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SPECIAL ECONOMIC ASSISTANCE PROGRAMMES

Assistance to Cape Verde

Report of the Secretary-General

1. In its resolution 34/119 of 14 December 1979 on assistance to Cape Verde, the General Assembly, inter alia, requested the Secretary-General to continue his efforts to mobilize the necessary resources for an effective programme of financial, technical and material assistance to Cape Verde, and to arrange for a review of the economic situation of Cape Verde and the progress made in organizing and implementing the special economic assistance programme in time for the matter to be considered by the Assembly at its thirty-fifth session.
2. The Secretary-General arranged for a review mission to visit Cape Verde to consult with the Government on the economic situation in that country and on the progress made in implementing the special economic assistance programme. The report of the review mission, which is annexed hereto, describes the economic and financial situation of the country, provides an estimate of the critical need for food assistance and summarizes the progress which has been made in implementing the projects included in the special economic assistance programme.
3. In resolution 34/119, the Secretary-General was also requested to pursue with the Government of Cape Verde the question of organizing a meeting of donors and, in that respect, to co-ordinate efforts with the United Nations Development Programme, the Economic Commission for Africa and the World Bank. Required consultations have taken place and a document discussing relevant international experience with such meetings, including organization, and offering possible alternative courses of action, was communicated to the Government of Cape Verde for its consideration.

\* A/35/150.

4. In paragraph 7 of resolution 34/119, the General Assembly requested a number of United Nations organizations and specialized agencies to bring to the attention of their governing bodies the special needs of Cape Verde and to report the decisions of those bodies to the Secretary-General by 15 August 1980. Furthermore, the appropriate specialized agencies and other organizations of the United Nations were requested in paragraph 9 of the resolution to report to the Secretary-General on the steps they had taken and the resources they had made available to assist Cape Verde. The text of resolution 34/119 has been communicated to the agencies and organizations concerned and their attention drawn to the specific requests addressed to them by the Assembly. The replies of the agencies and organizations will be reproduced in a report of the Secretary-General covering Cape Verde and other countries for which the Assembly has requested the Secretary-General to organize special economic assistance programmes.

ANNEX

Report of the review mission to Cape Verde

(2-6 March 1980)

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## I. INTRODUCTION

1. The report of the Secretary-General on assistance to Cape Verde (A/34/372 and Corr.1), a/ considered by the General Assembly at its thirty-fourth session, listed earlier resolutions adopted by the Assembly and referred to his previous report on the same subject (A/33/167 and Corr.1).
2. On 14 December 1979, the General Assembly adopted resolution 34/119 in which it endorsed fully the assessment and recommendations contained in the report of the Secretary-General (A/34/372 and Corr.1) and called upon the international community to provide financial, material and technical assistance to Cape Verde.
3. The General Assembly also requested the Secretary-General to arrange for a review of the economic situation of Cape Verde and the progress made in organizing and implementing the special economic assistance programme for that country in time for the matter to be considered by the Assembly at its thirty-fifth session. Accordingly, arrangements were made for a United Nations mission, under the direction of the Office for Special Political Questions, to visit Cape Verde from 2 to 6 March 1980.
4. The mission was received by the Prime Minister and the Minister for Foreign Affairs and held meetings with senior officials from the State Secretariat for Co-operation and Planning and a number of sectoral ministries. The mission also met with members of the diplomatic corps and with technical assistance personnel provided by the United Nations system.
5. The mission wishes to place on record its appreciation of the assistance it received from the Government of Cape Verde. The Government had prepared relevant materials for the mission's visit and provided all basic information required for the review. The mission also wishes to acknowledge the very valuable support it received from the United Nations Development Programme (UNDP) representative in Cape Verde.

## II. THE ECONOMIC SITUATION

### A. General

6. The economy of Cape Verde was described in some detail in the annex to the report of the Secretary-General on assistance to Cape Verde (A/33/167 and Corr.1), hereafter referred to as the principal report. That report was updated by a further report of the Secretary-General (A/34/372 and Corr.1).

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a/ See also the report of the Secretary-General on special economic assistance programmes to 10 countries, including replies and information provided by specialized agencies and other organizations of the United Nations system (A/34/556).

7. Cape Verde has a population of around 300,000 (1979 estimate) and is classified by the United Nations as a most seriously affected and a least-developed country. In the principal report, it was pointed out that the economic problems of Cape Verde have resulted from its situation as a recently independent, small island economy, lacking essential infrastructure and severely affected by 10 years of drought. Unemployment and underemployment are high and the country is unable to produce more than a small fraction of its food requirements. Exports cover only a small proportion of the essential imports. The country's heavy dependence on imports exposes it to global inflation and makes it particularly vulnerable to international forces beyond its control. Since independence, international assistance has been essential to the survival of the country and the continuation of that assistance remains vital.

8. The development programme recommended in the principal report called for assistance of about \$95 million. Of this total, \$56 million related to urgent projects for immediate implementation, and the balance - approximately \$39 million - was for projects in the accelerated development programme. Technical assistance and training were also needed.

9. The Government has assigned top priority to water and soil development and the largest element in the programme relates to the tapping of ground water supplies and the construction of surface works for catchment and soil conservation. Major elements of the programme include the development of fisheries, energy and mineral resources, the transport system, urban centres, human resources and health services.

10. In 1979, the economic and financial situation of Cape Verde remained serious. The rainfall was irregular, which led to a drastic crop failure. The Government budget deficit was reduced somewhat (from \$1.7 million to \$1.6 million) as a result of tighter control on expenditure. About 60 per cent of national expenditure was covered by gross domestic product; the balance had to be met from external assistance, remittances and transfers. The level of inflation reached 15 per cent. Although salaries and wages were revised upward, the increase in the real purchasing power was insignificant, barely offsetting the effects of inflation since 1976.

#### B. Government finances

11. The General Assembly, in resolution 34/119, noted the severe strain on the Government's recurrent budget, resulting largely from the drought, and the policy of austerity aimed at reducing the financial deficit. In spite of the economic difficulties, the Government has kept the recurrent budget deficit to a manageable level in recent years, as can be seen from table 1 below.

Table 1

Recurrent budget

(in thousands of United States dollars) a/

	1976 (Actual)	1977 (Actual)	1978 (Actual)	1979 (Estimate)	1980 (Budget)
Receipts	8,838	11,496	14,680	18,022	19,553
Expenditure	11,331	14,877	16,380	19,643	25,222
	<u>-2,493</u>	<u>-3,381</u>	<u>-1,700</u>	<u>-1,621</u>	<u>-5,669</u>

a/ Rate of exchange: 1976 to 1979 \$1 = 34.5 escudos  
 1980 \$1 = 35 escudos

12. The actual deficits for 1977, 1978 and 1979 were substantially below the budget estimates which had projected deficits of \$8 million, \$7 million and \$5 million respectively.

13. About half of the projected revenue in 1980 will come from indirect taxes. The following table shows the major sources of revenue:

Table 2

Sources of revenue, 1980 budget

(in thousands of United States dollars)

<u>Source</u>	<u>Amount</u>
Direct taxes	4,369
Indirect taxes	9,797
Other taxes and fees	365
Property income	3,715
Transfers	794
Other	513
Total	<u>19,553</u>

14. The Government had approved an investment budget for 1979 of about \$53.2 million. The actual investment in 1979 was \$32.4 million or 61 per cent of the target.

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15. The approved investment budget for 1980 amounts to \$68,851,000. The major efforts will be in rural development, transportation and communications, fisheries, administrative infrastructure, energy and water and education. Together, these sectors account for over 80 per cent of the investment budget. The following table shows the sectoral distribution of the investment budget for 1980:

Table 3  
Investment budget, 1980  
 (in thousands of United States dollars)

<u>Sectors</u>	<u>Amount</u>	<u>Percentage</u>
Education	5,171	7.5
Health	2,174	3.2
Housing, urban planning, sanitation	4,878	7.0
Rural development a/	17,224	25.0
Fishing	6,890	10.0
Industry	2,242	3.3
Water and energy	5,187	7.5
Construction and public works	2,071	3.0
Transportation and communication	13,928	20.2
Administrative infrastructure	6,920	10.0
Other	2,166	3.3
<b>Total</b>	<b>68,851</b>	<b>100.0</b>

a/ Includes conservation and development of natural resources, agriculture, forestry, livestock, etc.

16. In spite of the efforts of the Government, it is clear that the recurrent budget cannot generate surpluses to finance economic and social development. Indeed, it is difficult to see how the recurrent cost implications of investment budget can be covered by recurrent revenues. The Government will have to rely on international assistance and the proceed of sales of food aid to finance the investment programme for 1980.

#### C. Balance of payments

17. Balance-of-payments figures for 1979 and projections for 1980 are not yet available. Table 4 below provides a summary of the balance of payments for 1970, 1974 and 1978.

Table 4

Balance of payments

(in millions of escudos)

	<u>1970</u>	<u>1974</u>	<u>1978 a/</u>
Exports of goods f.o.b.	80	76	109
Imports c.i.f.	359	806	2,086
<u>Balance of trade</u>	<u>-279</u>	<u>-729</u>	<u>-1,977</u>
Non-factor services, net	2	23	-7
<u>Resource gap</u>	<u>-277</u>	<u>-706</u>	<u>-1,984</u>
Non-factor receipts	42	49	28
Net private unrequited transfers	80	265	829
<u>Balance on current account</u>	<u>-155</u>	<u>-392</u>	<u>-1,127</u>
Grants and loans to Government	170	349	874
Private capital, net	-4	-6	0
Errors and omissions	17	164	166
<u>Over-all balance</u>	<u>28</u>	<u>115</u>	<u>-87</u>

a/ Provisional.

18. In spite of the difficulties in recent years, the over-all balance of payments of Cape Verde remained positive until 1977, mainly owing to private transfers and foreign assistance. A recent substantial increase in the import bill, largely resulting from global inflation, reversed the trend and the provisional estimates for 1978 show an over-all deficit, although a significant amount of foreign assistance was received.

19. The trade deficit has been steadily increasing over the past decade and it appears that it will maintain that course for the near future.

20. Much of the Government's effort has been devoted to an emergency employment programme focusing on the protection of land and water resources. With the continuation of the drought, it is unlikely that the Government programme will lead to increased production and import substitution for some time. This underlines the importance of increasing foreign assistance during the next few years if the development effort of the country is to be sustained.

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III. FOOD AID AND FOOD SECURITY

21. The importance of food security was emphasized in previous reports. The prolonged drought and the catastrophic fall in the production of food and fodder continue to make food aid essential. Much of the food aid provided to Cape Verde in recent years has, by agreement with the donors, been sold and the proceeds have been used to finance an emergency programme of employment and development.

A. Food aid: 1979

22. The following table, provided by the Government of Cape Verde, gives details of food aid received in 1979:

Table 5

Food aid received in 1979

(in tonnes)

<u>Commodity</u>	<u>Quantity</u>	<u>Donor</u>
Maize	15,000	(United States of America)
Wheat	7,497	(China - 1,000; Italy - 997; Federal Republic of Germany - 2000; Belgium - 3,500)
Rice	4,517	(Netherlands - 2,000; Federal Republic of Germany - 2,517)
Beans	1,500	(Federal Republic of Germany - 1,000; EEC - 500)
Edible oil	1,000	(United States of America)
Butter oil	100	(Federal Republic of Germany)

B. Food needs: 1980

23. The irregular distribution of rains during the 1979 rainy season has led to a virtually complete failure of the cereal crop and created an estimated food deficit for 1980 of about 64,000 tonnes.

24. The following table, prepared by a mission of experts from the United Nations system, shows the availability and needs in cereals, beans, milk and oil in 1980 (January-December).

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Table 6  
Food situation in 1980  
 (in tonnes)

<u>Commodity</u>	<u>Availabilities</u>				<u>Needs</u>	<u>Consumption deficit</u>	<u>Reserve stock requirements</u>	<u>Total deficit</u>
	<u>Production</u>	<u>Estimated stocks on 1/1/1980</u>	<u>Total</u>					
Maize	1,000	12,000	13,000	48,000	35,000	10,000	a/	45,000
Beans	2,000	1,700	3,700	8,000	4,300	2,600	b/	6,900
Wheat	-	8,000	8,000	12,000	4,000	2,500	a/	6,500 e/
Rice	-	1,000	1,000	6,000	5,000	1,000	a	6,000 e/
<b>Total</b>	<b>3,000</b>	<b>22,700</b>	<b>25,700</b>	<b>74,000</b>	<b>48,300</b>	<b>16,100</b>		<b>64,400</b>
Powdered milk	-	800	800	3,500	2,700	500	c/	3,200
Edible oil	-	200	200	2,000	1,800	300	d/	2,100

- a/ Represents two and a half months' consumption.
- b/ Represents four and a half months' consumption.
- c/ Represents approximately seven weeks' consumption.
- d/ Represents approximately seven weeks' consumption.
- e/ Wheat and rice are not produced locally.

25. The following table, provided by the Government of Cape Verde, gives details of the food aid received and expected in 1980 (as at 30 April 1980).

Table 7  
Food aid expected and received in 1980

(in tonnes)

<u>Commodity</u>	<u>Quantity</u>	<u>Donor</u>
Maize	23,500	(United States of America - 10,000; Netherlands - 5,000; France - 2,500; Switzerland - 1,000; France - 2,500 <u>a/</u> ; World Food Programme - 2,500 <u>a/</u> )
Wheat	9,500	(EEC - 3,000; Turkey - 1,500; United Kingdom of Great Britain and Northern Ireland - 5,000 <u>a/</u> )
Rice	1,035 <u>a/</u>	EEC
Beans	11,500	(Tanzania - 10,000; EEC - 1,500)
Edible oil	190	World Food Programme
Butter oil	200 <u>a/</u>	EEC
Milk	300 <u>a/</u>	EEC

a/ Offered under 1979 programme and received in 1980.

26. Taking account of the total estimated shortfall of 64,400 tonnes and the food aid so far expected and received in 1980, a large food deficit remains to be met. Such a deficit would be extremely difficult to cover by commercial imports because of the serious adverse balance of trade and the uncertainty about the flow of remittances from abroad.

27. Considering the basic paucity of rainfall, the uncertain pattern of precipitation and the difficulties involved in increasing the acreage of arable land, it is estimated that Cape Verde has little chance in the long run of producing enough maize to satisfy domestic requirements. The country is almost certain to face for years an annual structural deficit of between 25,000 and 35,000 tonnes of maize. This need, together with requirements of wheat and rice, estimated at 18,000 tonnes per annum, should be covered under medium-term food assistance arrangements so that only the food deficit due to exceptionally poor harvests would have to be met by emergency aid.

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IV. PROGRESS IN IMPLEMENTING THE SPECIAL ECONOMIC  
ASSISTANCE PROGRAMME

International assistance

28. As previously reported, Cape Verde has been receiving bilateral and multilateral assistance from a variety of sources. According to the Government, the major sources of assistance and the sectors and fields in which assistance is being provided remain essentially the same as indicated in appendix I of document A/34/372 and Corr.1.

Special economic assistance programme

29. The special economic assistance programme recommended in the principal report included 82 projects and totalled more than \$95 million, plus a substantial amount of technical assistance and training. The programme was divided into two parts: (a) projects requiring immediate action in whole or in part at a cost of over \$56 million and (b) projects recommended for accelerated development estimated to cost over \$39 million. b/ During 1978, 10 projects were financed in whole or in part by foreign assistance and one project was completed by the Government of Cape Verde.

30. In 1979, after the addition of new projects and modification of some of the old projects, the recommended programme of special economic assistance consisted of some 88 projects. Of these two projects have now been completed by the Government itself and two more with external assistance. It is expected that 14 other projects will be completed shortly, of which 3 will be financed in full and one in part by the Government. In addition, assistance has been provided or promised to finance in part 36 projects, while no assistance has been pledged for 34 projects. The following table summarizes the progress which has been made in implementing the projects: c/

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b/ For a summary of the programme by sectors, see A/34/372 and Corr.1, table 8.

c/ Excluding the projects for which no assistance has been pledged or received.

Table 8

Summary statement on progress in implementing projects

Project	Remarks
A. <u>Public administration, public finance and management of the economy</u>	
M-2 Establishment of a taxation audit service	To be completed shortly with assistance received from the United Nations and Portugal.
M-3 Development planning	Partly funded by UNDP.
M-4 Administration of commerce	Partly funded by UNDP.
B. <u>Water and soil development</u>	
W-1 Development of basins in the centre and south of Santiago	Partly funded by the United States Agency for International Development (USAID), the European Economic Community (EEC), the United Nations Sudano-Saharan Office (UNSO).
W-3 Water resources on Santo Antao; research and development	Partly funded by the Netherlands.
W-4 Water development on Fogo	To be completed shortly with funding by the Federal Republic of Germany.
W-5 Provision of pumps, engines, windmills, etc.	Partly funded by the African Development Bank (ADB).
W-6 Public works equipment for water development	Partly funded by the United Nations Capital Development Fund.
W-7 Drip irrigation	Partly funded by USAID and Switzerland.
W-8 Water-use laws	To be completed shortly with funding from France.

Table 8 (continued)

Project	Remarks
<u>C. Other agricultural and related development</u>	
A-1 Selective preservation of the livestock herd	Completed with assistance received from EEC.
A-2 Livestock development centre	Partly funded by a non-governmental organization.
A-3 Central Veterinary Diagnostic Laboratory	To be completed shortly with funding from France.
A-4 Integrated production of pigs and poultry	Partly funded by Yugoslavia and UNDP.
A-7 Centre for agrarian research	Partly funded.
<u>D. Fisheries</u>	
F-1/ Equipment, materials and F-2 marketing infrastructure artisanal fisheries	Partly funded by several donors.
F-3 Lobster fisheries development	Partly funded.
F-4 Technical co-operation for fisheries development	Partly funded by UNDP.
<u>E. Mineral resources</u>	
G-6 Mineral water project	Project suspended.
G-7 Completion of the 1:25,000 topographical map series for Santo Antao and Brava	Completed with assistance received from France.
<u>F. Industry</u>	
I-5 Construction of wind-driven pumps	Partly funded.
I-8 Desalination of water and production of electricity, Sao Vicente	Partly funded by the Netherlands.
I-10 Electricity generator for Praia	To be completed shortly with funding from EEC and the Government.

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Table 8 (continued)

Project	Remarks
<b>G. <u>Transport</u></b>	
1. Port construction and repair	
T-2 Porto de Furna, Brava	Partly funded by the Federal Republic of Germany.
T-3 Porto Palmeira, Sal	To be completed shortly with funding by USSR.
T-4 Porto Tarrafal, Sao Nicolau	Expert assistance provided by the International Bank for Reconstruction and Development (IBRD).
T-5 Porto de Sal-Rei, Boa Vista	Expert assistance provided by IBRD.
T-6 Porto de Janela Santo Antao	Expert assistance provided by IBRD.
2. Port of equipment and other maritime infrastructure	
T-8 Equipment for Paica port, Santiago	Expected to be completed shortly with assistance from the Netherlands.
T-11 Strengthening the maritime school	Partly funded by Norway.
T-12 Maritime legislation	To be completed shortly with assistance from the Inter-Governmental Consultative Organization.
T-13 Port management and operations	Some assistance received.
3. Interisland vessels	
T-14 Vehicle ferry, Sao Vicente to Santo Antao	To be completed shortly with funding by the Federal Republic of Germany.
T-15 Small ferry boat, Fogo to Brava	To be completed shortly with funding by the Federal Republic of Germany.

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Table 8 (continued)

Project	Remarks
T-16 Vessels for the state coastal and interisland shipping services	Financed by the Government.
T-17A 5,000-ton cargo ship for National Shipping Company	Financed by the Government.
4. Airport improvements	
T-21 Sal airport fencing	Financed by the Government.
T-22 Airstrip at Ponta de Sol, Santo Antao	To be completed shortly with funding by the Government.
5. Other	
T-23 Construction of roads and bridges	Some funding received.
H. <u>Education and training</u>	
E-1 New primary schools	Partly funded.
E-2/ Facilities for primary E-3 education: years 5 and 6	Partly funded by the United Nations Capital Development Fund and USAID.
E-5 Reorganizing and re-equipping the Mindelo Technical and Commercial School	To be completed shortly with funding by Belgium. An expert is on hand.
E-8 Primary teacher training college, Santa Catarina	Partly funded by France and the Netherlands.
E-9 Training of secondary school teachers of Praia	Partly funded by France.
E-10 Adult education	Partly funded by the United Nations Educational, Scientific and Cultural Organization.



Table 8 (continued)

Project	Remarks
<b>I. <u>Health</u></b>	
H-2 Renovation of the central hospital at Praia	Partly financed by the Netherlands and the Government.
H-4 Health posts	Partly funded by the World Health Organization, the United Nations Children's Fund and non-governmental organizations.
H-6 Regional medical stores, Sao Vicente	Funded by the Government.
<b>J. <u>Urban development</u></b>	
L-1 Territorial development group	Partial assistance received from Yugoslavia and non-governmental organizations.
L-6 Urgent sanitation measures	Partly funded by ADB and EEC.
L-7 Housing	Partly funded by UNDP.

New projects

31. The Government drew the mission's attention to the following eight new projects for which external financing would be required:

- W-9 Soil mapping of Santiago island
- A-8 Promotion of fruit cultivation
- A-9 Establishment of a national fodder reserve
- A-10 Storage of potatoes and vegetables
- A-11 Establishment of an office of agricultural credit
- T-6A Reconstruction of the port of Praia, Santiago
- T-15A Combined ferry boat and landing vessel
- T-24 Telecommunications network

A brief description of each of these projects is given in the appendix below.

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APPENDIX

Details of development projects

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A. Public administration, public finance and  
management of the economy

1. In the principal report, the Government's requirements in this field were indicated. Priorities and the need for assistance remain as before unless specified otherwise in the text referring to each individual project.

Projects

M-1 Overhauling the fiscal system

2. An adviser on public finance, with particular reference to taxation, is still required in order to facilitate the revision and modernization of the tax system.

M-3 Development planning

3. The Government attaches special importance to the preparation of a development plan and to reinforcing the apparatus necessary for effective planning. It has not yet been possible to obtain assistance for the expertise required for the project. Altogether \$1.3 million in 1980 and \$2 to \$3 million in 1982 are estimated to be required for sectoral studies. While part of the necessary funding is being provided by UNDP, most of the needs remain to be met.

M-4 Administration of commerce

4. This is now a UNDP regional project to be implemented in co-operation with Guinea-Bissau. The first two-year phase, requiring \$500,000, is to commence shortly. For the second two-year phase \$700,000 will be needed.

B. Water and soil development

5. The continuing drought has made the need for greater assistance in this field more essential. The Government continues to place great emphasis on increasing research on hydrology, land management and related fields in order to use water and soil resources more rationally.

Projects

W-1 Development of basins in the centre and south of Santiago

6. USAID has already pledged \$6 million, or 50 per cent of the needed funds. A further \$2 million will be needed each year in 1980, 1981 and 1982.

W-2 Evaluation of the water resources of the country a/

7. This project has been modified and it is now proposed to make an evaluation of the water resources of the country for irrigation and industrial uses. It is estimated that the completion of the project will take 20 months and cost \$400,000.

W-3 Water resources on Santo Antao; research and development

8. The cost of the hydrological and hydrogeological studies required for the development of these resources is estimated at \$750,000. The Netherlands will contribute \$210,500 in 1980.

W-5 Provision of pumps, engines, windmills, etc.

9. Equipment, including solar pumps, is needed to exploit ground-water for human consumption and for irrigation. The cost of the project, first estimated to be \$2.1 million, is expected to rise to \$2.5 million because of inflation. Some financing has been received from the African Development Bank.

W-6 Public works equipment for water development

10. Equipment is required for soil and water conservation works geared to labour intensive methods. The project is now expected to cost over \$1 million, instead of the \$508,000 originally estimated. Requirements are being discussed with the United Nations Capital Development Fund.

W-7 Drip irrigation

11. Switzerland and USAID have provided material assistance amounting to \$50,000 and some technical assistance has been received. As the project will cost \$100,000 instead of \$40,000 as originally estimated, \$50,000 is still required.

W-9 Soil mapping of Santiago island b/

12. It is proposed to evaluate the soil resources of Santiago island in order to plan better utilization of them and to increase production through adoption of new technologies for the existing crops and introduction of new crops.

13. The project would include a study of the climate of Santiago; geological, lithological and geomorphological studies; studies concerning soil and physiographic conditions; mapping of the actual soil vegetation cover and actual soil uses; definition and characterization of the existing ecological systems;

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a/ This project was formerly entitled "Irrigation dam on the Santa Clara river (Santiago)".

b/ New project.

potential soil uses; demarcation of the ecological boundaries for the main crops, mapping of the soil erosion conditions, and mapping of the slopes.

14. The project is expected to cost \$100,000 and take 12 months to complete.

#### C. Other agricultural and related development

15. Assistance is needed in plant and animal husbandry and in forestry. Of particular concern are the selection of suitable crop varieties, use of fertilizer, control of pests and control of livestock grazing and afforestation to stop desertification.

##### Projects

###### A-2 Livestock development centre

16. This centre for the training of veterinary and animal husbandry extension workers is still in its initial stages. A non-governmental organization has provided \$250,000. Additional financing is required to meet the total estimated cost of \$1.1 million.

###### A-4 Integrated production of pigs and poultry

17. The original project comprised a unit for pigs and a unit for poultry. The unit for pigs has been started and it is now planned to raise 5,000 pigs instead of \$1,000. The United Nations Capital Development Fund has provided \$500,000 and Yugoslavia has pledged \$780,000. These funds, added to the Government's contribution of \$100,000, would suffice for the pig unit. However, \$250,000 is still required to construct pork processing facilities.

18. No international assistance has been received for the poultry unit. In view of the importance of the project, the Government has allocated \$150,000 from the National Development Fund. In addition, \$450,000 are required for this unit.

###### A-5 Protection of forests

19. No assistance has been received for this project, the purpose of which is to provide fencing and infrastructure for forest ranges in order to reduce the destruction caused by grazing by goats and woodcutting by humans. Total immediate assistance of \$100,000 is needed.

###### A-6 Forestry equipment and supplies

20. Equipment and supplies are required for the forestry operations, at an estimated cost of \$60,000.

###### A-7 Centre for Agrarian Research

21. This Centre, which is to conduct research on agrarian subjects including hydrology, agronomy, management and the social aspects of agriculture, is under

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construction and \$200,000 is needed for its completion. Also required are the services of an adviser for one year and technical assistance to design a research programme.

A-8 Promotion of fruit cultivation b/

22. Planting of fruit trees is proposed all over the country, including irrigated and rain-fed areas, during a period of three years. The required assistance is estimated at \$2.2 million.

A-9 Establishment of a national fodder reserve b/

23. Taking into account the importance of animal husbandry for the economy of Cape Verde and the fact that the country is subject to frequent and continuous droughts, establishment of a national fodder reserve and construction of storage facilities for this purpose are considered essential. The estimated cost is \$400,000.

A-10 Storage of potatoes and vegetables b/

24. Construction is proposed of facilities in Praia for storing surplus production of potatoes and vegetables, at an estimated cost of \$560,000.

A-11 Establishment of an office of agricultural credit b/

25. Establishment of the above office is proposed during 1980 in order to reform the existing system of agricultural credit. The estimated cost is \$2.2 million.

D. Fisheries

26. Fisheries are of basic importance to the economy of Cape Verde, involving 10 per cent of the economically active population. Fish and fish products constitute on average about 50 per cent of the annual exports. It has been estimated that the current catch of 9,000 tonnes could be raised to 50,000 if developed systematically.

Projects

F-1/F-2 c/ Equipment, materials and marketing infrastructure for artisanal fisheries

27. This project, for improving fishing practices and productivity, was estimated to cost \$7.5 million in the principal report (for details, see A/33/167 and Corr.1, annex, table 4) of which \$4.5 million was included in the immediate action programme (Part A) and \$3 million in the accelerated development (Part B). Several bilateral donors and non-governmental organizations have provided about \$3.2 million. Additional assistance totalling some \$4.2 million is therefore still required.

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c/ Consolidated from two projects in the principal report.

F-3 Lobster fisheries development

28. Additional equipment, including two lobster boats, one with a freezer, is still required to make use of partly completed installations abandoned by a Portuguese firm on Sal island. The total capital cost is \$1.6 million.

F-4 Technical co-operation for fisheries development

29. A UNDP project, budgeted at \$750,000, is providing for part of the technical co-operation for the fisheries development programme estimated to require some 150 person-months of international staff and 96 months of fellowships. Further assistance is still needed.

E. Mineral resources

30. The Government places high priority on mineral prospecting and exploitation and on the use of local construction materials, notably for producing cement. It is hoped to undertake studies of the development of these resources jointly with Guinea-Bissau.

Projects

G-1/G-4 Feasibility study for production of cement d/

31. Instead of the four projects listed in foot-note d/, the Government now plans to arrange for a feasibility study, estimated to cost \$200,000, for production of cement using local materials.

G-5 Salt production on Maio

32. The Government has completed the study for the initial production of 40,000 tonnes of salt annually and leading to a production of 200,000. Two million dollars is needed for the initial production of 40,000 tonnes. The Government has earmarked about \$350,000 for the project in its 1980 investment budget.

G-6 Mineral water project

33. This project has been suspended because of the very high cost of bottling which requires further study.

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d/ This project replaces the following four projects:

- G-1 Pozzolana-line cement: preliminary investigation;
- G-2 Pozzolana-line cement;
- G-3 Market study for Portland cement scheme;
- G-4 Experiments and tests on pumice and cement products.

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G-8 Completion of geological mapping

34. Geological maps for six islands, with a total area of 1,810 sq. km., still remain to be prepared. The estimated assistance needed is \$300,000.

G-9 Mineral prospecting

35. Once the geological mapping described under project G-8 is advanced, technical assistance equipment, operating costs and fellowships would be needed for a systematic programme of mineral prospecting.

G-10 Evaluation of geothermal potential

36. The services of a consultant are needed for a study to determine the country's prospects for geothermal energy.

F. Industry

37. At independence, industry accounted for only 2.5 per cent of the gross domestic product. The Government now plans to develop industries using local materials both for home and export markets, import-substitution industries and export industries based on imported materials or components.

1. Institutional projects

I-1 Industrial promotion unit

38. The Government is committed to developing and operating industrial projects, but needs assistance to strengthen and develop its capacity for project identification, preparation, implementation and management. The Government needs the help of industrial planners, industrial engineers and other experts to advise on the types and units of industry which should be established. An estimated 156 person-months of technical co-operation staff, 84 months of fellowships and equipment costing \$50,000 are needed for this purpose.

I-3 Industrial zones

39. Plans for industrial zones are under study and preparation under project M-3 (see para. 3 above).

2. Specific production projects

I-4 Production of pharmaceutical products

40. Assistance, comprising 24 months of international expertise, 18 months of fellowships and equipment costing \$350,000, is still required for this project.



I-5 Construction of wind-driven pumps

41. After completion of studies on the use of this type of pump, further experiments will be needed, for which technical co-operation and equipment costing \$50,000 are required.

I-6 Small foundry

42. A new and larger foundry is required for the shipyard at Mindela, which is being rebuilt with external assistance; \$160,000 is needed for this urgent project.

I-7 Solar cooker production

43. In order to reduce imports of oil for cooking, it is proposed to develop a prototype solar cooker. Nine months of international expertise and equipment costing \$20,000 would be required.

I-8 Desalination of water and production of electricity, Sao Vicente

44. Part of the first phase of the project, for supply of 2,500 cubic metres of water to Sao Vicente island with a population of 40,000, is being implemented with assistance received from the Netherlands. There has been no progress on production of electricity. \$1.5 million are urgently needed for the completion of the first phase of the energy component. \$9.5 million will be needed for the second phase relating to water and electricity.

I-9 Public enterprise for general repair and maintenance of equipment

45. Assistance is required for preparation of the final estimates and for establishing and initially operating a centralized organization for repair and maintenance of equipment for all public sector activities - leading eventually to the manufacture of spare parts.

G. Transport

46. Cape Verde, as an archipelago, has to develop its sea and air transport systems to facilitate its economic and social development. Adequate roads are also needed to reach all the population in the various regions of the country.

Projects

1. Port construction and repair

T-1 Vale de Cavaleiros, Fogo

47. The amount of \$4 million is needed for the reconstruction of this port which was completely destroyed by a major storm.

T-2 Porto de Furna, Brava

48. This island has no airport and no port facilities. The estimated cost for a 40-metre quay with a 3-metre water depth is \$400,000. The Federal Republic of Germany has undertaken to assist in a study and in financing part of the project.

T-4 Porto Tarrafal, Sao Nicolau e/

49. Technical design has been prepared for the construction of a 120-metre berthing facility for both transport purposes and the fishing fleet. The estimated cost of construction is \$2.8 million.

T-5 Porto de Sal-Rei, Boa Vista e/

50. Technical design exists for the construction of a 64-metre quay at an estimated cost of \$400,000.

T-6 Porto de Janela, Santo Antao e/

51. A 60-metre berthing facility, including a 3 to 5 ton crane, is needed for this port to serve the ferry service to Sao Vicente; a hydrographic survey has already been conducted.

T-6A Reconstruction of the port of Praia, Santiago f/

52. The port of Praia consists of a concrete caisson structure. This structure has shown an alarming deterioration in recent months with severe damage and movement of some caissons. A study, conducted by a Dutch company, has established the need for urgent repairs to prevent the complete loss of the quay. The estimated cost is \$6,250,000.

T-7 Port construction

53. Eight one-month consultancy missions are still needed over a period of four years in connexion with the port construction projects.

2. Port equipment and other maritime infrastructure

T-9 Equipment for Porto Grande, Sao Vicente

54. Instead of the project, as described in the principal report, it is now proposed to prepare a master plan for the over-all development of this port involving shipyard, equipment, labour administration, storage, workshop, organization of operations and on-the-job training.

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e/ Expert assistance for projects T-4, T-5 and T-6 is to be provided by IBRD; finances are needed for the execution of these projects.

f/ New project.

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T-10 Equipment for small ports

55. Six diesel winches of 5 to 6 ton capacity are required for small ports at a total cost of about \$100,000.

T-11 Strengthening the maritime school

56. Norway has provided \$60,000 for technical expertise and equipment needed for this school - which is also to serve Guinea-Bissau and, possibly, other lusophone countries in the future. The amount of \$400,000 is urgently needed for the construction of the building in the first phase; \$1 million to \$1.5 million will be needed subsequently for a pier, a boat, equipment and training facilities.

T-13 Port management and operations

57. Some 24 person-months of international expertise are required for these fields in connexion with the port development programme. A number of short missions have been received and the project continues.

3. Interisland vessels

T-15A Combined ferry boat and landing vessel f/

58. A combined ferry boat and landing vessel with a capacity to carry 180 passengers is required; its purpose is to serve the islands which have no ports, and it is estimated to cost \$3,250,000.

T-17 Barge for transporting fresh water

59. A self-propelled barge is needed to transport 300 tons of fresh water from Santo Antao to Sao Vicente as the latter island cannot meet its water requirements from its wells and desalination plant; the transport of water will still be needed even when a normal rainfall pattern is re-established. It is estimated to cost \$750,000.

4. Airport improvements

T-18 Praia runway lighting

60. The Government has received bids for the execution of this project. The cost has now risen to \$550,000 and financing is urgently required. In view of its importance, the Government intends to utilize its own funds pending receipt of international assistance.

T-19 Praia runway extension

61. The Government has financed the extension of the runway by 300 metres. Further necessary extension of 100 metres and asphaltting would cost \$300,000.

T-20 Sal runway revetment, Amilcar Cabral airport

62. This airport is the country's main air link with the outside world. At present some 80 aircraft, 24 of them of jumbo-jet category, use it every week. It is also an important source of revenue. An investigation has revealed that certain portions of the runway and, to a lesser extent, the apron and taxiway, have started to disintegrate creating a serious hazard. Reconstruction of a part of the apron and revetment of the runway and taxiway are essential. Strengthening of all structural steel is also needed. Three studies were made. The best offer for the total cost of the repair is estimated to be \$10 million. The Government is in touch with the World Bank.

T-23 Construction and improvement of roads and bridges g/

63. Fifteen roads most urgently need attention; all are continuations of current projects and are required both for providing vital transport infrastructure and for providing work. Repair work has been continuing since 1976 and has been financed from the National Development Fund. For 1980, \$143,000 has been earmarked. International assistance is urgently needed in the form of material, equipment and machinery. The International Labour Organisation (ILO) has had the projects under study.

T-24 Telecommunications network h/

64. A study is to be undertaken, with assistance from the International Telecommunication Union (ITU), for the establishment of a network of telecommunications throughout the country.

H. Education and training

65. The Government has a comprehensive plan for modernizing and developing the entire education system including, as a basic aim, making six years of education compulsory and universal. In primary education, the immediate need is to construct and equip several hundred new classrooms. Curricula will be revised for primary and post-primary education, and an institute of vocational training will be created to serve as a co-ordinating organization, taking into account manpower requirements for development. New teacher-training facilities are also proposed to improve and expand this crucial element for the whole programme.

E-1 New primary schools

66. There is still a need for assistance for the construction of 550 classrooms, within a programme to establish 325 new primary schools requiring 650 new

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g/ For a list of those roads needing attention, see A/34/372 and Corr.1, annex II, para. 97.

h/ New project.

classrooms, at an estimated cost of \$8 million. Of this amount \$4 million is included under immediate action projects and \$4 million under accelerated development projects.

E-2/E-3 Facilities for primary education: years 5 and 6

67. Of the \$5.2 million required to provide 180 new classrooms, workshops, laboratories and equipment for expanded and improved primary education, the United Nations Capital Development Fund has allocated \$1,990,000 for the construction of 60 classrooms. Thus, \$3,210,000 is still required for completion of the project and construction of 120 additional classrooms. USAID has undertaken to finance two workshops.

E-4 Institute of Vocational Training

68. The institute, which will be attached to the Ministry of Planning, will co-ordinate all official training activities, study the country's manpower and training needs, and organize training programmes. A director of study has been appointed and an expert is under recruitment. The project is estimated to cost \$1.5 million.

E-6 Establishment of a technical and commercial school at Praia

69. The estimated cost of construction, equipment and organization of the school is \$2.8 million. Implementation of the project in phases is now proposed.

E-7 Public service training centre

70. It is planned to establish this centre, providing training for both Government officials and employees of public enterprises and temporarily housing them at Praia, as a permanent institution in purpose-built premises; the cost has been estimated at \$500,000.

E-8 Primary teacher training college, Santa Catarina

71. With assistance received from France and the Netherlands, some progress has been made in implementing this project and it is hoped to start classes in October 1980. However, funds for furnishing and equipment, estimated at \$1 million, are still required.

E-9 Training of secondary-school teachers at Praia

72. Equipment and materials are needed for laboratories, workshops and a library in existing premises at an estimated cost of \$100,000. Some materials were provided by France. Additional funds will be necessary for a separate building required for this purpose.

#### E-10 Adult education

73. Adult education is to include literary training, primary-school equivalency and vocational or pre-vocational training. In addition to a first text book printed by UNESCO, three more are needed. Meeting rooms, audio-visual equipment and generator sets are also required. The total cost is \$400,000.

#### Fellowships

74. The need for fellowships for both general university level education and training in specific professions and skills will continue in the foreseeable future.

### I. Health

75. With a very high rate of infant mortality, large number of maternal deaths related to childbirth, widespread malnutrition, and poor housing and environmental conditions, better health services are vital. The objective of a general health plan, prepared by the Government with assistance from the World Health Organization (WHO), is to provide general health coverage for the population in five years, paying particular attention to reducing infant and maternal mortality and to improving child health.

#### Projects

##### H-1 Five 50-bed hospitals

76. It is planned to establish five such hospitals at Sal (instead of Sao Nicolau), Ribeira Grande (Santo Antao), and Santa Catarina, Pedra Badejo and Assomada (Santiago), at a cost of \$2 million.

##### H-2 Renovation of the central hospital at Praia

77. A new building is under construction. Funds received from the Netherlands and extraordinary budget allocations by the Government of Cape Verde will provide the financing for the initial phase. Buildings for the pediatrics section and the water tower have been completed. An emergency ward and a blood transfusion centre will be completed in 1980. Estimated total cost is \$1.8 million.

##### H-3 Renovation of the central hospital at Mindelo, Sao Vicente

78. A total of \$1.2 million is needed for the execution of this project; \$750,000 for construction and \$450,000 for equipment. The Government is reconsidering the construction of a four-floor building and is working on establishing several units in an adjacent existing structure.

##### H-4 Health posts

79. WHO has provided \$300,000, and non-governmental organizations have completed the construction of 17 posts and will provide for another 5. UNICEF will finance the establishment of 18 posts. Assistance is needed for another 10 health posts.

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H-5 Medical training centres at Praia and Sao Vicente

80. This project has been modified to provide for the establishment of a single purpose-built centre at Sao Vicente for training general and specialized nurses, laboratory and radiology assistants and assistant pharmacists. Construction and equipment are expected to cost \$150,000.

J. Urban development

81. Praia and Mindelo contain one fifth of the country's population and are growing rapidly, a situation which has caused an acute housing shortage. There is no effective urban planning, and most of the dwellings lack water and proper sanitation. The Government proposes to start urban planning, neighbourhood action, sites and services schemes and a sanitation plan for Mindelo, all of which will require very substantial financial, material and technical assistance.

Projects

L-1 Territorial development group

82. It is proposed to establish a central physical planning organization, with subgroups for Praia and Mindelo, to deal with the problem caused by rapid uncontrolled urban development in the two cities and unchecked migration from rural areas. A team of experts has been formed and assistance has been received from Yugoslavia and non-governmental organizations. Some 240 months of international expertise and 240 months of fellowships are still needed, as is equipment costing \$20,000.

L-2 Sites and services schemes

83. Assistance is urgently needed to provide 1,000 building plots in Praia and 1,500 in Mindelo. The total cost for the two towns is estimated at \$2 million, of which \$1 million is intended for immediate action and \$1 million for accelerated development.

L-3 Marginal neighbourhood improvement schemes

84. It is proposed to extend a successful scheme, for improving housing through self-help action in Praia, to other sections of Praia and Mindelo. The estimated cost, covering 2,500 housing units in each place, is \$3 million, of which \$1 million is intended for immediate action and \$2 million for accelerated development.

L-4 Equipment for urban development

85. To assist the sites and services and neighbourhood improvement schemes and to undertake other urban planning and development activities, various public works and equipment are needed at an estimated cost of \$380,000. These items are listed as appendix VII to the principal report.

L-5 Revolving fund for co-operative housing

86. When plans have been drawn up for a co-operative housing scheme and an associated revolving fund, as one of the results of project L-1, initial financing for the fund will be required. For 200 housing units at an average cost of \$5,000 each, requiring 50 per cent coverage from the revolving fund, the initial contribution needed would be \$500,000.

L-6 Urgent sanitation measures

87. The African Development Bank will provide \$6.5 million; the EEC will finance the urgent phase and contribute \$1.8 million for a comprehensive plan. Additional assistance is required.

L-7 Housing

88. Owing to the lack of international response for this project and faced with an increasingly serious housing shortage, the Government has allocated \$2.6 million in 1980 for it. UNDP has undertaken to finance 12 units at a cost of \$500,000. There is an urgent need for international assistance for the housing programme.

K. Applied research

R-1 Institute for applied research

89. A national commission has been appointed to prepare a report for the Government on the establishment of an applied science and technology institute. A detailed description of the project is expected to be available soon.

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