



### **Terms of Reference:**

What strategic partnerships and  
What economic diplomacy to support Cabo Verde's transformation effort

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Cabo Verde is transitioning from an economy based on investment in production factors to an economy based on efficiency, innovation and high productivity, which requires producing more with fewer resources. This transition is happening at a time when the country is facing challenges resulting from changes that are occurring in the world, as well as those resulting from the development dynamics that society has been experiencing in recent times.

Externally, globalization has changed economic organizations worldwide. The world has become more competitive due to the increasing number of players vying for influence and competing for access to resources and markets. Moreover, the international community has become more inhospitable for aid flows and FDI, which are increasingly uncertain at a time when promoting FDI and ensuring market access for its companies and products is critical to Cabo Verde.

Internally, there's an urgent need for Cabo Verde to expand the productive base of its economy and become globally competitive. To fulfill this imperative of transforming the growth engines, the resource and investment requirements are substantially greater, even if aid continues to flow, seeing as the imperatives of transformation so require.

Indeed, in a global environment with increasingly complex challenges, aid-based development is outdated, since Cabo Verde is required to operate in the premier league and compete in the global market.

Now and in the future the power of networks and partnerships are critical success factors. For a small country like Cabo Verde, building strategic partnerships is a *sine qua non* for the success of the transformation effort, for mobilizing financing, for acquiring technology, and for accessing markets. All Cabo Verde development players, including the Diaspora, are challenged to work together in building internal and international partnerships as a national goal.

To achieve all that, Cabo Verde must undertake reforms and change its path in many areas. One of the critical areas of this priority change is economic diplomacy. The country needs to refocus its diplomacy, shifting focus from ODA to the promotion of economic interests, by building strategic partnerships, which implies attracting FDI, support in building economic and business relations, assistance in trade facilitation and export promotion, negotiating market access agreements or any other activity allowing improvements in business in Cabo Verde and internationalization of its economy.

The workshop will be strategic in nature and be focused on policy formulation. It will undertake a strategic review,

analyzing the internal and external environments, including Cabo Verde's potential to build the networks and strategic partnerships necessary to implement its transformation strategy.

To this end, the workshop will examine the reform and reengineering efforts that will be needed to ensure a more effective economic diplomacy for Cabo Verde and will identify the key opportunities and challenges and areas where there is need for changes, so as to engender substantial gains in building strategic partnerships. Specifically, the workshop will examine and give political answers to the following questions:

1. What are the country's needs in terms of strategic partnerships?
2. How do we consolidate and take better advantage of existing strategic partnerships? What new partnerships should be promoted and implemented?
3. How do we improve access to and benefit from the ECOWAS market?
4. What is the best model for managing partnerships? How do we create internal capacity for this management?
5. How do we turn diplomacy into an economic tool for the transformation agenda?