



## Terms of Reference

### Plenary Session 1: Cape Verde's Emerging Challenges

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Cape Verde has made significant progress since its independence and in the last decade the pace of progress has been accelerated. In infrastructure, in economic diversification, in institutional and policy reforms, in education access, in social progress and reducing poverty and in achieving the millennium development goals (MDGs), Cape Verde has achieved major results. One concrete outcome is the graduation of Cape Verde from the United Nations list of Least Developed Countries. Cabo Verde became a middle-income country and has reduced poverty from 37% in 2001 to about 24% now.

These are major achievements. But as Cape Verde has made progress on many fronts in the last decade new challenges have also emerged or are emerging. The key fact is that on my fronts Cape Verde has done well. But we are in a “new” world where doing well is no longer sufficient. Two examples are illustrative. In the last decade, the situation of university education in Cape Verde changed dramatically. From no university in 2000, today, Cape Verde has over ten universities. Now, the issue of costs, relevance of the education and the quality of training have become the critical challenges. Similarly, with the reform agenda, Cape Verde has achieved the status as one of top ten reforming countries in the world twice over the last decade. But compared to Rwanda, Cape Verde could have done more given where the two countries’ position in 2009 and where they are today in the World Bank’s doing business ranking.

The new world reality is that the nature of the global and Cape Verdean economy has also changed. The world is more competitive and one cannot simply be moving one have to be progressing faster than others. Rapid technological advance and innovation has become a basis for national competitiveness and a robust and competitive private sector the core elements of a nation’s global competitiveness. At the same time, as a middle-income economy, Cape Verde’s access to concessionary financing and aid is on the decline. It is in this new environment that Cape Verde must transform its economy.

These new realities posed new challenges for Cape Verde as it pursues its agenda for socioeconomic transformation. The plenary session will focus on identifying and analyzing these new challenges. Specifically, the plenary session will through a facilitated dialogue provide answers to the following questions:

1. What are the challenges for Cabo Verde to construct a new development model based on knowledge, productivity, efficiency and innovation?
2. What are the challenges for Cabo Verde to diversify its economy?