

CABO VERDE

CRISTINA DUARTE, MINISTER OF FINANCE AND PLANNING

Second International Conference on Nutrition

His Excellency the Representative of the Italian Republic

His Excellency the General Director of FAO

Her Excellency the General Director of WHO

Excellencies Heads of State and Government

Ladies & Gentlemen,

In 2008 Cabo Verde has been graduated to MIC.

We started our journey in 1975.

1. Cabo Verde, at independence in 1975

- No Nation, No State, & no Human Capital
- Memories of frequent famines (1947, 30% of the pop. died);
- Only 10% of the land is suitable for agriculture ..out of 4.033 km²

- No resources, even water due to low rainfall
- Limited internal market
- Zero Infrastructure
- Educational opportunities were scarce → only 2 high schools
- Per capital income was about US\$190
- National treasury was zero → Had to appeal to Portugal for US\$300,000
- Many (including Cabo Verdeans) did not foresee a future

In 2008 Cabo Verde was graduated to a MIC

- Per capita income increased from US\$190 (1975) to US\$ 3,800 (2012);
- Poverty reduced from 49% do 24%;
- Literacy among youth reached – 95%;
- As well as Gender parity at elementary and high school
- Cabo Verde was considered among the “Top 10” FDI destinations in the world ... top 10 reformers ...;

- As a result ... we reached the 4th position in Africa in the ICT Development index and the 6th position in the e-governing index

2. The country's progress in the areas of health and living conditions, efforts in nutritional education and improvement in young child feeding practices have entailed a significant decline in chronic and acute malnutrition, which are currently at low levels.

3. The question is How Come?

4. This the reason Cape Verde's Government sent the Minister of Finance & Planning to participate in the International Conference on Nutrition.

5. Fiscal policy/ budget management have been crucial to reach the results on the nutrition front Cabo Verde is a small Island open economy ... the international crisis has hit us in a quite strong way. Despite international crisis we managed to preserve budget social expenditures. How?

- Align oil domestic prices with international ones - cut oil subsidies and generate budget savings.
- These budget savings have been channeled to social expenditures
 - Increase the social pension by 285%;
 - Increase by 100% the beneficiaries of the No-contributive social security system.
 - Universalization of the Contributive social security system: all civil servants have been incorporated, their family members, householders, we open the system to agricultures, fishermen, etc...
 - Education : scholarships, school transportation, school feeding, school kits ... in Cabo Verde the Government decided to make the “School” one of the most powerful tools for our social policies!
- School feeding improved enrolment rates, household food security, nutritional status and gender equity ...
- In September 2010, in the middle of the international crisis, the Government of Cabo

Verde took over responsibility for funding and managing the national school feeding programme which had been in place since 1979 under the management of WFP. We manage to cover 100% of the schools.

- In addition We decreased, in 2009, income taxes → the lowest bracket from 15% to 11% → To help families to cope with international crisis protecting their purchasing power

6. For us have been quite clear More important than having “fiscal space” to cope with the international crisis Societies need to have “Social Space” to cope with international crisis .. so public policies must be consistent ... because takes time to help societies to build social space ... In took Cabo Verde 20 years to decrease poverty rate from 49% to 24% ...

7. Graduation has been possible with a strong commitment to Reforms

- **Political Reforms** – Cabo Verde shift from a one-party system to a multi-party democracy, separation of powers, strengthen of external control, ... we became a democratic nation with free press, regular elections, and peaceful transfers of power ...

- **Economic/Market Reforms** - market reforms were embarked upon to end government's participation in productive activities and allow private sector-led economy
- **Institutional Reforms (strengthen of the country's systems)** → “at the end of the day institutions do matter”!!!!
 - consistent investment in human development
 - Public Financial Management - accountability, transparency → e-governing has played a critical role;
 - business environment (one day to create a company), so that employment is created allowing families to access to income;
 - Regulatory system, particularly in the food and pharmaceutical sectors;

8. But Cabo Verde as MIC faces new challenges ... namely on the nutritional front... we have not solved all the traditional nutrition problems ... but we are already facing MIC nutrition problems ...

As a feature of the nutrition transition, fat- and sugar-rich foods have also become more common in

the diet, which start causing significant public health problems.

For exemple, among women, nutritional transition is causing a rapid and significant increase in the prevalence of overweight and obesity. Costing more the Health National System.

Despite considerable efforts to improve the nutritional status of its population. Cabo Verde should now reinforce accessibility and awareness of healthy balanced diets, to achieve sustainable elimination of micronutrient deficiencies and to curb non communicable chronic diseases related to food.

9. Some lessons from Cabo Verde experience:

1st: Development is possible without natural resources – Policy Driven

Consistent increase in per capital GDP: 1975-\$US 190;
2009-\$US 3.200

Graduation from the list of LDCs in January 2008

Already achieved many of the MDGs and on track for the rest

2nd: The state must be credible & the nation must be together

Effective institutions that engenders people's trust and confidence must be built: judicial, education, health, financial, fiscal, ...systems.

3rd: The development must be inclusive in order to be sustainable on a long term view... Poverty Index: 1990 - 48%2010 – 26%

4th: The State should concentrate in its core business: National Security, Justice, Regulation & Supervision, Promotion of Economic Growth (business environment), Education, Health, Social Protection,

5th: Strong, Clear & Shared Strategic Vision → "Transformation Agenda" ..this is crucial for aid effectiveness

6th: Policy Consistency and progressive reforms

Consistent path must be taken

Pragmatism and realism, with the ability to change when necessary

7th: An active civil society: NGOs, Business Associations, Professional Associations, Youth Associations, ...

Dialogue

Unity and “no” to any form of exclusion

8th: National Capability

Democratization of education & a culture of learning

Continuous improvement in capacity and capability

9th: Openness

Open to ideas: diásporasource of innovation.

Diversify alliances and partnerships

10th: Strong leadership and enlightened follower-ship

Critical to tying everything together

A constant focus on the future

AID EFFECTIVENESS