

**Address of S.E. José da Silva Gonçalves  
Minister of Economy and Employment of Cabo Verde  
at VII UNIDO General Assembly**

**November 28, 2017**

Madame President, Excellency

Excellence Director-General of UNIDO

Honorable Ministers

Heads of Delegation

Ladies and Gentlemen

Due to pressing agenda, my Minister, H.E. José da Silva Gonçalves, Minister of Economy and Employment of Cabo Verde, had to depart early and asked me to deliver this message.

It is with particular satisfaction and great honor that I take part in this august assembly, the seventeenth session of the UNIDO General Conference and I thank UNIDO for the gracious invitation.

I bring friendly greetings from the government and people of Cabo Verde, both resident in the country and in the Diaspora.

At the outset, I would like to express to you, Director General, our warm congratulations on your reappointment, and reiterate the full support and

cooperation of Cabo Verde. We firmly support also the proposed 2018-2022 Plan and the ongoing reforms being undertaken by UNIDO. We looked closely at the proposals for the Agenda 2030 implementation and the report on Cooperation with Middle Income Countries, and we express our full agreement with them. We recognize the importance of the new strategic priority "Reinforcement of Knowledge and Institutions" which, in addition to the three other strategic priorities, contribute to the promotion of ISID.

In fact, the theme proposed for this seventeenth session, "Establishing Partnerships for Impact - Achieving the Sustainable Development Goals," could not be more appropriate to reach the goals of the 2030 agenda, an agenda aiming at meeting peoples' needs and bringing happiness.

Cabo Verde has developed its Sustainable Development Strategic Plan (PEDS), in line with Agenda 2030. Partnerships are an important and indispensable part of Agenda 2030 and, at national level, it will be an important complement to our Plan.

Ladies and Gentlemen,

As part of our Government Program, we have chosen industrial development as one of the priorities to achieve our vision: "A Cabo Verde

developed, inclusive, democratic, open to the world, modern and secure, where full employment and freedom prevail".

Inclusive and Sustainable Industrial Development (ISID), promoted by UNIDO, is aligned with our own development strategy. Its principles clearly fit into what we aspire:

- "inclusive" – no one is left behind;
- "sustainable" - respectful of environment, to the benefit of present and future generations;
- "partnership" - promoting the participation of all; and
- Finally, I stress: "All countries have the right to industrialization and to benefit from global trade in goods and services".

Cabo Verde aims for a robust and sustainable industrial sector. For years, the industrial sector has lagged behind due to many constraints the country faces ranging from high energy and water costs, inadequate logistics and transportation, lack of knowledge of export markets, limited technical know-how and inadequate policies to address these constraints. Indeed, in the 80's our industrial policy focused on import substitution, which was the mainstream best practices of the day. Limited success was achieved in some sector segments. In the 90's, there were attempts to launch an industrial plan focusing on export markets. The results were modest and only few of these initiatives remain today. Cabo Verde needs

a new industrial policy that is better aligned with regional and global demands and tailored to the many constraints the country continues to face in the entire value chain, starting with high factor costs in energy and water, better supply chain and logistics, keener knowledge of the market, particularly our regional ECOWAS market. Hence, we need to develop an industrial strategy that addresses our key constraints, maximizes our comparative advantages in terms of growth in renewable energies and ICT, access our regional market, profit from the fast-growing tourism sector and create competitive advantages in terms of technological and human resources.

Honorable Ministers, Ladies and Gentlemen,

As an archipelago country that graduated from LDC about one decade ago, Cabo Verde is proud of this achievement. This feat was primarily the result of sustained good governance and sound socio-economic reforms which contributed heavily to the two key indicators – Per Capita Income and Human Development Index which enabled the country to achieve the Lower Middle-Income status. The third indicator, Economic Vulnerability, is much more challenging to overcome. Indeed, as a Small Island Developing States (SIDS), Cabo Verde faces many challenges relating to economic sustainability. Increasingly our economy is dependent on tourism as many SIDS are. Heavy reliance on tourism is both a blessing

and a curse. A blessing because it generates jobs and significantly contribute to reducing poverty. A curse because overreliance on any one economic sector, in this case tourism, can eschew economic development and lead to so called 'Dutch Disease' and make the country extremely vulnerable to external shocks. Being a SIDS, Cabo Verde is vulnerable to both internal and external threats. Internally, we suffer from periodic volcano eruptions and droughts, or, alternatively heavy rains, made increasingly more acute as a result of climate change. Last year, for example, heavy rains caused considerable damages to roads and bridges. This year, one of the most acute droughts in years, has had major impacts in rural areas not only by a lack of agriculture production and rural unemployment but also affecting livestock negatively by a lack of forage for animals. Consequently, the country had to adopt an emergency program last year as a result of too much rain and this year because of no rainfall. Such are the vulnerability challenges of being a Small Island Developing State (SIDS)!

To conclude in the context of the central theme of this conference, Cabo Verde's experience shows that sustainable industrial development in SIDS, particularly in archipelago nations, is much more challenging than in larger countries.

First, because the cost of energy is so much higher as a result of the small scale and dispersed nature of the islands. For example, the price of a kilowatt/hour can be 3 to 4 times higher than in other countries. And because our fresh water comes from desalinated ocean water, water is hugely expensive and in limited supply. Although Cabo Verde registers one of the highest rates of renewable energy penetration – over 20% - still it comes at a considerable cost and has not made significant contribution to support sustainable industrial development. Similarly, island countries have major logistics and transportation challenges and accessing markets on a cost-effective and timely fashion as required by today's fast paced world.

Consequently, SIDS requires special considerations from partner organizations such as UNIDO to assist in the development of the right industrial strategy and programs. UNIDO's innovative Partnership Country Program (PCP) now being piloted in some countries might be an appropriate tool that should be piloted in a SIDS country to see its effect in highly constrained and vulnerable contexts.

I wish you a fruitful General Assembly!

Thank you!