

United Nations Resource Mobilization and Partnership Strategy Cabo Verde, 2012-2016

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1. Introduction

This document outlines a strategy for mobilizing resources and building partnerships for the UN Country Team (UNCT) in Cabo Verde that is closely integrated with the UNCT's communication strategy and contributes to the consolidation of the UNCT's aid coordination role in the country.

The need for fresh thinking about UNCT strategy in Cabo Verde is underlined by the decrease in available resources and donor funding resulting mostly from an unrelentingly weak global economic and financial situation and the end of the transition period that followed Cabo Verde's graduation out of the Least Development Country (LDC) category in late 2007. Finally, this strategy also reflects a global shift in the UN role in supporting Middle Income Countries.

This strategy document proposes that the UNCT continues to work closely with the government of Cabo Verde in identifying country needs and overall funding gaps. Close collaboration will position the country well to identify and build strategic partnerships and to mobilize resources, while adjusting the role of the UN in supporting the country's development goals in its new development phase.

The document proposes a holistic approach to resource mobilization that comprises:

1. **Defining a stronger role for the UN** in supporting the coordination of the development partners group and engagement of its members with a view to improving aid effectiveness in the country;
2. **Increasing visibility** of the UN's work and expertise; and
3. **Defining a wider array of options for resource mobilization and partnership-building** that are closely integrated with and build on the country's own strategy.

The document will focus on presenting options for mobilizing resources and building partnerships in support of the Government of Cabo Verde-United Nations Development Assistance Framework (UNDAF) for 2012-2016.

The strategy has been crafted on the basis of recommendations made by several internal and external reviews of the first programming cycle after the Delivering as One reform was implemented in Cabo Verde (UNDAF 2008-2011) and the UNCT's annual retreat held in June 2013. The strategy also follows the overall principles defined in the UNDG Guidance note on Resource Mobilization that are summarized in the annex I.¹

The UNCT vision for this strategy is that the joint efforts to mobilize resources and to build partnerships ought to be focused on specific areas towards the implementation of the UNDAF 2012-2016 so as to supplement and/or free available agency-based resources. The purpose of eventually freeing some available agency-based resources is to allow for the re-allocation of resources towards potential areas in which mobilization of resources is more difficult.

To that effect, the UNCT vision emphasizes the need to balance and coordinate joint and individual agency resource mobilization efforts; and to ensure transparency through these individual processes. The vision also highlights the importance of consistent information sharing between agencies and implementation of accountability mechanisms associated with a stronger leadership role of the Resident Coordinator Office. Prioritizing joint programs and joint programming with realistic budget estimates

¹ REFERENCE

can facilitate the process of joint mobilization of resources. Joint programs and Joint programming must be developed with specific partnerships - technical and/or financial - in mind.

2. Country Context and Key Considerations

The end of the transition period that followed Cabo Verde's graduation out of the LDC category in late 2007 and the weak global economic environment mark a new phase for Cape Verde's development financing. In this new phase, Cape Verde aims at strengthening and diversifying its local economy and increasing the importance of domestic resources to finance its development. This new phase also calls for building new and consolidating old strategic partnerships with both traditional and non-traditional partners.

The shift into this new phase has not been smooth. The steep drop in development assistance has not been compensated by an equally steep increase in domestic resources. This reflects in part the weak economy outlook: after having grown an estimated 4% in 2010, it is estimated that the country has grown around 2.5% in 2012 and 1.5% in 2013 (IMF, WEO October 2013).

According to the most recent data from the Central Bank of Cape Verde,² revenues of central government declined by ECV4.7billion, or 11.8%, between 2010 and 2012 mostly due to the drop of ECV6.7billion in budget development assistance. Tax and other revenues went up by ECV2 billion during the same period.

Changes in Official Development Assistance (ODA) - decreasing grants and increasing net loans - has also been adding strains to the country's finances. ODA reached a total of around USD263.12 million in 2012, below the peak of USD347.2 million in 2010 but above the average of USD216 million of the 2002-2012 period.³ The peak in ODA in 2010 and the above-average level of 2012 reflect the increase in concessional loans (from USD28.7million in 2009 to USD162 million in 2010 and USD175 million in 2012) and the government strategy to take maximum advantage of these type of ODA to build basic infrastructure before this window of opportunity ends with the graduation. Grants dropped in absolute terms in 2012 to the lowest level since 2003.

The ability of the country to attract foreign reserves after graduation has also been limited. The average current account deficit in the 5-year period after graduation increased by 50% compared to the 5-year period previous to the graduation in late 2007. On one hand, there has been a strong increase in the average exports of goods and, especially, services, despite the global crisis. This increase has been mostly driven by the tourism sector. On the other hand, there has been an increase in the repatriation of profits from foreign direct investment and a decline in remittances. Official transfers have only started to decline more significantly after 2010. The increase in loans, in particular ODA concessional loans, has also increased interest payments abroad.

At national level, Cape Verde's ability to accelerate the mobilization of domestic resources depends on the country's ability to diversify the economy and foster growth that are more inclusive and that can create job opportunities in the formal market. The country has a relative high unemployment rate

² Relatório Anual do Banco Central 2012

³ OECD/DAC data in <http://www.aidflows.org/>, accessed on 26 March 2014

among youth (32.1%, versus the national average of 16.8%)⁴ and a persistent high income inequality (Gini of around 0.47)⁵ that could further prevent advances in poverty reduction.

The Growth and Reduction and Strategy Paper III (GRSP III) has identified six economic clusters with potential for fostering economic diversification, inclusive growth and poverty reduction: agribusiness, tourism, maritime economy, information and communications technology (ICT), creative economy/cultural industry, finance, and aero business. The GRSP III further emphasizes that the private sector will lead the process of developing business and value chains within the clusters. To support the private sector development, the GRSP III points out to the importance of accelerating and deepening reforms to improve the business environment by: maintaining macroeconomic stability, increasing productivity and labor market flexibility, improving the quality and adequacy of education and training, and improving the quality of and access to infrastructure (e.g. water, energy, telecommunication, ports).

This strategy for mobilization of resources and building partnerships will support the country's strategy to diversify its productive base and transit into a new development financing phase. While the decline in the volume of international grants and in the number of donors is likely to be irreversible, an effective strategy of mobilization of resources needs to draw attention to what is *unique and priority* for the country's development process.

Current demographic changes provide a unique growth opportunity for the country going forward. A large number of adolescents entering the labor force and the electorate put strains on the seams of the economy and polity. This risks creating unemployment and alienation unless new opportunities are created quickly enough - in which case a 'demographic dividend' accrues because productive workers outweigh young and elderly dependants.

On a number of social indicators, Cape Verde has made important strides at national level. However, disparities between regions and social groups call for more focused, local, and coordinated interventions.

The government of Cape Verde already makes substantial investments in social sectors and has little space for new investments. The primary objective is therefore to increase effectiveness and efficiency in government spending to improve fiscal space.

Cape Verde's bet in a stronger creative sector, through the development, for instance, of the Atlantic Music Expo and other initiatives, has proved that unique and innovative development strategies can mobilize important private and public domestic and foreign resources and partnerships.

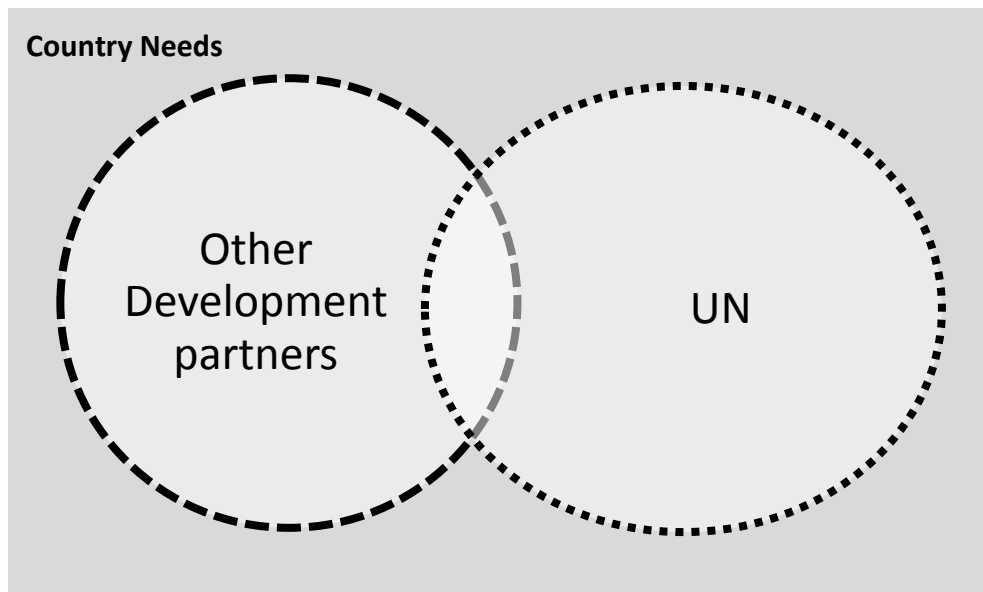
Finally, as a Small Developing Island State, the country faces intrinsic social, economic, and environment vulnerabilities that are associated with its particular geography and climate; all of which are unrelated to the country's post graduation development status but that could threaten the country's ability to continue to grow and reduce poverty.

⁴ Institute of National Statistics, 2012

⁵ Growth and Reduction and Strategy Paper III (GRSP III)

3. Building the Overall Strategy

Step I: Mapping Country Strategic Needs and Challenges, Identifying Development Partners Interventions, and Identifying Major Funding Gaps



The UNCT will work closely with the government to redefine the relationship between the UN and its partners while re-positioning the UN in the country donor mapping. This will not change the content of the UNDAF but rather propose a different way to achieve UNDAF's objectives.

This exercise will entail mapping the country needs, the donors' major areas of intervention⁶ and the identification of technical and funding gaps. The goal is ultimately to support the country's overall strategy to mobilize resources, build partnerships, and coordinate interventions.

At the same time, the mapping will help the UN to better position itself on sector-strategic objectives and to call on its global network of expertise for additional support in the pursuit of the country's priorities and challenges.

This exercise will also help the UNCT in Cape Verde to visualize strategies to tap on an array of current funding and partnership approaches that have the potential to attract even the traditional donors should the packing be sufficiently attractive as transformative, unique, and priority for the country's development process.

A rapid way of strengthening the capacity for resource mobilization and partnership development will be to recruit a resource mobilization and partnership building coordinator. The coordinator should have the ability to relate to alternative funding models to reflect the fact that traditional funders are on decline in Cape Verde.

This step also entails the UNDAF mid-term review and the identification of national leaders and co-leaders to coordinate the adequacy and implementation of the UNDAF in the country.

⁶ Preliminary analysis of the development partner interventions by sector are in annex II

The UNCT has initiated an exercise that identifies major funding gaps in the current UNDAF matrix. This exercise in conjunction with the mapping of the country needs and donor interventions will define more clearly funding gaps and priority sectors.

Proposed products of this step:

- Mapping of country strategic needs and challenges;
- Identifying priority sectors;
- Mapping of development partners interventions;
- Identifying major funding gaps (Annex III);
- Identification of national leaders and co-leaders to coordinate the adequacy and implementation of the UNDAF in the country;
- UNDAF mid-term review;
- Defining the Terms of Reference for a resource mobilization and partnership building coordinator;
- Elaboration of a portfolio of programs based on the identified priorities and funding gaps;
- Prepare an easy-to-read presentation of the portfolio of programs.

Step II: Consolidating a Stronger Role of the UN in Aid Coordination

Beyond mobilizing resources and building partnerships, coordination will be central to improve aid effectiveness, efficiency and accountability in the country. In recognizing the importance of coordination, this strategy proposes a stronger role for the UN in supporting the coordination of the development partners group (DPG) and engagement of its members to identify synergies, eliminate overlapping interventions, increase complementarities and decrease fragmentation that negates the potential to achieve significant results.

In conjunction with the Ministry of Foreign Affairs, the UN in Cape Verde, through the coordination office, has resumed the DPG. This will serve as an important platform to share information and improve coordination in the country.

Proposed products of this step:

- Integrate the strategy of mobilization of resources and partnerships in the Terms of Reference of the DPG;
- The creation of technical working groups around the DPG to discuss interventions and define action plans in key thematic areas in the country (e.g. water and sanitation) to facilitate coordination;
- Request a role of UN as observer at the Budget Support Group (BSG) to allow for a better coordination between the DPG and BSG;
- Creation of an online site that can share strategic information from the DPG meetings to a wider public.

Step III: Increasing Visibility

The strategy of mobilization of resources and partnerships must be closely integrated with the communication strategy of the UN in Cape Verde. The goal is to increase visibility of the ongoing and

planned interventions and the level and quality of expertise in specific areas that the UN can bring to the country.

Indeed, the UN globally has compiled knowledge products that provide guidance on how to address specific challenges. The UNCT therefore has the opportunity to draw on lessons and experiences from other countries and also to contribute to local experiences in the operationalization of these new approaches.

The strategy also presupposes that every staff member of the country office is a potential fundraiser who should be well informed of the overall strategy and should be able to explain the strategy in simple words.

Increasing visibility can also be attained by increasing the links with the community, through for instance the creation of internships programs with local universities and research centers.

Part of the mobilization of support for this new approach for the UN in Cape Verde should be to make as much knowledge as possible readily available to interested stakeholders.

Proposed products of this step:

- Formulation of a Communication Strategy that is closely integrated to this Resource Mobilization Strategy;
- The development of a dedicated section on knowledge management of expertise and best practices on the UN website;
- Identifying a suitable place to serve as a library of materials on new approaches for development;
- Providing an overall narrative for the UNCT strategy in Cape Verde that can make the UNDAF matrix more accessible to readers;
- Training every single staff to understand and be able to discourse about the UNCT strategy in Cape Verde and Annual Programmes in an integrated and programmatic fashion;
- Publicizing annual programs in simple language in traditional and non-traditional media;
- The publication of support materials (e.g. UNDAF presentation, UN agencies in Cape Verde and expertise, the Delivering as One model, portfolio of projects) and the formulation of an action plan for annual roadshows with potential donors and stakeholders in and outside of the country;
- The creation of an internship program to increase interaction with local universities and research centers.

Step IV: Identification of a wider array of options for resource mobilization and partnership-building

This step defines a wider array of options for resource mobilization and partnership-building that are closely integrated with and build on the country's own strategy.

In recent years, the UN in Cape Verde has been used more frequently ODA from traditional donors, government funding and international calls and awards (primarily through the Global Environment Facility) as additional resources to core funding.

Between 2011 and 2013, the UN, through the UNDP and UNICEF, facilitated three successful triangular cooperations with two Brazilian Institutions (*Instituto de Pesquisa Econômica Aplicada* (IPEA) and

Fundação do Desenvolvimento Administrativo (FUNDAP)) and one Brazilian NGO (Afroreggae) in three specific domains: social protection (designing a cash transfer program), social inclusion of youth (pilot programs with three NGOs in Cape Verde), public administration (designing the training program as part of new career plan in the public administration), and results oriented program-based budgeting (providing training and technical expertise). The recent experience has showed that triangular cooperations has the potential to reduce costs significantly and can increase the likelihood of long-lasting and stable technical assistance to the country. This experience has also showed that internal procurement procedures and modus operandi of implementing projects may have to adapt with the surge of new modalities of partnerships.

Preliminary analysis identifies 11 channels (excluding core resources allocations) that could be used to mobilize resources and build partnerships for UN programmes in Cape Verde (see annex IV). The channels are:

1. ODA from traditional donors;
2. ODA from non-traditional donors with a strong focus in the African continent;
3. South-South and triangular cooperation;
4. Partnerships with the private sector;
5. Partnerships with the civil society;
6. Engagement with the Diaspora;
7. Innovation hubs;
8. Government funding;
9. Fundraising events and programs;
10. Regional programs;
11. International calls and awards.

Proposed products of this step:

- Identification of channels that could be used to mobilize resources and build partnerships for UN programmes in Cape Verde;
- Analysis of the potential of identified channels.

Step V: UNCT Internal Arrangement

It is recommended that the unit in charge of mobilization of resources and partnerships be integrated with the coordination and communication office.

To assure a successful and sustained resource mobilization effort, it is recommended to have in place a strong monitoring and evaluation system. This is important for ensuring that the flows of committed and disbursed funds are tracked with accuracy and speed. Honest and transparent evaluation of the uses of funds and their impact in related areas is also crucial in maintaining the credibility of the entire effort and trust of the current and future donors.

All participating UN organizations will be equally responsible for building trust in the quality of the UN deliverables, including analysis, policy advice, product lines, as well as the capacity to build networks and deliver results according to the country needs and capacities.

Proposed products of this step:

- Setting up a system to analyze the portfolio of programs up for funding according to a well-defined criteria;
- Setting up a strong monitoring and evaluation system with a system of quality check for the deliverables.

Step VI: Funding the Implementation of the Strategy

Commitment of participating agencies to fund the implementation of the strategy will be central to the whole process. The strategy assumes willingness by agencies to contribute to an initial pool of funds to enable the implementation of the strategy and the uptake of the selected options for resource mobilization and partnership building. It is important for the UNCT to decide on what resources can be invested in the follow-up activities and the implementation of selected options. Without such investment, the ideas contained in this document are unlikely to be implemented or if implemented, are unlikely to live up to their potential.

Annex I. UNDG Joint Resource Mobilization Principles

Following the UNDG guidance note on joint resource mobilization, the strategy will be defined around 5 main principles:

❖ Pursuing strategic focus:

- Being the partner of the Government, the UN will mobilize technical and financial resources for the country, and not for the UN;
- Decisions on key resource mobilization and allocation targets will be guided by strategic priorities defined by the UN and its national partners – the UN needs to balance multiple priorities without creating competition for resources;
- To ensure focus on national priorities and allow the maximum flexibility in planning and funds allocation, multi-year and un-earmarked donor contributions will be encouraged as much as possible. (If this is not possible, the level of acceptable earmarking should be decided upon by the participating UN organizations. Nevertheless, the proportion of earmarked funding should be minimized.)
- Resource mobilization efforts will primarily focus on securing funds for coherent and relatively large programmes that offer the prospect of longer-term impact than for smaller individual projects, which are often time limited. Among smaller individual projects, those with highest impact and with a potential for catalyzing donor attention should be prioritized.

❖ Maintaining trust:

- All participating UN organizations will be equally responsible for building trust in the quality of the UN deliverables, including analysis, policy advice, product lines, as well as the capacity to build networks and deliver results.
- All participating UN organizations will equally contribute to the establishment of close and professional working relations with donors based on credibility and transparency. Donors should be approached in a spirit of transparency, openness and dialogue.
- A partnership culture, that includes networking and knowledge management with an outward, client-oriented mentality, will be preserved at all levels in all participating UN organizations.
- Partnerships will be established beyond financial agreements, which also means reciprocity in relationship – be a source of knowledge and information for partners at any time, even if information is not related to the UNs core operations.
- Interests and concerns of all participating UN organizations will be respected and treated in a fair and transparent manner.

❖ Managing expectations:

- To ensure delivery of results, it is essential for all participating UN organizations to have clear understanding of their individual and collective roles and responsibilities from the very beginning.
- Accountabilities of various participating UN organizations should be fostered through results-based management, whereby an organization ensures that its processes, products and services contribute to the achievement of desired results

❖ Communication and information sharing:

- The participating UN organizations will be regularly informed on any resource mobilization initiative and subsequent results. To make this possible, the participating UN organizations

will provide regular information to their partner agencies through a centralized mechanism to be created with the agreement of the participating UN organizations.

- Staying abreast of donor interests and needs is key to successful resource mobilization. Through a centralized mechanism, where donor mapping and update of donor profiles will be kept, the organizations should continuously update their intelligence on donor interests and information needs.
- Quality and timely information is imperative to resource mobilization. Proposals, donor reports and human-touch stories will support these efforts. Information needs vary widely – from the very technical for some partners to the impact that US \$100 can have, for individual donors. Such peculiarities should always be taken into account.

❖ Reviewing the results:

- A successful and sustained resource mobilization effort greatly depends on having a strong monitoring and evaluation system in place. This is important for ensuring that the flows of committed and disbursed funds are tracked with accuracy and speed.
- Honest and transparent evaluation of the uses of funds and their impact in related areas is also crucial in maintaining the credibility of the entire effort and trust of the current and future donors.
- A strong financial monitoring and evaluation system for resource mobilization also means equitable access to information by all participating UN organizations.

Annex II Development Partner Interventions by Sector – Active Portfolio as of July 2013

Sector	Donor	Loans	Grants	Activities
Agriculture	Japan		2,467,613 €	Support to the modernization of agriculture techniques
	Spain		735,789 €	Hydroponic school and agriculture development
	USA		2,140,943 €	Water mobilization for agriculture, natural resources conservation
	Holland		4,772,785.0 €	National forest inventory, cattle and agriculture production
	BADEA	25,000,000 USD		Construction of dams and dykes, agriculture development
	EU		440,607 €	Fight against avian flue, relauching production of Banana
	CEDEAO		67,724 €	National program of agriculture Investment
Education	Kuwait	10,000,000 USD		Construction of Secondary Schools
	Saudi Fund	10,000,000 USD		Construction of Secondary Schools
	Spain		272,936 €	Promoting primary school program, protection of vulnerable children, e-learning
	Holland		2,048,337 €	Professional training and employment promotion, construction of schools, secondary schooling - curricula Revision
	Luxemburg		7,372,609 €	Construction of schools, support to canteen programme, national program of employment, professional training, hospitality school in Praia

Sector	Donor	Loans	Grants	Activities
	Portugal		637,024 €	Vocational and professional training, construction of schools
	China		250,624 €	Construction of schools
	EU/UN		294,183 €	Education Program
Energy	Japan	53,519,100 €		Increase production capacity in Santiago
	AfDB	11,285,373 €		Reinforcement of transport and distribution of electricity; development of a electricity transport and distribution system in six islands
	BIDC	10,641,813 €		Reinforcement of distribution of electricity and improvement of the transmission system
	IBRD	40,200,000 €		Reform of the Energy Sector in Cape verde
	OFID	8,500,000 €		Reinforcement of distribution of electricity and improvement of the transmission system
	AfDB	10,556,686 €		Cape Verde Wind Farm Project - Cabeolica (Private sector)
Fisheries	World Bank	5,500,000 USD		Regional fisheries Program
	Spain		818,745 €	Operational plan for artisanal fisheries development
	Japan		226,727 €	Quality and valorisation of products
	EU		1,615,919 €	Institutional Support, Reinforcement of inspection capacities, quality of products, socio-economic development of fisheries communities
	GEF		132,221 €	Regional program for fisheries

Sector	Donor	Loans	Grants	Activities
Health	Austria	6,000,000 €		Regional hospitals in Fogo e Brava
	Kuwait	14,000,000 USD		Health program
	OMS		273,490 €	Essential drugs and policy program, promotion of health
	Luxemburg		45,799 €	Specialized health training, health program for Santiago North
	Portugal		35,072 €	Fight against dengue
SMEs/ Private Sector Environment	World Bank	4,500,000 USD		SME capacity building and governance project
	EU		165,221 €	Supporting Business environment and services for private sector development, Reinforcement of Institutional and local capacities in leadership and entrepreneurship, Social protection program
	AfDB		659,452 €	Capacity Building for MSME Development through Business Incubators
Transports	Morocco		240,188 €	road construction
	UK		226,727 €	road construction
	USA		1,158,379 €	road construction
	Portugal	138,947,111 €		Expansion and modernization of Praia port; expansion of Vale dos Cavaleiros, Furna and Porto Novo Ports, construction of Mindelo port north access
	USA		26,541,667 €	Praia port
	Spain	18,768,401 €		Construction of cold storage infrastructures in Porto Grande, Implementation of Vessel Traffic System

Sector	Donor	Loans	Grants	Activities
	World Bank	29,000,000 USD		Support to the road sector, Reform of the transport system
	BADEA	8,000,000 USD		Construction and improvement of roads
	Saudi Fund	10,000,000 USD		Construction and improvement of roads
	OFID	8,000,000 USD		Construction and improvement of roads
	Portugal	46,540,740 €		Construction and improvement of roads
	AfDB	21,505,940 €		Expansion of Praia airport
ICT	Portugal	8,640,000 €		Equipment to the Data Centre, National System of Civil Authentication
	AfDB	31,500,000 €	253,314 €	Technological Park project&Feasibility study of the Data Centre
Water and Sanitation	OFID	3,000,000 USD		Improvement population access to water distribution system
	Portugal	32,969,166 €		Construction of 6 dams, construction of 29 dykes in Maio and Boavista, improvement of water distribution system
	Japan	159,000,000 USD		System of water production and distribution in Santiago
	France	32,000,000 €		Water and sanitation System in S.Catarina, desalinization of sea water
	BADEA	5,000,000 USD		Sanitation System in Espargos,
	Spain		3,125,000 €	Institutional Support, capacity building and improvement access to water and sanitation

Sector	Donor	Loans	Grants	Activities
	UN		3,915,000 USD	Building adaptive capacity and resilience to climate change in the water sector, Implementing integrated water resource and waste water Management in Atlantic and Indian Ocean SIDS
	EU		1,300,000 €	Reinforcement of local authorities in improvement of sanitation Conditions
	USA		41,090,000 USD	National Institution and regulatory reform, legal reform, Master plan for the sector, establishment and operation of commercially-oriented water utilities
	AfDB		1,045,297 €	Mobilization of Water Resources
Poverty reduction	IFAD	20,502,826 USD		Fight Against Poverty in the rural areas Program, Promotion of Socioeconomic Opportunities in Rural areas
	BADEA	2,000,000 USD		Fight Against Poverty in the rural areas Program
	EC		3,564,074 €	Employment special programs for young, women and vulnerable groups, social Protection
External relations	Spain		45,403 €	Diaspora Competences mobilization

Source: Directory of National Planning/African Development Bank, July 2013

Annex III. Identified Funding Gaps, UNDAF 2012-2016

Annex IV. Analysis of Options

Official Development Assistance (ODA)

1.1. Trends

Three major factors have been central to shaping the level of official development assistance (ODA) accessed by the UN in Cape Verde. These have been the bilateralisation of aid (Government/donor), the middle income country (MIC) status of the country, and the weak support of the UN in mobilizing resources from traditional donors without awareness of new donors.

In fact, in the wake of the global financial crisis in 2007-2008, subsequent recessionary and fiscal constraints still being felt across a range of OECD economies. With few exceptions, OECD governments have been unable to ring-fence their ODA budgets from the effects of the global economic crisis.

At the same time, Cabo Verde's attainment of middle-income status has compelled many ODA partners to reassess their financial portfolios or to transform their forms of assistance, such as trade and commercial co-operation. Consequently, a scaling down, or outright cessation, of Direct Budget Support (DBS) is expected by a number of development partners. In addition, the type of funding Cabo Verde receives from International Financial Institutions (IFIs) is also slated to become less concessionary, resulting in less grant-based assistance.

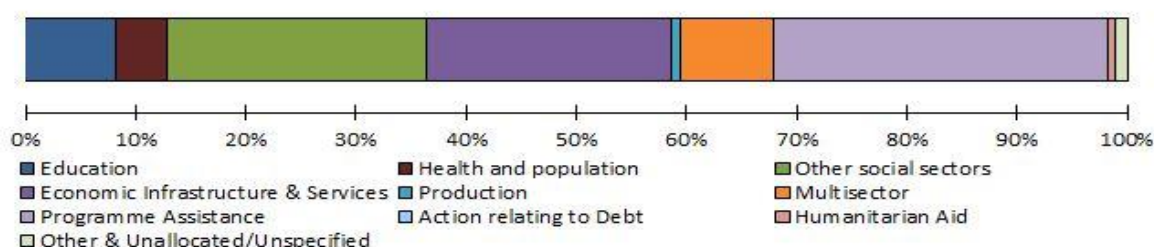
The aid flows are dominated by the European Union and Japan. Above all, Portugal account for 80,5% of aid from the EU block. Three countries (Luxembourg, Spain, and France) account for 17% of aid flows from the EU block.

Cape Verde

Receipts	2010	2011	2012
Net ODA (USD million)	328	252	246
Bilateral share (gross ODA)	73%	82%	84%
Net ODA / GNI	20.7%	13.7%	13.3%
Net Private flows (USD million)	- 28	- 54	- 357
For reference	2010	2011	2012
Population (million)	0.5	0.5	0.5
GNI per capita (Atlas USD)	3 340	3 610	3 810

Top Ten Donors of gross ODA (2011-12 average)		(USD m)
1	Portugal	161
2	EU Institutions	22
3	Japan	20
4	Luxembourg	17
5	Spain	11
6	IDA	9
7	United States	7
8	France	6
9	OFID	4
10	BADEA	2

Bilateral ODA by Sector (2011-12)



Sources: OECD - DAC, World Bank; www.oecd.org/dac/stats

The bulk of the ODA inflows into the country are directed towards the others social sectors, economic infrastructure and services and programme assistance.

There is a need to do a more detail donors / partners mapping exercise, nevertheless some information is available:

Bilateral Donors

United States of America	There is no bilateral USAID program with Cape Verde. The second MCC Compact signed for \$ 66.2 million in 2012 focuses on (1) water, (2) sanitation, and (3) land management reforms.
Portugal	The main areas of Portuguese assistance are (1) institutional capacity building (government and civil society), (2) security and development, (3) education and basic social services, (4) science and technology, (5) entrepreneurship and SME development, and overlapping issues.
Japan	The JICA entered into a JPY 6.186 billion loan deal with Cape Verde in order to promote electricity transmission and the distribution network in 2012 (co-financed by AfDB).
Spain	Cape Verde is one the priority countries of the AECID. Interventions of the AECID focus on (1) democratic governance, (2) environment, (3) productive sectors and (4) school workshops.
Luxembourg	Cape Verde is one of LUXDEV's priority countries. Under the Indicative Cooperation Programme (ICP) 2011-2015, the assistance focused on (1) education and vocational training, (2) job creation and (3) renewable energies. In 2014, Luxembourg will start the preparation of the ICP 2016-2020.

France	The 'AFD' supports projects focusing on (1) growth, (2) rural development, (3) access to basic service, (4) reducing inequality, (5) infrastructure, (6) water distribution and (7) private sector development. Therefore, it committed to establishing a loan of € 22.4 million to develop public water and electricity capacity in 2013.
China	In July 2012, the Chinese prime minister negotiated a \$21 million financial aid deal with Cape Verde. The main fields of investment will be (1) infrastructure, (2) maritime economy, (3) IT, and (4) energy.

Multilateral Donors / Partners

Enhanced Integrated Framework	Under the TIER 2 projects in Cape Verde will focus on (1) market integration, (2) creative economy, and (3) quality.
European Union	The EU supports projects under the following headings: (1) water and energy, (2) environment & sustainable resource management, (3) human development, (4) rural development, territorial planning, agriculture & food security, (5) employment and social cohesion, (6) governance, democracy, human rights, and support for economic and institutional reforms and (7) crosscutting projects. The 11 th FED is about to start and the pillars will be (1) Inclusive Growth and Poverty Reduction (clusters development align with the PRSP III); (2) Special Partnership; and (3) Private Sector Development.
Global Environment Facility	GEF is one of the most important resources of the UN. Cape Verde has been part of GEF funded projects dealing with (1) biodiversity, (2) water, (3) POP's, and (4) soil degradation. Under the GEF-5, biodiversity was the thematic selected by the Government. GEF-6 is under discussion.
International Development Association	The IDA has stepped in supporting the Cape Verdean government in case of lack of funding sources. Since 2007, the main focus of the IDA was to enhance private sector competitiveness.
Africa Development Fund	The AfDF implements projects focusing on (1) water supply and sanitation, (2) electricity and power, (3) information and communication technology, (4) transport and (5) environment. Lately, they have been support Private Sector Development, mainly the ICT Technology Park and Incubators network.

With these changing circumstances, the UN must adapt the Resource Mobilization Strategy which should be based on the premise of full alignment with Government and national plans, priorities and programming cycles, as well as the core principles of UN Reform, harmonization, and alignment.

1.2. Possibilities

In the short-to-medium term the prospects for significant resource mobilization from the traditional donors are weak. The factors that have limited inflows into Cabo Verde will remain. Mobilizing any resources from the traditional donors at this stage is in essence an exercise in displacing the bilateral channel or replacing a recipient that is either failing to deliver or is receiving resources in an area where the UN has a comparative advantage. In any case the resources mobilized will be negligible and are unlikely to be anywhere near the requirements of the UN.

A core component of the Resource Mobilization Strategy should be ongoing analysis of the resource mobilization environment, close monitoring of development partner interests and new opportunities, and efficient management of incoming contributions. But the focus should continue to be placed on the

“rolling” nature of the resource mobilization with a longer term (multi-year) perspective, so as to ensure the availability of minimum levels of funding at the onset of each calendar year and to have contributions that can be carried over several years. The Resource Mobilization Strategy should be based on the premise of full alignment with Government and national plans, priorities and programming cycles, as well as the core principles of UN Reform, harmonization, and alignment.

In regards to the above possibilities, the UNCT targets are:

- i. Traditional Partners: UNCT should maintain and expand active development partner relationships and alliances. UNCT should seek to deepen relations with traditional development partners that provide the bulk of contributions to Cape Verde. However, focus should be extended to a selected number of bilateral development partners, in order to ensure a strategic approach, and to ensure adequate monitoring of resource mobilization prospects.
- ii. Emerging Development Partners: Emerging development partners should be engaged based on consensus within the UNCT, articulation of a clear strategy, and agreement on core thematic areas to be pursued with them.
- iii. Global Funds: For Global Funds having a limited number of designated/accredited Implementation and/or Supervisory Partners, such as the GEF, there is competition among UN Agencies that access the same global funds. The RM Strategy and/or Action Plan should commit UNCT to lead negotiations with Government (or specific ministries/agencies) on a division of labor exercise to reduce competition among collaborating agencies, and clarify roles and expectations concerning, for example, funds management, delivery, staff outputs.

It is also important to consider that most of the donor community is based abroad (most in Senegal); in this sense some activities for RM should be done in Dakar with the involvement of the Government.

Prospects for accessing more ODA resources in the long-term are contingent on several factors including: a) OECD countries increasing their ODA budgets; b) changes in aid allocation criteria to include MICs on the basis that the majority of the poor now live in MICs ; c) a complete shift in donor approaches from bilateral to multilateral funding (highly unlikely given the bilateral can and do argue that through direct allocations to the UN, the UN is already adequately catered for and should not be competing for resources that are channeled through bilateral support); and d) share with Small Island Developing States (SIDS) the development efforts and needs to resource mobilization in bilateral and multilateral levels in environment and economic field.(Global Launch of International Year of the SIDS was held on February 24th 2014 at UN Headquarters in New York, US).

1.3. Tapping into the possibilities

- Developing a grand programme: Developing a grand programme will require thinking that goes beyond the current UN activities that tend to be driven by project implementing partners to one where implementing partners fit into a programme. The process of developing such a programme would have to involve informal consultations with senior government officials and donor government officials and cut across a number of areas of responsibility.
- Opportunities outside of a grand programme: The appeal and excitement factors that the grand programme would seek to achieve can be achieved on a smaller scale with projects that break from the mould of the typical development initiative by creating breakthrough initiatives that would not occur without the support of the UN. Such initiatives would need to rise above the operational to the strategic level. Possible include the use of proven UN tools/guides; brokering new working relationships; and

innovative actions to improve funding for programmes or increase the efficiency and/or effectiveness of current funds.

- Designing a donors analysis and mapping and undertake an exercise to match UNDAF outcomes with the strategic priorities of donor/partner countries/agencies currently providing funding to programmes and projects in the country. Efforts were also made to research and review the priorities of countries which are not currently providing funds for programmes/projects undertaken, or providing limited aid, with a particular focus on emerging donors, or non-OECD countries, such as China, Brazil, India and South Africa. Such mapping of donor areas of interest with UN's own programme areas help to rationalize the resource mobilization efforts by engaging with the right interlocutor on the right issue at the right time.

Donor's analysis and mapping by collect of information about sectors / areas of intervention, ODA contribution to the country and to the UN, willingness to contribute un-earmarked funds to the One UN Fund.

Also it is important to explore different sources of funding, such as Global Trust Funds, Global and Regional Thematic Funds, Global/Regional Pools, Development Agency-specific Parallel Fund Mechanisms.

For Global Funds having a limited number of designated/accredited Implementation and/or Supervisory Partners, such as the GEF, there is competition among UN Agencies that access the same global funds. The RM Strategy and/or Action Plan should commit UNCT to lead negotiations with Government (or specific ministries/agencies) on a division of labor exercise to reduce competition among collaborating agencies, and clarify roles and expectations concerning, for example, funds management, delivery, staff outputs.

It is also important to consider that most of the donor community is based abroad (most in Senegal); in this sense some activities for RM should be done in Dakar with the involvement of the Government.

1.4. The strategic considerations underlying the outlined opportunities

Recognizing the prospects for accessing more ODA resources can be more focalization of UN resource mobilization efforts into non-core resources. Non-core resources are about attracting resources by fitting into the strategic aims of third parties (the donors). In the context prevailing in Cabo Verde access to non-core resources is about displacing an existing recipient. While developing proposals to fit into donor priorities and selecting those priorities that fit in with the strategic aims of the UN may work well where there is abundance of funding. Instead of working within donor priorities, define new high value projects that cause the donors to revisit their prioritization.

Table: Core and non-core contributions to multilateral organisations

Voluntary core contributions	Assessed core contributions as a function of membership
EDF Global Fund GAVI Montreal Protocol Fund IDA AfDF AsDF IDB Special Funds IFAD IMF-PRGT UNAIDS UNCTAD UNDP UNFPA UNEP** UN-HABITAT* UNHCR** UNICEF UNRWA** UN-WOMEN WFP WHO*	IAEA EC-Budget AsDB AfDB IBRD IMF FAO ICAO ILO ITU UNDPKO UNESCO UNIDO UN Secretariat UPU WHO* WIPO WMO

Source: OECD DAC secretariat (2012 DAC Report on Multilateral Aid – p.20)

New Donors and South-South Cooperation

Outside of the traditional donors, more than twenty countries that are not members of the Development Assistance Committee (DAC) reported their aid flows to the DAC. While the EU non-DAC countries largely provide their aid through the multilateral system. In 2010, eleven non-DAC EU members allocated 69% of their total ODA to multilaterals (25% excluding multilateral aid to EU institutions), while the average multilateral share of non-DAC donor states was 22%. In addition, Saudi Arabia reported 17% (USD 609 million) of its total aid as multilateral and the UAE 7% (USD 32 million). The Russian Federation, the latest country to report its aid provision to the DAC, allotted 36% (USD 170 million) of its total aid to multilateral organizations.

Table : Non-DAC Gross ODA disbursements, 2010

Non-DAC donor	Total ODA, excl. debt relief (in USD m)	Multilateral ODA (in USD m)	Multilateral ODA as share of gross ODA (%)	Multilateral ODA as share of gross ODA, excl. contributions to EU institutions (%)
Cyprus*	51	21	41	19
Czech Republic	228	148	65	32
Estonia	19	14	74	36
Hungary	114	86	75	40
Latvia	16	14	90	90
Lithuania	37	20	55	5
Malta	14	5	39	39
Poland	384	282	73	11
Romania	114	88	77	11
Slovak Republic	74	54	73	16
Slovenia	59	36	62	26
EU 11 total	1 108	768	69	25
Chinese Taipei	381	55	14	
Iceland	29	8	28	
Israel**	145	17	12	
Liechtenstein	27	5	18	
Russia	472	170	36	
Thailand	45	14	31	
Turkey	967	47	5	
Non-DAC (excl. Kuwait, Saudi, UAE)	4 378	1 357	31	
Kuwait (KFAED)	617	-	-	
Saudi Arabia	3 494	609	17	
UAE	571	32	6	
Total	9 060	1 999	22	

Source: OECD (2012b), *DAC Aggregate Statistics*, OECD, Paris (2012 *DAC Report on Multilateral Aid* – p.20)

Of the new donors listed in the table above, only China has in the past provided bilateral aid to Cabo Verde. In 2011, China issued its first white paper on aid, entitled “China’s Foreign Aid”. According to the white paper, by the end of 2009 China had provided aid to 161 countries and to more than 30 international and regional organizations. The white paper describes China’s foreign aid as “South-South cooperation” and “mutual help between developing countries.” The Ministry of Commerce (MOFCOM) manages outgoing bilateral aid and contributions to major United Nations institutions (UNDP, UNICEF, etc.), the Ministry of Finance co-ordinates China’s multilateral contributions to the World Bank and the Asian Development Bank, and the People’s Bank of China oversees contributions to the regional development banks (except AsDB). China’s aid contribution to Cape Verde starts since many years ago. Chinese aid comes in many cases in the form of loans, accompanied by the training and deployment of technicians. In 2012, the two governments agreed a loan of 51 million dollars, with interest at 2%, and a loan of 12 million dollars without interest for the construction of social housing in Cape Verde. These concessional loans illustrate one of the strategies used in the cooperation between the countries. In addition, in 2007 China also announced debt forgiveness amounting to 3.2 million Euros invested in the territory.

Among the countries with bilateral programmes exceeding USD100 million per annum are: Brazil, China, India, Kuwait, Saudi Arabia, South Africa, Republic of Korea, Turkey, United Arab Emirates and Venezuela. A number of emerging donors have established bilateral aid agencies. For example Brazil has

the Brazilian Agency for Cooperation (ABC) and South Africa is establishing the South Africa Development Partnership Agency (SADPA). Their cooperation also includes knowledge exchanges. In some cases, countries participating in South-South cooperation (SSC) may not even engage in a monetary exchange. In general, Africa is a minor recipient of the assistance provided by the new donors. Knowledge on how to access resources from the emerging donors remains scarce.

2.1 Possibilities

In the first hand, the challenge for defining new donors is to get out of the classic donors classification. Traditionally, the donors were classified into five broad categories: OECD-DAC donors/partners; Non OECD-DAC donors/partners; International Financial Institutions; the Private Sector; and Other. Overall aim is that the UNCT should broaden its partnership approaches, reinforcing its work with current traditional partners, and strategically investing in partnership building with new development actors, such as emerging economy donors and the private sector. Even with the traditional partners, new approaches were promoted like earlier involvement in the elaboration of the project, besides others. In relation to the non-traditional partners, the strategy is to involve them in UN programmes, showing the role and importance that the UN can have but the benefits will only appear in the mid-long term and mostly as technical cooperation (south-south). Regarding the IFI's, identification of synergies and collaboration in UNDAF thematic areas but not funding. The private sector is identified as important partner although it hasn't been much explore. The RMS includes a map between UNDAF thematic areas and the potential enterprises to partnership. For the other funds, there is no specific strategic mention.

In the second hand, the challenges in SSC and TrC seem to relate less to the absence of opportunities and more to a) arrangements that do not involve the UN and b) the lack of initiative to utilize the existing potential.

Brazil, one of the largest providers of SSC, has an embassy in Cabo Verde and there are many possibilities to do more with the country.

The commitments by UNDP towards strengthening knowledge and utilization of SSC and TrC create further opportunities for UNCTs that show eagerness on SSC to receive more support. Furthermore, a key observation of the 2013 evaluation of UNDP support to SSC was that while the UN Office for SCC (UNOSSC) has a good strategy there have been few follow up activities at country level.

2.2 Tapping into the possibilities

Cabo Verde is a state member of Economic Community of West African States (ECOWAS) and has recently adopted the Community Development Programme which considered as SSC between members. Ideally the UN should leverage this SSC to enhance /deepen South-South and Triangular Cooperation (SST) with both emerging donors and tradition donors. This involves of course exploring opportunities for this SST.

Some possible areas may be in the area of MSMEs/ Private sector developing drawing on the recent China-Africa Conference, social policy (Brazil, India and China); social protection, renewable energy (solar energy) , among others.

Tapping into the possibilities will entail:

- improving among UN staff, government, private sector and civil society counterparts the understanding of SSC and TrC and the opportunities therein;
- Assigning responsibility for identifying and facilitating the development and pursuit of partnerships;
- Tracking and reporting on SSC and TrC.

Improving the understanding of SSC should include participation in UNOSCC events such as the upcoming Global South-South Development Expo; exposure to SSC coordination arrangements; and closer engagement with the SSC experiences of South Africa, Seychelles and Mauritius.

3. Private Sector

3.1 Trends

The private sector has over the years taken on a significantly more important role in the pursuit of developmental goals. Nearly all United Nations Agencies, Funds and Programmes have designated Private Sector Focal Points who work with the private sector in a variety of ways, from fundraising to strategic partnerships. There is a system-wide UN Private Sector Focal Point Network which provides a framework for sharing information, experiences and learning, developing operational guidelines for working with the private sector, and making the case for strategic private sector engagement in the work of the United Nations.

In addition to agency-specific initiatives, there are two United Nations entities created solely to engage with the private sector. The United Nations Global Compact brings business together with UN agencies, labor, civil society and governments to advance ten universal principles in the areas of human rights, labor, environment and anti-corruption. Companies participating in the UN Global Compact are expected to both act responsibly in how they operate their business and engage in partnerships in support of UN goals, such as the Millennium Development Goals. Launched by the Secretary-General in 2000, the UN Global Compact is the world's largest voluntary corporate citizenship initiative, with over 5,000 signatories based in more than 120 countries.

The United Nations Office for Partnerships serves as a gateway for collaboration between the private sector and foundations, and the United Nations family. It promotes new partnerships and alliances in furtherance of the Millennium Development Goals. The Office manages the United Nations Fund for International Partnerships (UNFIP) that serves as the interface in the partnership between the UN system and the UN Foundation – the public charity responsible for administering Ted Turner's \$1 billion contribution in support of UN causes.

In addition to these standalone initiatives, UNDP provides guidance on engaging with the private through its Growing Inclusive Markets (GIM), Inclusive Markets Development (IMD) approach and the 2012 UNDP Strategy for Working with the Private Sector. The UN Strategy for Working with the Private Sector identifies 4 types of partnerships that the organization has engaged in as:

- Resource transfer (partnerships that primarily include a transfer of financial or in-kind resources from a company to UN)
- Technology transfer and technical and financial assistance to developing country-based enterprises from UN
- Facilitating or brokering innovative private investments, value chain linkages of “inclusive business” approaches

- Advocacy (examples include support to setting up Global Compact local networks; GIM research and advocacy initiatives, and the Business Call to Action).

Accordingly, the RM Strategy and/or action plan should outline the preferred characteristics for private sector partnerships in Cape Verde.

Efforts to engage private sector should target existing participants in the UN Global Compact who have agreed to align their operations with ten universally accepted principles in the areas of human rights, labour, environment and anti-corruption (see www.unglobalcompact.org). The UN may promote Corporate Social Responsibility (UNIDO and ILO are working in this thematic in Cape Verde).

The role of the private sector in delivering development outcomes is increasingly recognized with USAID among those that have a wealth of experience in engaging with the private sector. A recent AusAID paper identified 10 ways and five approaches used by donors in engaging with the private sector. The five approaches identified were: Private sector development; Making markets work for the poor (M4P); Value chain development; Inclusive business; and Local economic development.

3.2 Possibilities

As with most initiatives that break from the typical development project, there has been, at local level, limited utilization of the knowledge and potential created by the UN's structured approach to partnerships with the private sector. The tools for local engagement with the private sector are in place offering opportunities for private sector financial support to development work as well as opportunities for partnerships that harness the technical and human resources of the private sector to further development goals. Cabo Verde has a private sector that may need empowerment of firms with extensive, well-designed and supported social responsibility initiatives.

There are sector differences reflecting the various sector standards to which firms must conform. Thus, at one extreme are organizations that could easily meet all the criteria of the UN Global Compact and at the other are firms that would require much support to satisfy the criteria. There exists the possibility to use the UN Global Compact Country Network approach as a basis for UN-private sector partnership. Cabo Verde stands out as one of the few countries in Southern Africa that does not have a network.

Further opportunities for UN-private sector engagement are offered by UN inclusive business models and GIM approaches that provide examples of market-based solutions to social problems.

An often advanced argument for paying little attention to the private sector in Cabo Verde is the small size of the market in Cabo Verde. In the same market there are both local and international firms. For example, Cabo Verde's tourist arrivals create opportunities for airlines. There are substantial imports from Europe giving the European firms a stake in the local markets. These external actors that benefit from the local market do not currently have significant social responsibility programmes in Cabo Verde and can be tapped to invest in a small market where small investments will achieve greater value.

The challenge in the case of Cabo Verde has been one of absence of appropriately structured mechanisms for businesses to be engaged in social development issues without distracting management from their core activities. Another obstacle is the rather low awareness among executives of what the UN does in Cabo Verde and opportunities for engagement.

3.3 Tapping into the possibilities

Tapping into the possibilities presented by the private sector in Cabo Verde will require the following actions:

- Strengthening of UN understanding of avenues for engaging the private sector
- Engaging organized business structures on mutual benefits of partnerships
- Exposure of private sector agents to how the UN and the private sector have partnered in other countries
- Establishment of formal partnership platforms.

4. Engaging Foundations

4.1 The trends

Foundations are taking on an increasingly important role in development. A number of UN agencies are benefiting from gifts from foundations. In 2012 UNDP developed its strategy for working with foundations. The strategy document cites several reasons for engaging with foundations beyond their financial contributions.

These are:

- Foundations are becoming full-fledged development partners rather than donors and expect to be closely involved in diagnosing and addressing development challenges.
- Foundations are interested in working with governments. Historically foundations have primarily worked with civil society and NGOs. However, more and more they are coordinating efforts or even directly engaging with national governments as their development partners.
- Foundations are interested in developing national capacities. Foundations have demonstrated interest in developing capacities and relations among civil society and government institutions while emphasizing greater civic engagement, transparency, accountability and advocacy for human rights.
- There is a growing convergence in the interests of foundations and multilateral organizations as foundations engage more directly with development partners.
- Foundations are moving towards solutions that strengthen systems and away from single project outputs.
- Foundations are increasingly committed to aligning interventions and results with national development priorities and policy at the country level. Foundations often work in coalitions and in coordination with national governments and other in-country development partners and seeks cooperation from both the public and private sectors.
- Foundations are increasingly interested in adopting accountability codes and good practices of transparency and governance.
- Development trends create an opportunity to integrate philanthropic foundations into emerging global development platforms such as the post-Busan Partnership on Effective Development Cooperation.
- Philanthropic funding is largely aligned with UNDP's priorities. Although foundations might not be explicitly structuring funding decisions around the MDGs, a substantial share of their philanthropic giving directly overlaps with international development Goals.
- International philanthropic giving is increasing. Over the past decade, philanthropic organizations have emerged as potent players in the development arena alongside official development aid. It is estimated that annual philanthropic contributions for international aid projects total between US\$4.5 billion and US\$8 billion. Thus, foundations are and will continue to be important actors in development.

- Philanthropic giving is also increasing in emerging countries, such as BRICs. Most philanthropic contributions in emerging economies do not come from institutions but wealthy individuals who are ensuring that funds aim at the adoption of more modern frameworks that measure results. These individuals often utilize knowledge and experience from industrialized countries for organizing charitable giving, yet also seek out local solutions to ensure sustainability and respond to local market demands.

4.2 The Possibilities

Several UN agencies have at headquarters and regional levels relationships with foundations. These relationships offer opportunities for country teams that actively seek space and support to access support from existing relationships or in forging new relationships. Analysis of European and American foundations shows that there is alignment between the priorities of the UN and those of foundations in Europe and the USA. Several of the foundations that are supporting UN agencies have a presence in the Southern Africa region, with some supporting African initiatives such as: the Alliance for a Green Revolution in Africa (AGRA), TrustAfrica, among others. The foundations offer scope for advancing the UN agenda as well as possible access to financial resources.

4.3 Tapping into the possibilities

Tapping into the possibilities offered by foundations will require the following:

- Improving UN understanding of the existing objectives and partnerships of foundations that are supporting the UN, those with a specific interest in Southern Africa and those that support causes that match the needs of Cabo Verde
- Creating and offering projects that build on the UN's comparative advantage and offer possibilities that the foundations cannot access through NGOs and direct engagement
- Offering foundations the possibility to replicate their success from other locations in local settings.

5. Engaging Civil Society

5.1 The trends

The role of civil society in facilitating people's voices in matters that affect them is increasingly recognized in national, regional and international arena. Three roles are at the core of civil society engagement:

- As participants in the design of strategies;
- As service providers through community organizations and national NGOs; and
- As watchdogs to ensure government fulfillment of commitments.

Aware of its strengths and weaknesses, civil society has been taking measures to address its weaknesses and challenges. Following a global consultative process that started in 2008, more than 170 CSO representatives from 82 countries gathered in Istanbul, Turkey in September 2010 to consider and unanimously adopt the Istanbul Principles for CSO Development Effectiveness. The Istanbul Principles are the result of thorough consultations with thousands of CSOs in more than 70 countries and sectors.

The Istanbul Principles

Respect and promote human rights and social justice
Embody gender equality and equity while promoting women and girl's rights
Focus on people's empowerment, democratic ownership and participation
Promote Environmental Sustainability
Practice transparency and accountability
Pursue equitable partnerships and solidarity
Create and share knowledge and commit to mutual learning
Commit to realizing positive sustainable change

On the basis of the Istanbul Principles, The International Framework for CSO Development Effectiveness was developed to offer:

- a) Guidance for the implementation of the Istanbul Principles for CSO Development Effectiveness by CSOs;
- b) Strengthening Mechanisms for CSO Accountability; and
- c) Critical Conditions for Enabling CSO Development Effectiveness: Government Policies and Practices.

In 2012, UNDP also updated its strategy for engaging with civil society. The strategy highlights the critical role that civil society can play in human development and draws attention to move beyond viewing civil society as implementers to more strategic partnerships and issue-based alliances. The strategy commits UNDP to revitalized efforts to empower and engage with civil society to achieve both 'downstream' local development results and 'upstream' policy impact.

5.2 The Possibilities

Civil society engagement with the GoCV has focused primarily on the creation NGO's Platform since 1996. The Platform of Nongovernmental Organizations of Cape Verde was created on July 6, 1996, on the occasion of the General Assembly Constituency which gathered 32 of the 40 NGO's then existing.

NGO's Platform, too early, gained the awareness that greater trust with its partners and the consequent creation of conditions conducive to dialogue, consultation and participation. NGO's Platform, for its part has attempted to play a representational role in all sectors in which the Government of Cabo Verde has created opportunities for civil society participation despite the small financial support. Given the way NGO's Platform has approached its role, it has found itself stretched for personnel and has looked to the UN for financial support for the implementation of projects, including sector specific projects that would best be handled by its members. The UN for its part while enjoying the 'one-stop' nature of its relationship with NGO's Platform has missed out on the opportunity to strengthen the vibrancy of civil society and its engagement in different roles.

There are several opportunities for a more positive relationship that will benefit Cabo Verde. There is an opportunity for the UN to facilitate a trust-based engagement between the Government of Cabo Verde and civil society organizations with a view to crafting or strengthening collaborative relationships based on the three roles of civil society. Through such engagement, discussions and searches for solutions to challenges facing NGOs in the country can be undertaken. Key in such discussions would be the funding challenge faced by civil society in the country (a number of models can be explored that would improve funding for certain types of projects – the experience of the Mauritius Corporate Social Responsibility programme could provide a good starting point for a tripartite arrangement between the state, private sector and NGOs for the benefit of communities).

Cabo Verde is also at a stage where several of indicators have reached levels at which generic centrally-driven initiatives are unlikely to produce results. These areas present opportunities for locally-based organizations. Another area of concern is service delivery and accountability. In this area too there are opportunities for civil society to complement Government efforts at monitoring and evaluation by providing alternative views that will facilitate rich and rapid feedback of programme performance. An often cited example is the Mozambique Poverty Observatory where CSO's present findings on poverty challenging Government and Donors on the standard Household Survey Results. This has resulted in some cases in more focused Government intervention to address poverty in Mozambique. The landscape in relation to a shared framework for civic participation, strengthening voice and accountability remains largely unexplored. Reshaping and deepening the role of civil society in the country has the potential to attract resources that are currently not available to the UN owing to current programmes being seen as 'standard' development work.

5.3 Tapping into the possibilities

Tapping into the possibilities for civil society oriented work will require the following:

- Designation of a focal point to lead and facilitate engagement with civil society;
- Engagement of civil society on conditions, roles, capabilities and needs in relation to roles
- Engagement with GoCV on civil society strengthening
- Preparation of an inventory of tools for civil society capacity assessments and strengthening
- Development of a comprehensive multi-year programme for strengthening civil society
- Brokering of partnerships to strengthen civil society.

6. Cluster and value chain development

6.1. Trends

With the changing nature of innovation and firm boundaries, clusters serve to support dynamics of market and knowledge exchanges among firms and other actors in the national, regional and in international value chain networks, serving as the local nodes in global networks. In fact, the relationship between the two approaches is confirmed. They are becoming intensively used by development, government and private sector agents or UN agencies to both identify options for industrial development and implement development programmes. Its particular attractiveness draws from, among other things, its capacity to deal with a new business environment or improvements in existing industrial development.

Cluster and value chain development issues are very relevant to developing countries, as traditional production systems are usually isolated and struggle to build relationships with local, regional or global markets.

The purpose is broadly to develop and strengthen a particular national economy, to boost the development of a competitive private sector and contribute to poverty reduction by building sustainable linkages between small-size enterprises, their larger scale business partners and support institutions.

UN agencies have highlighted the importance of cluster and value chain development by supporting country policies in the field. This effort was confirmed by UNIDO developing value chain diagnostics tool for common practice and recently, in February 2014, by the Conference on Cluster Development

organized by the United Nations Industrial Development Organization (UNIDO), the Foundation for MSME clusters, the Competitiveness Institute (TCI), and Confederation of Indian Industries (CII).

6.2 The Possibilities

In Cabo Verde, the GoCV, with UN support, has made deliberate efforts to foster clusters as the main engine of private sector growth. Seven Clusters are going to be developed: (i) Sea Cluster; (ii) Air Cluster; (iii) Technology Cluster; (iv) New Agriculture Cluster; (v) Tourism Cluster; (vi) Cultural / Creative Industry; and finally (vii) Financial Cluster. The PRSP III is been elaborated and the Government has decided to base it on the clusters defined.

There are clear engagements between these clusters and the UN. There is merit in exploring the functioning of the clusters and examining ways in which they may be strengthened.

UNIDO has developed several projects / programmes in Cluster Development around the world and is recognized as an important development player in Cape Verde with several programmes in execution as West African Quality Programme, Investment Promotion, Business Environment, Industrial Competitiveness, Value Chain Development in Rural Sector, Entrepreneurship in Schools, Renewable Energy and Energy Efficient with the ECOWAS Regional Centre (ECREEE) based in Cape Verde, besides other programmes.

6.3 Tapping into the possibilities

- Investment in understanding cluster and value chain development approaches and how it related to the implementation of private sector development programmes/projects
- Partnerships between the UN, NGOs and private entities
- Engaging GoCV to be an active sponsor of regional exchanges of experiences around cluster and value chain development.

7. Innovation Hubs

7.1 The trends

Innovation hubs have gained greater prominence in the public, private and development sectors as recognition of the power of co-creation has improved. Innovation hubs bring together people from different backgrounds in enabling spaces to seek solutions to specific challenges. Opportunities offered by technology and process innovations may take long to come to the attention of relevant authorities and the development of appropriate enabling laws and policies take longer.

Public sector innovation has taken on greater importance as there are raising expectations on the public service to deliver better services and policies in new ways, at lower costs, and often in response to increasingly complex issues. It is also the case that, with the extraordinary potential of IT, and the high level capabilities of the human resources in the public services, there are opportunities to deliver on those expectations.

UN agencies have also taken to innovation hubs to facilitate the development of innovative solutions and their rapid scale up. UNICEF has on the basis of its experiences with innovation hubs developed a Do-It-Yourself Guide for Innovation Hubs. The guide offers rich detail including terms of reference for staff working in the hub. UNDP has several documents that showcase the use of technology to improve

services as well as the use of innovation workshops to speed facilitate the development and implementation of ideas with examples requiring as little as 48 hours from conceptualization to implementation.

7.2 The Possibilities

When well-conceived and used well innovation hubs have the potential to produce solutions that overcome challenges of implementation. By bringing in new perspectives and experiences innovation hubs offer new solutions to seemingly intractable problems. By starting with practical solutions and working from the solution towards institutional, policy and other constraints to be resolved the approach cuts the time to implementation. Strength of the approach is a focus on utilizing resources that are already within the control of actors in the implementation of the solution.

A core function is to drive Cabo Verde's economic diversification initiative. There are opportunities to engage with the hubs with a view to broaden the participation and improve the identification of key actions for towards success in each hub. Furthermore, there are opportunities to engage with the hubs on policy coherence issues and addressing factors that negatively impact implementation. The hubs are potential areas for the identification of solutions to implementation challenges. Operating at a lower technical level and without the constraints that accompany formal theme group meetings, innovation hubs can offer solutions for the consideration of theme groups.

Preliminary indications consider may be private sector willingness to support (both technically and financially) the operation of innovation hubs that deliver benefits that include the improvement of business conditions and service quality.

7.3 Tapping into the possibilities

Tapping into the possibilities offered by the approach will require the following:

- Investment in understanding innovation hubs and how it related to the implementation challenges that are affecting public sector programmes
- Strengthening UN understanding of the design and functioning of innovation hubs including the appointment of a focal point
- Investment in building stakeholder understanding of innovation hubs
- Identification of high value projects that can be completed quickly
- Negotiating private and public sector support for innovation hub activities.

8. Government Cost-Sharing

8.1 The trends

Government cost-sharing is a funding arrangement in which the host government (at central or lower level) contributes financial resources to undertake projects in partnership with the UN. Latin America has a strong history of such arrangement. In fact, it has become increasingly difficult for the UN to mobilize all the resources needed in a Project, the technical and financial resources. That is one of the reasons for why the leadership and engagement of the Government is so important. With most donors choosing the modality of direct budget support, it is up to the Government the decision of providing funds for projects with technical assistance of the UN.

With the transition of Cape Verde to MIC, many national counterparts still think that the UN is able to mobilize the funds alone and therefore there's no necessary engagement for funds mobilization. There is a paradigm change to be fostered.

For the examples analyzed, there are two ways:

1. Through the inclusion of key elements in the thematic teams; and/or
2. With the creation of an engagement plan for the resource mobilization strategy that can promote the leadership and ownership of the Government in this process. The engagement plan should identify key activities, incentives, communication messages, and practical approaches to mobilize Government action for resource mobilization, e.g., convening joint meetings with development partners, engaging private sector, co-hosting philanthropic events targeting high net worth individuals, etc.

The 2013 report on UNDP Experiences in Cost-Sharing argues for cost-sharing on the basis of shared global responsibility for the cost of global public goods and for institutions that underpin multilateralism.

8.2 The Possibilities

Government cost sharing presents an option that can be pursued on the basis of different arrangements. Four options presented in the order predictability and the related ease of programming are as follows:

- A. Contribution based on a percentage of GDP. This is justified on the basis of keeping with the shared responsibility and would provide un-earmarked funding. A modest % of GDP would for Cabo Verde provide USD millions annually for UN work and this far outstrips current UN annual expenditures in Cabo Verde.
- B. Contributions based on agreed flagship programmes. This would entail prioritization of programmes and the clear outlining of related disbursements. It is in keeping with the most common practices in government cost-sharing.
- C. Ratio-based cost-sharing. This entails the government providing a percentage of costs incurred by the UN in implementing programmes in the country in kind contribution.
- D. Activity-based financing: This entails the provision of funds for specific activity costs within projects.

Government cost sharing that is paid upfront creates greater predictability and also facilitates UN Programming. Related to this is the issue of how the Government cost sharing will be disbursed – to a common UN Fund which then disburses to other agencies. In the spirit of DaO, GSC should be disbursed into a one UN Fund.

Preliminary indications are that GoCV is willing to engage in dialogue with the UN on GSC for UN work in Cabo Verde.

The issue of Government Cost Sharing takes on a particularly important dimension given that the UNDP Executive Board is likely to declare Cabo Verde a Net Contributing Country (NCC). This NCC status recognizes that such countries are financially capable of funding their development process. Under this arrangement limited grant funding is available to countries for programming. At present UNDP is the largest contributor to the GoCV/ UN

8.3 Tapping into the possibilities

Tapping into the possibilities for increased government cost-sharing will require the following:

- Clarification of the country's status as a middle income country and the core resources allocation of the UN and aid allocation criteria of donors;
- Improving the planning processes to focus not only on what the UN will fund but rather, set programmatic goals and agree how these will be pursued including agreement of what components will be included by implementing partners in their annual budgets and which aspects the UN will support (the differences in budget years between the UN and GoCV although often cited as a problem in that it shortens the implementation period, can be used to good advantage by ensuring the annual planning processes influence the content of partner plans and their budgeting);
- Reducing UN support for routine activities that should be incorporated in implementing partners' plans;
- Developing and sharing a clear plan to consolidate work across thematic priorities by focusing on the big challenges, namely: implementation capacity; resource efficiency and effectiveness; strengthening accountability; easing the social sector resource burden and demands on the state; and improving policy coordination);
- Changing the functions of programme managers away from managers of funding to partners in the search for technical solutions and resources for their implementation;
- Demonstrating capacity in areas that are key but difficult to deliver in the absence of a knowledgeable and trusted broker
- Engaging in a discussion of cost-sharing that is not rushed and remaining sensitive to concerns expressed by partners.

9. On-line Fundraising and other individual giving approaches

9.1 The Trends

Private giving has as emerged as a major source of funding for development work. Estimates suggest that in the USA charitable giving exceeded USD316 billion in 2012 with 72% of such giving coming from individuals. On average Americans give approximately 2% of their disposable incomes to charitable causes (Giving USA Foundation, 2013). In 2010, private philanthropic flows from the USA to developing countries were estimated at \$39 billion compared to \$30 billion in ODA (Centre for Global Prosperity, 2012).

The centre for Global Prosperity in its Index of Global Philanthropy and Remittances 2012 notes that Global philanthropy, remittances, and private capital investment totaled \$575 billion in 2010 (latest available data), accounting for 82% of the developed world's economic dealings with developing countries. While government aid grew to one of its highest levels at \$128 billion, it accounted for only 18% of total financial flows.

Online connectivity creates possibilities from giving to investing and connecting individuals with causes. Organizations are using these channels in different ways from charitable giving to crowd sourcing of finances. Others are using the avenues to connect migrants with their home communities and enabling them to invest. Online platforms are today providing to agencies without national committees some of the advantages of having such structures. Causes that can resonate with the interests of different givers

or social investors are able to mobilize resources from a globally dispersed community bound by a common interest.

9.2 The possibilities

The global connectedness offered by the internet is currently underutilized in highlighting issues affecting developing countries and offering innovative solutions for geographically dispersed individuals with a sense of connectedness to the issues or desire to contribute to solutions.

Cabo Verde as a global tourist destination has a global audience of individuals that may feel a connection to the country and be interested in opportunities to make small contributions towards the preservation of places they visited. Similarly, the country's tourism industry creates a brand recognition that can support external markets for community products.

There are also opportunities to facilitate relationships that foster the acceleration of the attainment of MDGs.

There is a wealth of global experiences with harnessing the growing financial flows, be they remittances, social investments or gifts for social good. The World Humanitarian Day 2012 campaign 'I was here' by reaching 1 billion people in 24 hours demonstrated the potential of a well-designed campaign. The challenge is how to use this knowledge for the benefit of Cabo Verde.

9.3 Tapping into the possibilities

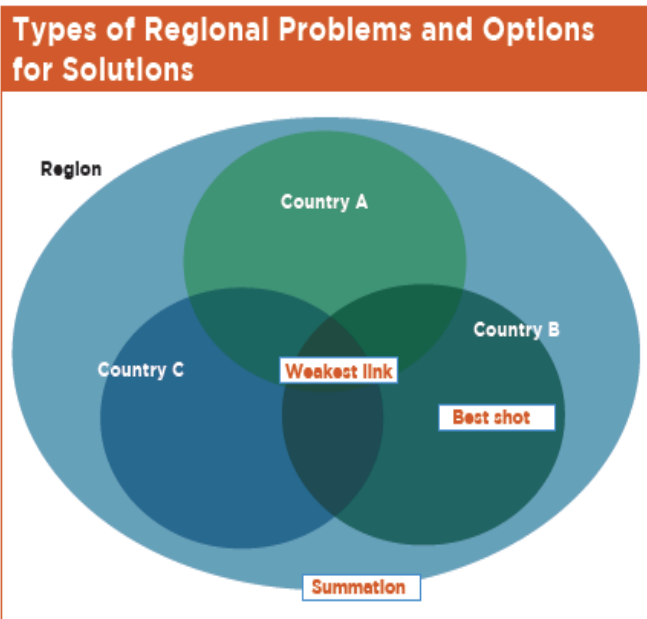
Tapping into the possibilities will require the following:

- The appointment of a focal person to familiarize others with the possibilities, examples and experiences from other places
- The design of projects around specific issues and opportunities
- Partnerships between the UN, NGOs and private entities

10. Regional Programmes

10.1 Trends

Regional programmes generally seek to address two types of problems: common problems, and trans-boundary problems. There are generally 3 types of solutions to regional problems (see figure below).



Common problems lend themselves to two types of solutions (best shot and summation). In the best shot scenario a single country invests in a solution that serves other countries facing similar problems. In some instances, countries facing similar problems may choose to come together to enhance their bargaining power or to avoid duplicating efforts.

With trans-boundary problems inadequate actions by one country have spillover effects thereby negating the efforts of other countries this is the case with HIV treatment policies for border communities especially when foreigners are unable to access treatment. It is also the cases with the management of wildlife and shared water courses.

In this framework, Cabo Verde can exploit more its membership to:

- Economic Community Of West African States (ECOWAS) as a regional group of sixteen countries, founded in 1975, to promote economic integration across the region in all fields of economic activity, particularly industry, transport, telecommunications, energy, agriculture, natural resources, commerce, monetary and financial questions, social and cultural matters, etc.
- Community of Portuguese Language Countries (CPLP), formed on 1996 as an intergovernmental organization to promote economic integration across among lusophone (Portuguese-speaking) nations.

There have been some success stories of regional programme in Cabo Verde for example the West Africa quality programme, ECREE (Ecowas Centre for Renewable Energy & Energy Efficiency).

10.2 The possibilities

Regional programmes offer opportunities for a country like Cabo Verde that individually may be unattractive to donors but which when teamed up with other countries may offer several opportunities for the exploration of solutions to common or trans-boundary problems.

There are some challenges that Cabo Verde has overcome in which the country can serve as a model for others. There are also some challenges that the country has in common with other countries for which

solutions are yet to be found. There are also other problems with spillover effects (HIV, among others examples) for which collaboration is important.

Engaging in regional programmes requires understanding the priorities and work of the respective regional offices of UN agencies, the work of the sub-regional and regional bodies and an understanding of opportunities that may lie outside the current priorities for these bodies but is priority for the affected countries. The formulation of such projects has the potential to attract traditional donor funding as well as SSC and TrC.

10.3 Tapping into the possibilities

Tapping into the possibilities will require the following:

- Developing an understanding of the regional priorities for the respective UN agency regional offices and the possibilities for the inclusion of Cabo Verde
- Understanding the priorities and programmes of regional and sub-regional bodies and the opportunities for the inclusion of Cabo Verde
- Understanding the strengths and interests of potential SSC and TrC partners and an ability to package programmes in ways that will interest them
- Engaging GoCV to be an active sponsor of regional exchanges of experiences around specific topics.

11. International calls and awards

11.1 The trends

International calls and awards generally fall into three categories:

- Calls with an innovation/learning focus (intended to help with the identification and implementation methods for new solutions);
- Calls in support of actions on specific issues (normally address a priority issue to which resources have been allocated); and
- Research/knowledge generation calls (focused on understanding of problems and how they differ by locality)

Often international calls have more flexible criteria that may accommodate middle income countries. The challenge is that they often require partnerships with organizations from the sponsoring country/region.

For a number of initiatives at the global level take-off tends to be slow with few projects implemented in the first few years.

11.2 The possibilities

International calls for proposals will fall into different categories in terms of the opportunities available to UN agencies. Some calls will exclude UN agencies on the basis of contributions already made to the UN while others will not. In all situations there will be opportunities for the UN to support a local partner (government, civil society or academic institution) to access resources to further a mutually shared objective.

While in some instances there may be no direct flows of resources to UN agencies, the resources from the call may complement existing UN support and provide impetus to rapid progress.

11.3 Tapping into the possibilities

Tapping into the possibilities of international calls will require the following:

- An ability to seek out and track international calls for proposals
- A readily accessible network of experts familiar with responding to calls from specific funders.