

8. Country profile: Cape Verde



1. Development profile

Cape Verde is an archipelago of 10 volcanic islands that were uninhabited until the Portuguese colonised them in the 15th century. At that time, the tiny colony served as a trading center for slaves and a resupply port for transatlantic shipping operations. Along with Guinea-Bissau, Cape Verde achieved independence in 1975 and, following a coup on the mainland, separated from Guinea-Bissau in 1980. Cape Verde continually boasts one of the most stable political climates in Sub Saharan Africa including a functioning democracy, with free and fair elections, a transparent political system and freedom of press.¹ Unfortunately, a series of droughts in the late 20th century prompted thousands of people to emigrate and currently, the ex-patriot population is twice as large as the domestic one. Despite the fact that the population is ethnically diverse, homogenous religious and cultural practices have fostered a strong sense of national identity.

The islands are located 500km off the coast of Senegal and, although scattered over an area of over 600,000 sq km, the land area only amounts to 4,000 sq km. Only 10 percent of the land is arable because rainfall accumulation is minimal and irregular, the terrain is rough, and wind erosion is a major problem. Despite the fact that 70 percent of the population lives in rural areas, food production is low and about 82 percent of food supplies is imported.²

Impressive economic growth during the 1990s has significantly reduced poverty levels, and Cape Verde is on track to achieve most of its Millennium Development Goals by 2015. Cape Verde ranks 121 out of 182 nations on the Human Development Indicators index, which is the fourth highest in Sub Saharan Africa.³ The percent of the population living below the poverty line decreased from 37 percent in 2001 to 27 percent in 2007. However, income inequality has increased and poverty reduction in rural areas has been much slower than in urban areas. Unemployment among vulnerable groups remains high and, “there are sharp differences across islands, reflecting a misalignment between skills and job opportunities and constraints in domestic migration, even though there has been significant rural to urban migration that has put pressure on basic services.”⁴ Access to healthcare has increased, maternal mortality has declined, 90 percent of births are attended by skilled

¹ *Poverty Reduction and Growth Strategy Paper II*. (2008, May). Retrieved from Republic of Cape Verde, Ministry of Finance and Public Administration General Planning Directorate: [siteresources.worldbank.org/INTPRS1/.../CapeVerde.PRSP\(July2008\).pdf](http://siteresources.worldbank.org/INTPRS1/.../CapeVerde.PRSP(July2008).pdf)

² *Cape Verde: Country Brief*. (2009, September). Retrieved from World Bank: <http://web.worldbank.org/WBSITE/EXTERNAL/COUNTRIES/AFRICAEXT/CAPEVERDEEXTN/0,,menuPK:349633~pagePK:141132~piPK:141107~theSitePK:349623,00.html>

³ *Human Development Reports*. (2009). Retrieved from UNDP: <http://hdr.undp.org/en/statistics/>

⁴ *Cape Verde: Country Brief*. World Bank

personnel, the Government has made great strides in curbing the spread of infectious diseases, and life expectancy is the third highest in Africa. Elementary school enrolment was estimated at 95 percent in 2006, adult literacy rates are high and equal across gender lines.⁵

Cape Verde's economic development is disadvantaged by a severely limited supply of natural resources, especially water shortages which are exacerbated by frequent droughts. In spite of this, recent economic development has been robust with an average real GDP growth of 7 percent from 2004 to 2007. The service sector- namely commerce, transport, tourism, and public services- accounts for 80 percent of GDP and has been largely responsible for recent economic performance. Government initiative has also contributed to economic growth; "sound monetary policy, targeted at strengthening the peg of the Cape Verde escudo to the euro, has been an important factor in maintaining price stability. Fiscal policy has also been characterised by prudence."⁶ The Cape Verdean currency, the Escudo, has been pegged to the EURO since 1999 and the nation has continuously strengthened its relations with the EU, "contained in the 'special partnership' agreement, including increased cooperation in trade and investments and fighting illegal immigration, drug trafficking and organised crime. Although the EU will continue to be the main partner of Cape Verde, the country is strengthening South-South cooperation, especially with Brazil and China."⁷ In 2007, China designated Cape Verde as one of six Special Economic Areas due to its strategic position in cross-Atlantic trade. Cape Verde also became the 152nd member of the World Trade Organisation in 2007 and in January 2008, it graduated from the list of least-developed countries.⁸ As the waters surrounding Cape Verde are teeming with sea life, one potentially lucrative area of economic expansion is the fishing industry.⁹ Tourism is the nation's largest source of foreign currency; accounted for 15.9 percent of GDP in 2008; provided 14,000 jobs; and accounted for 99 percent of total foreign direct investment in 2008.¹⁰

Given its climatic uncertainties and extremely poor natural resource base, the Cape Verdean Government has historically been supportive of social protection programmes. Labour-intensive public works programmes have been used as a social safety net since the country's independence in 1975. These programmes have transformed the countryside through reforestation works, rock terraces, check dams and other forms of infrastructure-related natural resource management.¹¹ *The First Growth and Poverty Reduction Strategy Paper* outlined improvements in labour administration and social security. These areas, however, are constrained by a weak institutional capacity and inadequate coverage.¹²

⁵ Ibid.

⁶ Ibid.

⁷ Ibid.

⁸ Ibid.

⁹ Ibid.

¹⁰ *Cape Verde: Recent Economic Development*. (n.d.). Retrieved from African Economic Outlook: http://www.africaneconomicoutlook.org/en/countries/west-africa/cape-verde/#/recent_economic_developments

¹¹ *Implementation of the First Cycle of the Rural Poverty Alleviation Programme in Cape Verde Financed Under the Flexible Lending Mechanism*. (2003, December 17). Retrieved from International Fund for Agricultural Development: www.ifad.org/gbdocs/eb/80/e/EB-2003-80-INF-5.pdf

¹² *Poverty Reduction and Growth Strategy Paper II*. Republic of Cape Verde, Ministry of Finance and Public Administration

Socioeconomic Indicators ¹³	
Population (millions)	498,672
GNI Per Capita, PPP (current USD)	3,450
GDP (current USD) (billions)	1,729,602,785
GDP composition by sector (%)	Agriculture – 8 Industry- 17 Services- 75
GDP growth rate 2009 (%) ¹⁴	1.8
Percent below poverty line 2007 (%)	27
Inflation (%)	5.4
GINI index	51
Adult literacy rate (%) ¹⁵	76.6
Life expectancy (years) ¹⁶	71
Child dependency ratio	58.7
Elderly dependency ratio	6.8
HIV prevalence 2005 (%) ¹⁷	0.8
Overseas development aid per capita (current USD)	326.86
Net official development assistance 2007 (USD Millions)	163
Remittances as % of GDP ¹⁸	22.6
2009 Human Development Index (HDI) ranking	121

2. Vulnerability analysis

2.1 External shocks

According to the IMF, the Cape Verdean economy adequately withstood the recent global economic crisis. Through Government efforts, the country was able to keep inflation low. The country is expected to recover quickly from the relatively small economic dip that it experienced in 2009. Despite this, tourism receipts declined at least 10 percent, resulting in job cuts. A number of large-scale hotel and construction projects, at least 5 in Sal, were halted due to credit restraints in the funding companies' home countries.¹⁹

¹³ *Country Data*. (n.d.). Retrieved from World Bank: <http://www.worldbank.org/data/countrydata/countrydata.html>

¹⁴ *Cape Verde CIA World Factbook*. (2010, February 4). Retrieved from United States Government Central Intelligence Agency: <https://www.cia.gov/library/publications/the-world-factbook/geos/cv.html>

¹⁵ Ibid.

¹⁶ Ibid.

¹⁷ Ibid.

¹⁸ *The Global Financial Crisis and Workers' Remittances to Africa: What's the Damage?* (2010). Retrieved from IMF: www.imf.org/external/pubs/ft/wp/2010/wp1024.pdf

¹⁹ *Cape Verde: Recent Economic Development*. (n.d.). Retrieved from African Economic Outlook: http://www.africaneconomicoutlook.org/en/countries/west-africa/cape-verde/#/recent_economic_developments

The heavy dependence on imports is evident in Cape Verde's substantial trade deficit. Food and fuel imports are extremely vulnerable to shocks and fluctuations in international markets. Oil imports account for 93 percent of total energy consumption and persistently high oil prices negatively affect the economy and manifest in higher inflation rates. Export prices and the demand for imports decreased because of the economic downturn.²⁰

2.2 Environmental degradation

Improper farming practices and the over farming of arable land have led to intense soil degradation. Rural to urban migration, caused by an ever decreasing supply of arable land and resources in the countryside, has resulted in the uncontrolled establishment and growth of squatter communities. This has overwhelmed infrastructure, "with implications for pollution of the soil, air and water from the accumulation and dispersal of solid wastes and sewage."²¹ Urban poverty levels have risen and environmental conditions, which ultimately affect public health and living conditions, have worsened. The removal of rock and sand from the seashore has led to the infiltration of seawater which contaminates groundwater, decreases bio diversity and destroys tourist destinations.²²

2.3 HIV/AIDS

Cape Verde is on track to achieve the Millennium Development Goals in relation to the epidemic. The country has a relatively low HIV prevalence but besides that, there is not much information regarding HIV/AIDS available.

2.4 Foreign aid and remittances

Foreign aid and remittances account for 34 percent of Cape Verde's GDP.²³ Thus, the country is subject to any international conditions which might affect the inflow of aid and remittances, such as the 2008 economic downturn.

2.5 Political unrest

Territorial discontinuity is cited as a major problem. As the islands that comprise Cape Verde are so distant from each other, inter-island transportation and communication infrastructure are essential, and currently insufficient, "this is one of the principal constraints on productivity in the ports and on the competitiveness of all sectors of the economy. It is also a development challenge, particularly in terms of sea and air transport linkages and the cost of the basic factors for boosting economic activity."²⁴

²⁰ Ibid.

²¹ *Poverty Reduction and Growth Strategy Paper II*. Republic of Cape Verde, Ministry of Finance and Public Administration.

²² Ibid.

²³ Ibid

²⁴ Ibid.

3. Monitoring and evaluation

According to the *Poverty reduction and Growth Strategy Paper* a pilot monitoring system with the following objectives is underway:

- Process performance indicators.
- Monitor a number of measurable indicators.
- Conduct physical and financial monitoring of sector program execution.²⁵

4. Social assistance programmes overview

*All currency conversions are based on 17th February 2010 Rates

- 1 CVE = 0.01326 USD
- 1 EUR = 1.369 USD
- 1 GBP = 1.57161 USD.²⁶

Programme# 3: public works and social pension	Programme name	Food For Work (FAIMO)²⁷
	Programme overview	<ul style="list-style-type: none"> ▪ Labour-intensive infrastructure works program. The main Government strategy to provide food security and create jobs, particularly during the rainy season (July-August) when food is most scarce. ▪ This approach was adopted in the early years of independence in response to chronic cases of food insecurity plaguing rural areas.
	Programme objective	<ul style="list-style-type: none"> ▪ To provide some income security to the poor, especially those people who live in rural areas and female headed households.
	Programme components	<ul style="list-style-type: none"> ▪ Labour-intensive infrastructure works program financed with food aid counterpart funds. ▪ In 1992, a non-contributory pension scheme was introduced for workers in FAIMO. ▪ All FAIMO pensioners receive a fixed annual pension equivalent to \$300 USD. ▪ Offers low paid temporary employment in infrastructure projects, such as road construction, soil and water conservation structures, and reforestation programs. ▪ Salary is calculated to cover food needs. The work normally lasts between 3 to 8 months, depending on the situation in agriculture.
	Programme duration	<ul style="list-style-type: none"> ▪ Instituted in the early 1980s.
	Programme coverage	<ul style="list-style-type: none"> ▪ Employs approximately 15,000 to 20,000 people annually.

²⁵ Ibid.

²⁶ *Currency Converter*. (n.d.). Retrieved from OANDA: <http://www.oanda.com/currency/converter/>

²⁷ Table text from *Poverty Reduction and Growth Strategy Paper II*. Republic of Cape Verde, Ministry of Finance and Public Administration

	Beneficiary determination process	<ul style="list-style-type: none"> ▪ Non-contributory pension scheme for FAIMO workers: All elderly people who have worked at least 10 years in campaigns funded by the government are covered (44 percent of the FAIMO workers have at least 10 years' tenure). ▪ Old-age pensions are provided. ▪ FAIMO workers consist mainly of the "very poor", as defined under the Household Income and Expenditure Survey. For the most part, they are landless rural workers or farmers who work the land indirectly under a partnership or lease agreement. ▪ Women make up over one third of the total, but as much as two thirds in the central and northern regions of the island of Santiago. Half of these women are single mothers with children under care. ▪ Most workers have a low level of schooling and lack any type of professional training. ▪ 90% of workers are between the ages of 15 and 44.
	Finance	<ul style="list-style-type: none"> ▪ Until the late 90s, financing for the FAIMO came from local counterpart funds of food aid sold on the local market at world market prices to avoid a negative impact on local agricultural production. The sharp drop in food aid led to the FAIMO being financed by internal budget resources.
	Programme barriers	<ul style="list-style-type: none"> ▪ Authorities use the FAIMO to avoid deterioration in the labour market, which means that the ones most in need not always are included. ▪ FAIMO do not motivate (or motivate very little) its workers to look for a job in the regular labour market.
	Socioeconomic impacts²⁸	<ul style="list-style-type: none"> ▪ FAIMO activities have played an important role in the fight against poverty and have been one of the venues to guarantee a certain level of employment, particularly in times of crisis. ▪ An important number of people have been employed by the FAIMO, depending on the quality of the crop season. In mid 1990s, no less than 10% to 15% were covered by this system. ▪ FAIMO has become a survival strategy by compensating many families' lack of income while guaranteeing the minimum income to survive. ▪ This system has allowed an important number of rural workers (landless farmers and, to a lesser extent, some land owners) to live above the subsistence line and to minimise poverty for others through an increase in their income. ▪ However, the FAIMO system, just like emigrant remittances, have a negative impact on social mobility and the probability of escaping poverty given that they can be an incentive to the risk averse farmers to continue their agriculture

²⁸Poverty Reduction and Growth Strategy Paper II. Republic of Cape Verde, Ministry of Finance and Public Administration

Programme# 4: social pension	Programme name	Pensão Social Mínima (The Minimum Social Protection Scheme)²⁹
	Programme overview	<ul style="list-style-type: none"> A non-contributory, means-tested program.
	Programme objective	<ul style="list-style-type: none"> To provide income for people not covered by the other social protection program.
	Programme components	<ul style="list-style-type: none"> Monthly minimum payments of \$3,780 USD.
	Programme duration	<ul style="list-style-type: none"> Started in 1995.
	Programme coverage	<ul style="list-style-type: none"> 8,040 people. Goal is to cover all poor people over the age of 60 by 2011.
	Beneficiary determination process	<ul style="list-style-type: none"> Elderly people and families in economic distress who are not covered under other pension schemes.
	Finance	<ul style="list-style-type: none"> The PSM is fully financed with resources from official development assistance. 289.440 million escudos (\$3,837,150 USD).
	Legal framework	<ul style="list-style-type: none"> Article 2 of the Basic Law of Social Protection.

Programme# 5: welfare and social services and public works	Programme name	Social Sector Development³⁰
	Programme objective	<ul style="list-style-type: none"> To contribute to reduce poverty among the 30 percent of the population living below the poverty line.
	Programme components	<ul style="list-style-type: none"> The focus is on the intervention on the construction of social infrastructures (community centres, kindergartens, primary schools, health centres, sanitary complexes, etc.) and infrastructures supporting the development of economic activities such as roads, markets, slaughter houses, and others aimed at creating employment and conversion of the FAIMO. One component funds public works and employment creation by financing equipment and operating costs, economic and social infrastructures costing \$20,000 USD and above, training of construction contractors, technical assistance for capacity building, small-scale social infrastructures implemented by communities, and training of communities, NGOs, and local governments in micro-project preparation and management, and technical fields. Another component focuses on capacity building and monitoring and evaluating and training for the program coordination unit. Public Works and Employment Creation: <ul style="list-style-type: none"> Providing a viable alternative for FAIMO workers. Decentralising public works based on community-defined priority activities using private sector principles through a delegated contract management approach.

²⁹ Table drawn from *Social Board Non-Contributory Scheme*. (n.d.). Retrieved from <http://www.mtfs.gov.cv/documents/PENSAO%20SOCIAL.pdf>

³⁰ Table text from *Implementation Completion Report on a Credit in the Amount of 14.8 million to the Republic of Cape Verde for a Social Sector Development Project*. (2005, September 28). Retrieved from http://www-wds.worldbank.org/external/default/main?pagePK=64193027&piPK=64187937&theSitePK=523679&menuPK=64187510&searchMenuPK=64187283&siteName=WDS&entityID=000090341_20051003135618

		<ul style="list-style-type: none"> ○ Reinforcing NGO capacity to work with communities, as NGOs were to be contracted to mobilise poor communities and assist them in designing and implementing activities. ○ Building capacity of municipalities, NGOs, and small entrepreneurs through training and targeted technical assistance. To finance economic and social sub-projects, technical assistance, operating costs, and training. <ul style="list-style-type: none"> ▪ Capacity Building: <ul style="list-style-type: none"> ○ Provides support to the Program Coordination created in August 1998 for the implementation of the NPAP. ○ Finance limited studies and surveys (beneficiary assessments) to monitor the project impact. ▪ \$1.1 million USD of the original credit was reprogrammed towards financing the implementation of the National Household Income and Expenditure Survey in view of an urgent national need to develop a poverty profile to underpin the Poverty Reduction Strategy Paper (PRSP) when no alternative sources of financing, either domestic or foreign, were available.
	Programme duration	<ul style="list-style-type: none"> ▪ May 1999 to March 2005
	Programme coverage	<ul style="list-style-type: none"> ▪ Total number of person/month employment created 15,081. ▪ Total number of person/month of ex-FAIMO workers employed (direct only): 12,800. ▪ Number of operating Municipal Partners Commissions: 17. ▪ Number of direct beneficiaries of completed sub projects: 316,742.
	Finance	<ul style="list-style-type: none"> ▪ World Bank: \$20.1 million USD. ▪ Public Works and Employment Creation: \$16.6 million USD with original credit and \$4.0 million USD with supplemental credit. ▪ Capacity Building: \$1.5 million USD with original credit and \$0.4 million USD with supplemental credit. ▪ The original project cost estimate was \$18.1 million USD, of which \$16.1 USD from IDA and \$2.0 million USD from Government, communities and municipalities. An additional amount of \$4.4 million USD, including \$4.0 million USD from IDA and \$0.4 million USD from Government, communities and municipalities was provided under the supplemental credit. ▪ Disbursement levels at closing reached \$21.6 million USD for IDA and \$1.4 million USD for Government, communities and municipalities. ▪ Two reallocations of the original credit proceeds were carried out: (a) in 2001 for the financing of the National Household Survey; and (b) in 2003 to complete project activities, which essentially moved funds from the unallocated category and unused PPF to the subprojects category. ▪ \$22.98 million USD total.
	Administrative framework	<ul style="list-style-type: none"> ▪ Ministry of Economic Coordination Implements.

	<p>Programme barriers</p>	<ul style="list-style-type: none"> ▪ While the final outcome in terms of employment creation compares favorably to similar projects, having started the operation with such overambitious targets gives the impression that preparation was not carried out as carefully as it should have been. ▪ The lack of an adequate monitoring and evaluation system to ascertain the reliability of employment creation. A large amount of information was collected, but there were no systems in place to evaluate it. ▪ Insufficient and ineffective coordination of the various donors. ▪ Inadequate cash flow available by donors and Government to support program activities. ▪ Delay in the implementation of FAIMO's reform. ▪ No sharing of information among government agencies and other partners. ▪ Difficult collaboration between political parties that may hinder devolving responsibilities to municipalities -particularly, those controlled by the opposition. ▪ There was an overestimation of the original Key Performance Indicators related to employment creation, both overall direct employment and for FAIMO-type workers. Initially set at 104,000 person/months and 20,500 person/months, respectively, they were reviewed twice during project implementation in light of the obvious impossibility of reaching them. ▪ The government contribution was slightly less than anticipated. ▪ Evidence shows that most municipalities provided land (sometimes bought from private owners) or technical studies as their contribution to the project, for a value well below the anticipated 10 percent.
	<p>Socioeconomic impacts</p>	<ul style="list-style-type: none"> ▪ The overall outcome of the project is moderately satisfactory. ▪ An alternative to the traditional labour-intensive public works programs (FAIMO) was successfully established by creating a delegated contract management agency infrastructures financed by the project significantly improved access to important services, and the Final Evaluation confirms beneficiary satisfaction: 82 percent of beneficiaries interviewed reported that the infrastructures reflected the priorities expressed by the communities, and 79 percent found them an important contribution in the fight against poverty. ▪ Public works managed by AGE CABO were executed cost-effectively by the private sector: <ul style="list-style-type: none"> ○ The agency's operating costs have remained close to the 10 percent set as the KPI, and financial management, procurement and sub-project monitoring have been good throughout project implementation. ○ Works were generally carried out within the agreed deadlines and in any case much faster than when the government is directly in charge. ▪ Municipalities, communities and NGOs are now better able to plan, implement and monitor sub-projects. ▪ The SSDP made a significant contribution to improve access to social services

		<p>through the construction of social infrastructure.</p> <ul style="list-style-type: none"> Of the 1,126 households interviewed in 2005 in relation to 151 subprojects, 79 percent considered the subproject as important or very important in the fight against poverty. Most useful were schools, health posts, roads, community centres and water; least useful were markets and sport fields. The opinion of municipal authorities, local associations and NGOs is more cautiously optimistic. Four out of five believe that SSDP contribution to poverty reduction was only moderate. Public works financed by the project built infrastructure that improved the quality of life of over 315,000 people. Employment creation was much less than originally envisaged, and also less than envisaged in the Supplemental Credit Outputs in terms of capacity building encompassed a large range of development actors and addressed important needs. Institutional capacity to monitor and evaluate poverty has greatly increased thanks to the project.
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Programme# 6: welfare and social services	Programme name	Rural Poverty Alleviation Programme³¹
	Programme objective	<ul style="list-style-type: none"> Seeks to increase the social capital of rural poor people in Cape Verde by mobilising local communities, their leaders, civil-society partners and government to tackle rural poverty, and by empowering communities to make decisions about the use of resources. The main objectives of the programme's first cycle were to set up institutions, mechanisms and procedures, and ensure their workability; and initiate a limited number of community-based micro projects. The second cycle will continue to strengthen the institutional framework and further empower grass-roots organisations, while also endeavouring to improve the quality of micro project delivery. The third and final cycle will focus on consolidating achievements and implementing an appropriate exit strategy to ensure the sustainability of programme-supported operations.
	Programme components	<ul style="list-style-type: none"> Local poverty reduction programme fund: A development fund has been established to finance three-year local poverty reduction programmes on the five islands. Under these programmes, micro projects are financed in the areas of social infrastructure and income-generation. Local communities decide which micro projects to implement based on their own priorities, and subsequently develop them themselves. Demonstration activities: Various micro projects are underway in the programme area to sensitise communities to the programme's social mobilisation approach and to introduce innovative technical approaches for

³¹ Table text from *Implementation of the First Cycle of the Rural Poverty Alleviation Programme in Cape Verde Financed Under the Flexible Lending Mechanism*. (2003, December 17). Retrieved from International Fund for Agricultural Development: www.ifad.org/gbdocs/eb/80/e/EB-2003-80-INF-5.pdf

		<p>undertaking rural development activities.</p> <ul style="list-style-type: none"> ▪ Animation and training: Field-based community mobilisation agents have been recruited and local non-governmental organisations contracted to help regional commissions of partners and community development associations devise local development plans, and design and carry out micro projects. ▪ Programme management: The investments and recurrent costs of the PLPR programme coordinating unit ('the programme desk') and the operating costs of the regional technical support units are supported under this component.
	Programme duration	<ul style="list-style-type: none"> ▪ 1999 to 2008.
	Beneficiary determination process	<ul style="list-style-type: none"> ▪ Although national in scope, the programme is initially limited to the islands of Brava, Fogo, Santo Antão and São Nicolau, and two municipalities on Santiago – the country's largest island. These islands were selected because of their predominant rural populations, and in fact over two thirds of the country's rural poor live in the programme area.
	Legal framework	<ul style="list-style-type: none"> ▪ Within the framework of the National Poverty Alleviation Programme.
	Administrative framework	<ul style="list-style-type: none"> ▪ The programme desk operates under the overall coordination of the National Poverty Alleviation Programme.
	Monitoring and evaluation	<ul style="list-style-type: none"> ▪ Provision has also been made for the establishment of a monitoring and evaluation system
	Socioeconomic impacts	<ul style="list-style-type: none"> ▪ The programme was declared effective in July 2000. ▪ During its first three years (July 2000 to mid-2003), corresponding to the first FLM cycle, the programme made institutional arrangements for carrying out its activities nationally and on the five target islands. ▪ A programme desk has been established at the national level. ▪ Regional commissions of partners (CRPs) have been set up on each of the five islands to plan and oversee the design and implementation of community-level micro projects. To ensure inclusiveness, the CRPs are composed of a cross section of stakeholders: community representatives, non-governmental organisations, elected municipal officials, and civil servants. ▪ Each CRP has formulated and is implementing a three-year indicative investment plan, i.e. the local poverty reduction programme. ▪ A total of 105 community development associations have been mobilised, with a combined membership of 6 443, 51% of whom are women. ▪ These associations have thus far implemented 403 micro projects (with 75 of them having implemented at least one such project) in the areas of social housing, latrine construction, small-scale drip irrigation, artisanal fisheries, water capture, schoolroom construction and fruit-tree planting. They have directly benefited about 12,000 people (or 3,200 households). ▪ Training sessions and workshops have been organised for building and strengthening the programme's institutional framework at various levels. Related to this, an innovative North-South partnership has been established between a community development association in Portugal and the CRPs to increase the effectiveness of community mobilisation and management of local development initiatives.

Programme# 7: welfare and social services	Programme name	Poverty Reduction Support Credit ³²
	Programme overview	<ul style="list-style-type: none"> Supports implementation of Cape Verde's first Growth and Poverty Reduction Strategy.
	Programme objective	<ul style="list-style-type: none"> Promote good governance: Through public expenditure management reforms, civil service reform and decentralisation, and improvement in the monitoring and evaluation system. Develop human capital with a focus on health: Strengthen capacity to deal with no communicable diseases, improve management of health human resources, and increase financial sustainability of health services with special attention to contributory schemes. Improve social protection: Decentralise and rationalise service delivery, improve management and planning instruments by implementing the social protection strategy, and support the implementation of the National Action Plan for disabled people.
	Programme duration	<ul style="list-style-type: none"> July 2008 to December 2008.
	Finance	<ul style="list-style-type: none"> 10.0 Million USD.
	Administrative framework	<ul style="list-style-type: none"> Ministry of Finance and Economic Planning implements.

Programme # 8: in-kind food transfer	Programme name	School feeding Programme ³³
	Programme overview	<ul style="list-style-type: none"> Food security is so low that WFP assistance to the national school feeding programme is seen as necessary to maintain school attendance. Cereal production usually covers less than 20 percent of overall cereal needs in years of good rainfall. Many school-age children are nutrition deficient and go to school without breakfast.
	Programme objective	<ul style="list-style-type: none"> WFP's support through this project will help to combat short-term hunger among primary and pre-primary school pupils from poor families.
	Programme components	<ul style="list-style-type: none"> Meals provided at 500 schools. Total commitment is set to 10,832 tons of cereals, oil, pulses and other food products.
	Programme duration	<ul style="list-style-type: none"> 2000-2004.

³² Table text from *Implementation Completion and Results Report on a Credit in the Amount of SDR 6.2 Million to the Republic of Cape Verde for a Fourth Poverty Reduction Support Credit*. (2009, June 29). Retrieved from http://www-wds.worldbank.org/external/default/main?pagePK=64193027&piPK=64187937&theSitePK=523679&menuPK=64187510&searchMenuPK=64187283&siteName=WDS&entityID=000333038_20090817000736

³³ Table text from *80,000 Cape Verdean Children on School Feeding Programme*. (n.d.).

	Programme coverage	<ul style="list-style-type: none"> 80,000. The beneficiaries of the project include 69,500 boys and girls from 350 primary schools and 12,000 boys and girls from 280 pre-primary schools.
	Finance	<ul style="list-style-type: none"> World Food Programme.
	Legal framework	<ul style="list-style-type: none"> In line with the Cape Verdean government's education policy.

	Programme name	Old Age, Disability and Survivors³⁴
	Programme components	<ul style="list-style-type: none"> Old-age pension: The monthly pension is equal to 2% of the insured's annual average earnings plus an annual coefficient adjusted for changes in the cost of living for each 12-month period of coverage. <ul style="list-style-type: none"> The annual average earnings for benefit calculation purposes are based on the 120 best-paid months in the last 15 years of contributions. The minimum monthly pension is 4,620 escudos (\$61.25 USD). The maximum monthly pension is 80% of the insured's average monthly earnings. Benefit adjustment: The minimum monthly pension is adjusted periodically by decree (the last adjustment was made in 2006). Pensions are adjusted annually according to changes in the average salary of public servants Disability pension: The monthly pension is equal to 2% of the insured's annual average earnings plus an annual coefficient adjusted for changes in the cost of living for each 12-month period of coverage. <ul style="list-style-type: none"> The annual average earnings for benefit calculation purposes are based on the 120 best-paid months in the last 15 years of contributions. The minimum monthly pension is 4,620 escudos (\$61.25 USD). The maximum monthly pension is 80% of the insured's average monthly earnings. Benefit adjustment: The minimum monthly pension is adjusted periodically by decree. (The last adjustment was made in 2006.) Pensions are adjusted annually according to changes in the average salary of public servants Survivor Pension: The monthly pension is equal to 50% of the deceased's pension. Orphan's pension: Each orphan receives 25% of the deceased's pension a month; 50% for each full orphan. <ul style="list-style-type: none"> All survivor benefits combined must not exceed 100% of the deceased's monthly pension; otherwise, the pensions are reduced proportionately. Benefit adjustment: Pensions are adjusted annually according to changes in the average salary of public servants

³⁴Table text from *Cape Verde: Social Security Programs Throughout the World, Africa*. (2009). Retrieved from United States Government, Social Security Administration: <http://www.socialsecurity.gov/policy/docs/progdesc/ssptw/2008-2009/africa/index.html>

	Programme coverage	<ul style="list-style-type: none"> ▪ Employed persons in the private and public sectors (including civil servants first employed after December 31, 2005); and certain business owners, employees of cooperatives, and self-employed persons. ▪ Special systems for civil servants (first employed before January 1, 2006), central bank employees, and municipal agents (first employed before January 1, 2008); and certain business owners, employees of cooperatives, and self-employed persons.
	Beneficiary determination process	<ul style="list-style-type: none"> ▪ Old-age pension: Age 65 (men) or age 60 (women) with at least 15 years of contributions. <ul style="list-style-type: none"> ○ The pension is payable abroad. ▪ Disability pension: The insured must have at least 5 years of contributions and be assessed with a disability of at least 66.7% or a loss of earning capacity of at least 33.3%. <ul style="list-style-type: none"> ○ The pension is payable abroad. ▪ Survivor pension: The deceased was a pensioner or had at least 36 months of contributions. <ul style="list-style-type: none"> ○ Eligible survivors include a widow older than age 50 or disabled, a widower older than age 55, and children younger than age 15 (age 24 if a student, no age limit if disabled). ○ A temporary survivor pension is paid for up to 5 years to a widow younger than age 50 and a widower younger than age 55. ○ The pension ceases on remarriage. ○ The pension is payable abroad.
	Finance	<ul style="list-style-type: none"> ▪ Insured person: 3% of gross monthly earnings. ▪ Self-employed person: 10% of gross monthly earnings. ▪ Employer: 7% of gross monthly payroll. ▪ Government: None; contributes as an employer.
	Legal framework	<ul style="list-style-type: none"> ▪ Current law passed in 2003 (self-employed persons), with amendments; 2004 (employed persons), with amendments; and 2007 (labour code).
	Administrative framework	<ul style="list-style-type: none"> • Ministry of Labor and Solidarity provides general supervision. ▪ National Social Insurance Institute administers the program

Programme# 10: social insurance	Programme name	Sickness and Maternity ³⁵
	Programme components	<ul style="list-style-type: none"> ▪ Sickness benefit: The benefit is equal to 70% of the insured's last monthly earnings or average earnings in the last 4 months (whichever amount is greater). The benefit is paid for up to 1,095 days. The employer pays 100% of earnings for the first 3 days. If the sickness lasts longer than 30 days, the insured is required to undergo medical examinations by a medical board. ▪ Maternity benefit: The benefit is equal to 90% of the insured's last monthly earnings or average earnings in the last 4 months, whichever is higher. The benefit is paid for up to 60 days (a nursing allowance is paid under Family Allowances, below). ▪ Worker medical benefits: Benefits include general and specialist care, surgery, hospitalisation, laboratory services, doctor's consultations at home, medicines, prostheses, and dental care. <ul style="list-style-type: none"> ○ Cost sharing: Insured people pay 15%, 25%, 45%, or 50% of the cost of medicines, according to the schedule in law; pensioners pay 5%, 15%, 40%, or 45%. Medicines are free for low-income pensioners. Insured persons and pensioners pay 30% to 50% of the cost of dental care and 20%, 25%, 30%, or 40% of the cost of prostheses and appliances. Low-income pensioners receive a 15% discount on the total cost paid by insured persons and pensioners for dental care, prostheses, and appliances. ○ A daily lump sum of 1,000 escudos (\$13.26 USD) (1,500 escudos - \$19.89 USD- for low-income pensioners) is paid for transportation costs and living expenses; 1,500 escudos (\$19.89 USD) (3,000 escudos (\$39.77 USD) for low-income pensioners) when receiving care abroad. A daily lump sum is also paid for an authorised accompanying person. ○ Low-income pensioners are pensioners who earn less than 2.5 times the legal monthly minimum wage. ○ The legal monthly minimum wage is 13,410 escudos (\$177.78 USD) ▪ Dependent's medical benefits: Benefits include general and specialist care, surgery, hospitalisation, laboratory services, doctor's consultations at home, medicines, prostheses, and dental care. <ul style="list-style-type: none"> ○ Eligible dependents are children up to age 18 or receiving family allowances, dependent parents, and dependent grandparents. ○ Cost sharing: The dependents of insured persons pay 15%, 25%, 45%, or 50% of the cost of medicines, according to the schedule in law; the dependents of a pensioner pay 5%, 15%, 40%, or 45%. ○ Medicines are free for dependents of low-income pensioners. ○ The dependents of insured persons and pensioners pay 30% to 50% of the cost of dental care and 20%, 25%, 30%, or 40% of the cost of prostheses and appliances. ○ The dependents of low-income pensioners receive a 15% discount on the total cost paid by the dependents of insured persons and pensioners for dental care, prostheses, and appliances. ○ A daily lump sum of 1,000 escudos (\$13.26 USD) (1,500 escudos - \$19.89 USD- for low-income pensioners) is paid for transportation costs and living expenses; 1,500 escudos (\$19.89 USD) (3,000 escudos (\$39.77 USD) for low-income pensioners) ○ A daily lump sum is also paid for an authorised accompanying person. ○ Low-income pensioners are pensioners with earnings less than 2.5

³⁵Ibid.

		<p>times the legal monthly minimum wage.</p> <ul style="list-style-type: none"> ○ The legal monthly minimum wage is 13,410 escudos (\$177.78 USD).
	Programme coverage	<ul style="list-style-type: none"> ▪ Employed persons in the private and public sectors. ▪ Voluntary coverage for cash benefits for business owners, employees of cooperatives, and self-employed persons. ▪ Business owners, employees of cooperatives, self-employed persons, pensioners, and recipients of social insurance benefits are covered for medical benefits. ▪ Special systems provide cash benefits for civil servants and certain business owners, employees of cooperatives, and self-employed persons.
	Beneficiary determination process	<ul style="list-style-type: none"> ▪ Cash sickness and maternity benefits: The insured must have at least 4 months of contributions.
	Finance	<ul style="list-style-type: none"> ▪ Insured person: 4% of gross monthly earnings. ▪ Self-employed person: None for medical benefits. Voluntary contributors pay 8% of gross monthly earnings for cash benefits. ▪ Employer: 4% of gross monthly payroll. ▪ Government: None; contributes as an employer.
	Legal framework	<ul style="list-style-type: none"> ▪ 2003 (self-employed persons), with amendments; 2004 (employed persons), with amendments; and 2007 (labour code).
	Administrative framework	<ul style="list-style-type: none"> ▪ Ministry of Health provides general supervision. ▪ National Health Service administers the program. ▪ National Social Insurance Institute pays the benefits.

Programme# 11: social insurance	Programme name	Work Injury³⁶
	Programme components	<ul style="list-style-type: none"> ▪ Temporary disability benefits: If the insured is assessed with a total disability, the benefit is equal to 40% of the insured's earnings on the day the injury occurred (if those earnings differ from the insured's normal earnings, 40% of average earnings in the last 6 months) for the first 14 days; thereafter, 70%. <ul style="list-style-type: none"> ○ For hospitalisation, the benefit is equal to 40% of the insured's earnings; 70% with dependents. The benefit is paid for up to 1,095 days. ○ The maximum daily earnings for benefit calculation purposes are 300 escudos (\$3.98 USD). ▪ Partial disability: The benefit is equal to 25% of the insured's earnings on the day the injury occurred (if those earnings differ from the insured's normal earnings, 40% of average earnings in the last 6 months). ▪ Permanent disability pension: If the insured is assessed with a total disability,

³⁶ Ibid

		<p>the monthly pension is equal to 70% of the insured's earnings on the day the injury occurred (if those earnings differ from the insured's normal earnings, 70% of average earnings in the last 6 months).</p> <ul style="list-style-type: none"> ○ The maximum daily earnings for benefit calculation purposes are 300 escudos (\$3.98 USD). ○ Constant-attendance supplement: If the insured requires the constant attendance of others to perform daily functions, 30% of the insured's earnings is paid a month. ○ The insured may be required to undergo medical examinations every 6 months during the first 2 years; thereafter, every year. ○ The pension is paid from the day after the disability began. The employer pays the insured's earnings for the day of the work injury. ○ Benefit adjustment: Benefits are adjusted for changes in the cost of living, depending on the financial resources of the system. <ul style="list-style-type: none"> ▪ Partial Disability: If the assessed degree of disability is between 10% and 99%, a percentage of the full disability pension is paid according to the assessed degree of disability. <ul style="list-style-type: none"> ○ The degree of disability is assessed according to the schedule in law. ▪ Workers' medical benefits: Benefits include medical treatment, surgery, hospitalisation, prostheses, appliances, and transportation. ▪ Survivor pension: The monthly pension is equal to 30% of the deceased's earnings on the day the injury occurred (if those earnings differ from normal earnings, 30% of the deceased's average earnings in the last 6 months). <ul style="list-style-type: none"> ○ Eligible survivors include a dependent widow, a dependent widower older than age 64 or disabled, and a divorced spouse receiving alimony. If there is more than one eligible divorced spouse, the pension is split equally. ○ The maximum daily earnings for benefit calculation purposes are 300 escudos (\$3.98 USD). ○ The pension ceases if the widow(er) remarries or cohabits. ○ Remarriage allowance: A lump sum is paid equal to a year of pension. ▪ Orphan's Pension: The monthly pension is equal to 15% of the deceased's earnings for each child (including unborn, adopted, natural, and any other dependent children) up to age 18 (age 24 if a student, no limit if disabled); 45% for each full orphan. ▪ Other Eligible Survivors: A monthly pension equal to 10% of the deceased's earnings is paid to dependent parents and grandparents and to dependent brothers and sisters up to age 16. <ul style="list-style-type: none"> ○ The total monthly survivor pension for other eligible survivors is 30% of the deceased's earnings ▪ Funeral grant: The cost of the funeral, up to 7,500 escudos (\$99.43 USD). <ul style="list-style-type: none"> ○ Benefit adjustment: Benefits are adjusted for changes in the cost of living, depending on the financial resources of the system.
	<p>Programme coverage</p>	<ul style="list-style-type: none"> ▪ Employed persons; tenant farmers and sharecroppers; members of cooperative enterprises; apprentices and trainees; certain categories of volunteer workers; and certain categories of self-employed persons, including family members employed by them. ▪ Exclusions: Company managers, owners, and shareholders.

		<ul style="list-style-type: none"> Special system for civil servants
	Beneficiary determination process	<ul style="list-style-type: none"> Work injury benefits: There is no qualifying period. Accidents that occur while commuting to and from work are covered.
	Finance	<ul style="list-style-type: none"> Insured person: None. Self-employed person: 6% of covered monthly earnings. <ul style="list-style-type: none"> The maximum daily earnings for contribution calculation purposes are 300 escudos. Employer: 2% of covered monthly payroll for salaried employees or 6% of covered monthly payroll for all other workers; for household workers, 50 escudos (\$0.66 USD) a month (full time) or 30 escudos (\$0.40 USD) a month (part time). <ul style="list-style-type: none"> The maximum daily earnings for contribution calculation purposes are 300 escudos (\$3.98 USD). Government: None.
	Legal framework	<ul style="list-style-type: none"> Current law passed in 1978 (compulsory insurance) and 1991 (private administration).
	Administrative framework	<ul style="list-style-type: none"> Ministry of Labour and Solidarity (http://www.mtfs.gov.cv) provides general supervision. Private insurance companies administer the program.

Programme# 12: social insurance	Programme name	Family Allowances³⁷
	Programme components	<ul style="list-style-type: none"> Family allowances: 400 escudos (\$5.30 USD) a month is paid for each eligible dependent; 1,200 escudos (\$15.91 USD) a month for each disabled child younger than age 8; 1,600 escudos (\$21.21 USD) a month for each disabled child aged 8 to 13; and 2,050 escudos (\$27.18 USD) a month for each disabled child older than age 13. The allowance is paid for up to four children; the limit on the number of children is waived if the parent is a pensioner or if the insured is deceased and the mother is an unemployed widow. Nursing allowance: 1,200 escudos (\$15.91 USD) a month is paid for 6 months. Funeral Grant: The cost of the funeral, up to 20,000 escudos for the insured, the insured's spouse, or children older than age 14; 15,000 (\$265.14 USD) escudos for children aged 6 to 14; 7,500 escudos (\$99.43 USD) for children younger than age 6. Benefit adjustment: Benefits are adjusted periodically. (The last adjustment was made in 2005.)
	Programme coverage	<ul style="list-style-type: none"> Persons in insured employment or receiving social insurance benefits. Exclusions: Self-employed persons. Special system for civil servants.

³⁷ Ibid.

	Beneficiary determination process	<ul style="list-style-type: none"> ▪ Family allowances: Children must be younger than age 15 (age 24 if a student, no limit if disabled). The allowance is also paid for the insured's parents if each parent's income is less than the legal monthly minimum wage (the legal monthly minimum wage is 13,410 escudos (\$177.78 USD)).
	Finance	<ul style="list-style-type: none"> ▪ Employer: 3% of gross monthly payroll.
	Legal framework	<ul style="list-style-type: none"> ▪ Current law passed in 2004 (employed persons), first law in 1957.
	Administrative framework	<ul style="list-style-type: none"> ▪ Ministry of Labor and Solidarity provides general supervision. ▪ National Social Insurance Institute administers the program