment for long period, become widely distributed geographically, accumulate and have harmful impacts on human health and on the environment. The United Nations Framework Convention on Climate Change (UNFCCC) established an international environmental treaty to combat interference with the climate system, complementing by the Kyoto Protocol in the 1997 and the Paris Agreement in 2016.

With the aim of reducing energy and resource consumption as well as waste generation, subsequent emission and its hazardous impact on human health and the environment, the component will address the barriers towards establishing circular economy approaches in identified priority sectors. With detailed value chain and stock-tacking analysis, technical assistance and locally-appropriate investment, this project will support circular approaches with the strong collaboration of the private (formal and informal) sector and the local public stakeholders.

Challenges and opportunities











As a SIDS, Cabo Verde is extremely vulnerable to the negative impacts of climate change and the climate change related risks have been well documented. Moreover, the country's exposure to climate change will likely increase in the future, in terms of frequency and severity of hydrometeorological risks (floods and droughts) and possible increases in sea level. Therefore, Cabo Verde must build its resilience and adaptation strategies.

Meeting the climate challenge requires industries and institutions — both public and private — able to assess and understand climate change, design and implement adequate policies and initiatives, and work towards resource-efficient production and consumption systems and low-emission growth. “Decoupling” natural resource use and environmental impacts from economic growth is a key requirement for overcoming the pressing challenge of growing resource needs and consumption levels.

The Government of Cabo Verde is aware of the global and national state of climate emergency and advocates a responsible and respectful attitude towards current and future generations. The government is committed to ensure compliance with international conventions on the environment and has worked to complete its obligations under relevant agreements in the recent years.

In Cabo Verde, recycling and reusing capacities for solid waste are limited. The level of consumption tends to steadily increase with the urbanisation growth and consequently the amount of generated waste is increasing. Circular economy approaches are not adopted in most economic sectors, including the industrial sector, and the potential of economic benefits of circularity in solid waste management are missed opportunities at local and regional level. The 3R concept, namely to reduce, reuse and recycle material from waste in order to move away from a linear approach to waste management, is not implemented at an industrial scale. It is therefore important to strengthen the local uses and the export of recycled and remanufactured products, from Cabo Verde to international markets. Technological gaps affect the quality of recycled products. With the proposed initiatives, UNIDO will promote technology transfer in view of improving the quality of products in line with international standards requirements. Such standards will be set as part of improved regulatory framework and promoted in actionable plans. The objective is to strengthen the local uses and the export of recycled and remanufactured products, from Cabo Verde to the international market, in order to close the loop of the value chain in a circular economy framework. The aim of the investment will be to strengthen the technical capacity of the industrial sector, such as collectors and recyclers to produce secondary materials for local market or for export as well as introducing green aspects into product design (e.g. eco-design and RECP practices). Activities will focus on technical capacity building, technology transfer, and PPPs in close collaboration with authorities at municipal and national level and selected private partners.

In its Programme for the VIII Constitutional Government of the Republic of Cabo Verde (2021-2026), the Government commits to implement the actions that are underway and close to completion, namely:

-  Drafting and approval of a roadmap for implementation of the Paris Agreement
-  Reformulation of the Designated National Authority for Climate Funds to ensure greater efficiency in resource mobilization
-  Update of the NDC (Nationally Determined Contribution) focusing on adaptation measures
-  Approval of the National Adaptation Plan
-  Approval of the Resilience Plan for the agricultural sector
-  Preparation of the first Readiness Programme supported through the Green Climate Fund (one million dollars per year, for 3 years) and presentation of projects.
-  Revision of the legislation on the exploitation of mineral masses.
-  Approval of the legal regime for strategic environmental assessment.
-  Approval of the new legislation on the use of plastics in Cabo Verde
-  Approval of the national strategy for extractive industry

UNIDO's comparative advantage

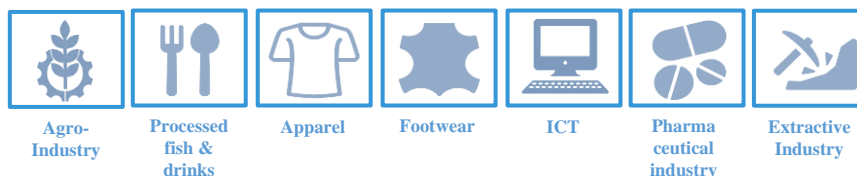
UNIDO supports countries in their environmental management efforts, including the implementation of multilateral environmental agreements and improvement of production practice to increase resource-efficiency and decrease pollution and negative environmental effects. It helps to create new green industries, establishing national road maps for greening the supply chain, determining benchmarks and indicators, disseminating and sharing best practices, running clean technology programmes, undertaking various capacity-building exercises and contributing to international forums with the necessary research and expertise.

UNIDO's services include capacity building and direct technical support to enterprises and government institutions on cleaner production policies and strategies, as well as promotion, adaptation and transfer of environmentally sound technologies and the implementation of advanced business models, such as chemical leasing.

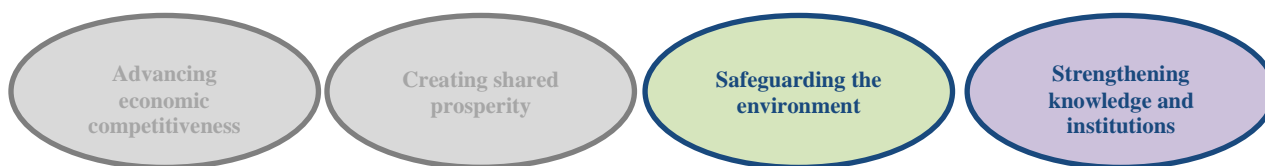
UNIDO mainly promotes sustainable production by helping countries to build climate neutral circular economies. In this regard, UNIDO assists countries by not only helping to improve the sustainability of industrial processes, but also by providing support in the design and mainstreaming of greener products, and by strengthening the environmentally sound management of waste, including recycling and re-use of non-hazardous substances, greening the IPs and establishment of eco-industrial parks. UNIDO also supports countries to introduce greener business approaches along the supply and value chain of industrial products. This helps to improve resource and energy efficiency, reduce or eliminate industrial pollution, and facilitate more responsible material sourcing.

CP Cabo Verde Approach

Priority sectors:



ISID strategic priorities:



Targeted outputs:

OUTPUT 5.1	Facilitate the adoption of cleaner production processes and the reduction and recycling of waste generated by priority sectors, with a circular economy approach
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UNIDO is well positioned to support the implementation of multilateral environmental agreements. .. In October 2019, UNIDO completed the “Minamata Convention: Initial Assessment in Cabo Verde and São Tomé and Príncipe”. The project was a part of pre-ratification activities under the **Minamata Convention** completed to enable policy and strategic decision-making and to prioritize areas for future interventions. Future UNIDO support could *inter alia* include advancing the previous work on country’s compliance to the Minamata Convention.

Cabo Verde's growing vulnerability towards environmental instabilities as well as its high level of poverty and dependence on fossil fuels present significant challenges within the country. The Government of Cabo Verde has made solid commitments to confronting the challenges of climate change, by proposing mitigation and adaptation measures to successfully achieve targets made in its Nationally Determined Contribution (NDC). Cabo Verde's Strategic Plan for Sustainable Development 2017-2021 (PEDS) identifies key sectors with great potential for improvement, such as the energy, water and food sector, and their cross-sectoral challenges and opportunities. At the national level, Cabo Verde has developed the Grand Strategic Plan Options for Sustainable Tourism Development for 2018-2030 (GOPEDS-Tourism 2018-2030), identifying sectors that are strongly interlinked with the **tourism and hotel industry**, such as the **energy, water and food sector**, and their cross-sectoral challenges and opportunities. Most of the tourist resorts are mainly located along the coastal areas of the archipelago and are highly vulnerable to climate changes. At the same time, the sector has high potential to increase its sustainability and even more so after the exposure to the COVID-19 pandemic and its consequences. Whereas tourism contributes directly to only 10% of the GHG emissions of Cabo Verde, the sector is heavily reliant on other sectors and supply chains that are major drivers of GHG emissions such as water desalination, electricity, food production, waste management, etc.

Hence, as part of efforts to successfully address the existing national commitments and progress with the fulfilment of Cabo Verde's NDC targets, the country's National Designated Authority (NDA) and the Ministry of Tourism and Transport requested the support for a **GCF Country Programme development and a programmatic sustainable tourism planning**, with UNIDO's technical assistance. The proposed programme seeks to identify climate change priorities, including a pipeline of projects that the country seeks to develop with GCF. It will furthermore address cross-sectoral challenges and identify opportunities within the tourism sector to foster sustainable decision making. As a result, this should unlock climate finance flows towards circular and sustainable tourism interventions.

Waste management is one of Cabo Verde's main challenges. Therefore, the Government has been investing efforts in an integrated approach for environment preservation and promotion of green economy. To tackle Cabo Verde's environmental challenges, UNIDO can support the country in its efforts to improve the quality of air, water and land resources, promote sound waste management and optimal use of resources. These goals can be achieved through the development of policy and regulatory frameworks strengthening national capacities for environmental management and circular economy frameworks, and by providing technical assistance and technology transfer for cleaner production practices and improved reuse recycling capabilities.

In addition to the priority sector related to tourism mentioned above, the increased amount of **e-waste is an increasing threat to the environment**. Most e-waste is not properly managed and treated, and data is missing to establish a comprehensive baseline. In this context, the Ministry of Agriculture and Environment (MAA) requested UNIDO's technical support and financing to carry out an inventory assessment and develop a strategic approach for a public-private partnership in the e-waste value chain.

Potential partnerships:

MITE; Ministry of Tourism and Transport (MTT); Ministry of Agriculture and Environment (MAA); GCF, GEF.

3.3.3.2 Component 6: Energy transition and climate action

Enhancing access to modern, clean and reliable energy supplies is widely regarded as a prerequisite for economic development in developing countries and countries with economies in transition. For such development to be inclusive and sustainable, this energy must be generated from renewable sources, used efficiently and promote productive uses that create jobs and income-generating opportunities for local

communities.

Given the growing gap between energy supply and demand, renewable energy (RE) has assumed a critical role in meeting the rising energy demand, especially by industry. Several RE technologies have emerged as economically viable and environmentally friendly options, which if adopted suitably, can meet growing energy needs of industry, and particularly of small and medium-sized enterprises (SMEs).

Challenges and opportunities

Renewable Energy is one of the 5 SDG Accelerators identified by the UNCT in Cabo Verde for the achievement of the Agenda 2030, alongside the Human Capital, Blue Economy, Tourism Value Chains and Digitalization.

The Government of Cabo Verde is committed to accelerating the Energy Transition in line with the targets and mitigation measures set in the 2020 National Determined Contribution (NDC) of achieving 30% of electric energy production from renewable sources by 2025, exceed 50% in 2030, and reach 100% in 2040.

Cabo Verde has large potential for multiple renewable energy technologies including PV, solar, thermal, wind and wave energy. The developed National Program for Sustainable Energy aims to support a secure, efficient and sustainable energy sector, reducing the country's dependence on imported refined fossil fuels while ensuring universal access and safety. The energy security challenges of Cabo Verde, linked to its disproportionate dependence on imported refined fossil fuels for electricity generation and transport are well known, and especially in the context of Small Island Development States (SIDS). Electricity in Cabo Verde is supplied by conventional thermal generation plants (82%), wind power (16.5%), and solar photovoltaic (1.5%). The Government aims to change the energy landscape by promoting further utilization of indigenous energy resources. In the pursue of this aim, an Energy Master Plan (2018-2040) was developed and issued to support the intended energy transition and help addressed technological needs to operate the energy system of the future.

Furthermore, ECOWAS member states, including Cabo Verde, are seeking to develop a Regional Green Hydrogen Policy. The policy document will be the first step towards aligning the regional and national government's policies, legislative procedures and guidelines in a systematic approach for fostering greater public and private sector participation in the coming green hydrogen economy.




UNIDO's comparative advantage

UNIDO has developed a strong relationship with industrial development actors globally, through its long-standing experience and technical expertise in this field. The Organization's programmes thus have the potential to unlock significant investments into improvement of energy performance in a highly cost-effective and efficient manner, as well as promote the use of RE. Given the critical role small-medium sized enterprises play in developing nations, UNIDO does not discriminate in the size of industry it supports. From family-owned enterprises to multinational industrial organizations, UNIDO's private sector and government partners are turning the tide on climate change by slashing and optimizing energy use, cutting emissions and powering vast industrial facilities with renewable energy.



UNIDO's unique approach and technical support to industry, policymakers and entrepreneurs is helping to reap incredible benefits for developing countries and their communities in the clean energy transition. This includes improved health outcomes, access to sustainable energy, new employment opportunities, as well as mitigating the inevitable impacts of climate change. By involving and meeting the distinctive needs of women, youth and other more vulnerable groups, our work can also abate traditional inequalities.

As net-zero by 2050 becomes the global norm, UNIDO accompanies emerging economies and least developed countries as they strive to balance their industrial growth ambitions with their global climate commitments. With UNIDO's Clean Energy Vision, the Organization's work is structured around three

interwoven solutions:

-  Solution 1 - ACCELERATE the shift of industry — both big and small — away from fossil fuels.
-  Solution 2 - ENABLE decision makers to chart a low-carbon path to economic progress.
-  Solution 3 - Foster the RISE of local entrepreneurs and innovators.

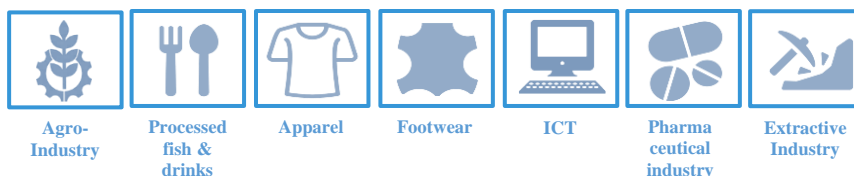
Recognizing the growing importance of green hydrogen, UNIDO launched a global Programme to foster the application of green hydrogen in industry in July 2021. The programme is formed by two pillars.

-  The first pillar is the Global Partnership for Hydrogen in Industry. It aims to accelerate global strategic dialogue. It will enhance the exchange, development and distribution of knowledge on policies, technical guidelines and standards.
-  The second pillar is technical cooperation through which UNIDO will promote industrial application and up-take of green hydrogen. UNIDO, together with industries and governments in developing and transition countries, will design and implement national industrial green hydrogen roadmaps and pilot projects. This includes building-up green hydrogen clusters and value chains, and advancing sector coupling in industrial zones and parks.

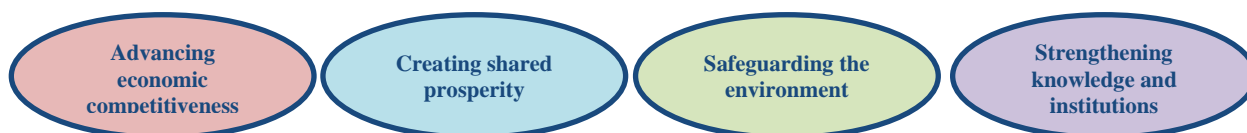
UNIDO sees crucial importance in developing collaborations between different stakeholders across the globe, including the public and private sectors, financial organizations, and academia to ensure inclusive energy transition and that nobody is left behind.

CP Cabo Verde Approach

Priority sectors:



ISID strategic priorities:



Targeted outputs:

OUTPUT 5.2	Support provided to national counterparts to enhance relevant policies/strategies and increase capacities and knowledge on RE technologies and clean, EE and sustainable manufacturing processes
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There are currently 20 GEF-funded national projects implemented in Cabo Verde. Cabo Verde also participates in 22 regional GEF-funded projects. UNIDO is currently implementing the project ‘**Sustainable energy access to manage water resources: addressing the energy-water nexus**’ in cooperation with the Ministry of Industry, Trade and Energy, Ministry of Agriculture and Environment, ECREEE, Centre for Renewable Energy and Industrial Maintenance (CERMI) and National Agency for Water and Sanitation (ANAS), funded by the GEF Trust Fund. The project aims to provide technical assistance towards improving the existing regulatory and institutional framework and investment in Renewable Energy (RE) systems for water pumping in rural areas and water desalination in urban areas. It is also working on building technical capacities to install and maintain the RE systems for water pumping

and desalination and in raising awareness among relevant stakeholders on the technical and financial feasibility of such interventions. It is expected that this project will significantly contribute to provision of water services at a lower cost thus influencing a broader shift towards the Energy-Water nexus approach, thus supporting climate adaptation.

UNIDO is also in the preparation phase of the **GEF-7 project “Integrated adoption of electric mobility in the maritime sector through clean technology innovation”**, which has the objective to trigger and accelerate the uptake of electric mobility solutions in the maritime sector through both capacity development and specific demonstrations focusing, specifically on electric mobility within the artisanal fishing sub-sector with the integration of renewable energy. Within the project framework, UNIDO would aim to promote sustainable fishing through the demonstration of low-carbon maritime e-mobility solutions, stationary battery solutions, aiming to facilitate the integration of RE and innovation along the e-mobility value chain. The integrated assistance package would include strengthening institutional capacity, policy and regulatory framework, incentives and support programmes, demonstration of technical feasibility and commercial viability of selected e-mobility integrated solutions; building institutional capacities and buildings local competences to successfully managing the e-mobility value chain. In addition, UNIDO expects that the above-mentioned GCF Readiness initiative in Cabo Verde will identify a pipeline of projects that the country can develop in partnership with GCF, targeting sectors strongly interlinked with the tourism and hotel industry, including the energy sector, and their cross-sectoral challenges and opportunities.

The country also benefits from UNIDO’s currently ongoing regional project “**Capacity-building support for the ECOWAS Centre for Renewable Energy and Energy Efficiency (ECREEE) in the scope of the Global Network of Regional Sustainable Energy Centres**”. UNIDO is assisting ECREEE and its Member States to adapt technically and institutionally to the new requirements of the Strategic Plan covering the period 2017 – 2021. The project is a follow-up to the technical support UNIDO provided for the establishment of ECREEE between 2008 and 2014. The Executive Board of the centre requested UNIDO’s support as the centre is currently at cross-roads and needs to adapt its internal proceedings, competence and services to the growing demands from ECOWAS Member States and the private sector. Moreover, the project will assist ECREEE to become an active member of the Global Network of Regional Sustainable Energy Centres (GN-SEC) and to take leadership in joint South-South actions in partnership with other centres.

Potential partnerships:

MITE, MAA, Ministry of Sea, MTT, ECOWAS Centre for Renewable Energy and Energy Efficiency (ECREEE), Centre for Renewable Energy and Industrial Maintenance (CERMI), GEF, GCF, Adaptation Fund.

3.4 Cross-cutting issues: Gender, Youth, LNOB, COVID-19




3.4.1.1 *Mainstreaming gender equality and women empowerment (GEEWE)*

UNIDO recognizes that gender equality is a development goal in its own right, but it is also vital to the achievement of other development goals, such as poverty reduction, economic growth and environmental sustainability. Women are key agents of change, thus harnessing women's potential as economic actors, leaders and consumers results in higher levels of industrialization and more sustained growth rates.

In 2021, WEF³⁸ ranked Cabo Verde relatively high in terms of closing the gender gap (68th out of 156), especially in health and survival pillars but lower in terms of political empowerment. The country has made significant gains in 2019 with the Parliament's approval of the parity law that safeguards that minimum of 40% and maximum of 60% of both sexes are in the electoral lists and in the managerial and lead positions in public administration. Still, gender disparities persist in unemployment rates, especially between young men and women. In 2019, unemployment reached about 38,4% in the population aged 15 to 34 (25% in the population aged 15 to 24 with a gender gap to the disadvantage of young women of 6,8% and 13,4% in the population aged 25 to 34, with a gender gap to the disadvantage of young women of 4,4%). Access to jobs for women in Cabo Verde is especially important for further reduction of poverty, considering that households headed by women tend to be one and a half times more likely to be poor than those headed by men. Notwithstanding, the CIP findings interestingly revealed that in the industry sector, manufacturing contributes to 9% of the total employment, 9% of male and 10% of female employees. This indicates low gender inequality in the sector in terms of representation, although a deeper analysis of the positions and types of jobs held would be necessary for a more comprehensive outlook. Still, there is an indication that more jobs in the manufacturing sector would be beneficial and inclusive for society as a whole.

This CP will contribute, in line with the priorities of the new Government Plan, the UNIDO Policy on Gender Equality and the Empowerment of Women and its GEEW Strategy for 2020-2023, to women's economic empowerment through relevant skills enhancement, job creation and income generation which can contribute to women's bargaining power, as well as build resilience to the current and potential future pandemics and similar crises by safeguarding their livelihoods. The CP and its planned projects will also encourage investment in women-owned/-led businesses, strengthening female networks, improving access to markets and providing capacity-building, technology and clean energy solutions to women-owned/-led enterprises and individual women entrepreneurs within the framework of ISID.

For UNIDO, gender mainstreaming and targeted actions go beyond adding a 'woman's component' into its activities, by fully incorporating the experience, knowledge and priorities of women and men into the development agenda. The Organization developed sectoral gender mainstreaming and gender analysis guide. It established a comprehensive screening and review system to ensure that gender perspectives are considered throughout the entire project cycle, from design and implementation, to monitoring and evaluation. UNIDO's Policy on GEEW provides the overall guidelines for establishing a gender mainstreaming strategy, that:

-  Ensures that a gender perspective is reflected in its programmes, policies and organizational practices.
-  Advances the overall goal of gender equality and the empowerment of women, particularly the economic empowerment of women.
-  Benefits from the diversity of experiences and expertise within the United Nations system to advance the internationally agreed development goals related to gender equality.

³⁸ World Economic Forum's Global Gender Gap Report 2021

- Accelerates the Organization's efforts to achieve the goal of gender balance, in particular at decision-making levels.

Although GEEW will be mainstreamed across all CP components, specific focus on GEEW has been placed in the CP component 3: "Entrepreneurship promotion, with focus on agribusiness, innovation, gender and youth empowerment". The projects under the CP are and will be set out to ensure gender-balanced participation of target beneficiaries with both women and men having the opportunity to access, participate in and benefit from project activities (with a target of at least 40 per cent of whichever gender is underrepresented). Any industrial strategies or policy documents prepared under the CP will reflect gender considerations and the equal participation of women, while consultations with women's business groups in the drafting process will be supported. Toolkits and guidelines produced under the CP will include a chapter or section on gender considerations or have gender-responsive content integrated throughout each publication. In addition, some of the toolkits and guidelines would specifically address the enhancement of women's, including young women's, participation in the respective subject area. The GEEW mainstreaming will also include collection, collation and dissemination of gender, age and location-disaggregated data for all programme and project activities.

3.4.1.2 Mainstreaming youth and LNOB

Young people also face specific vulnerabilities in the country as they often lack the knowledge, skills and the capital to fully participate in economic activities. In Cabo Verde, Young people Not in Education, Employment, or Training (NEET), represent 35.4% of the youth population and are at risk of being left behind in accordance with the 2021 UN LNOB Assessment and 2021 VNR. The proportion of NEET youth has decreased from 32.5% in 2015 to 27.8% in 2019, with a wide gender disparity (+ 6% for women) and a growing disparity urban/rural (from + 2% to + 6%). By 2020 the proportion increased by 7.6%, mainly due to COVID-19. Around 60% of jobs lost due to COVID-19 were lost by young people, of whom 70% were between 25 and 34 years old and 55% were male. Furthermore, 77.9% of young NEETs have worked at least once, but 28.8% of young NEET women are still looking for their first job (against 18.1% of men).³⁹

UNIDO supports youth empowerment across the ISID thematic areas, mainstreaming the inclusion of youth across its portfolio. At micro level, the CP will ensure that young people have access to the required skills trainings, raise their awareness on workers' rights and fight discrimination, and that they have access to the necessary means and knowledge, as well as the motivation to start their own business. At meso level, the CP will aim to assist vocational schools and training centers offering relevant and certified TVET programmes and cooperate with banks on project appraisal and investment proposal assessment, especially when submitted by young entrepreneurs. Finally, at macro level, UNIDO promotes the adoption of youth-responsive policies such as national vocational curricula or youth entrepreneurship policies and strategies.

Empowering young people also implies engaging them as partners and stakeholders. In this context the CP Steering Committee will also integrate Youth Entrepreneurs Associations, to reinforce the consensus both that young people are a driving force behind economic transformation and that they have the highest stakes in inclusive and sustainable industrial development.

3.4.1.3 Responding to COVID-19

According to official data, Cabo Verde reached 38,151 positive Covid-19 cases, 37,524 persons recovered and 349 deceased by 27 October 2021. As of 17 October 2021, approximately 294,796 (79.6% of the target population) were vaccinated with the first dose of the vaccine against COVID-19 and 188,349 (50.9%) of

³⁹ Government of Cabo Verde, [Leave No One Behind Report Executive Summary, 2021](#)

the people were vaccinated with the second dose⁴⁰.

As a SIDS, the country’s economy was severely impacted by the pandemic, with a negative GDP growth of 14,8% in 2020 due to a two-month lockdown and a brutal stop to travel and tourism, which led to a decrease in employment by 9,6% (20,000 jobs were lost). This impacted severely households’ incomes in general.

The 2022–2025 period marks the aftermath of the major socioeconomic crisis caused by the COVID-19 pandemic. UNIDO’s various analyses show a prolonged and widespread drop in production outputs in most economies, across income groups. The manufacturing sector, with some exceptions, was hit hard by the pandemic, both on the demand and the supply side. On the other hand, the crisis also accelerated trends, such as an ongoing shift towards the digitalization of production, or the regionalization of value chains, which could play an important role in fostering resilience. The pandemic has shown that basic manufacturing capabilities are crucial for responding quickly to global emergencies and ensuring national security. In that light, the role of new industrial policies and strategies cannot be overemphasized.

UNIDO’s mandate matches well its Member States’ need to address the challenges and the opportunities outlined above to respond to and recover from the crisis. Given the crucial role played by ISID in “building back better”, UNIDO includes a special initiative on COVID-19 recovery in its Medium-Term Programme Framework ([MTPF](#)) 2022–2025.

At the CP level, most, if not all, Components will contribute to the recovery from the pandemic. Moreover, the CP will integrate an Outcome in its Results Framework fully dedicated to GEEW, youth and COVID-19 recovery as the CP crosscutting issues:

<p>OUTCOME 3 (Component 3)</p>	<p>Young people and women have enhanced ability to secure employment, including self-employment, in selected priority sectors, to recover and transform from COVID-19 pandemic in an inclusive and sustainable manner</p>
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⁴⁰ Source: <https://covid19.cv/> on 27-10-2021

3.5 CP alignment with the existing UNDAF

UNIDO is a signatory of and contributes to the current UN Development Assistance Framework (UNDAF) 2018-2022. The UNDAF is organised around the five key themes of the 2030 Agenda: People, Planet, Prosperity (chaired by UNIDO), Peace, and Partnerships; and comprises five strategic priorities and six outcomes.

The CP is aligned with the UNDAF 2018-2022 as presented in the Figure 6 (for further details see [Annexes 10.3 and 10.4](#)).

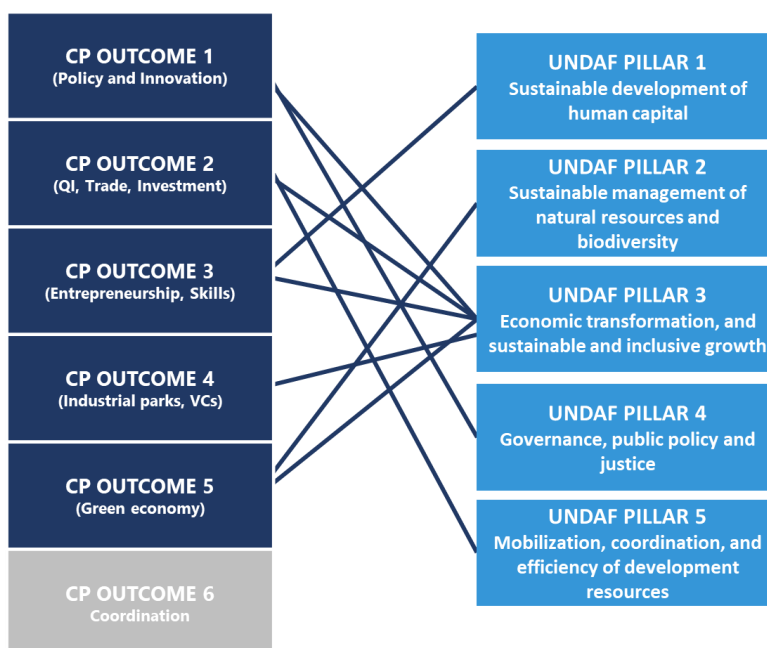


Figure 6 - Alignment of CP outcomes with UNDAF 2018-2022 pillars

In addition, it is aligned with the indicative strategic priority area related to Prosperity, Jobs and Sustainable Economic transition and Healthy Planet for the UNSDCF still in formulation and the new PEDS II to be soon finalised. Upon signature and launch of the new UNSDCF planned for 2023, UNIDO and MITE shall revisit the CP structure and proposed activities. The exercise will consider whether there is any need for CP adjustments and identify proposed revisions. This will ensure appropriate alignment with the PEDS II and the UNSDCF 2023-2027 for Cabo Verde. Any adjustments and/or revisions will be placed in an Addendum that will be submitted to the CP Steering Committee for review and approval at their annual meeting.

3.6 CP Partner mobilization strategy

Partners will be crucial for financing of the pertinent CP technical cooperation (TC) projects and for scaling up the envisioned CP results. CP partner mobilization efforts will be carried out in close collaboration with the relevant Government counterparts, particularly the Ministry of Finance and Business Development, and under the leadership of the CP Steering Committee.

All UNIDO technical projects within the CP framework shall be based on the explicit Government request for technical assistance and support. Alternatively, opportunities and potential collaboration venues identified jointly with relevant CP partners shall be explored with relevant Government counterparts, including through the CP Steering Committee. The Government of Cabo Verde will hence maintain the strategic leadership and ownership of the programme as well as its technical portfolio.

Furthermore, all new initiatives will be developed in line with UNIDO's programme and project formulation and approval function that prescribes the relevant internal quality assurance processes as well as reviews to ensure compliance with donor standards, relevance, sustainability and cost-effectiveness of the proposed initiatives.

3.6.1 Means and tools of implementation

The **CP Partner Map**, containing annual action plans and targets related to individual partners, has been prepared and shall be regularly updated by the CP National Coordinator, in collaboration with the CP Manager, the UNIDO Representative, relevant UNIDO TC departments and project teams and the MITE as the Chair of the CP Steering Committee. The Map shall be used as the main tool to guide the partnership mobilization efforts. An overview of potential partners identified during the CP formulation process is provided in the Annex 10.7.

In addition to bilateral meetings with the donors and potential CP partners, UNIDO and MITE will also pursue organization of Donor Round Tables as a platform to discuss potential collaboration on new TC initiatives. A **CP Donor Roundtable** is foreseen to be organized after the launch of the Country Programme, allowing different potential technical and financial partners to learn about the programme and officially pledge their support as a kick-off for the CP implementation phase. The event will bring together representatives of the relevant Government entities, donors, development partners as well as UNIDO's technical experts to exchange ideas on a number of pre-identified project proposals, resulting in concrete agreements on the way forward and specific roles for each newly established partnership.

The CP will also foster joint programming activities, particularly through strengthened engagement with UNRCO and UNCT, in order to facilitate the mobilization of the necessary partnerships and resources for the programme implementation. UNIDO will actively engage and participate on joint calls for proposals, notably for the SDG Fund, the MPTF and other opportunities for UNCT in Cabo Verde.

In this light, the CP National Coordinator will play a key role in supporting the resource and funds mobilization and coordinating between the stakeholders and partners on the ground on the one hand and UNIDO technical departments at the Organization's Headquarters in Vienna, Austria. Where feasible, this work shall be reinforced through cooperation with technical UNIDO project teams on the ground.

4 CP management structure

4.1 CP Steering Committee (SC)



The Country Programme Steering Committee (CPSC) is the highest CP governing body. It brings together all ministries relevant to industrial development of the country, to ensure inter-ministerial coordination and a conducive environment for ISID, enabling thus the envisioned impact of the CP.

The main purpose of the CPSC is to provide overall strategic direction for the CP interventions and pertinent projects, including project prioritization, identification of potential partners and resources; and to ensure that the programme is implemented effectively and with adequate funding. The CPSC will monitor the alignment of the CP interventions and pertinent projects with national policies and growth targets, so as to ensure cooperation and consistency between primarily UNIDO and the Government of the Republic of Cabo Verde, but also alignment and cooperation with other CP partners, and contribution of the CP activities to the implementation of the national industrial development agenda.

The Ministry of Industry, Trade and Energy (MITE) will function as the Chair of the CPSC. The Ministry will be responsible for overseeing industrial development and implementation of the CP.

Given the importance of resource mobilization, the CPSC will be vice-chaired by the Ministry of Finance and Business Development (MFBD), through the National Directorate of Planning, which has the best overview of existing financing instruments and interlinkages between the government's own budget allocation, credit lines from financial institutions, bilateral agencies, official development assistance, etc. The MFBD is also responsible for budget execution and resource mobilization facilitation to support related interventions contained in the PEDS I. It is also expected to play a similar role for PEDS II.




The CPSC will further include the following line Ministries:

-  Ministry of Foreign Affairs (MFA), i.e. National Directorate for Political Affairs and Cooperation
-  Ministry of Agriculture and Environment (MAA), i.e. National Directorate of Environment and the Directorate-General for Agriculture, Forestry and Livestock.

The CPSC membership will also include representatives of the following identified relevant government institutions to be authorized by their relevant ministries:

-  PROEMPRESA - Institute of Business Promotion and Support
-  IGQPI – Institute of Quality Management and Intellectual Property

The CPSC members representing the non-government sectors must be appointed or accepted by the government, with recommendation from the CPSC based on relevant functions, to contribute to industrial development and inclusiveness. Membership from the private sector will include the following entities:

-  Chamber of Commerce of Sotavento (CCS)
-  Chamber of Commerce of Barlavento (CCB)
-  Young Entrepreneurs Association of Cabo Verde (AJEC)

Members of the CPSC shall be given sufficient authority by their respective institutions to take decisions on their behalf.

UNIDO will be a full member of the CPSC. The UN Resident Coordinator Office and other UN agencies that are part of the UN Country Team (UNCT) in Cabo Verde will be invited to join the CPSC meetings on a voluntary and *ad hoc* basis. Role and participation of the United Nations agencies, multilateral and

bilateral agencies and other development partners in the CPSC should be country partnership-driven, with a focus on issues related to industrial development and resource mobilization.

The CPSC should remain of a manageable size to function efficiently and discharge responsibilities effectively. Figure 7 below presents an overview of the CPSC’s members. The full Terms of Reference for the CPSC are presented in the Annex 10.8.

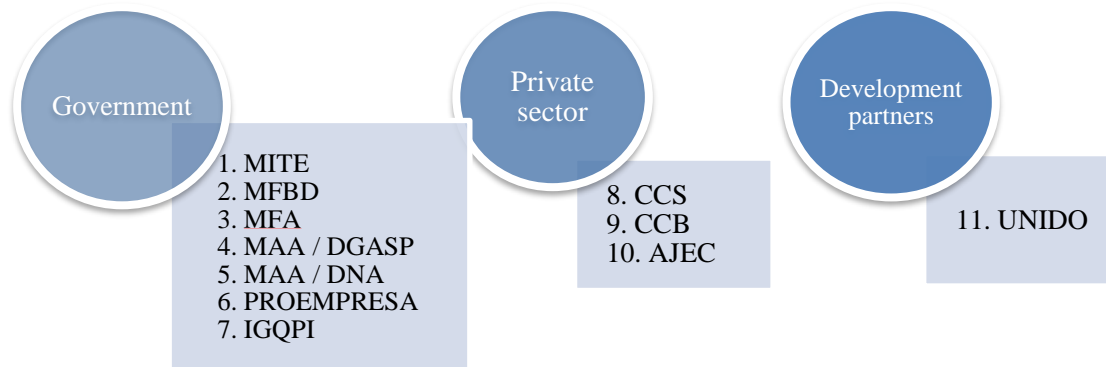


Figure 7. Overview of the CPSC members

4.2 CP Management Unit







The CP Management Unit, under the supervision of the CP Programme Manager and the Chief of the Regional Coordination Division-Africa, guided strategically by the UNIDO Representative covering Cabo Verde and assisted by the nominated staff of the MITE, will assume the role of the Secretariat for the Country Programme Steering Committee (CPSC) and ensure it operates according to the provisions in the main CP document.

In addition, the Unit will work closely with MITE on the advocacy and promotion as well as partnership mobilization. It will also ensure appropriate monitoring of and reporting on the CP implementation, and function as UNIDO’s main technical focal point with the UNCT and Resident Coordinator’s Office in the country. The main functional role within the Unit shall be the CP National Coordinator, whose work shall be facilitated through the relevant team at the Regional Coordination Division – Africa at UNIDO HQ and the occasionally recruited local support staff, including partnership, communication and M&R experts, as relevant.

5 CP budget

The Table 1 features indicative planning figures and resource mobilization targets for each of the CP components. Resource mobilization efforts and pursue of partnerships will be conducted jointly and in coordination with the Government of Cabo Verde, primarily the Ministry of Industry, Trade and Energy (MITE), as the Chair of the CP Steering Committee and the Ministry of Finance and Business Development (MFBD) as its Vice-Chair. ‘Mobilized funds’ column refers to funds already mobilized through ongoing projects that will continue their implementation under the Country Programme 2022-2026.

To ensure efficient programme implementation, coordination, promotion and monitoring and evaluation as well as effective support to partner mobilization and development of new TC initiatives, an indicative CP coordination budget has been elaborated. MITE, UNIDO and CP pertinent projects will jointly cover the estimated budget costs. Detailed indicative coordination budget has been included in the Annex 10.5.

CP Component	Estimated Budget (USD)	Mobilized funds (USD)	Funds to be mobilized (USD)	Potential Source of Funding (see also Annex 10.7)	Responsibility for funds mobilization
Component 1 	110,000	0	110,000	UN system; Government	MITE, MFBD, MDE ⁴¹ , UNIDO (UR, AFR, PRS)
Component 2 	3,280,599	1,260,599	2,020,000	EU; Portugal; China; WB; AfDB; Japan; GEF	MITE, MFBD, IGQPI ⁴² , Cabo Verde TradeInvest, UNIDO (UR, AFR, DTI/QIS)
Component 3 	4,500,000	178,350	4,321,650	EU; Italian Cooperation; GiZ; UN; Government of Cabo Verde	MITE, MFBD, MDE, MS ⁴³ , ME ⁴⁴ , UNIDO (UR, AGR)
Component 4 	800,000	0	800,000	AfDB; WBG; EU; Japan; Korea; China; Finland; Sweden; NORAD; Switzerland; GiZ; USAID; Islamic Development Bank (IsDB), AFD; AU Information Society	MITE, MFBD, MoFA, MAA ⁴⁵ , UNIDO (UR, AFR, DTI/IDD)
Component 5 	4,499,379	499,379	4,000,000	GEF, GCF	MITE, MFBD, MAA (National Directorate of Environment), MTT ⁴⁶ , UNIDO (UR, AFR, ENV)
Component 6 	2,930,301	930,301	2,000,000	AF; GCF; GEF; EU; Luxembourg; Portugal; Spain; WB; AfDB; United Kingdom; Germany	MITE, MFBD, MAA, MS, UNIDO (UR, AFR, ENE)

⁴¹ Ministry of Digital Economy

⁴² Institute of Quality Management and Intellectual Property

⁴³ Ministry of the Sea

⁴⁴ Ministry of Education

⁴⁵ Ministry of Agriculture and Environment

⁴⁶ Ministry of Tourism and Transport

Coordination, M&E, Advocacy	337,589	41,791	295,798	Government; UNIDO; donor contributions from CP pertinent projects	MITE; UNIDO
TOTAL	16,457,868	2,910,420	13,547,448		

Table 1. Indicative planning figures and resource mobilization targets for the CP components

5.1 National contribution

The MITE has already provided support to the CP programming activities, particularly through consultations and reviews of the Country and Industry Profile (CIP) and the CP document, as well as the related supporting documentation such as work plan, reports etc., by the designated staff. For the CP implementation phase, MITE shall provide in-kind support, estimated to a minimum of USD 20,000 in monetary value, through support staff, office space and premises that can be used to perform relevant CP functions, such as the organization of the CP Steering Committee meetings, preparation of relevant CP documents, communication and advocacy etc. Furthermore, the Government will allocate public funding to support coordination and management of the CP activities, when considered relevant. Public funding shall also be provided to projects developed under the CP umbrella, in line with the recommendations of the CP Steering Committee, to *inter alia* maintain government ownership and leverage funding from other donors/partners and the private sector. For further details, refer to Annex 10.5.

5.2 UNIDO contribution

UNIDO has already provided funding in the amount of € 35,000 (US\$ 41,791) dedicated to the CP formulation and preparation, including expansion of the TC portfolio. During the formulation phase, UNIDO prepared and published the Cabo Verde Country and Industry Profile 2021 as well as the programme document at hand. Two new technical initiatives were launched during the CP formulation.

Going forward, to ensure efficient programme implementation, coordination, promotion and monitoring and evaluation as well as effective support to partner mobilization and development of new technical cooperation initiatives, UNIDO will contribute a further € 234,000 (US\$ 245,798 as part of the CP core budget funds. The funds will be used to support the operation of the CP Management Unit, which will play a key role for the programme implementation as UNIDO does not have a Field Office in Cabo Verde. Procurement of products and services is expected to remain below the € 2,000 threshold. All CP-related procurement shall be conducted in line with UNIDO Financial Rules and established procurement processes. For further details on the purpose of the funds, please refer to Annex 10.5.

5.3 Other funding sources and co-financing

In addition, the CP will harness in-kind support for programme coordination, M&R and advocacy activities from other UNIDO donors and partners, notably through CP pertinent technical projects. It shall explore opportunities to mobilize additional financial support, notably through the One UN mechanisms established in Cabo Verde. The monetary value of the expected in-kind support throughout the CP implementation period has been estimated at around USD 30,000. Detailed indicative coordination budget has been included in the Annex 10.5.

6 Programme-level monitoring, reporting and evaluation

The Programme shall be subject to UNIDO's Evaluation Policy and the Monitoring and Reporting Policy and will contribute to the relevant Government and UNSDCF reporting activities and exercises, as relevant, in conformity with UNEG/DAC norms and standards.

UNIDO has adopted the principles for RBM practices set by the United Nations Joint Inspection Unit, which identify results logic as a key front end and cornerstone of the RBM transformation. RBM is one of the five UN programming principles, along with a human rights-based approach, gender equality, environmental sustainability, and capacity development. In line with these principles, UNIDO adopted a new Integrated Results and Performance Framework (IRPF) in 2019, which complements the provisions of the Medium-Term Programme Framework (MTPF) and allows for the harmonization of project-, programme-, country- and organizational results. Thus, the CP results framework has been developed in line with the IRPF and the Organization's Quality Assurance Framework (QAF). The CP monitoring, evaluation and reporting will be conducted in line with the IRPF approaches and tools.

At the same time, in line with the UNDS reform and given that financial support is expected to be derived in part through the One UN Funds (such as the SDG Fund) for CP pertinent initiatives, the CP shall be subject to the UNSDCF M&E guidelines, agreed reporting practices and timeline related to the UN Cabo Verde Joint Annual Work Plan and the UNDAF/UNSDCF annual reports. The CP reporting shall also be used to contribute to UNDAF/UNSDCF and other UN Country Team (UNCT) related reporting, reviews and requirements, such as the UN INFO data collection and processing.

The UNIDO CP Implementation Unit shall ensure that the two levels of M&E requirements for the CP and for the UNDAF/UNSDCF are properly coordinated, and not leading to duplication of efforts, so that findings and lessons learnt can effectively inform future planning. In principle, data collected for CP monitoring, reporting and evaluation (MR&E) purpose should serve to feed into the UNCT-related reporting exercises. The CP Implementation Unit shall coordinate and consolidate reporting for each CP project on the programme level, in collaboration with the assigned project manager from technical branches at UNIDO HQ.

In addition to the annual CP reports, the Country Programme 2022-2026 will be subject to a comprehensive review at mid-point, during the third and fourth quarter of 2024. The Mid-term Review (MTR) report will formulate recommendations for a revision of the programme strategies during the second half of the implementation period, as required. Specifically, the MTR will serve to consider necessary alignment with the UNSDCF to be launched in 2023. The annual CP reports and the recommendations of the MTR report will be submitted to the CP Steering Committee for approval and appropriate action.

Furthermore, there will be a self-assessment that will help ascertain the impact of the CP vis-à-vis the expected outcomes. Apart from indicating the impact of the CP, the assessment report will be a veritable source of information and repository of good practices for future country programmes.

The Table 2 below outlines all planned MR&E activities in further detail. The baseline for the CP is available in the Country Industry Profile and applied in the CP results framework (Annex 10.2).

Indicative Monitoring, Reporting and Evaluation Work plan

Type of M&E activity	Responsible Parties	Time frame
Inception Workshop and inception report, to <i>inter alia</i> develop monitoring tools and practices (templates etc.) and confirm the CP baseline values	CP National Coordinator (NC) responsible for preparation in collaboration with RCD – Africa and UNIDO Representative (UR), MITE to approve the report	Within first 6 months after launch of the programme
Regular monitoring and analysis of performance indicators, incl. provision of inputs for the FO monthly reports produced by the FO Senegal and preparation of brief quarterly progress reports	CP Manager and CP NC, in collaboration with RCD – Africa, the UR, relevant UNIDO Project Managers (PMs), and M&E consultants as required	On a monthly and quarterly basis, to feed into programme management and Annual CP Review
Annual CP Reviews to assess progress and performance and preparation of CP Annual Reports (AR), in line with the CP annual work plans	CP Manager, with support of the CP NC in collaboration with the RCD – Africa, the UR, relevant TC Project Managers and MITE support staff to prepare the AR. CPSC to review the programme performance and make corrective decisions (based on the CP AR report)	Annually, in Q4 of each year
CP Steering Committee Meetings	CP Manager, UR, CPSC members. CP NC and RCD- Africa to support the organization of the meetings as relevant	Annually coincide with the CP Review and AR and <i>ad hoc</i> as relevant
Review of the CP structure and activities and proposal of revisions and adjustments in line with PEDS II and UNSDCF 2023-2027	CP Manager, with support of the CP NC in collaboration with RCD-Africa, UR, relevant PMs, and relevant M&R consultants to prepare the recommended adjustment and revision in the format of an Addendum. CPSC to review, approve and make corrective decisions, as appropriate	2023
CP Mid-term Review (MTR)	CP Manager, with support of the CP NC in collaboration with RCD-Africa, UR, relevant PMs, and relevant M&R consultants to prepare the MTR report. CPSC to review and approve.	Q3-Q4 2024
Visits to field sites	NC, PMs, representatives of the CPSC, UR, CP Manager	Annually, <i>ad hoc</i> when relevant
CP Independent Terminal Evaluation	ODG/EIO/IED as the Evaluation Manager, with support from CP Manager, CP NC and CP Team to prepare ToR and contract Independent Evaluation Expert. Independent Evaluation Expert to produce the CP final evaluation report. CPSC to review and approve.	Q3-Q4 2026

Table 2. CP indicative MR&E work plan

7 Risk Assessment

Potential risks envisaged and respective mitigation measures envisioned in relation to implementation of this programme are presented in the Table 3 below. All the risks have been classified as per level of occurrence likelihood.

Risk	Risk Level	Mitigation Measures
Insufficient funding mobilized for CP technical components (despite prepared proposals and extensive partner consultations)	High	<ul style="list-style-type: none"> • Strengthen CPSC's role in supporting resource mobilisation • Active participation in the UNCT activities, to promote joint UN initiatives • Coordination meetings of the CP Team organized regularly to share experiences, updates, challenges and strategize on ways to enhance resource mobilization • Maintain a strong and updated resource mobilisation strategy through CP Partner Map and CP communication action plans and activities
Economic stagnation and inflation resulting from the current conflict between Russia and Ukraine diverts Government's and stakeholder's attention from the CP and the related industrial development priorities	High	<ul style="list-style-type: none"> • Prepare briefings emphasising the role of ISID as an engine of growth and a driver of economic recovery, particularly for job creation, economic diversification, reducing dependencies to imports • Based on UNIDO's experience in the country and other regions, build and maintain a dynamic up-to-date evidence base around ISID's role in economic recovery • Work alongside UNCT to ensure that UNIDO's support during response and recovery phase is completely aligned with work of other UN entities, supporting efforts to deliver a coherent UNCT response
National recovery from the COVID-19 pandemic diminishes the industrialisation agenda and/or the CP among the Government's priorities	Medium	<ul style="list-style-type: none"> • Prepare briefings emphasising the role of ISID as an engine of growth and a driver of economic recovery, particularly for job creation, economic diversification, and strengthening national economic resilience to face any similar future shocks • Based on UNIDO's experience in other countries and regions, build and maintain a dynamic up-to-date evidence base around ISID's role in economic recovery • Work alongside UNCT to ensure that UNIDO's support during recovery phase is completely aligned with work of other UN entities, supporting efforts to deliver a coherent UNCT response
Insufficient interest or participation in CPSC from relevant Ministries	Medium	<ul style="list-style-type: none"> • Promote Government leadership and ownership of the CP, with involvement and leadership of MITE during all process stages; • Invest additional efforts to enhance communication and coordination with the Government through the CP Management unit and the UR

Risk	Risk Level	Mitigation Measures
Tourism sector dynamism is not restored	Medium	<ul style="list-style-type: none"> Reinforce UNIDO’s availability to support the Government in promoting Sustainable Tourism solutions
National Strategic Plan for Sustainable Development (PEDS II) does not prioritize industrial development	Low	<ul style="list-style-type: none"> Ensure continued support to the Government in the formulation of the PEDS-II, alongside UNCT; In cooperation with MITE, ensure appropriate buy-in for the CP and its envisioned alignment with National Priorities

Table 3. CP Risk Assessment

8 Communication and promotion strategy

The CP aims to bring diverse stakeholders together and strengthen partnership-based support for Cabo Verde’s industrial agenda. CP communication and advocacy activities will be instrumental for strengthening of existing and development of new partnerships.

Comprehensive Annual Communication Action Plan will be developed by the CP Manager in collaboration with the Advocacy and Media Relations unit and in coordination with MITE upon the programme’s launch, and subsequently in Q4 of every preceding year throughout programme implementation period. In the first implementation year, the Plan will primarily focus on raising awareness of the CP amongst potential partners. Some of the potential partners may not have been substantively engaged in the national industrialization processes before, so the CP’s outreach may also need to focus on building a more general knowledge of the role of industrialization, skills development and capacity building, trade facilitation and regional integration for the overall national economic development. In subsequent CP implementation years, more emphasis will be placed on mobilization of support, notably by highlighting the CP achievements in all CP outreach activities and by frequent convening of partnerships through event organization and participation.

Expected outcomes

CP communication and promotion will be delivered against three main expected outcomes:

1. Increase awareness of Cabo Verde’s industrial agenda, priorities and initiatives, including the Ambition 2030, the Government Plan for the VIII Constitutional Government of the Republic of Cabo Verde (2021-2026) and the PEDS II, once developed, as well as the CP’s contribution to these priorities.
2. Increase awareness of the role of inclusive and sustainable industrial development as a driver of growth, and a means for delivering social, economic and environmental benefits.
3. Contribute to mobilization of CP partners’ support for CP pertinent technical initiatives by engaging them in CP communication activities

In combination, these objectives shall build a critical mass of support for (and engagement with) the CP, but also for industrialization more broadly. Ultimately, the communication efforts should draw new partners into the CP and build willingness of all stakeholders to support Cabo Verde’s industrialization effort.

Targeted audiences

CP outreach aims to reach a diversity of partners and audiences, with each audience likely to have their own communication needs. Target audiences fall into three broad groups:

- Partners that are already directly involved in the CP (Government entities, UN RC and other UN agencies already implementing joint initiatives with UNIDO, IFIs, DFIs, bilateral and multilateral donors, academia and private sector partners already participating in UNIDO's programmes and projects)
- Potential partners (including investors) that have a potential role in the CP (IFIs, DFIs, bilateral and multilateral donors and private investors that could have an interest in supporting the CP, UN and other development agencies that have no joint initiatives with UNIDO, academia)
- General audiences that are not likely to be directly involved in the CP but still have a clear interest in the country's industrialization process (national, regional and international media, think-tanks, influencers, civil society, NGOs, CSOs)

Annual CP Communication Action Plans

Due to the dynamic nature of the CP (new concepts, activities and investments continuously evolving throughout the programme period), this CP communication and promotion strategy will serve as the basis for more detailed and responsive Annual CP Communication Action Plans.

Design of annual plans will take place in Q4 of every preceding CP implementation year. The plans shall help to ensure that communication activities take place timely and are well-targeted at the most appropriate audience/s, at any given point during the CP cycle.

Guided by the CPSC, the plans shall be prepared and implemented jointly by MITE (Directorate of Industry) and UNIDO (primarily the Regional Coordination Division – Africa, the CP National Coordinator and the UNIDO Representative, in collaboration with the Advocacy and Media Relations Division). Further, they will identify audience-specific objectives and activities for the year, detailed annual budgets, and – where appropriate – activity-level indicators and targets to support monitoring and delivery of the plan.

The main channels that shall be used for CP communication and promotion purposes include:

- Promotion of the CP on the official [MITE website](#) and the [UNIDO website](#) (including through feature stories, event announcements etc.)
- Social media engagement, particularly through [MITE's Facebook page](#), [UNIDO Cabo Verde Facebook page](#) and other UNIDO social media channels such as Facebook, twitter, flickr, YouTube, LinkedIn, Instagram
- Organization of events, primarily at the MITE premises and whenever possible in cooperation with other UN agencies and relevant CP partners
- Engagement with the local media (TV, newspaper etc.), especially for event coverage but other CP highlights and updates as well

Upon launch of the CP, relevant CP promotional materials shall be produced and printed as necessary, including the CP brochure, short promotional video, roll-up banner and poster, etc. Furthermore, all the materials will respect the UNIDO corporate visual identity and relevant guidelines. Gender and other cross-cutting themes such as social inclusion of minority groups will be considered along the programme and project-life cycle.

9 Legal context

The Government of the Republic of Cabo Verde agrees to apply to the present project, *mutatis mutandis*, the provisions of the Standard Basic Assistance Agreement between the United Nations Development Programme and the Government, signed on 31 January 1976 and entered into force on 14 January 1978.

9.1 Other provisions

The present Country Programme (CP) 2022-2026 will be implemented in line with the UNIDO Medium-Term Programme Framework 2022-2025 and the relevant Organization's policies: Environmental and Social Safeguards Policies and Procedures, Country Programme Administrative Instruction, Policy on Gender Equality and the Empowerment of Women, Policy on Partnerships for Industrial Development, Policy on South-South and Triangular Industrial Cooperation, Policy on Business Sector Partnerships and Monitoring and Reporting Policy.

In accordance with the UNIDO Environmental and Social Safeguards Policies and Procedures (ESSPP), the programme has been classified as Category C, as it deals with establishing an umbrella Country Programme (CP) framework. As such, no further E&S action is necessary for the CP framework. However, all projects that will form part of the CP will need to undergo a separate E&S Screening and Categorization, in line with the UNIDO ESSPP.

10 Annexes

10.1 CP Theory of Change

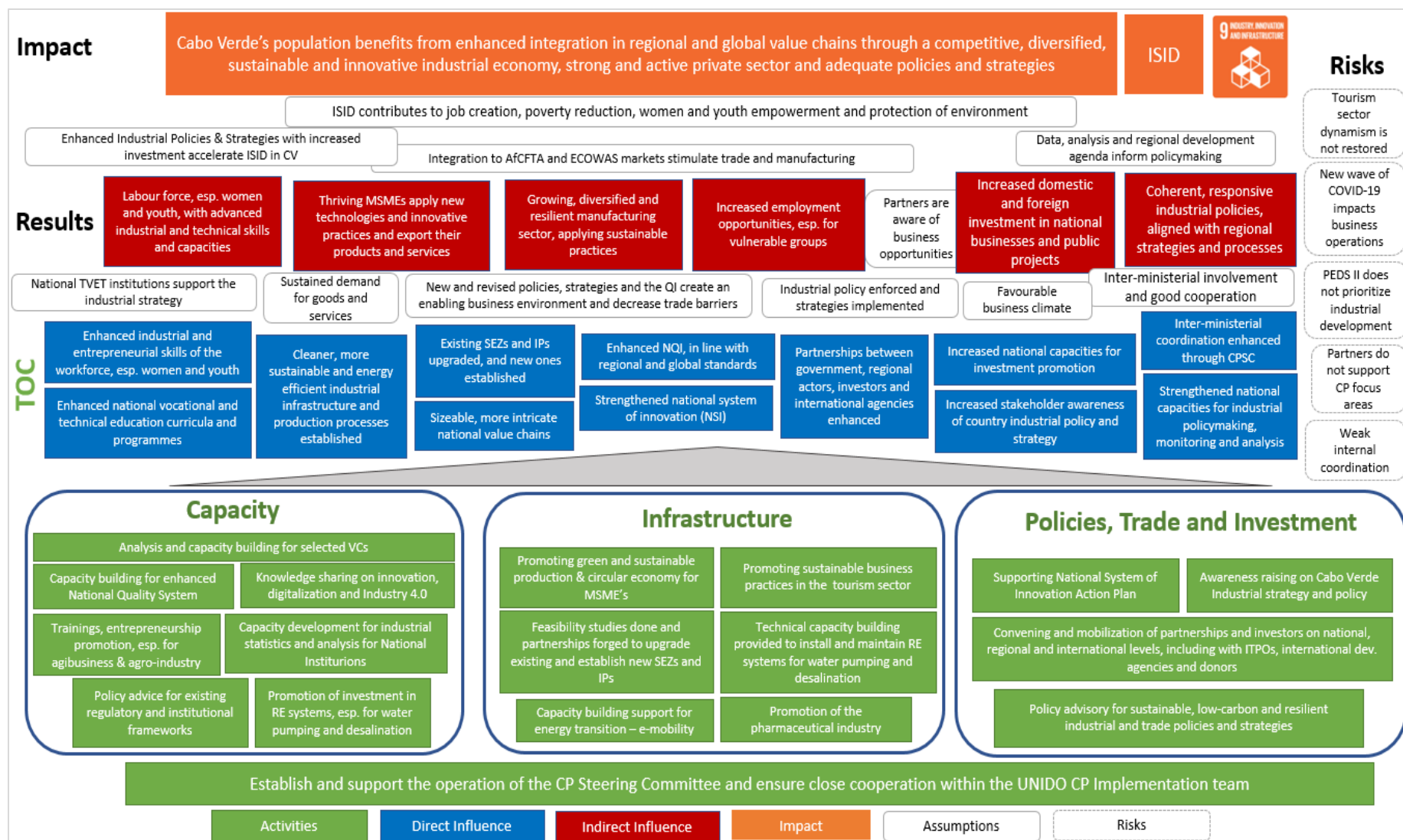
A theory of change (TOC) is a management tool that defines the rationale and overarching logic behind an intervention. TOCs describe results that an intervention aims to achieve (including the longer-term impacts that it will indirectly contribute to), steps that will be necessary to deliver those results, actors that will be involved in that process, and assumptions and conditions necessary for the theory to work. TOCs are also a foundation for results-based monitoring and evaluation: they set out what a programme is aiming to achieve and how it will go about achieving those aims. Hence, the TOC defines elements that should be monitored, measured and evaluated. In line with UNIDO's Quality Assurance Framework, TOCs are a requirement for all UNIDO projects and programmes.

The first step in the formulation of the CP Cabo Verde TOC was the identification of the development challenge that the programme aspires to tackle, and its problem tree. The latter was then converted into a solution tree. Subsequently, a full TOC was elaborated as the basis for the programme, with further details on the specific solutions that UNIDO and its partners will deliver within the CP framework, and assumptions and risks at each stage of the intervention.

The TOC is based on the country's development priorities, namely those identified in the 2021 Country and Industry Profile (CIP) conducted by UNIDO, but also the industrial priorities identified by the Government in its Plan for the VIII Constitutional Government of the Republic of Cabo Verde (2021-2026).

For the interventions, the starting point are UNIDO's inputs, which comprise UNIDO's four core functions plus an additional function of CP coordination, in cooperation with MITE. These inputs will support three broad intervention strands: (i) capacity, (ii) infrastructure, and (iii) policies, trade and investment. All these strands ultimately work together to deliver the CP's impact. In terms of results delivery, a typical default way of looking at the TOC would be that the CP provides inputs and activities to the three strands, and the results of these three strands, directly and indirectly influenced, ultimately deliver impact. However, the reality is likely to be non-linear and a lot more complex, particularly as the CP is going to be comprised of multiple inputs, activities and projects. Rather than considering this to be a linear model, it is more helpful to look at the elements of the TOC as highly interdependent, interlinked and mutually reinforcing, i.e. all the elements need to be working together if the envisaged impact is to be delivered.

The full Cabo Verde CO Theory of Change is presented on the following page.



10.2 CP logical results framework (logframe)

RESULT	INDICATORS (with baseline & target)	MEANS OF VERIF.	ASSUMPTIONS	
IMPACT	Cabo Verde's population benefits from enhanced integration in regional and global value chains through a competitive, diversified, sustainable and innovative industrial economy, strong and active private sector and adequate policies and strategies for a resilient and sustainable economic transition	SDG 8.1.1: Annual growth rate of real GDP per capita (BL 2020: -15.7%; T: TBD)	World Development Indicators	X
		SDG 9.2.1: Manufacturing added value as a proportion of GDP and per capita (BL ⁴⁷ 2019: MVA/GDP: 6.48; MVA/capita: 225.6; T ⁴⁸ : MVA/GDP: TBD; MVA/capita: TBD)	UNIDO Statistics Data Portal	
		SDG 9.2.2: Manufacturing employment as a proportion of total employment (disaggregated by gender) (BL 2019: M: 9%; F: 10%; T: M: TBD; F: TBD)	UNIDO Statistics Data Portal , INE Reports	
		IRPF ECO.3: Number of firms with an increase in exports (BL: NA; T: TBD F: 40%)	INE Reports; BCV Exports Statistics	
		IRPF SOC.1: Number of additional jobs created and jobs retained within CP priority sectors (BL: NA; T: 1000; F: 400)	National Institute of Statistics (INE) Reports	
		SDG 9.4.2: CO ₂ eq emissions per unit of MVA (BL 2019: 0,085 kg/USD ; T: TBD)	UNIDO Statistics Data Portal ; MITE estimations	

FOCUS AREA 1: INSTITUTIONAL & TRADE CAPACITY BUILDING

OUTCOME 1 (Component 1)	Selected National Institutions have strengthened institutional and technical capacity for the development of industrial and innovation policies and plans	IRPF TEC.3: Number of new BI technologies or platforms adopted (BL: 0; T: 1)	MITE Reports	Data, analysis and regional development agenda inform policymaking
		IRPF GOV.1: Number of institutions established or strengthened (BL: 0; T: 2)	UNIDO project reports	

⁴⁷ BL = Baseline

⁴⁸ T = Targets

RESULT	INDICATORS (with baseline & target)	MEANS OF VERIF.	ASSUMPTIONS	
	IRPF POL.1: Cumulative number of new or revised policies and/or strategies adopted by policymakers (BL: 0; T: 3, F:3)	MITE project reports; UNIDO Reports; ECOWAS reports	Industrial policy enforced and strategies implemented	
OUTPUT 1.1	Capacity building provided to strengthen government's capacity for production and analysis of industrial statistics and for strategy development	TCO.1: Number of capacity building activities provided (BL: 0; T: 2)	Activities can be organized despite potential COVID-19 restrictions MITE is supportive of and collaborates with UNIDO on the development of new policies and strategies	
		PAO.1: Number of industrial strategies and industrial policy documents drafted / prepared (BL:1; T: 2)		MITE Reports
		TCO.3: Number of toolkits and guidelines produced (BL: 1 ; T: 2)		UNIDO project reports
OUTPUT 1.2	Preparation and support in implementation of the action plan for a strengthened NSI	PAO.1: NSI Action Plan Elaborated (BL:0; T:1, gender-responsive)	Relevant Government bodies demonstrate interest in developing the NSI	
		TCO.1: Number of capacity building activities provided in the scope of NSI development (BL: 0; T: 2)		UNIDO project reports
OUTCOME 2 (Component 2)	Enhanced access to and participation in regional and international markets and advanced business competitiveness through quality systems and investment promotion	POL.2: Cumulative number of new standards adopted or implemented (BL: 1; T: 2)	UNIDO project reports; MITE reports; UNCTAD reports	New and revised policies, strategies and the QI create an enabling business environment and decrease trade barriers Favourable business climate Integration to AfCFTA and ECOWAS markets stimulate trade and manufacturing
		REA.2: Number of potential investors (disaggregated by private foreign, private domestic) engaged through investment promotion activities (BL: TBD; T: TBD)	UNIDO project reports; MITE reports; Cabo Verde TradeInvest reports	
		KASA.1: Number of actors gaining awareness/knowledge on UNIDO knowledge areas (BL: TBD ; T: TBD)	UNIDO project reports	
		INV.3: Value (\$) of new investments leveraged within priority sectors (BL: NA; T: TBD)	UNIDO project reports; MITE Reports;	
OUTPUT 2.1	Support provided to National Quality System, to develop and	NOO.1: Number of standard-setting processes with UNIDO participation (BL: 1; T: 2)	UNIDO project reports	New and revised policies, strategies and the QI create an

RESULT		INDICATORS (with baseline & target)	MEANS OF VERIF.	ASSUMPTIONS
	implement norms and standards in line with regional and global practices	TCO.1: Number of quality related capacity building activities provided (BL: 4; T: 10)	UNIDO project reports	enabling business environment and decrease trade barriers
OUTPUT 2.2	Identification and promotion of industrial investment opportunities are facilitated through convening and mobilization of partnerships, including South-south cooperation	CPO.1: Number of global fora, workshops/EGM/side events organized (BL: 3; T: 10)	UNIDO project reports	Partners engage in events organized
		TCO.4: Number of business plans developed (BL: 0; T: 45)	UNIDO project reports	Favourable business climate

FOCUS AREA 2: INDUSTRY UPGRADING – 4.0

OUTCOME 3 (Component 3)	Young people and women have enhanced ability to secure employment, including self-employment, in selected priority sectors, to recover and transform from COVID-19 pandemic in an inclusive and sustainable manner	KASA.2: Number of people gaining skills on UNIDO knowledge areas (disaggregated by gender) (BL: 0 ; T: 50+ ; W: 30 +)	Training and workshops reports	Sustained demand for goods and services
		REACT.1: Percentage of people satisfied with UNIDO interventions (BL: TBD; T: 90% F:90% Y: 90%)	Training and workshops reports and project surveys: Interviews and questionnaires	
		BUS.3: Cumulative number of established start-ups within priority sectors (BL: 0; T: 200; Women led: 80)	Project Reports; National Institute of Statistics (INE) Reports	
OUTPUT 3.1	Entrepreneurship Training and Vocational Programmes organized for MSMEs and students, fostering industrial skills, including industry 4.0	TCO.1: Number of capacity building activities provided for MSME's and Youth (BL: 1; T: 52)	UNIDO project reports	National TVET institutions support the industrial strategy; Successful mobilization of resources for projects implementation
		TCO.3: Number of toolkits and guidelines produced and distributed for capacity building activities (BL: 1; T: 4, min 2 gender-responsive)	UNIDO project reports	
OUTPUT 3.2	Capacity building provided to relevant MSMEs to uptake	TCO.1: Number of capacity building activities provided for relevant MSMEs within priority sectors (disaggregated by gender) (BL: TBD; T: TBD)	Projects Evaluation Reports	Beneficiaries from targeted VCs are committed to improvement, investing resources and

RESULT		INDICATORS (with baseline & target)	MEANS OF VERIF.	ASSUMPTIONS
	innovative technologies and integrate better into relevant VCs	PAO.2: Number of value chain analyses on selected products of priority sectors developed and validated (BL: 0; T: 2)	UNIDO project reports	participating effectively and timely in UNIDO's activities
OUTPUT 3.3	Capacity building provided to strengthen agrobusinesses and agro industries, especially the ones led by youth and women	TCO.1: Number of capacity building activities organized for TVET institutions, entrepreneurship and business institutions, to provide better demand-driven (labor market) training through revised curricula and improved teacher/trainer relation (BL: 0; T: 10 F: 40%)	UNIDO project reports	Successful mobilization of resources for projects implementation
		TCO.3: Number of training materials developed and disseminated to increase the capacity of youth-led agribusiness and MSMEs in business management (BL:0; T: 10, F:40%)	UNIDO project reports	
OUTCOME 4 (Component 4)	Strengthened institutional capacity of relevant national Institutions to foster private sector development and enhance VCs through establishment and upgrading of Industrial Parks and SEZ	POL.1: Cumulative number of new or revised policies adopted by policymakers regarding IPs and SEZs (BL: 0 ; T: 1, gender-responsive)	MITE Reports; UNIDO reports; Official Gazette	The government retains strong interest in industrial parks/ SEZs establishment
		INV.3: Value (\$) of new investments leveraged for IPs and SEZs (BL: 0; T: TBD)	MITE Reports; UNIDO reports	
		BUS.1: Cumulative number of firms benefiting from IPs/SEZs operations (BL: 0; T: TBD F:40%)	MITE Reports; UNIDO reports	
		POL.3: Number of guidelines adopted by relevant actors, gender-responsive (BL: 0; T: 1, F:1)	UNIDO project reports	
OUTPUT 4.1	Policy instruments and regulatory reforms for Sustainable Industrial Parks (IPs) are developed	PAO.1: Number of draft policy instruments for sustainable IP's prepared (BL: 0; T: 1, gender-responsive)	MITE Reports; UNIDO reports, UNIDO project reports	The government retains strong interest in industrial parks/ SEZs establishment
		PAO.1: Number of regulatory reforms reviewed (BL: 0; T: 1)	MITE Reports; UNIDO reports; UNIDO project reports	
OUTPUT 4.2	Capacity building provided for relevant national institutions to	TCO.1: Number of capacity building activities provided on FDI and private investment mobilization to establish the IP infrastructure and keep the IP operational (BL: 0 ; T: TBD)	UNIDO project reports	Relevant Ministries and Institutions allocate staff to participate in capacity building

RESULT		INDICATORS (with baseline & target)	MEANS OF VERIF.	ASSUMPTIONS
	attract investment into SEZs and IPs	TCO.4: Number of investment-ready proposals elaborated jointly with national promotion and development agency (BL: 0 ; T: TBD)	MITE Reports	activities and joint elaboration of new strategies
FOCAL AREA 3: RESILIENT, CARBON NEUTRAL GROWTH AND CIRCULAR ECONOMY				
OUTCOME 5 (Components 5 & 6)	Enhanced national capacities to apply integrated and innovative approaches for sustainable and participative management of natural resources, climate change adaptation and mitigation	SCA.1: Percentage of UNIDO interventions with demonstrated results at scale (BL: TBD; T: TBD)	Projects Evaluations	The Government of Cabo Verde remains committed in the medium and long term to the energy transition and safeguarding the environment national priorities
		TEC.1: Number of new technologies, esp. on RE & EE, circular economy, climate change resilience, developed or adapted in the country with UNIDO support (BL: 0 ; T: 1)	Projects Evaluations; UNIDO Reports	
		POL.1: Cumulative number of guidelines and strategies adopted by policymakers (BL: 0 ; T: 2, F:1)	Sectoral National Ministries Reports; Projects Evaluations; Official Gazette	
OUTPUT 5.1	Facilitate the adoption of cleaner production processes and the reduction of waste generated by priority sectors, with a circular economy approach	TCO.3 Number of toolkits developed for priority sector firms on circular economy: eco-design, cleaner production, resource efficiency or recycling (BL: 0; T: 3)	Project Evaluation Report;	Sustained government support to agreed activities and involvement of government bodies
		PAO.1: Recommendations on how to improve the policy and regulatory environment to promote circular economy-enabling framework including road map and actionable plans in the tourism sector(BL: 0 ; T:1)	Project Evaluation Report; UNIDO Annual Reports;	
		TCO.1: Number of capacity building activities provided on cleaner production, resource efficiency or improved waste recovery processes (BL: 0; T: TBD)	Project Evaluation Report; UNIDO Annual Reports;	
OUTPUT 5.2	Support provided to national counterparts to enhance relevant policies/strategies and increase capacities and knowledge on RE technologies and clean, EE and sustainable manufacturing processes	CPO.3 Number of “Nexus Platform” and “Websites” on sustainable energy-water nexus created and established (BL: 0 ; T: 1)	Project Evaluation Report; MITE reports	Sustained government support to agreed activities and involvement of government bodies
		TCO.1: Number of training programmes on the integration of RE and EE in water resource management (BL: 0 ; T:10)	CERMI website and projects Website	

RESULT	INDICATORS (with baseline & target)	MEANS OF VERIF.	ASSUMPTIONS	
PROGRAMME COORDINATION				
OUTCOME 6 (Coordination, M&E, Advocacy)	Awareness of CP stakeholders and their readiness to engage in partnerships under the CP, to support the country's industrial priorities is enhanced and materialized through new initiatives, incl. TC and outreach	REACT.1: Percentage of CPSC members satisfied with UNIDO interventions (BL:0; T: 85%)	Annual CPSC Surveys	CP is successfully implemented with active engagement and support of the CPSC members, especially MITE Strong collaboration and coherence between the project teams on the field level and UNIDO HQ relevant units and departments
		REA.1: Number of actors reached through CP-led outreach (disaggregated by gender & actor group) (BL: 30 persons, 5 global actors, 4 government entities, 5 firms, 1 intermediate inst. T: 100 persons per annum -F:40%, 10 global actors, 5 government entities, 10 firms, 3 intermediate institutions)	CP Monitoring by CP Management Unit: CP Annual report	
		GOV.1 Number of government coordination mechanisms for ISID promotion established or strengthened (B:0; T: 1 in total)	endorsed CP SC ToR; CPSC meeting minutes	
		INV.1: Number of investment-ready project proposals elaborated jointly with CP partners, in cooperation with UNIDO TC departments (incl. joint UN initiatives) approved by donors (BL: 0; T: 2 per annum)	CP Monitoring by CP Management Unit: CP Annual report	
		INV.3 Value of funds mobilized for TC interventions envisaged under the CP components, managed by UNIDO (B: TBD, T: min. USD 2M per annum on average)	CP Monitoring by CP Management Unit: CP Annual report	
OUTPUT 6.1	Coordination: Ensure substantive engagement of CP partners in the CP pertinent TC initiatives and through the CP Steering Committee (CPSC)	CPO.1: Number of CP SC meetings organized annually (BL:0; T: 1 per annum)	CPSC meeting minutes, CP Annual reports	CPSC members engaged with CV CP
		CPO.1: Number of meetings organized with government entities/intermediate institutions/firms annually (BL:0; T: min. 15/5/10 per annum)	CP Annual reports, quarterly CP progress reports	Targeted actors aware of the CP and UNIDO mandate and engage in communication
		CPO.1: Number of meetings organized with potential donors annually (BL:0; T: min. 15 per annum)	CP Annual reports, quarterly CP progress reports	Targeted donors aware of the CP and UNIDO mandate and engage in communication
		CPO.2: Number of UNCT meetings/activities with UNIDO (CP Management unit & UR) participation per annum (B: 4; T: 4 per annum)	UNCT meeting minutes	RCO invitations shared timely; UR available to attend relevant

RESULT	INDICATORS (with baseline & target)	MEANS OF VERIF.	ASSUMPTIONS
			in-person meetings in the country; mission funds available
	POR.1: Number of TC project concepts under the CP framework approved by UNIDO EB and CPSC (disaggregated per ISID focus, gender and youth marker) that were developed with support and inputs of the CP Management unit, per annum (B: TBD; T: 3)	CPSC meeting minutes, UNIDO EB decisions	CPSC members participate in CPSC actively, incl. evaluation of project proposals Good collaboration with TC departments in UNIDO
	Number of elaborated proposals for joint interventions or Joint Programmes with UN System entities, in cooperation with relevant TC departments (BL:1; T: 4 in total) (aligned with CPO.4)	CP Annual reports, UNSDCF Annual reports	Joint proposals are successfully submitted and approved
Activity 6.1.1.	CPSC secretariat established, CPSC meetings organized regularly (including logistical support and organization of meeting, dissemination of relevant materials etc.) under the leadership of the MITE and with the operational support of the CP Management Unit		
Activity 6.1.2.	Regular updates and follow-ups shared with relevant stakeholders in Cabo Verde and CP partners, including through active participation in RCO and & UNCT meetings and joint activities, organization of meetings, dissemination of relevant materials, coordination with and support of UNIDO project teams on the ground, on potential collaboration and launch of new initiatives		
Activity 6.1.3.	Regular update of the CP Partner Map and organization of coordination meetings with MITE and the CP Implementation team to strategize jointly on the partner mobilization targets and activities		
Activity 6.1.4.	Preparation of quarterly progress reports on coordination and partner mobilization activities, to feed into CP Annual reports, and organization of CP Team meetings with UNIDO TC departments to discuss, review and strategize on the way forward re. partner mobilization efforts		
OUTPUT 6.2	M&E: CP MR&E activities implemented and reports produced timely and in line with UNIDO Evaluation Charter and standards, in coordination with government counterparts and TC project teams	Number of prepared progress and Annual reports (B:1; T: 4 progress and 1 AR per annum, all gender-responsive)	Relevant support received from the relevant national institutions and government entities as well as UNIDO technical departments for data collection
	Number of UNCT reporting activities contributed to by the CP Management unit (B: 2 per annum; T: 3 per annum)	CP Annual reports, completeness of project data in UNIDO internal monitoring system (ERP), MITE reports UNSDCF Annual report, CP Annual reports	
Activity 6.2.1.	Efficient and responsible management of financial resources under the CP Core budget (human resources, procurement, travel, advocacy activities etc.)		

RESULT	INDICATORS (with baseline & target)		MEANS OF VERIF.	ASSUMPTIONS
Activity 6.2.2.	Efficient and responsible information production and management (MR&E activities, dissemination and production of knowledge materials etc.)			
Activity 6.2.3.	Analysis-based and stakeholder-inclusive planning of CP coordination activities (including relevant counterpart consultations, particularly with the MITE, and internal discussions with UNIDO's management; preparation of initial draft work plans, activity timelines, contingency plans etc.)			
Activity 6.2.4.	Regular coordination meetings with the UNIDO CP Implementation Team and UNIDO project teams on the ground (including also exchange of relevant information, particularly inputs for MR&E exercises, advocacy-related materials and UNCT activities)			
OUTPUT 6.3	Communication & Visibility: Communication and advocacy activities implemented timely, and in line with the CP Annual Communication Action Plans	CPO.1: Number of global fora, workshops/side events organized or contributed to (esp. by other UN agencies), during which CP is promoted (BL: 0; T: 2 per annum, all gender-responsive)	CP Annual report; official CP communication channels	CP communication activities and outreach are successfully implemented with engagement of MITE and CPSC
		Number of CP promotional materials produced or updated per annum (B:0; T:3, all gender-responsive)	CP Annual report	
		Number of social media and website posts per annum (B:0; T:10, min 5. gender-responsive)	CP Annual report, official CP communication channels	
Activity 6.3.1.	Preparation of CP Annual Communication Action Plans, in line with CPSC's review and recommendations			
Activity 6.3.2.	Preparation and update of CP promotional materials			
Activity 6.3.3.	Promotion of the CP and its pertinent initiative via official CP channels (website, social media), in collaboration with MITE and in line with the agreed CP Annual Communication Action Plan			
Activity 6.3.4.	Organization of CP promotional events, in coordination with MITE and in cooperation with relevant CP partners			
Activity 6.3.5.	Timely preparation of progress and annual communication reports to feed into CP overall progress and Annual reports, for CPSC's review and evaluation			

10.3 Detailed alignment of the CP results framework with the UNDAF 2018-2022

CP RESULT	UNDAF 2018-2022 ALIGNMENT
<p>IMPACT: Cabo Verde's population benefits from enhanced integration in regional and global value chains through a competitive, diversified, sustainable and innovative industrial economy, strong and active private sector and adequate policies and strategies for a resilient and sustainable economic transition</p>	<p>PILLAR 1: Sustainable development of human capital</p> <p>PILLAR 2: Sustainable management of natural resources and biodiversity</p> <p>PILLAR 3: Economic transformation, and sustainable and inclusive growth</p> <p>PILLAR 4: Governance, public policy and justice</p> <p>PILLAR 5: Mobilization, coordination, and efficiency of development resources</p>
<p>OUTCOME 1: Selected National Institutions have strengthened institutional and technical capacity for the development of industrial and innovation policies and plans</p>	<p>PILLAR 3: Economic transformation, and sustainable and inclusive growth</p> <p>PILLAR 4: Governance, public policy and justice</p> <p>Outcome 3.1: By 2022, the population of Cabo Verde of working age, particularly women and youth, benefit from decent work through economic transformation in key sectors, that leads to more sustainable and inclusive economic development</p>
<p>OUTPUT 1.1: Capacity building provided to strengthen government's capacity for production and analysis of industrial statistics and for strategy development</p>	<p>CP can contribute to UNDAF indicators:</p> <p>Indicator 3.1.2: Number of Informal Production Unit by activity sector, gender and age of owner</p> <p>Indicator 3.1.5: Proportion of jobs in selected sectors (Agriculture, fisheries, Industry, and Tourism) out of total jobs.</p> <p>Outcome 4.1: By 2022, the population of Cabo Verde benefit from a system of democratic governance and public administration that is more effective, transparent, participative, and gender sensitive</p>
<p>OUTPUT 1.2: Preparation and support in implementation of the action plan for a strengthened NSI</p>	<p>CP can contribute to UNDAF indicators:</p> <p>Indicator 4.1.1: Number of National and Local Government Programmes elaborated and implemented with results-based management approach and gender sensitive</p>
<p>OUTCOME 2: Enhanced access to and participation in regional and international markets and advanced business competitiveness through quality systems and investment promotion</p>	<p>PILLAR 3: Economic transformation, and sustainable and inclusive growth</p> <p>PILLAR 5: Mobilization, coordination, and efficiency of development resources</p> <p>Outcome 3.1: By 2022, the population of Cabo Verde of working age, particularly women and youth, benefit from decent work through economic transformation in key sectors, that leads to more sustainable and inclusive economic development</p>

CP RESULT	UNDAF 2018-2022 ALIGNMENT
<p>OUTPUT 2.1: Support provided to National Quality System, to develop and implement norms and standards in line with regional and global practices</p>	<p>CP can contribute to UNDAF indicators: Indicator 3.1.2: Number of Informal Production Unit by activity sector, gender and age of owner</p> <p>Outcome 5.1: By 2022, Cabo Verde has improved national and local capacities for the mobilization, coordination and efficient management of partnerships and funding for development, including South-South, triangular, and decentralized cooperation, and that contribute to the achievement of the SDG</p> <p>CP can contribute to UNDAF indicators: Indicator 5.1.2: Number of formal signed partnership agreements (south-south, triangular)</p>
<p>OUTPUT 2.2: Identification and promotion of industrial investment opportunities are facilitated through convening and mobilization of partnerships, including South-south cooperation</p>	
<p>OUTCOME 3: Young people and women have enhanced ability to secure employment, including self-employment, in selected priority sectors, to recover and transform from COVID-19 pandemic in an inclusive and sustainable manner</p>	<p>PILLAR 1: Sustainable development of human capital PILLAR 3: Economic transformation, and sustainable and inclusive growth</p> <p>Outcome 1.1: By 2022, the population of Cabo Verde, particularly the most vulnerable, have improved access to, and use more, quality health, education, food security and nutritional services, and benefit more from social and child protection services, that are inclusive and gender sensitive, throughout life cycle</p> <p>CP can contribute to UNDAF indicators: Indicator 1.1.12: Number of families in food insecurity (disaggregated by household sex and area of residence)</p> <p>Outcome 3.1: By 2022, the population of Cabo Verde of working age, particularly women and youth, benefit from decent work through economic transformation in key sectors, that leads to more sustainable and inclusive economic development</p> <p>CP can contribute to UNDAF indicators: Indicator 3.1.1: Proportion of population living below the national poverty line, by sex, age, area of residence (and nationality) Indicator 3.1.3: Unemployment rate (over 15 years) by sex, age and area of residence</p>
<p>OUTPUT 3.1: Entrepreneurship Training and Vocational Programmes organized for MSMEs and students, fostering industrial skills, including industry 4.0</p>	
<p>OUTPUT 3.2: Capacity building provided to relevant MSMEs to uptake innovative technologies and integrate better into relevant VCs</p>	
<p>OUTPUT 3.3: Capacity building provided to strengthen agribusinesses and agro-industries, especially the ones led by youth and women</p>	
<p>OUTCOME 4: Strengthened institutional capacity of relevant national Institutions to foster private sector development and enhance VCs through establishment and upgrading of Industrial Parks and SEZ</p>	<p>PILLAR 3: Economic transformation, and sustainable and inclusive growth PILLAR 5: Mobilization, coordination, and efficiency of development resources</p>

CP RESULT	UNDAF 2018-2022 ALIGNMENT
<p>OUTPUT 4.1: Policy instruments and regulatory reforms for Sustainable Industrial Parks (IPs) are developed</p>	<p>Outcome 3.1: By 2022, the population of Cabo Verde of working age, particularly women and youth, benefit from decent work through economic transformation in key sectors, that leads to more sustainable and inclusive economic development</p>
<p>OUTPUT 4.2: Capacity building provided for relevant national institutions to attract investment into SEZs and IPs</p>	<p>Outcome 5.1: By 2022, Cabo Verde has improved national and local capacities for the mobilization, coordination and efficient management of partnerships and funding for development, including South-South, triangular, and decentralized cooperation, and that contribute to the achievement of the SDG</p> <p>CP can contribute to UNDAF indicators: Indicator 5.1.3: Ratio of diaspora investment out of total investment</p>
<p>OUTCOME 5: Enhanced national capacities to apply integrated and innovative approaches for sustainable and participative management of natural resources, climate change adaptation and mitigation</p>	<p>PILLAR 2: Sustainable management of natural resources and biodiversity PILLAR 3: Economic transformation, and sustainable and inclusive growth</p> <p>Outcome 2.1 By 2022, the population of Cabo Verde, particularly the most vulnerable, benefit from enhanced national and local capacity to apply integrated and innovative approaches to the sustainable and participative management of natural resources and biodiversity, climate change adaptation and mitigation, and disaster risk reduction</p>
<p>OUTPUT 5.1: Facilitate the adoption of cleaner production processes and the reduction of waste generated by priority sectors, with a circular economy approach</p>	<p>CP can contribute to UNDAF indicators: Indicator 2.1.2: CO2 emissions per unit of additional value Indicator 2.1.4: Rate of integration of renewable energy for electricity production</p>
<p>OUTPUT 5.2: Support provided to national counterparts to enhance relevant policies/strategies and increase capacities and knowledge on RE technologies and clean, EE and sustainable manufacturing processes</p>	<p>Outcome 3.1: By 2022, the population of Cabo Verde of working age, particularly women and youth, benefit from decent work through economic transformation in key sectors, that leads to more sustainable and inclusive economic development</p> <p>CP can contribute to UNDAF indicators: Indicator 3.1.6: Proportion of jobs in green economy and blue economy out of total jobs</p>

10.4 Detailed alignment of the CP results framework with the SDGs

CP RESULT	ALIGNMENT WITH SDG Targets
<p>IMPACT: Cabo Verde's population benefits from enhanced integration in regional and global value chains through a competitive, diversified, sustainable and innovative industrial economy, strong and active private sector and adequate policies and strategies for a resilient and sustainable economic transition</p>	<p>SDG 9: All Targets</p>
<p>OUTCOME 1: Selected National Institutions have strengthened institutional and technical capacity for the development of industrial and innovation policies and plans</p>	<p>SDG 9: All Targets, SDG 5, 8, 12, 16, 17: selected targets</p> <p>Target 5.5: Ensure women's full and effective participation and equal opportunities for leadership at all levels of decision-making in political, economic and public life</p> <p>Target 5.c: Adopt and strengthen sound policies and enforceable legislation for the promotion of gender equality and the empowerment of all women and girls at all levels</p>
<p>OUTPUT 1.1: Capacity building provided to strengthen government's capacity for production and analysis of industrial statistics and for strategy development</p>	<p>Target 8.2 Achieve higher levels of economic productivity through diversification, technological upgrading and innovation, including through a focus on high-value added and labour-intensive sectors</p> <p>Target 8.3: Promote development-oriented policies that support productive activities, decent job creation, entrepreneurship, creativity and innovation, and encourage the formalization and growth of micro-, small- and medium-sized enterprises, including through access to financial services</p>
<p>OUTPUT 1.2: Preparation and support in implementation of the action plan for a strengthened NSI</p>	<p>Target 12.4: By 2020, achieve the environmentally sound management of chemicals and all wastes throughout their life cycle, in accordance with agreed international frameworks, and significantly reduce their release to air, water and soil in order to minimize their adverse impacts on human health and the environment</p> <p>Target 16.6: Develop effective, accountable and transparent institutions at all levels</p> <p>Target 16.7: Responsive, inclusive, participatory & representative decision-making at all levels</p> <p>Target 17.14: Enhance policy coherence for sustainable development</p> <p>17.18 By 2020, enhance capacity-building support to developing countries, including for least developed countries and small island developing States, to increase significantly the availability of high-quality, timely and reliable data disaggregated by income, gender, age, race, ethnicity, migratory status, disability, geographic location and other characteristics relevant in national contexts</p>

CP RESULT	ALIGNMENT WITH SDG Targets
<p>OUTCOME 2: Enhanced access to and participation in regional and international markets and advanced business competitiveness through quality systems and investment promotion</p>	<p>SDG 9: All Targets, SDG 8, 17: selected targets</p> <p>Target 8.3: Promote development-oriented policies that support productive activities, decent job creation, entrepreneurship, creativity and innovation, and encourage the formalization and growth of micro-, small- and medium-sized enterprises, including through access to financial services</p> <p>Target 17.3: Mobilize additional financial resources for developing countries from multiple sources</p> <p>Target 17.6: Enhance North-South, South-South and triangular regional and international cooperation on and access to science, technology and innovation and enhance knowledge-sharing on mutually agreed terms, including through improved coordination among existing mechanisms, in particular at the United Nations level, and through a global technology facilitation mechanism</p> <p>Target 17.11: Significantly increase the exports of developing countries, in particular with a view to doubling the least developed countries' share of global exports by 2020</p>
<p>OUTPUT 2.1: Support provided to National Quality System, to develop and implement norms and standards in line with regional and global practices</p>	
<p>OUTPUT 2.2: Identification and promotion of industrial investment opportunities are facilitated through convening and mobilization of partnerships, including South-south cooperation</p>	
<p>OUTCOME 3: Young people and women have enhanced ability to secure employment, including self-employment, in selected priority sectors, to recover and transform from COVID-19 pandemic in an inclusive and sustainable manner</p>	<p>SDG 9: All Targets, SDG 2, 4, 5, 8, 10, 17: selected targets</p> <p>Target 2.3: By 2030, double the agricultural productivity and incomes of small-scale food producers, in particular women, indigenous peoples, family farmers, pastoralists and fishers, including through secure and equal access to land, other productive resources and inputs, knowledge, financial services, markets and opportunities for value addition and non-farm employment</p> <p>Target 2.4: By 2030, ensure sustainable food production systems and implement resilient agricultural practices that increase productivity and production, that help maintain ecosystems, that strengthen capacity for adaptation to climate change, extreme weather, drought, flooding and other disasters and that progressively improve land and soil quality</p> <p>Target 4.3: Ensure equal access for all women and men to affordable and quality technical, vocational and tertiary education, including university</p> <p>Target 4.4: Substantially increase the number of youth and adults who have relevant skills, including technical and vocational skills, for employment, decent jobs and entrepreneurship</p> <p>Target 4.5: Eliminate gender disparities in education and ensure equal access to all levels of education and vocational training for the vulnerable, including persons with disabilities, indigenous peoples and children in vulnerable situations</p> <p>Target 5.1: End all forms of discrimination against all women and girls everywhere</p> <p>Target 5.5: Ensure women's full and effective participation and equal opportunities for leadership at all levels of decision-making in political, economic and public life</p>
<p>OUTPUT 3.1: Entrepreneurship Training and Vocational Programmes organized for MSMEs and students, fostering industrial skills, including industry 4.0</p>	
<p>OUTPUT 3.2: Capacity building provided to relevant MSMEs to uptake innovative technologies and integrate better into relevant VCs</p>	
<p>OUTPUT 3.3: Capacity building provided to strengthen agrobusinesses and agro-industries, especially the ones led by youth and women</p>	

CP RESULT	ALIGNMENT WITH SDG Targets
	<p>Target 8.2: Achieve higher levels of economic productivity through diversification, technological upgrading & innovation, including through focus on high-value added & labour-intensive sectors</p> <p>Target 8.5: Achieve full and productive employment and decent work for all women and men, including for young people and persons with disabilities, and equal pay for work of equal value</p> <p>Target 8.6: Substantially reduce the proportion of youth not in employment, education or training</p> <p>Target 10.2: Empower and promote the social, economic and political inclusion of all, irrespective of age, sex, disability, race, ethnicity, origin, religion or economic or other status</p> <p>Target 17.17: Encourage and promote effective public, public-private and civil society partnerships, building on the experience and resourcing strategies of partnerships</p>
<p>OUTCOME 4: Strengthened institutional capacity of relevant national Institutions to foster private sector development and enhance VCs through establishment and upgrading of Industrial Parks and SEZ</p>	<p>SDG 9: All Targets, SDG 8, 17: selected targets</p> <p>Target 8.3: Promote development-oriented policies that support productive activities, decent job creation, entrepreneurship, creativity and innovation, and encourage the formalization and growth of micro-, small- and medium-sized enterprises, including through access to financial services</p>
<p>OUTPUT 4.1: Policy instruments and regulatory reforms for Sustainable Industrial Parks (IPs) are developed</p>	<p>Target 17.3: Mobilize additional financial resources for developing countries from multiple sources</p>
<p>OUTPUT 4.2: Capacity building provided for relevant national institutions to attract investment into SEZs and IPs</p>	<p>Target 17.7: Promote the development, transfer, dissemination and diffusion of environmentally sound technologies to developing countries on favourable terms, including on concessional and preferential terms, as mutually agreed</p>
<p>OUTCOME 5: Enhanced national capacities to apply integrated and innovative approaches for sustainable and participative management of natural resources, climate change adaptation and mitigation</p>	<p>SDG 9: All Targets, SDG7: All targets, SDG 12, 13, 17: selected targets</p> <p>Target 12.2: By 2030, achieve the sustainable management and efficient use of natural resources</p> <p>Target 12.b: Develop and implement tools to monitor sustainable development impacts for sustainable tourism that creates jobs and promotes local culture and products</p>
<p>OUTPUT 5.1: Facilitate the adoption of cleaner production processes and the reduction of waste generated by priority sectors, with a circular economy approach</p>	<p>Target 13.2: Integrate climate change measures into national policies, strategies and planning</p> <p>Target 13.b: Promote mechanisms for raising capacity for effective climate change-related planning and management in least developed countries and small island developing States, including focusing on women, youth and local and marginalized communities</p>

CP RESULT	ALIGNMENT WITH SDG Targets
<p>OUTPUT 5.2: Support provided to national counterparts to enhance relevant policies/strategies and increase capacities and knowledge on RE technologies and clean, EE and sustainable manufacturing processes</p>	<p>Target 17.7: Promote the development, transfer, dissemination and diffusion of environmentally sound technologies to developing countries on favourable terms, including on concessional and preferential terms, as mutually agreed</p>
<p>OUTCOME 6: Awareness of CP stakeholders and their readiness to engage in partnerships under the CP, to support the country's industrial priorities is enhanced</p>	<p>SDG 9: all targets, SDG 17: selected targets</p> <p>Target 17.14: Enhance policy coherence for sustainable development</p> <p>Target 17.15: Respect each country's policy space and leadership to establish and implement policies for poverty eradication and sustainable development</p> <p>Target 17.16: Enhance the global partnership for sustainable development, complemented by multi-stakeholder partnerships that mobilize and share knowledge, expertise, technology and financial resources, to support the achievement of the sustainable development goals in all countries, in particular developing countries</p> <p>Target 17.17: Encourage and promote effective public, public-private and civil society partnerships, building on the experience and resourcing strategies of partnerships</p>
<p>OUTPUT 6.1: Coordination: Ensure substantive engagement of CP partners in the CP pertinent TC initiatives and through the CP Steering Committee (CPSC)</p>	
<p>OUTPUT 6.2: M&E: CP MR&E Plan implemented timely and in line with UNIDO Evaluation Charter and standards, in coordination with government counterparts and TC project teams</p>	
<p>OUTPUT 6.3: Communication & Visibility: Communication and advocacy activities implemented timely, and in line with the CP Annual Communication Action Plans</p>	

10.5 Detailed CP core budget

Total CP Core budget (USD)

	ITEM	2022	2023	2024	2025	2026	TOTAL
11	International experts	\$ 3,151	\$ 3,151	\$ 5,252	\$ 3,151	\$ 8,403	\$ 23,109
15	Travel of national and international experts	\$ 2,050	\$ 2,050	\$ 2,050	\$ 2,050	\$ 2,050	\$ 10,252
16	UNIDO staff missions	\$ 5,252	\$ 5,252	\$ 5,252	\$ 5,252	\$ 5,252	\$ 26,261
17	Local experts and administrative staff	\$ 24,059	\$ 39,815	\$ 39,815	\$ 39,815	\$ 39,815	\$ 183,319
21	Subcontracts	\$ 2,101	\$ 525	\$ 525	\$ 525	\$ 525	\$ 4,202
35	International Meetings	\$ 5,101	\$ 3,000	\$ 3,000	\$ 3,000	\$ 3,000	\$ 17,101
43	Premises	\$ 3,050	\$ 3,050	\$ 3,050	\$ 3,050	\$ 3,050	\$ 15,252
45	Equipment	\$ 2,050	\$ 1,000	\$ 1,000	\$ 1,000	\$ 1,000	\$ 6,050
51	Miscellaneous	\$ 2,050	\$ 2,050	\$ 2,050	\$ 2,050	\$ 2,050	\$ 10,252
	TOTAL	\$ 48,866	\$ 59,895	\$ 61,996	\$ 59,895	\$ 65,147	\$ 295,798

CP core budget to be contributed in-kind⁴⁹ (USD)

	ITEM	2022	2023	2024	2025	2026	TOTAL
11	International experts	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
15	Travel of national and international experts	\$ 1,000	\$ 1,000	\$ 1,000	\$ 1,000	\$ 1,000	\$ 5,000
16	UNIDO staff missions	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
17	Local experts and administrative staff	\$ 2,000	\$ 2,000	\$ 2,000	\$ 2,000	\$ 2,000	\$ 10,000
21	Subcontracts	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
35	In-service training, conferences, workshops	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
35	International Meetings	\$ 3,000	\$ 3,000	\$ 3,000	\$ 3,000	\$ 3,000	\$ 15,000
43	Premises	\$ 2,000	\$ 2,000	\$ 2,000	\$ 2,000	\$ 2,000	\$ 10,000
45	Equipment	\$ 1,000	\$ 1,000	\$ 1,000	\$ 1,000	\$ 1,000	\$ 5,000
51	Miscellaneous	\$ 1,000	\$ 1,000	\$ 1,000	\$ 1,000	\$ 1,000	\$ 5,000
	TOTAL	\$ 10,000	\$ 10,000	\$ 10,000	\$ 10,000	\$ 10,000	\$ 50,000

⁴⁹ MITE in-kind contribution of the equivalent monetary value; Joint MITE-UNIDO-other donors' in-kind contribution to CP coordination, MR&E, communication (through CP pertinent projects)

CP core budget to be contributed by UNIDO (RPTC), disaggregated per output and BL (USD)

	2022	2023	2024	2025	2026	TOTAL	
Output 6.1. Coordination: Ensure substantive engagement of CP partners in the CP pertinent TC initiatives and through the CP Steering Committee (CPSC)							
11 International experts	\$ 1,050	\$ 1,050	\$ 1,050	\$ 1,050	\$ 1,050	\$ 5,252	
15 Travel of national and international experts	\$ 525	\$ 525	\$ 525	\$ 525	\$ 525	\$ 2,626	
16 UNIDO staff missions	\$ 5,252	\$ 5,252	\$ 5,252	\$ 5,252	\$ 5,252	\$ 26,261	
17 Local experts and administrative staff	\$ 15,756	\$ 29,412	\$ 29,412	\$ 29,412	\$ 29,412	\$ 133,403	
43 Premises	\$ 1,050	\$ 1,050	\$ 1,050	\$ 1,050	\$ 1,050	\$ 5,252	
45 Equipment	\$ 1,050	\$ -	\$ -	\$ -	\$ -	\$ 1,050	
51 Miscellaneous	\$ 525	\$ 525	\$ 525	\$ 525	\$ 525	\$ 2,626	
TOTAL	\$ 25,210	\$ 37,815	\$ 37,815	\$ 37,815	\$ 37,815	\$ 176,471	
Output 6.2. M&E: CP MR&E Plan implemented timely and in line with UNIDO Evaluation Charter and standards, in coordination with government counterparts and TC project teams							
11 International experts	\$ 1,050	\$ 1,050	\$ 3,151	\$ 1,050	\$ 6,303	\$ 12,605	
15 Travel of national and international experts	\$ 525	\$ 525	\$ 525	\$ 525	\$ 525	\$ 2,626	
17 Local experts and administrative staff	\$ 3,151	\$ 3,151	\$ 3,151	\$ 3,151	\$ 3,151	\$ 15,756	
TOTAL	\$ 4,727	\$ 4,727	\$ 6,828	\$ 4,727	\$ 9,979	\$ 30,987	
Output 6.3. Communication & Visibility: Communication and advocacy activities implemented timely, and in line with the CP Annual Communication Action Plans							
11 International experts	\$ 1,050	\$ 1,050	\$ 1,050	\$ 1,050	\$ 1,050	\$ 5,252	
17 Local experts and administrative staff	\$ 3,151	\$ 5,252	\$ 5,252	\$ 5,252	\$ 5,252	\$ 24,160	
21 Subcontracts	\$ 2,101	\$ 525	\$ 525	\$ 525	\$ 525	\$ 4,202	
35 International Meetings	\$ 2,101	\$ -	\$ -	\$ -	\$ -	\$ 2,101	
51 Miscellaneous	\$ 525	\$ 525	\$ 525	\$ 525	\$ 525	\$ 2,626	
TOTAL	\$ 8,929	\$ 7,353	\$ 7,353	\$ 7,353	\$ 7,353	\$ 38,340	
OVERALL TOTAL	\$ 38,866	\$ 49,895	\$ 51,996	\$ 49,895	\$ 55,147	\$ 245,798	

CP core budget to be contributed by UNIDO (RPTC), disaggregated per output and BL (EUR)

	2022	2023	2024	2025	2026	TOTAL	
Output 6.1. Coordination: Ensure substantive engagement of CP partners in the CP pertinent TC initiatives and through the CP Steering Committee (CPSC)							
11 International experts	€ 1,000	€ 1,000	€ 1,000	€ 1,000	€ 1,000	€ 5,000	
15 Travel of national and international experts	€ 500	€ 500	€ 500	€ 500	€ 500	€ 2,500	
16 UNIDO staff missions	€ 5,000	€ 5,000	€ 5,000	€ 5,000	€ 5,000	€ 25,000	
17 Local experts and administrative staff	€ 15,000	€ 28,000	€ 28,000	€ 28,000	€ 28,000	€ 127,000	
43 Premises	€ 1,000	€ 1,000	€ 1,000	€ 1,000	€ 1,000	€ 5,000	
45 Equipment	€ 1,000	€ -	€ -	€ -	€ -	€ 1,000	
51 Miscellaneous	€ 500	€ 500	€ 500	€ 500	€ 500	€ 2,500	
TOTAL	€ 24,000	€ 36,000	€ 36,000	€ 36,000	€ 36,000	€ 168,000	
Output 6.2. M&E: CP MR&E Plan implemented timely and in line with UNIDO Evaluation Charter and standards, in coordination with government counterparts and TC project teams							
11 International experts	€ 1,000	€ 1,000	€ 3,000	€ 1,000	€ 6,000	€ 12,000	
15 Travel of national and international experts	€ 500	€ 500	€ 500	€ 500	€ 500	€ 2,500	
17 Local experts and administrative staff	€ 3,000	€ 3,000	€ 3,000	€ 3,000	€ 3,000	€ 15,000	
TOTAL	€ 4,500	€ 4,500	€ 6,500	€ 4,500	€ 9,500	€ 29,500	
Output 6.3. Communication & Visibility: Communication and advocacy activities implemented timely, in line with the CP Annual Communication Action Plans							
11 International experts	€ 1,000	€ 1,000	€ 1,000	€ 1,000	€ 1,000	€ 5,000	
17 Local experts and administrative staff	€ 3,000	€ 5,000	€ 5,000	€ 5,000	€ 5,000	€ 23,000	
21 Subcontracts	€ 2,000	€ 500	€ 500	€ 500	€ 500	€ 4,000	
35 International Meetings	€ 2,000	€ -	€ -	€ -	€ -	€ 2,000	
51 Miscellaneous	€ 500	€ 500	€ 500	€ 500	€ 500	€ 2,500	
TOTAL	€ 8,500	€ 7,000	€ 7,000	€ 7,000	€ 7,000	€ 36,500	
OVERALL TOTAL	€ 37,000	€ 47,500	€ 49,500	€ 47,500	€ 52,500	€ 234,000	

10.6 Overview of CP ongoing and pipeline projects

STATUS	PROJECT TITLE	DONOR(S)/ PARTNERS	BUDGET (USD)	DESCRIPTION
CP Component 2: Quality Infrastructure, Trade and Investment promotion				
Ongoing	Response to the COVID-19 crisis and recovery of the tourism sector in Cabo Verde (ID 200111)	UNDP - IPF	179,211	The Government of Cabo Verde has identified a range of measures that will offer the means to tourism-sector stakeholders to not only recover from the impact of COVID-19 but also make it more competitive in the medium-to-long term. The overall objective (impact-level) of the project is to safeguard the overall socio-economic fabric of Cabo Verde during and after the COVID-19 crisis. The Specific objective is to mitigate the socioeconomic impact of COVID-19 pandemic for the most vulnerable economic actors (informal and REMPE workers) and to support the recovery of the tourism sector. Through a partnership with UNIDO, a simplified certification scheme for quality assurance will be implemented to remove access barriers to trade and market entry for MSMEs within tourism sector value chains.
Ongoing	West Africa Competitiveness and Quality Infrastructure Project (ID 170095)	European Union; Germany, UNIDO	TBC REGIONAL ⁵⁰	Strengthening industrial competitiveness of the West African priority countries through value chain development and an enhanced level of production, transformation and export capacities of the private sector (to be implemented under the framework of the 11th European Development Fund West Africa Competitiveness Programme).
CP Component 3: Entrepreneurship promotion, with focus on agrobusiness, innovation and gender and youth empowerment				
Ongoing (inception phase)	Opportunities for Youth in Africa (OYA): Accelerating Jobs Creation in Agriculture and Agribusiness (ID 190143)	Trust Fund for Increased Food Security through Agribusiness	3,630,500 REGIONAL ⁵¹	This programme proposes an integrated approach for the creation of quality on- and off-farm employment and self-employment opportunities for African youth in agriculture and agribusiness. It highlights the central role of agriculture for Africa's development, while emphasizing the need for continuous empowerment of African youth to be the engine of this growth. The multi-level approach (continental, sub-regional, national) reflects the need for a concerted effort between public institutions and the private sector on capacity development, access to resources, improved coordination and linkages, and knowledge generation and dissemination. Continental / sub-regional levels and six prioritized countries (Tunisia, Cabo Verde, Ghana, Democratic Republic of the Congo, Kenya, and Zambia).
Pipeline	Connecting blue economy actors: Generating employment, supporting livelihoods and mobilizing resources	SDG Fund	178,350	The project aims at unleashing the potential of the Blue Economy in Cabo Verde as an accelerator of the Sustainable Development Goals and an engine of socio-economic inclusion for the poor coastal communities in the island of Santiago, Cabo Verde, especially women and youth. Its objectives are to increase the income of youth and women in the pilot coastal communities by improving their access to innovation, decent jobs, markets, services and finance; and to foster investments to finance blue economy income-generating projects, in particular impact and diaspora investments.

⁵⁰ Total Regional Budget: \$6,449,794

⁵¹ Total Regional Tentative Budget: \$ 50,000,000

STATUS	PROJECT TITLE	DONOR(S)/ PARTNERS	BUDGET (USD)	DESCRIPTION
CP Component 5: Environmental management				
Ongoing	Country programming support and sustainable tourism planning for Cabo Verde (GCF Readiness proposal) (ID 200198)	GCF Readiness	499,379	The proposed readiness programme seeks to identify climate change priorities, including a pipeline of projects that the country seeks to develop with GCF. It will furthermore be addressing cross-sectoral challenges and aiming at the identification of opportunities within the tourism sector to foster sustainable decision making. As a result, this should unlock climate finance flows towards inter alia circular and sustainable tourism interventions. This readiness proposal consists of three main activity areas which are (i) the engagement of stakeholders in a consultative process as to ensure an inclusive and holistic approach to sustainable decision making, (ii) the development of a pipeline of national programming priorities and prioritized adaptation and mitigation activities, including the development of GCF Project concept notes and (iii) the development of a GCF Country Programme for climate finance.
Pipeline	E-Waste	TBC	TBC	Formal letter from Government on March 14 th 2020 to request for cooperation for the development of the E-Waste assessment and strategy for a public-private partnership.
CP Component 6: Energy transition and climate action				
Ongoing	Sustainable energy access to manage water resources: Addressing the Energy-Water Nexus (ID 170001)	GEF (Operational Budget, Cost Recovery Fund, GEF)	1,826,072	To overcome the low natural availability of water, desalination plants and underground boreholes are used to secure access to freshwater even though they require large amounts of energy to operate. In this regard, although Cabo Verde has made significant improvement in curbing its power deficit, certain challenges remain which impact economic and social development. The project is bringing about an alternative scenario that combines technical assistance for improving the existing regulatory and institutional framework and investment in RE systems for water pumping in rural areas and water desalination in urban areas. Besides to support the scaling up efforts, the project is engaged in building technical capacity to install and maintain the RE systems for water pumping and desalination and raising awareness among relevant stakeholders on the technical and financial feasibility of such interventions.
Ongoing	Capacity-building support for the ECOWAS Centre for Renewable Energy and Energy Efficiency in the scope of the Global Network of Regional Sustainable Energy Centres (ID 180287)	Austria (EURO Trust Funds)	TBC REGIONAL ⁵²	The project is a follow-up to the provided UNIDO technical support for the establishment of the ECOWAS Centre for Renewable Energy and Energy Efficiency (ECREEE) between 2008 and 2014. The Executive Board of the center requested UNIDO to assist ECREEE technically and institutionally in the implementation of the Strategic Plan 2017 to 2021 and key recommendations of a recently undertaken external evaluation. The center is currently at cross-roads and needs to adapt its internal proceedings, competence and services to the growing demands from ECOWAS Member States and the private sector. Moreover, the project will assist ECREEE to become an active member of the Global Network of Regional Sustainable Energy Centers (GN-SEC) and to take leadership in joint south-south actions in partnership with other centers.

⁵² Total Regional Budget: \$1,049,780

STATUS	PROJECT TITLE	DONOR(S)/ PARTNERS	BUDGET (USD)	DESCRIPTION
Pipeline	Integrated adoption of electric mobility in the maritime sector through clean technology innovation	GEF	1,150,000	<p>Objective: To advance the adoption of electric mobility in the artisanal fishing sector sector through clean technology innovation and renewable energies (RE) integration.</p> <p>The project's goal is to trigger and accelerate the uptake of electric mobility solutions in the maritime sector through both capacity development and specific demonstrations focusing, at this stage, specifically on electric mobility within the artisanal fishing sub-sector with the integration of renewable energy.</p>

10.7 Overview of potential CP Partners

This list is to be taken into consideration in addition to the CP Partner Map and its Action Plan, that is updated on a quarterly basis.

Multilateral Partners	Areas of focus	CP Component
World Bank Group (WBG)	<p>In 2021, the World Bank Group’s portfolio consisted of eight active credit projects totalling about US\$150 million in the area of State-owned enterprises (SOEs) reform, access to finance, transport, tourism, social protection, education, digital economy and emergency response to COVID-19.</p> <p>The WB Country Partnership Framework 2020-2025 (CPF) supports the Government's strategy through two Result Areas:</p> <p>Results Area I - Accelerating human capital for inclusive, service-driven growth services, with goal 1 supporting the improvement of basic education and skills for present and future jobs and goal 2 will supporting social protection and productive inclusion. inclusion.</p> <p>Results Area II - Strengthening the environment for a more diversified economy, with goal 3 supporting better fiscal and macro-economic resilience and goal 4 improving the basis for growth stimulated by the private sector-led growth.</p> <p>The CPF intends to focus about half of the anticipated US\$150 million in new funding to further support the Government's reform agenda. The surplus funding will support a limited number of major new investment operations to expand existing operations in key areas of the Government's vision to establish Cabo Verde as a Hub economy.</p> <p>UNIDO has partnered with the WB and ITS on an inter-regional project titled “Supporting business-friendly and inclusive national and regional policies, and strengthening productive capabilities and value chains” (ID 1700499, in which Cabo Verde is a beneficiary country.</p> <p>Consultations on further specific cooperation areas with UNIDO, in Cabo Verde, are yet to take place.</p>	2, 3, 4, 5, 6
African Development Bank (AfDB)	<p>AfDB’s main focus: to spur sustainable economic development and social progress in its regional member countries (RMCs), thus contributing to poverty reduction.</p> <p>The Bank has five priority areas (High 5s): Light up and power Africa, feed Africa, integrate Africa, improve the lives of the people of Africa and industrialize Africa. Industrialize Africa includes Private Sector Development (strategy and new product, portfolio asset management, special operations), Financial sector development (financial institutions, financial inclusion), Infrastructure, cities & urban development (transport and logistics, ICT), Industrial and trade development.</p> <p>As at 31st May 2021, the Bank’s active portfolio in Cabo Verde consisted of 6 ongoing national operations with a total value of \$98 million. The portfolio is distributed across six sectors, namely ICT (38.3%), governance (36.4%), transport (22%), agriculture (1.4%), social (1%), and energy (0.9%). Around 96% of the resources come from the non-concessional Bank arm, while resources from Middle Income Countries Technical Assistance Fund and the Bank-administered Trust Fund account for the remaining 4% of the financing.</p> <p>The Bank Group Country Strategy Paper (CSP) for Cabo Verde for the period 2019-2024 is focused in initiatives supporting agriculture and blue economy value chains in order to promote job creation and enhance economic inclusiveness, articulated around one single area of priority for Bank support as follows: “support to economic diversification through enhanced agriculture value chains”. Bank support aims to improve the productivity of critical sectors (e.g. agriculture and fisheries) and strengthen the demand for local production by optimizing the interlinkages with the tourism market, create jobs and bridge inequality gaps. More specifically, the Bank will work with government</p>	2, 3, 4, 5, 6

	<p>towards reducing production costs (e.g. enhancing efficiency of the electricity sector); improving inter-island connectivity through modernization of ports and airports; and address other policy and institutional factors impeding value chains development. In addition, the Bank will use a range of instruments including credit guarantees under the Lusophone Compact to invest and catalyse private sector investment in key value chains in agriculture and blue economy. The new CSP also places greater emphasis on mainstreaming crosscutting issues of gender, climate change and governance.</p> <p>Consultations on specific cooperation areas with UNIDO, in Cabo Verde, are yet to take place.</p>	
ECOWAS Commission	<p>ECOWAS supports the economic and political development of its member states. Cabo Verde is benefiting from ECOWAS Quality Program (EU), ECOWAS Competitiveness Programme and also through the ECOWAS Regional Centre of Renewable energy and Energy Efficient (ECREEE), which has been established and operationalized with UNIDO's support in Praia, Cabo Verde.</p> <p>In the past, UNIDO also collaborated with the West African Health Organization (WAHO), which is a specialized institution of the ECOWAS responsible for health issues. There are a number of opportunities to continue assisting Cabo Verde through such cooperation on the regional level including through the recently established Fund for Development and Financing of ECOWAS Transport and Energy sectors (FODETE). The fund will be dedicated to financing the development of regional infrastructure in the Transport and Energy sectors and is expected to be fed from a levy on the key export resources (Agriculture, Oil & Gas, Natural Minerals etc.) within the region.</p>	2, 3
ECOWAS Bank for Investment and Development (EBID)	<p>The Bank has approximately USD\$ 25 million invested in the country.</p> <p>The Bank will invest in the growth poles of Member States' economies to facilitate a quick exit from the COVID-19-induced economic recession phase. It will also finance projects that will enhance economic integration in the sub-region, while investing in healthcare provision, education and climate action initiatives. The Bank will achieve these objectives by investing through concessional and commercial loans, both private and public.</p> <p>The Bank will prioritize five (5) broad areas of intervention in 2021-2025:</p> <ol style="list-style-type: none"> (1) Infrastructure development for growth and (2) economic integration: Energy, Transport infrastructure and ICT (3) Agriculture and climate resilience: Agriculture, Irrigation for climate resilience (4) Industrialization: Agro-processing and Small and Medium Scale Enterprises (SMEs) (5) Social resilience: Education and training, Water and Health (6) Services sector intervention: Financial sector <p>By 2020, almost 10% of the Bank net commitments went to the industry sector.</p> <p>Consultations on specific cooperation areas with UNIDO, in Cabo Verde, are yet to take place.</p>	3, 4, 5, 6
International Fund for Agricultural Development (IFAD)	<p>IFAD is currently implementing the Rural Socio-economic Opportunities Programme (POSER) with an additional budget of US\$6.27 million for the period from 2019 to 2021. IFAD country strategic opportunities programme (RB-COSOP) for 2019 to 2024 in Cabo Verde objective is to contribute to the sustainable improvement of the livelihoods and food and nutrition security of vulnerable rural populations, especially women and young adults. The three strategic objectives (SOs) of the COSOP contributing to implementation of the Strategic Sustainable Development Plan (PEDS) 2017-2021 and achievement of the Sustainable Development Goals (SDGs) are as follows:</p> <ol style="list-style-type: none"> (1) Increase the resilience of rural populations to the effects of climate change, particularly with respect to water mobilization and management; (2) Support the development of agricultural value chains and the local economy based on the potential and characteristics of the 	3, 4

	<p>regions;</p> <p>(3) Engage with partners in policy dialogue on major development issues of relevance to poor family farmers, young adults and women.</p> <p>A new project (POSER II) will be designed to absorb the resources from the Twelfth Replenishment of IFAD's Resources (IFAD12) financing cycle (2022-2024). Consultations on specific cooperation areas with UNIDO, in Cabo Verde, are yet to take place.</p>	
Arab Bank for Economic Development in Africa (BADEA)	<p>BADEA's net commitments in 2019 totalled 16.5 million on the project: Rehabilitation and Preparation of Three Water Basins in the islands of "Santiago", "Santo Antao" and "Boa Vista".</p> <p>BADEA Eighth Five-Year Plan (2020 – 2024) has eighth pillars: Investment in infrastructure for inclusivity, industrialization and innovation, agriculture value-chains development for empowerment, boosting trade and private sector development for growth and job creation, small and medium-sized enterprise and entrepreneurship development.</p> <p>The approved financial allocations for the Plan include an amount of \$1700 million for the public sector, \$1000 million for the private sector and \$50 million for the technical assistance. Consultations on specific cooperation areas with UNIDO, in Cabo Verde, are yet to take place.</p>	2, 3, 4
European Union (EU)	<p>The European Union Multi-Annual Indicative Programme 2021-2027 with Cabo Verde is built and will be approved in the third quarter of the year. The proposed priority areas are:</p> <ol style="list-style-type: none"> (1) Good governance, rule of law and equality, with the indicative sectors of enabling environment for investments, poverty reduction + education, accountability and public finance managing, Judiciary and civil society. (2) Green economy for inclusive growth and jobs, with the indicative sectors of renewable energy, green tourism, water and sanitation, and blue economy. <p>The EU budget over the period 2014-2020 was EUR 55 million. The 2018-2019 ODA received through EU institutions amounted to US\$ 23,41 million.</p> <p>UNIDO and the EU have been collaborating in Cabo Verde within the framework of the WACOMP programme. Consultations took place with the Ambassador of the EU to Cabo Verde in early 2022, during which both parties expressed interest in expanding this cooperation. However, further consultations are needed to establish concrete cooperation initiatives. The Ambassador also encouraged closer cooperation with the regional EU delegation, specifically for enhanced engagement with the private sector.</p>	2, 3, 5, 6
Global Environment Facility (GEF)	<p>The GEF is a traditional source of funding for UNIDO in the areas of renewable energy and environment. Cabo Verde GEF 7 allocation is 8,49M USD with 1M for Climate Change. Cabo Verde may also apply to other GEF sources as multilateral environmental agreements. There has been a confirmed interest from the Government to target interventions funded by GEF.</p>	6
Green Climate Fund (GCF)	<p>UNIDO has launched several rounds of consultations with the GCF National Designated Authority (NDA) and has developed a Readiness Proposal titled "Country programming support and sustainable tourism planning for Cabo Verde" (ID 200198). The proposal was approved by the GCF Secretariat in February 2022, with the implementation to commence in the second half of 2022. Discussions with the NDA and the Ministry of Tourism and Transport have also indicated interest to continue cooperation with UNIDO and particularly target the full-scal project modality of GCF's support.</p>	5,6
Adaptation Fund (AF)	<p>Cabo Verde Ministry of Agriculture and Environment and FAO recently submitted a proposal to the AF titled "Increasing the resilience of local communities to climate change through improved watershed management and land restoration", which might offer synergy creation if</p>	5,6

Bilateral Partners	Areas of focus	Component
Luxembourg	<p>Luxembourg approved its indicative cooperation programme 2021-2025 with Cabo Verde with the overall objective of contributing to the reduction of extreme poverty and to the sustainable development of the country in the economic, social and environmental dimensions. It has two specific objectives and five priority areas of intervention: employment and employability, water and sanitation, local development, climate action and energy transition. The total budget foreseen for the five years is 78 million euros. Luxembourg's 2018-2019 ODA to the country amounted to US\$ 15,93 million.</p> <p>Consultations took place with the Embassy of Luxembourg in Cabo Verde in early 2022, during which both parties expressed interest in cooperation. Further consultations are needed to establish concrete cooperation initiatives.</p>	3, 5, 6
Portugal	<p>Cooperation between Portugal and Cabo Verde is governed by the Strategic Cooperation Programme 2017 – 2021 signed between the two countries. Priority sectors of intervention were identified as: security and defence, education, training, culture, science and innovation, health and social affairs, energy and environment, and public finance and private sector. The budget for the 5 years is 120 million euros. Portugal's 2018-2019 ODA to the country amounted to US\$ 21,89 million.</p> <p>Consultations took place with the Embassy of Portugal in Cabo Verde in early 2022, during which both parties expressed interest in cooperation. Further consultations are needed to establish concrete cooperation initiatives.</p>	5, 6
Spain (AECID)	<p>The Fifth Master Plan for Spanish cooperation includes Cabo Verde among the advanced cooperation countries, and a new generation agreement should be developed and agreed upon to normalise, regulate and frame the future of Spanish cooperation in the country. Such an agreement should begin to be built during the last months of 2021 and will define the priorities of Spanish cooperation in the country. Annual budget is around 1 million euros.</p> <p>In the meantime, in recent years, Spanish development cooperation with Cabo Verde has focused on the environment, governance and the productive sectors of agriculture and fisheries. Consultations took place with the Embassy of Spain in Cabo Verde in early 2022, during which both parties expressed interest in cooperation. Further consultations are needed to establish concrete cooperation initiatives.</p>	3, 5, 6
Japan (JICA)	<p>JICA has approved a USD 62 million loan program on water, reflected in the 2021 state budget. Embassy is based in Dakar. Japan's 2018-2019 ODA to the country amounted to US\$ 11,8 million.</p> <p>Consultations on specific cooperation areas with UNIDO, in Cabo Verde, are yet to take place.</p>	2, 4
China	<p>The People's Republic of China and Cabo Verde have an important partnership in several key areas: Special Economic Zones, Blue Economy, ICT, FDI, Cultural, Education and Infra-structures. Consultations on specific cooperation areas with UNIDO, in Cabo Verde, are yet to take place.</p>	2, 4
Saudi Fund for Development (SFD)	<p>The Saudi Fund for Development contributes \$17 million, in partnership with BADEA, to the project Rehabilitation and Preparation of Three Water Basins in the islands of "Santiago", "Santo Antao" and "Boa Vista". Consultations on specific cooperation areas with UNIDO, in Cabo Verde, are yet to take place.</p>	2, 3, 4

Netherlands	Donation from the Netherlands of USD 5 million euros is included in the 2021 state budget. Consultations on specific cooperation areas with UNIDO, in Cabo Verde, are yet to take place.	2,3,4
Italy	Italy has been cooperating with Cabo Verde within the framework of the EU agreements with the country. Italy is currently contributing \$47,866,621 to 21 ongoing UNIDO projects, many of which are located in Africa. More specifically, Cabo Verde is a beneficiary project in UNIDO's regional project "Opportunities for youth in Africa: Accelerating job creation in agriculture and agribusiness", supported by Italy. Further consultations on specific cooperation areas with UNIDO, in Cabo Verde, are yet to take place.	3
United Kingdom	The UK has a non-resident Ambassador to Cabo Verde based in Dakar, Senegal. UK has not been among the major donors for UNIDO projects in the Africa region. However, the Government of Cabo Verde (incl. MITE) has emphasized the friendly relations with the UK. Further consultations on specific cooperation areas with UNIDO, in Cabo Verde, will thus take place, particularly within the framework of a Donor Roundtable, planned for the first year of the CP implementation.	4, 6
United States of America	Top U.S. priorities in Cabo Verde include increasing economic growth and development, improving security, and supporting human rights. The economic partnership between the U.S. and Cabo Verde has strong potential for growth. Cabo Verde is eager to attract U.S. trade and investment. As part of the United States' Prosper Africa initiative, the Department of State is working closely with the Cabo Verdean government and the U.S. Embassy in Praia to ensure that U.S. companies are aware of trade and investment opportunities. Cabo Verde is eligible for preferential trade benefits under the African Growth and Opportunity Act (AGOA). U.S. imports from Cabo Verde include machinery, aircraft parts, rum and tafia, prepared meats and fish, toys and sports equipment, soap, coffee, corn products, and baking-related goods. In November 2017, Cabo Verde completed its second Millennium Challenge Corporation (MCC) compact (\$66.2 million) which focused on water, sanitation, and land management reforms. Cabo Verde's first compact, (for \$110 million, signed in July 2005), focused on strengthening the investment climate; reforming the financial sector; enacting policy reforms; increasing agricultural productivity; building or rebuilding roads, bridges, and ports; and improving public access to markets, jobs, and social services. USA's 2018-2019 ODA to the country amounted to US\$ 2,62 million Moreover, the U.S. is contributing US\$23.5 million to 3 ongoing UNIDO projects, implemented on a global level and in Northern Africa. Consultations on modalities and priority areas of cooperation with UNIDO, in Cabo Verde, remain to be conducted.	4
Germany	Since the Republic of Cabo Verde gained independence, Germany has made available some €100 million to the country under financial and technical cooperation. Measured in per capita terms, the country ranked among the top recipient countries of German assistance. Cabo Verde ceased to be a recipient of bilateral development cooperation assistance in 2010 after it graduated to middle-income country status. However, Germany contributes a large share of multilateral aid, in particular through the European Union and the World Bank. There continues to be close research cooperation between Germany and Cabo Verde. The Federal Ministry of Education and Research and the Federal Ministry of Food and Agriculture are supporting projects in the areas of marine research, oceanography, protection of West African fishing grounds, climate monitoring and climate protection. With the Ocean Science Centre Mindelo, an important research institute opened in November 2017 on the island of São Vicente. Moreover, Germany is contributing US\$23 million to 8 ongoing UNIDO projects, most of which are located in Africa. Consultations on modalities and priority areas of cooperation with UNIDO, in Cabo Verde, remain to be conducted.	4

Sweden	<p>Sweden has been marked as an important partner by the Government of Cabo Verde, contributing to the national health programme, as well as to areas of education, infrastructure and equipment.</p> <p>In the period 2013-2021, Sweden has donated about USD 24 million for UNIDO projects implemented in Africa. Its support has often targeted the TVET system, knowledge and technology transfer and entrepreneurship promotion. As such, it would be an important partner for CP components 3 and 4. Nevertheless, further consultations on modalities and priority areas of cooperation with UNIDO, in Cabo Verde, remain to be conducted.</p>	3, 4
Norway	<p>In the period 2013-2021, Norway has donated about USD 20 million for UNIDO projects implemented in Africa. Currently, Norway is contributing almost US\$ 20 million to 5 ongoing UNIDO global projects. Their support has targeted a variety of sectors, including strengthening of value chains, agribusiness, RE and EE, trade capacity building, gender equality.</p> <p>Further consultations on modalities and priority areas of cooperation with UNIDO, in Cabo Verde, remain to be conducted.</p>	3, 4
Switzerland	<p>Switzerland has defined a strategy for sub-Saharan Africa for the period 2021–24. It recognised the Republic of Cape Verde in 1975, the day it declared its independence. Despite bilateral agreements on technical cooperation, air traffic, and investment protection signed between 1987 and 1991, trade volume between Switzerland and Cabo Verde has remained modest. The Swiss Embassy in Dakar (Senegal) is accredited to the Republic of Cabo Verde.</p> <p>In the period 2013-2021, Switzerland has donated about USD 36 million for UNIDO projects implemented in Africa. Currently, Switzerland is contributing over US\$ 54,7 million to 22 ongoing UNIDO projects. The support has often target promotion of sustainable practices, resilient and green industry, trade capacity building, strengthening of value change as well as knowledge exchange and technology transfer.</p> <p>Further consultations on modalities and priority areas of cooperation with UNIDO, in Cabo Verde, remain to be conducted.</p>	4
UN Partners	Areas of focus	Component
UNDP	<p>UNDP's focus is on capacity development for pro poor growth and accountability in partnership with the government, the UN system, civil society, and development partners. The ultimate goal is to support the development efforts of the government of the Gambia.</p> <p>UNDP's core areas of focus are:</p> <ol style="list-style-type: none"> (1) Democratic Governance (2) Inclusive Growth through Poverty reduction and achieving the SDGs (3) Sustainable Energy and The Environment <p>UNIDO and UNDP partnered for the project “Response to the COVID-19 crisis and recovery of the tourism sector in Cabo Verde” (ID 200111). In addition, UNDP is one of the partner agency for the recently launched joint UN project “Connecting blue economy actors” (ID 200270), implemented by FAO (lead), UNIDO, UNDP and IOM.</p>	1, 2, 3, 6
FAO	<p>FAO aims at supporting Cabo Verde in its efforts to:</p> <ol style="list-style-type: none"> (1) Improve nation's national food security through rapid increases in productivity and food production on an economically and environmentally sustainable basis; (2) Reduce year-to-year variability in agricultural production; (3) Improve people's access to food 	3, 5

	Furthermore, FAO is the lead of the recently launched joint UN project titled “Connecting blue economy actors: Generating employment, supporting livelihoods and mobilizing resources” (ID 200270), implemented in cooperation with UNIDO, UNDP and IOM. The project is funded through the Joint SDG Fund.	
ILO	ILO supports the country in the area of decent employment creation, and could be a potential partner and donor for initiatives under the CP Component 1. Consultations on specific support and collaboration are yet to take place.	3, 1
Various UN Funds	UNIDO’s project “Cabo Verde National System of Innovation Survey” (ID 150113) was financed through the One UN Fund. This and other UN funds are therefore considered to be a reliable source of funding for CP technical interventions, especially in partnership with other UN agencies. UNIDO has received a significant support through various UN Trust Funds and agencies for its work in Africa, amounting to around USD 39M in the period 2013-2021.	1
Private Sector	Areas of focus	Component
Chamber of Commerce North and South	Traditional partners of UNIDO in Cabo Verde, involved in all projects concerning private sector.	3, 4
Chamber of Tourism	Traditional partners of UNIDO in Cabo Verde, involved in all projects concerning private sector with a focus of tourism market.	3, 4
Cabo Verde TradeInvestment,	Cabo Verde TradeInvestment is an entity recently established by the Government to promote foreign direct investment. Although the partner has already been engaged with UNIDO through earlier activities in the country, the consultations and discussion on cooperation within the CP framework are yet to take place.	2
AU Information Society	The main objective of the African Union Information Society is to improve intra-African connectivity and connect the entire continent to the rest of the world, hence contributing to its integration and economic development. Consultations on specific support and collaboration are yet to take place.	4

10.8 Terms of Reference for the CP Steering Committee

This Country Programme (CP) adopts some of the key features of the Programme for Country Partnership, innovative model of the United Nations Industrial Development Programme (UNIDO) for achieving inclusive and sustainable industrialization at the country level. This includes stronger government ownership through an inter-ministerial committee overseeing the CP implementation, its strategic direction and contributing proactively to the CP's partner mobilization efforts, thus building synergies and upscaling results through joint interventions.

The CP Cabo Verde 2022-2026 will contribute to accelerated implementation and strengthened impact of the government's industrial development goals, in line with the national development agenda and focusing on selected priority sectors with the highest growth potential. The CP will also contribute to the achievement of Sustainable Development Goals (SDGs) in Cabo Verde. Notably, by establishing a coherent and systematic programmatic framework, it will guide, in an integrated manner, the work of UNIDO and all CP partners to achieve the SDG 9 and accelerate industrial development of the country. At the same time, it can be used to support operationalization of other SDGs, particularly SDG 17 which focuses on means of implementation and revitalization of global partnerships.

Government Ownership

The Country Programme is owned by the Government of the Republic of Cabo Verde. Government ownership entails strategic guidance from the highest political level, as well as leadership in the development and implementation of the CP, including resource and partner mobilization. The CP will be implemented within the framework of the Cabo Verde Ambition 2030, the Government's Programme for the VIII Constitutional Government of the Republic of Cabo Verde (2021-2026) and the United Nations Development Assistance Framework (UNDAF) 2018-2022. It will also build on the achievements and strategies of the Cabo Verde's Strategic Plan for Sustainable Development 2017-2021 (PEDS) and will be aligned with new National Strategic Plan for Sustainable Development 2022-2026 (PEDS-II) and the UN Sustainable Development Cooperation Framework 2023-2027 (UNSDCF).

Multi-stakeholder Partnership

The CP rests on a multi-stakeholder partnership led by the government from programme design to implementation. It links the industrial development efforts of the respective national government, United Nations agencies, development partners, financial institutions, the business sector, academia, and the civil society. Each of these different groups of actors has its own set of priorities, limitations and advantages that need to be utilized in a coherent manner to avoid duplication of activities, capitalize on the strengths of each and result in an overall enhanced impact, once the partners are united under the umbrella of the CP. The envisioned results framework enables the CP and its partners to achieve a greater synergy among relevant development activities, including advisory services and technical cooperation initiatives, and to leverage higher investments for inclusive and sustainable industrial development.

Selected Focus Areas, Thematic Components and Priority Sectors

The CP entails a selected number of focus areas, thematic components and priority sectors that are essential to national priorities and policies. A focus area can be of a cross-cutting nature, such as the development of sustainable industrial zones. Priority sectors are typically chosen based on their job creation potential, availability of raw materials, export potential and ability to attract investment. The CP structure anchored in a country diagnostic conducted as a part of the CP formulation process, enables the CP to concentrate its diverse, UNIDO's in-house but also partners' expertise, and maximize impact in areas key to the country's industrial development.

Partner and Resource Mobilization

The CP facilitates coordinated partner and resource mobilization in an integrated manner on three streams of resources: public finance, business sector investment and development assistance. The government plays a leading role in the mobilization of resources for the implementation of the CP. Public finance under the CP helps to mobilize additional private investment. The CP supports the government in promoting specific investment opportunities to attract domestic as well as foreign direct investment. The CP also provides a mechanism for technical assistance designed specifically to unlock large-scale funding from development partners, including developing incentive packages to facilitate partners' investments.

*To effectively manage the CP,
the Government hereby establishes the Country Programme Steering Committee (CPSC)
that will effectively translate the government's leadership and policy decisions
into actions on the ground.*

Functions, composition and decision-making

1.1 Functions

The Country Programme Steering Committee (CPSC) is the highest CP-governing body. It brings together all ministries relevant to industrial development of the country, to ensure inter-ministerial coordination and thus increase the impact of the CP.

The main purpose of the CPSC is to provide overall strategic direction for the CP interventions and pertinent projects, including project prioritization, and to ensure that the programme is implemented effectively and with adequate funding. The CPSC will monitor the alignment of the CP interventions and pertinent projects with national policies and growth targets, so as to ensure cooperation and consistency between primarily UNIDO and the Government of the Republic of Cabo Verde, but also alignment and cooperation with other CP partners, and contribution of the CP activities to the implementation of the national industrial development agenda.

1.2 Mandate

The Country Programme Steering Committee (CPSC) will provide guidance on the following:

- Ensure that the CP is aligned to national policies and that national growth targets are incorporated into the CP and reported against.
- Following the CP launch, approve the CP Resource Mobilization Strategy, the annual CP Communication and Promotion Action Plans as well as the monitoring, reporting and evaluation (M, R &E) tools and practices. During the CP implementation period, oversee the application of these tools and strategies.
- Ensure maximal coordination of three streams of resources: public finance, including loans facilitated through financial institutions, business sector investment and Official development assistance (ODA).
- Ensure that the CP complements existing regional and national programmes aligned to national policies, priorities and partnerships, and that national growth targets are incorporated into the CP and reported against.

In order to achieve its mandate, the CPSC is authorized to carry out the following specific tasks:

- Establish the structures and operating systems necessary for the CP implementation. Wherever possible, CPSC should build on and be linked to existing mechanisms for development planning

- and cooperation at the national level. In addition, this may include establishing specific task forces; ensuring that the task forces have well developed ToRs with roles and functions as agreed upon by the CPSC, comprehensive action and intervention plans, as well as budgeting and reporting systems.
- Elect a Chairperson from within the CPSC for each taskforce it establishes.
 - Prioritization of projects and allocation of resources for CP intervention areas.
 - Provide inputs to the development and finalization of project documents and their budgets based on available funds allocation.
 - Promote and facilitate inter-agency cooperation for the implementation of projects and activities within the framework of the CP in view of creating synergies and enhancing impact.
 - Identify additional partners and financing for new and expanded projects.
 - Address financing and operational gaps to support efficient implementation of the CP and assign tasks accordingly to relevant entities represented in the CPSC.
 - Provide inputs to the preparation of CP annual work plans (AWP), as well as AWP of implementing partners and any established task forces.
 - As an integral part of the CP monitoring, reporting and evaluation process, the CPSC members will review CP annual progress reports and provide strategic guidance and recommendations for corrective actions as required, including approving major changes in operation and financing plans as necessary. This also includes participation in an annual half-day workshop to undertake a yearly self-assessment of the CP progress and active participation during the CP mid-term review and final evaluation. This will ensure that corrective actions proposed during the mid-term review and the expansion/extension/completion approach proposed in the final evaluation are fully in line with the Government and CP partners' priorities.
 - Appoint additional members of the CPSC as needed.
 - Revise the ToR of the CPSC wherever deemed necessary.

1.3 Integration into the national coordination and reporting mechanisms

As a response to concerted efforts under the dispensation of the Cabo Verde's Strategic Plan for Sustainable Development 2017-2021 (PEDS) to promote industrial development, the government has established long-term institutional structure for the inter-sectoral coordination mechanism on industrial development activities and programmes. Given the current finalization of Government's Programme for the VIII Constitutional Government of the Republic of Cabo Verde (2021-2026), this structure is currently under review and will be adjusted as considered relevant.

Upon its establishment, the CPSC will consider the need to undertake specific adjustment to enhance the CPSC coordination and reporting processes into the national structure under the VIII Constitutional Government of the Republic of Cabo Verde Programme. The Chair of the Country Programme Steering Committee will report to the Government on the progress in the implementation of the CP in the country, its contribution to the Cabo Verde Ambition 2030, the VIII Constitutional Government of the Republic of Cabo Verde Programme and PEDS-II.

1.4 Composition and institutional arrangement

The Ministry of Industry, Trade and Energy (MITE) will function as the Chair of the CPSC. The Ministry will be responsible for overseeing industrial development and implementation of the CP.

Given the importance of resource mobilization, the CPSC will be vice-chaired by the Ministry of Finance and Business Development (MFBD), through the National Directorate of Planning, which has the best

overview of existing financing instruments and interlinkages between the government's own budget allocation, credit lines from financial institutions / bilateral agencies, official development assistance, etc. The MFBD is also responsible for budget execution and resource mobilisation facilitation to support related interventions contained in the PEDS.

The CPSC will further include the following line Ministries:

- Ministry of Foreign Affairs (MoFA), through the National Directorate for Political Affairs and Cooperation
- Ministry of Agriculture and Environment (MAA), through the National Directorate of Environment and the Directorate-General for Agriculture, Forestry and Livestock.

The CPSC membership will also include representatives of the following identified relevant government institutions to be authorized by their relevant ministries:

- PROEMPRESA - Institute of Business Promotion and Support
- IGQPI – Institute of Quality Management and Intellectual Property

CPSC members representing the non-government sectors must be appointed or accepted by the government, with recommendation from the CPSC based on relevant function to contribute to industrial development and inclusiveness. From the private sector, primarily identified representatives for inclusion in the CPSC are the following associations:

- Chamber of Commerce of Sotavento (CCS)
- Chamber of Commerce of Barlavento (CCB)
- Young Entrepreneurs Association of Cabo Verde (AJEC)

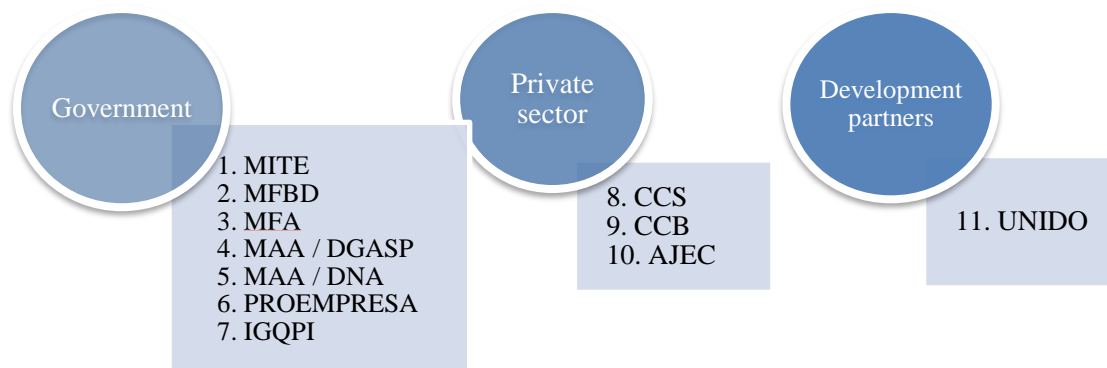
Members of the CPSC should be given sufficient authority by their respective institutions to take decisions on their behalf.

UNIDO Representative covering Cabo Verde will be a full member of the CPSC. The UN Resident Coordinator Office and other UN agencies that are part of the UN Country Team in Cabo Verde will be invited to join the CPSC meetings on a voluntary and *ad hoc* basis. The role of the United Nations agencies, multilateral and bilateral agencies and other development partners to participate in the CPSC should be country partnership-driven and reflect the roles of these partners, especially in issues related to industrial development and resource mobilization.

The CP Management Unit, under the supervision of the CP Programme Manager, guided strategically by the UNIDO Representative covering Cabo Verde and assisted by the nominated staff of the MITE, will assume the role of the Secretariat for the Country Programme Steering Committee (CPSC) and ensure it operates according to the provisions in the main CP document.

The CPSC should remain of a manageable size to function efficiently and discharge responsibilities effectively.

Overview of Country Programme Steering Committee's members:



1.5 Attendance, decision-making, voting rights and records

The Country Programme Steering Committee (CPSC) will meet once a year to review the overall CP progress and make decisions on relevant strategic issues. It will review and endorse the CP annual and progress reports and oversee the strategic agenda of the CP and decide on tactical adjustments to reflect changing Government or donors' priorities.

The CPSC will meet on an *ad hoc* basis as necessary, especially if a particular task has not been allocated to a specific task force. Notably, each project will be subject to a tripartite review mechanism bringing together the views of the Government counterparts through the CPSC, the donor(s) and the UNIDO CP Implementation Team. Alternatively, the CPSC might decide to establish a specific task force that for this purpose. The UNIDO CP Implementation Team, convened by the CP Programme Manager and composed of relevant UNIDO Technical Cooperation (TC) managers, will provide guidance at project level. It will meet on a quarterly basis at minimum, and report to the CPSC.

Once established, the CPSC will agree upon voting rights, decision-making procedures, and detailed meeting schedules.

The CPSC Secretariat will *inter alia* oversee the distribution of meeting invitations and preparation and distribution of meeting minutes; as well as overall facilitation of communication and coordination between UNIDO, CPSC members and other CP partners and donors. The Secretariat will support the CPSC in the preparation of CP annual work plans and maintenance of the CP Partner Map, and calendar of activities. In coordination with concerned government agencies and partners, the Secretariat will also organize and facilitate resource mobilization and investment promotion forums and events, according to the CP Resource Mobilization Strategy and the annual CP Communication Action Plans. Finally, the Secretariat will lead day-to-day monitoring of the CP partner engagement and convening activities and measure the CP project outputs achievement against agreed work plans and indicators and draft CP progress and annual reports. For monitoring and reporting activities, relevant national data and statistics will be collected – in particular from the Cabo-Verdean National Institute of Statistics (INE) – and considered in collaboration with the CPSC.

UNIDO Regional Office in Dakar will work closely with the CP Implementation Team, UNIDO's Regional Coordination Division Africa and relevant technical departments, as well as the MITE, MFBD and MoFA during the execution of the Programme. The Office will also serve as the Secretariat of the CPSC in case the post of the CP National Coordinator is vacant.