

SIGNATURE PAGE

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A. COVER PAGE

1. Fund Name: Joint SDG Fund

2. MPTFO Project Reference Number

3. Joint programme title :

Reinforcing National Planning System by aligning budgeting and planning, and creating the condition to mobilize new financing flows into an enabling ecosystem, through an Integrated National Financing Framework (INFF)

4. Short title

Sustainable, Integrated and Inclusive Finance Framework for Cabo Verde (SIIFF-CV)

5. Country and region

Cabo Verde, West Africa

6. Resident Coordinator

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9. Short description:

The INFF will create the enabling framework and financing solutions for key transformations in Cabo Verde's sustainable finance landscape, to bridge financing gaps that slow down the implementation of SDGs, national plans and local strategies.

It will identify, through a thorough analysis of the financial landscape and a participatory, integrated planning process and system, the financing and related policies most relevant to addressing Cabo Verde's financing challenges.

It will create the ecosystem (enabling environment – institutions, policies and capacities, including De-Risking) to bring together public and private actors behind the national/local priorities and the SDGs

It will generate a self-discovery process producing ideas for innovative financing solutions, including climate finance, that are anchored in planning and financing systems.

10. Keywords:

#Finance #Sustainability #Efficiency #Inclusiveness #Investment #Accountability #Reforms #Ecosystem

11. Overview of budget

Joint SDG Fund contribution	USD 995,000.00
Co-funding National Government	USD 350,000.00
Co-funding UN agencies	USD 150,000.00
TOTAL	USD 1,495,000.00

12. Timeframe:

Start date	End date	Duration (in months)
<u>15 September</u> <u>2020</u>	<u>15 September</u> <u>2022</u>	<u>24 months</u>

13. Gender Marker: 2,3

14. Participating UN Organizations (PUNO) and Partners:

14.1 PUNO

- Convening agency: Joint Office (Lilyblad Christopher, Economist, Christopher.lilyblad@cv.jo.un.org)
- Other PUNO: ILO (Borges Joana, focal point, borges@ilo.org) , UNODC (Andrade Ana Cristina, Senior NPC, cristina.andrade@un.org)

14.2 Partners

- Ministry of Finance (National Direction of Planning), **Leading partner**
- Ministry of Foreign Affairs and Communities (National Directorate for Political, Economic and Cultural Affairs), **Leading partner**
- Line Ministries: Ministry of Justice and Labour; Ministry of Tourism and Transports; Ministry of Maritime Economy; Ministry of Agriculture and Environment; Ministry of Industry, Trade and Energy; Ministry of Health ; Ministry of Family and Social Inclusion; Ministry of Infrastructure, Land Planning and Habitat
- Cabo Verde's Stock Exchange (Bolsa de Valores), Central Bank (Banco de Cabo Verde), SMEs support ecosystem (ProEmpresa, ProCapital, ProGarante)
- National Parliament
- National Institute for Statistics (INECV)
- Instituto Nacional de Previdencia Social (INPS - Social Security Fund)
- National Commission for Human Rights (CNDH)
- Civil society organizations: NGOs National Platform, Women Empowerment/Rights Associations (OMCV, STDI, AMECV)
- Private sector: Chambers of Commerce, Large enterprises (including SOEs), MSMEs/SSE networks
- International Financial Institutions: World Bank (WB), African Development Bank (ADB)
- International partners: European Union, Luxembourg, Portugal

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Mr. Opia Kumah

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Participating UN Organization
United Nations Office on Drugs and Crimes
Ms. Cecile Plunet

Participating UN Organization
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Mr. Dramane Haidara

B. STRATEGIC FRAMEWORK

1. Call for Concept Notes: SDG Financing (2/2019) – Component 1

2. Programme Outcome [pre-selected]

- Additional financing leveraged to accelerate SDG achievement (Joint SDG Fund Outcome 2)

3. UNDAF Outcomes and Outputs

3.1 Outcomes

- By 2022, the population of Cabo Verde of working age, particularly women and youth, benefit from decent work through economic transformation in key sectors, that leads to more sustainable and inclusive economic development
- By 2022, Cabo Verde has improved national and local capacities for the mobilization, coordination and efficient management of partnerships and funding for development, including South-South, triangular, and decentralized cooperation, and that contribute to the achievement of the SDG
- By 2022, the population of Cabo Verde, particularly the most vulnerable, benefit from enhanced national and local capacity to apply integrated and innovative approaches to the sustainable and participative management of natural resources and biodiversity, climate change adaptation and mitigation, and disaster risk reduction

3.2 Outputs

- 5.1.1 National institutional capacities are strengthened for the coordination of aid and the mobilization of financial resources and international partnerships for the implementation of the National Sustainable Development Plan (PEDS) and the SDGs in Cabo Verde
- 4.1.3 Public institutions, key sectors and local authorities are equipped with innovative strategies, capabilities and tools to plan, follow, assess and account for the country's commitments to sustainable development (PEDS and SDGs), including through commitments to gender equality, integrity culture and sustainable urbanization
- 3.1.7 Government capacities at central and local level, municipalities and civil society and private sector organizations are strengthened to formulate and implement policies and programs that leverage the demographic dividend for inclusive economic growth sustainable and sustainable
- 4.2.4 National capacities at central and local level are strengthened to prevent and combat organized crime and illicit trafficking, including drug trafficking, trafficking in persons and smuggling of migrants, prevention of terrorism, cybercrime, accordance with the principles of human rights and international treaties and conventions
- 2.1.1 Government capacities at central and local level, municipal authorities, civil society organizations and local communities are strengthened to implement a national sustainable urbanization policy, adapt and mitigate climate change, reduce disaster risks and promote climatic resilience

4. SDG Targets directly addressed by the Joint Programme

3.1 List of goals and targets

17.1, 17.3, 1.B, 5.A, 8.3, 10.1, 11.A, 14.7, 16.4, 16.6

3.2 Expected SDG impact

Thanks to the intersectoral, multilevel governance framework and monitoring system reinforced by the JP, and to the implementation of the strategy of INFF – with shared objectives and clear responsibilities and timelines - in terms of optimizing public spending, mobilizing new resources, and channelling them toward SDG accelerators and toward the furthest left behind, the INFF will indirectly contribute to bridge SDGs financing and intersecting gaps having a direct effect on finance for 10 SDG targets, and indirect on 26.

5. Relevant objective(s) from the national SDG framework

Objectives from the National Sustainable Development Plan (PEDS 2017-2022). The PEDS is aligned with the SDGs, according to the Rapid Integrated Assessment realized during the MAPS/INFF scoping mission in November 2019:

- Make Cabo Verde a Circulatory Economy located in Middle Atlantic
- Ensure economic and environmental sustainability
- Ensure social inclusion and reduction of inequalities and social and regional asymmetries
- Reinforce sovereignty, valorize democracy and orient diplomacy toward the country's challenges

6. Brief overview of the Theory of Change of the Joint programme

As a continuity of the INFF scoping mission and the SDG Roadmap (MAPS mission, 2019), the assessment and financing strategy of the INFF will build on different recent or ongoing, UN-facilitated and government-led strategic assessments and planning processes, to align a programmatic, results-based, SDG aligned planning and a sustainable financing ecosystem (budget, taxes, domestic private sector development, FDI, climate finance) within an integrated governance framework (intersectoral, multilevel coordination) and monitoring system (including integration of gender-sensitive, human rights-based indicators). It will therefore accelerate the momentum for SDGs and National Development Plans (PEDS and Ambition 2030) at the heart of a holistic reform process, involving all relevant local, national and international actors, to optimize existing public and private finance flows, mobilize new sources of finance, and channel them toward the sectors, areas and populations that need them most. It will in this sense develop a capacity building plan for financial inclusion of the furthest left behind, for them to gain access to financial services by being able to design, present and implement bankable, sustainable projects. It will in the end allow for a diversification of the sources of finance for national development plans and SDGs, in a sustainable and inclusive way, by identifying and gathering efforts to drive the transition from an aid-dependent economy to a self-reliant, sustainable development path.

7. Trans-boundary and/or regional issues

Being located at the crossroads of Africa, Europe and the Americas, particular emphasis will be placed on a multilevel and an inclusive partnership-based approach, with technical and regulatory convergence. As such, Cabo Verde will be able to take better advantage of a potential role as a pivot point between ECOWAS, CPLP, the EU (through the Special Partnership and GSP+) and Mercosul (as a member of the CPLP), and the United States/NAFTA (through AGOA). Such an approach would make Cabo Verde highly attractive as a hub for financial investment and, if necessary, connectivity and digital governance are put in place, for regional headquarters of international businesses.

Beyond national boundaries, the experiences, lessons learnt, and tools created in the process will inspire other countries by showing how a SIDS can transition away from low income country to self-reliant economy while reinforcing sustainability and inclusiveness.

In this sense, INFF will be a driver for enhanced South-South and triangular Cooperation for Cabo Verde to play an active role in knowledge sharing networks and to be able to mobilize experiences and expertise to build institutional and human capacities it needs to implement its INFF strategy and reinforce its governance framework.

The JP is also aligned with the COVID-19 national response plan for resilience building and crisis prevention. In this sense, it will put a particular focus on the areas most affected by the virus outbreak and the contention measures, most of them being SDG accelerators identified in the SDG Roadmap (Tourism, Maritime Transportation, Agribusiness, fisheries...). It will therefore allow for resilient planning/financing processes toward SDGs achievements, that can serve as a model at regional level and in the SIDS community.

Finally, one particular output focuses on a capacity building and service providing platform led by the Ministry of Foreign Affairs, which could evolve into a Centre of Excellence for Sustainable Finance with regional outreach.

C. JOINT PROGRAMME DESCRIPTION

1. Baseline and Situation Analysis

1.1 Problem statement

As highlighted by the INFF scoping mission and many UN-supported assessments¹, positive indicators allow for optimism on sustainable development in Cabo Verde. Strong governance institutions establish a solid foundation to build human capital: credible administration, clear parliament role, solid court of auditors, and functioning checks and balances. The creation of a National Planning System (SNP) in 2014 improved the quality of multiannual planning and provided the structures and instruments to implement a programmatic and budgetary planning cycle. Herein, the linkages between medium and short-term planning (UNDP/WB-supported MTBF and MTEF), provide a foundation for Cabo Verde to emerge as a leader and standard-bearer for innovation in terms of planning and finance integration. This process is paving the road toward a result-based planning and budgeting, and a transparent and open government that allow for information sharing and joint decision making, between the public administration and citizens, and for a strengthened fight against illicit financial transactions.

Among the intermediary results of these different processes is the alignment of national (PEDS 2017-2021) and local development plans (PEMDS) with SDGs: 75% aligned to SDGs targets according to the RIA (MAPS Mission report - November 2019). Consultations are being held on the SDGs accelerators identified by the SDG Roadmap product of the MAPS Mission (Blue Economy – i.e tourism, fisheries, transport, renewable energy-, digital economy, and agribusiness, human capital development), at national and local/island levels, where priorities are identified based on islands' identity and vocation. Despite some persisting gaps, this result will be reinforced this year by a Government-led and UN-facilitated process to build an "Ambition 2030" plan, involving public and private stakeholders at all levels.

However, many SDG gaps remain, mostly linked to the SIDS condition: energy and water scarcity, territorial dispersion, limited connectivity, and relative isolation. The effect of these factors result in a constrained financing landscape, with small fiscal basis and limited domestic

¹ See exhaustive list in section 2.5

market. The need to mobilize public and private investment for the PEDS and SDGs takes place in a challenging context. Some bottlenecks need to be addressed also in terms of system of monitoring and review for both public and private finance, and institutional governance and coordination mechanisms and platforms for effective PEDS/PEMDS/SDGs implementation.

A fragmented private sector (97% micro enterprises) with limited capacities, and the challenges for domestic resource mobilization, together with high debt levels (122.5% of GDP) and costly SOEs, limit the ability to expand public investment. The SNP is not yet fully rolled out, with many institutions not entirely cognizant of their responsibilities in terms of program and project management. The need persists to improve all phases of the participatory planning and budgeting process, including public financing management system (PFM), from preparation to execution and accountability, thus ensuring improvements in the quality and impact of expenditures. Institutional capacity for coherent and coordinated planning at national, islands, and local levels needs to be strengthened, in line with the model of decentralization and with wide citizen engagement, as well as a broader agenda for partnerships, especially in terms of multilateral, South-South cooperation.

Financial and economic crimes affect public sector financial management and the emergence of an inclusive financial sector. Important legislative reforms and institutional capacity-building to reinforce institutional integrity and combat money laundering led to growing achievements, but UNODC indicated that counterfeiting, piracy, forgery corruption, drug trafficking and tax fraud are among prevalent offenses.

The **public sector** remains bloated, with public expenditure representing 31% of gross domestic product (GDP) and 11% of GDP allocated to salaries and wages in the civil service. Cabo Verde was ranked 59/193 of the Government Effectiveness Index in 2017. Public sector also suffers from low coherence within and among Ministries for public services delivery and sustainable economic development, centralization of decision-making and funds, weak institutional capacity to absorb and promote innovation, and a focus on processes rather than results. Despite UN-supported government efforts to build the decentralization process into a consistent program, much needs to be done to get the administration closer to the citizen, for a more efficient public spending and tax mix efficiency.

Cabo Verde's socioeconomic development trajectory has also been stifled by the difficulty to establish a vibrant middle class with low barriers to market entry and therefore capable of stimulating **private initiative** and seizing market opportunities opened by the presence of large foreign investors, particularly in tourism. A related difficulty is the lack of consolidation of the domestic market due to limited connectivity between islands and economies of scale. Private investment is very low, with very few medium and large firms, most of them controlled by foreign capital. The biggest domestic investor is the National Institute of Social Protection. Limited saving capacities, a risk-averse banking sector, lack of incentives for enterprise formalisation, poor coherence in transparency requirements, low access to finance for micro enterprises, limited knowledge of and integration with international market mechanisms (ECOWAS, EU and U.S), weak leverage of the potential of the diaspora as market entry points and lack of local economic development and financial/economic inclusion strategies refrain national private sector finance opportunities. The lack of economic opportunities can push youth to organized crime and illicit markets, leading to a rise of drug and crime-related activities that are gnawing at sovereignty and the rule of law, with an institutional framework to combat illicit financial transactions yet to be consolidated.

The proportion of **ODA** remains high despite inflows having declined significantly after accession to MIC status in 2008, which also meant the withdrawal of many partners and funds supporting key social sectors as education and health. Some donors (Portugal, Luxembourg, EU) maintain significant cooperation programs and projects, with China progressively assuming a larger role. The US has not renewed the Millennium Challenge Compact, but Cabo

Verde is eligible for further assistance. The country receives some direct budget support from WB and ADB. A Budget Support Group (GAO) composed by EU, WB, ADB, Portugal, Luxembourg has been very active in reforming the public financial management, via the Public Expenditure and Financial Accountability assessment (PEFA - 2015), leading to a governmental action plan (2017). Yet, international public finance is not easily channelled toward the most needed sectors, geographical areas and excluded populations.

Geographic and sectoral concentration of **FDI**, flowing to tourism on two islands (Sal and Boa Vista) out of ten entails that development remains uneven, unequal, and unconsolidated. Imperfect understanding of financial flows, actors and roles and the lack of a match-making platform between supply (mainly micro enterprises) and demand (large businesses and network of investors of small and medium size), especially for SDG accelerators, are other constraints.

With tourism accounting for 25% of GDP) and transportation for 10%, and a strong dependence on importation for most of its products and services, the economy will face severe recession due to COVID-19, only 3 years after recovering from 2008 global crisis. Due to its euro peg, it only has fiscal policy to face any shocks. However, with high public debt, there is little room for manoeuvre. With an informal sector counting for 25% of the GDP, and 60% of jobs, many workers will have no safety net to face the crisis. For all these reasons, it is urgent to dedicate fiscal space – despite the foreseen fall in public revenues - to mitigate the effects of the economic crisis on the poorest, and to ensure, through the MTEF, some built-in flexibility to external shocks, while reinforcing incentives for investments to flow in other sectors, within a broad economic restructuring process. The INFF will aim at doing just this, while considering the specific impact of COVID-19 on several SDGs.

1.2 SDGs and targets

The JP will foster a complementary, interdependent, and mutually reinforcing relationship between planning and financing processes and systems and facilitate the mobilization and convergence of public and private efforts - in local, national, regional and global context - as indispensable means of achieving SDG-aligned development priorities.

1.B Create sound policy frameworks at the national, regional and international levels, based on pro-poor and gender-sensitive development strategies, to support accelerated investment in poverty eradication actions

Baseline: National Planning System already exists, and is in the process, with UN-support, to better include the budgeting part within a results-based programmatic approach. Method to measure progress: Review the design and use of human-rights based indicators; the integration of local level processes and players and better disaggregation of data in the planning and monitoring process ; the full participation of the furthest left behind in the new planning and budgeting system, to better target their financing needs.

5.A Undertake reforms to give women equal rights to economic resources, as well as access to ownership and control over land and other forms of property, financial services, inheritance and natural resources, in accordance with national laws

Baseline: Efforts are being made to integrate women into the PEDS objectives but lack a holistic integration of women rights into the national planning and monitoring system. Method to measure progress: Review the design and use of gender-sensitive and human-rights based indicators produced; the transformation of 30% of gender-blind objectives and budgeting into gender-sensitive indicators and resource allocation; the full participation of women in the new planning and budgeting system, to better target their financing needs.

8.3 Promote development-oriented policies that support productive activities, decent job creation, entrepreneurship, creativity and innovation, and encourage the

formalization and growth of micro-, small- and medium-sized enterprises, including through access to financial services

Baseline: An ecosystem for support to MSMEs is already in place, providing economic and financial services. The Decent Work Country Profile to be finalized in 2020 will be used as baseline for monitoring productive activities and decent work. Method to measure progress: Review the integration of a monitoring system to assess progress towards formalization of enterprises and/or jobs into the national system, and the inclusion of a financing and capacity building strategy to foster MSME development, formalization and growth.

10.1 By 2030, progressively achieve and sustain income growth of the bottom 40 per cent of the population at a rate higher than the national average

Baseline: Despite a higher-than-average GDP growth at country level (compared to regional and global), inequalities are rising, and there is no clear prospect for an income growth of the bottom 40 % higher than average. Method to measure progress: Scale up the capacity building program for MSMEs financial inclusion, aimed at building their capacities to design, present to investors, and implement sustainable, bankable projects

11.A Support positive economic, social and environmental links between urban, peri-urban and rural areas by strengthening national and regional development planning

Baseline: SDG localization platforms and Municipal Sustainable Development Plans are being implemented, within the broader decentralization process, and will play a key role in the definition of the Ambition 2030. Method to measure progress: Review the full integration of financing of local plans into the reinforced national planning system, including the participation of local actors in the governance framework and the monitoring system.

14.7 By 2030, increase the economic benefits to Small Island developing States and least developed countries from the sustainable use of marine resources, including through sustainable management of fisheries, aquaculture and tourism

Baseline: A National Strategy for Blue Economy has been approved and published, a National Investment Plan should be approved soon. Method to measure progress: Review the alignment of budgeting and planning for blue economy, fiscal space creating and modelling of impact of public and private investment in the sector. Review quality of indicators, data and analytic capacities/tools created on SDG 14.

16.4 By 2030, significantly reduce illicit financial and arms flows, strengthen the recovery and return of stolen assets and all forms of organized crime

Baseline: The national legal framework to prevent and fight against money laundering and Terrorism financing was updated in 2018 and asset recovery offices have been created accordingly. Method to measure progress: review the operating mechanisms of the national asset recovery offices in accordance with the national legal framework and international commitments in this area

16.6 Develop effective, accountable and transparent institutions at all levels

Baseline: Cabo Verde has ratified the United Nations Convention against Corruption (UNCAC) since 2008 and is one of the first countries to have completed the entire review of the Convention in 2017. Method to measure progress: Follow-up of the implementation of the recommendations issued by the UNCAC reviews of Cabo Verde's legislation

17.1 Strengthen domestic resource mobilization, including through international support to developing countries, to improve domestic capacity for tax and other revenue collection

Baseline: There is a strong need to optimize fiscal policies, in order to improve domestic revenues. Method to measure progress: Review the quality of recommendations and priorities, within the assessment and strategy on fiscal policies; and identification of fiscal space for SDG public spending in general.

17.3 Mobilize additional financial resources for developing countries from multiple sources

Baseline: Despite interesting and partly fruitful efforts of national government to mobilize public and private international finance from different sources toward the implementation of the PEDS, important financing gaps are persisting. Method to measure progress: Review the foreseen evolution, within the recommendations and strategy of the FDI regime, and the integration of innovative financing solutions to attract investments (UNCTAD IPR).

The intersectoral, multilevel governance framework and monitoring system, and the INFF strategy, by optimizing public spending, mobilizing new resources, and channelling them toward SDG accelerators and the furthest left behind, will contribute to all SDGs linked to financial inclusion of poorest groups, by bridging the financing gaps, namely for 26 SDG targets: 1.2, 1.4, 2.3, 3.C, 5.5, 7.A, 8.2, 8.6, 8.9, 9.A, 10.1, 10.2, 10.4, 10.5, 10.B, 10.C, 12.2, 12.B, 13.B, 14.B, 16.4, 16.5, 16.6, 16.7, 17.9, 17.14, 17.16, 17.17.

This exercise is critical to achieving the SDG-aligned objectives of the government's strategic sustainable development plan (PEDS 2017-2021), and an accurate foresight to guide the next planning process (PEDS 2021-2026). It will integrate the municipal sustainable development plans (PEMDS), and the incipient multilevel, participatory process to design a longer-term national plan for SDGs implementation: Ambition 2030.

1.3 Stakeholder mapping and target groups

The **Ministry of Finance** is leading the National Planning System, which the INFF comes to reinforce, in line with the new Budget Law. It will guarantee that the process is articulated with Ambition 2030. It will coordinate the intervention of public partners in the project. It will ensure the coherence with the **Ministry of Infrastructure, Land Planning and Habitat**.

The **Ministry of Foreign Affairs and Communities** is responsible for the monitoring of SDG implementation in Cabo Verde. As such, it co-led the MAPS/INFF mission organization and the elaboration, the year before the Voluntary National Review. It will ensure the articulation between national and regional/global processes, the smooth integration of international partners into the INFF elaboration process, and the promotion of its results regionally and globally.

The **Ministry of Justice and Labour** is responsible for the reinforcement of transparency and combat to corruption and illicit transactions, as well as asset recovery, for setting human rights indicators. It will ensure the integration of rapid businesses conflict resolution within the governance framework for an enabling environment for SDG finance. On the other hand, as Ministry of Labour, it is responsible for the labour legal and policy framework reform.

The **Ministries of Tourism and Transports; Maritime Economy; and Industry, Trade and Energy** oversee the SDG accelerators identified in the SDG Roadmap. They will take the lead on the "deep dives" into their sector, within the assessment phase, and the integration of the recommendations from this phase into the strategy definition. They will also coordinate the participation of the public and private stakeholders acting in their sectors. They will have a special role, with relevant UN agencies' support, in ensuring the inclusion in value chains and access to finance of the local businesses from the poorest islands and municipalities acting in their sectors and owned by women.

The **Ministry of Family and Social Inclusion** will guarantee gender-sensitivity and inclusiveness, including gender balance in the participation of public and private stakeholders,

not only in numbers but also in quality, and the integration of women rights and women empowerment issues. It will monitor the impact of financing opportunities on populations that need it most, especially women.

Cabo Verde's Stock Exchange (**Bolsa de Valores**) is part of the governmental task team developing the JP with UN support, through the **Cabo Verde Investment Forum (CVIF)**, it is leading the UN-supported international (public and private) resources mobilization process (see above Paris and Sal Conferences, among other). CVIF will contribute to the analysis of current and potential private financing flows, while integrating projects from the poorest islands, with a special focus on women. It will articulate the governance framework with international investments system. The **Central Bank**, currently working with ILO on financial inclusion -, and the **MSMEs support Ecosystem** will be actors and beneficiaries of the systemic impact of the INFF, including governance improvements and indicators setting.

The **National Institute for Statistics (INECV)** will play a crucial role as data provider and analyst in the assessment phase and at the heart of the monitoring system. They will also be the primary beneficiary of this learning by doing process, to reinforce its work with other ministries under the leadership of the Ministry of Finance in the new planning and budgeting system that the INFF will install. The DNP and the INECV will take the lead, in coordination with the **CNDH**, on setting human-rights based indicators, and training all relevant institutions to collect and analyse them, as part of the monitoring system.

The **National Commission for Human Rights (CNDH)**, embedded in the Ministry of Justice, will support the INECV in the design of human-rights-based indicators to track the impact of finance on the furthest left behind. In the making, it will gain capacities, through a learning-by-doing process, to prepare its foreseen reinforcement as an autonomous body in charge of monitoring human rights.

The **National Parliament** will be responsible for national budget overview within the monitoring system. 2/3 of MPs voted recently the Budget Law, so Parliament can play a critical role in involving different political parties, to mitigate risks linked to elections in 2021.

Local Authorities will be represented by the National Association of Municipalities, which will ensure the costing and financing of local sustainable development plans (PEMDS) in the assessment and financing strategy. They will also ensure the integration of local networks, programmes, and data in the monitoring system and governance framework, with a particular focus on territorial equilibrium of the sustainable development process (including financial aspects) and on the inclusion of local populations furthest left behind, with a priority to women of the poorest areas.

Civil society organizations will be represented by the National NGO Platform, and Women empowerment/rights organizations. **The National NGO platform** will coordinate the participation of relevant NGOs to provide information for the DFA, integrate their priorities in the strategy and facilitate their participation within the monitoring system and in the governance framework. This will reinforce the complementarity of civil society and State's resources, identifying where NGOs could better implement part of public policies or mobilize international public or private resources, and which capacities would they need. They will integrate the SDG Intersectoral Committee, and ensure a human right approach to the SNP, and the inclusiveness of reforms toward an enabling environment, not only for SDG finance to thrive, but also to reach the furthest left behind. **Women empowerment/rights organizations** (Organization of Women of Cabo Verde, Women Entrepreneurs Association, Informal Domestic Workers Syndicate, etc.) ensure the focus on women empowerment, and the tracking of investments and impacts of women. They will make the link between potential sources of financing, identified in the assessment phase, and the access of women

entrepreneur, from formal and informal sectors, to these sources. They will monitor this financial inclusion process within the M&E system, together with the INECV and the CNDH.

Private sector representations from different levels and sectors (Chamber of Commerce, Large enterprises including SOEs, MSMEs/SSE networks, Unions of financial sector employees) will have two objectives : identify and prioritize current and potential financing opportunities; and integrate the access of national and local private sector entities to SDG financing (legal and policy framework, capacities, networking, including supplier linkages, etc.).

International Financial Institutions – WB/IFC, IMF, and AFB are fully engaged in the INFF from its inception phase, which builds on and reinforce their support. They are providing expertise, tools and matching financial support to the four blocks (see elsewhere).

GAO members integrate the initiative into their direct engagement with the Government and the National Assembly’s Specialized Budget and Finance Commission to conduct structured policy dialogue on macroeconomic reforms, public finance management, transparency and oversight, macroprudential policy, and risk management within the context of the national financing framework. South-South Cooperation partners (CPLP) and NGOs representing migrants in Portugal, France, Germany, US will also be part of the process.

UN Agencies’ (JO, UNODC, ILO, UNCTAD, UNEP, UNIDO) role and value added are defined in 2.5.

2. Programme Strategy

2.1. Overall strategy

Within the National Planning System and the new Budget Law, the INFF will catalyse different ongoing, Government-led and UN-facilitated processes seeking to establish an efficient public administration system to set new standards for governance innovation for African, CPLP, and SIDS countries. It will do so in a holistic approach, needed to drive systemic changes. Aligning planning and budgeting exercises based on objectives, linked with SDG targets and fully integrating human rights indicators and local level plans to leave no one behind, will show how a country facing many development challenges can optimize public revenues and spending, and mobilize private finance (investments, private sector development, PPPs) for SDG aligned national priorities and SDG accelerators, achieving its transition from aid-dependent to a self-reliant sustainable and inclusive development based on economic transformation, with reinforced transparency and accountability.

In a context of relatively low Official Development Assistance, public funding opportunities, and FDI as well as narrow fiscal basis, the INFF will provide the government and the UN System with a thorough understanding of all the financial flows to be mobilized, through the **Development Finance Assessment** (Block I). Since extensive information is already available on the financial landscape, it will not require a full-fledged DFA but a comprehensive mapping of persisting financing gaps, and a broader update and coherent messaging on the information. Some “deep dives” will allow for a prospective exercise to plan and cost interventions within specific SDGs accelerators. DFA will also complement the ongoing diagnostic, supported by UN, the WB and the IMF, to assess the impact of COVID-19 on Cabo Verde’s economy, fiscal revenue (150 million USD loss estimated) and investments. DFA will also be a learning-by-doing process for national partners on program/results-based budgeting; gender-sensitive, finance-related data, and human-rights indicators and their articulation with SDGs, to leave no one behind (LNOB).

Based on the situational analysis and opportunities as identified in the Development Finance Assessment, this strategy, the **Financing strategy** (INFF block II) will define how to channel, progressively, public resources and investments, and to create a platform for partnerships for private investments (domestic and external), toward PEDS financing gaps, especially in terms of reaching the furthest left behind (women, youth, informal workers and enterprises, and poorest islands). The strategy will integrate short/medium term actions – with clear responsibilities and timelines - and longer-term strategic objectives and impact, therefore setting common targets for all stakeholders. Both will be critical in incrementing investments in SDG accelerators, reorienting public spending (with GAO), inspiring tax reforms, and spurring SME development, innovation and PPPs. It will include priorities to enhance formalization and financial inclusion and address tax and other barriers to revenue generation and local MSMEs productivity and growth, which in turn will enhance tax base. It will integrate the improvement of FDI, taxation, small investments and environmental protection regimes; the consolidation of business establishment reforms; and the organization of public-private dialogue and supplier linkages. It will include key measures to cope with the COVID-19 aftermaths while building resilience. The Strategy will be a live document, updated with all stakeholders on a regular basis.

Block III will gather existing finance tracking mechanisms into one single, clear, intersectoral and multilevel **monitoring and evaluation framework**, embedded in the new NPS Monitoring System under construction with UNDP and WB support. It will push the LNOB principle's pillars of accountability, transparency, participation, pro-equal fiscal policies, and therefore generate momentum and ideas for a renewed social contract. It will integrate the SDG localization platforms, involving public and private local and national stakeholders in SDG monitoring and acceleration. It will include human rights indicators for public expenditures and private investments, disaggregated per gender and islands/municipalities. It will consider related frameworks such as PEFA and reporting requirements to maintain market access to the EU under GSP+. It will set a comprehensive, intersectoral monitoring system for informed decision-making to overcome obstacles and reorient processes. Responding to the Prime Minister's demand, it will build UNINFO into a user-friendly, constantly updated platform including UN, national government and local authorities achievements on PEDS and SDGs, integrating public revenues and spending, development partners' support and private investments, with a clear link to which sectors, populations and territories they impact.

Block IV will reinforce existing National Planning System (SPN), in terms of intersectoral and multilevel coordination under the leadership of the Ministry of Finance, in articulation with the Directorate of Budget, while boosting dialogue with private sector and investors. The JP will reinforce coordination with line ministries with representation in the MoF, providing its part of each outputs' budget within the 35 programmes of the PEDS, and its articulation with the MSMEs support ecosystem, through capacity building and joint decision making on financing, integrating private stakeholders, into one system for intersectoral, multilevel coordination and policy coherence, i.e the SDG coordination mechanism (SDG Roadmap). This will provide clear guidance within the reform process to build an enabling environment for public and private finance and public-private partnerships. The integration local planning systems, within a broader decentralization process and using SDGs as a policy articulator, will improve management of national funds and programs in articulation with local processes.

The added value of the UN will be, as a neutral broker, to facilitate the participation of all relevant stakeholders into a process embedded in the definition of the Ambition 2030² and ongoing, strategic reforms. It will also provide the tools and methodologies to ensure the quality of the process and its transformative impact on the legal and policy framework. It will make the link with regional and global processes, including the Decade of Action, and other countries' experiences, especially through South-South Cooperation strategic partnerships.

The Government, under coordination of the Vice-Prime Minister, Minister of Finance, will lead the implementation as it is leading the SPN and the improvement of its articulation with the budgeting process; Ambition 2030; the Budget Support Group; the Cabo Verde Investment Forum to mobilize private investments; and the socioeconomic inclusion efforts.

At the end of the JP, the INFF will reinforce the NPS by integrating budgeting and financing processes, based on gender-sensitive data on both sustainable development and human rights, and a conducive multilevel governance framework for strategic reforms (decentralization, business ecosystem, enabling environment for investments...). It will use UNINFO to monitor and promote both UN and Government SDG-related achievements, and as a tracker for public and private investments (including international partners) and their impact on specific sectors, populations and territories. It will enhance UN engagement in the GAO as a means of ensuring collective donor engagement and coordination. It will bring new actors in the planning process - including private sector, potential investors and diaspora -; and build a consensus among different political parties and private players on planning and financing for sustainable development. It will bring together financing and financial inclusion (women, youth and poorest islands); and create an enabling environment to mobilize private finance for SDGs within strategic PPPs. It will build on existing entrepreneurship development and financial literacy tools, piloted through ILO/UNDP 'Jov@emprego' program, to unleash their economic potential, including through bankable business plans.

²Ministries and public agencies, Local Authorities, Civil Society Organizations, formal and informal Businesses, cooperatives, commercial banks, financing institutions, private sector organizations, Universities and research institutions, and vocational training centres

2.2 Theory of Change

As a continuity of the INFF scoping mission and the SDG Roadmap, the assessment and financing strategy of the INFF will build on different recent or ongoing, UN-facilitated and government-led strategic assessments and planning processes, to align a programmatic, results-based, SDG aligned planning and a sustainable financing ecosystem (budget, taxes, domestic private sector development, FDI, climate finance) within an integrated governance framework (intersectoral, multilevel coordination) and monitoring system (including integration of gender-sensitive, human rights-based indicators). It will therefore accelerate the momentum for SDGs and National Development Plans (PEDS and Ambition 2030) at the heart of a holistic reform process, involving all relevant local, national and international actors, to optimize existing public and private finance flows, mobilize new sources of finance, and channel them toward the sectors, areas and populations that need them most, within a systemic approach.. It will develop a capacity building plan for financial inclusion of the furthest left behind, for them to gain access to financial services by being able to design, present and implement bankable, sustainable projects. It will in the end allow for a diversification of the sources of finance for national development plans and SDGs, in a sustainable and inclusive way, by identifying and gathering efforts to drive the transition from an aid-dependent economy to a self-reliant, sustainable development path.

This path is made of integrated, inclusive and sustainable strategic planning and policy design and implementation, in perfect articulation with public spending and private investments, within a whole-of-government, whole-of-society approach. This optimized resources allocation (Collect and allocate better, avoid leakages), based on participatory decision making and transparent communication and information sharing, to spend more efficiently – ensuring the proper integration of the financing opportunities/flows with the national development priorities -, and the reinforcement of an enabling environment to scale up/ leverage funding opportunities to make things greater and avoid transaction costs of smaller interventions and to manage innovative partnerships – using new financing instruments, is crucial for a renovated social contract inspired by human rights and SDGs, and based on accountability, transparency and participation.

By gathering different financing stakeholders and initiatives into one network and one process, by harmonizing their views and objectives, by identifying where the financing gaps are, and on how to overcome the main legal and policy bottlenecks to achieve SDGs and National and Local Development Plans, the INFF will create the enabling environment for SDG financing.

The process will be embedded in the ongoing Government-led and UN-facilitated assessment and policy making efforts to strengthen multisectoral and multilevel governance and institutional capacities, and to reinforce policy coherence, with SDGs as a policy articulator, and align budgeting and planning. This enabling environment, with the right incentives and regulations, will then facilitate the mobilization of identified private sustainable investments. With respect to channelling ODA flows to these ends, coordination and engagement with the Budget Support Group will be essential in ensuring a harmonized approach between donors and concessional creditors. The DFA and the strategy will include the impact of COVID-19 on finance and economic development, and recommendations/priorities to cope with the crisis, recover quickly, and build resilience.

This mobilization of new finance flows will be facilitated by the positioning of Cabo Verde, through the INFF process and its promotion at global level, as a market-based platform in the mid-Atlantic that will attract investments due to the comparative advantage it offers in terms of public services, digital access, market entry, and access to decision-makers. In leveraging this enhanced competitiveness in regional and global market contexts as well as taking full advantage of its geostrategic positioning at the crossroads of Africa, Europe and the Americas,

the outcome of this process will allow Cabo Verde to establish itself as a global leader in terms of the blue economy, renewable energy and circular economy, as well as an inclusive and sustainable society (SDG-Roadmap accelerators).

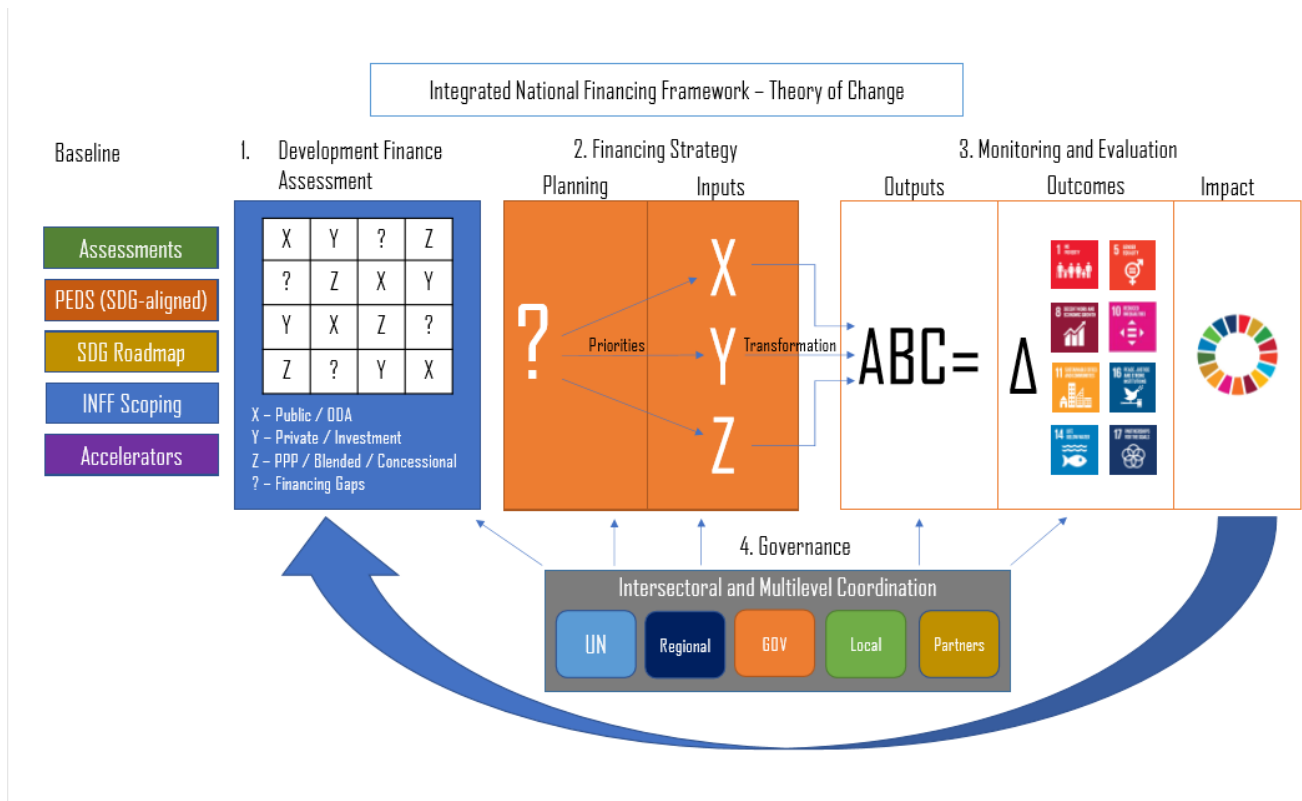
In this regard, the analysis of financing gaps will not only focus on where finance is missing, but also of which capacities are missing on the supply side, among small players in the SDG accelerators, especially blue and digital economy (women-owned small businesses, young small-scale fishermen, tech-based students' start-up, etc.), and a capacity building programme will be built within the MSMEs support ecosystem (ProEmpresa, ProCapital, ProGarant).

The INFF will therefore achieve three major changes in development financing, needed to bridge the PEDS financing gaps and to help Cabo Verde moving from a funding based on aid to an optimized financing of national plan and SDGs.:

1. Identify, through a thorough analysis of the financial landscape and within a participatory, integrated process and system, the financing and related policies most relevant to addressing Cabo Verde's financing challenges
2. Create a holistic, transparent ecosystem (enabling environment – institutions, policies and capacities, including De-Risking) to bring together public and private actors, as well as CSOs, CBO, and representatives from all sectors of the population, behind the national priorities (SDGs)
3. Prioritize public expenditure based on key country needs identified in the SDGs Road Map to monitoring and evaluation systems that can track concrete impact, generate ideas for innovative financing solutions that are anchored in planning and financing systems:
 - a. From asset recovery and public revenue and expenditure efficiency to SDG budgeting processes
 - b. From financing instruments that will blend public/private/domestic/international finance (including diasporas' investments) together to deliver key SDGs results on the ground
 - c. From impact investment – management, intelligence and facilitation, to enhance achievements of the SDGs

The main assumptions underlying this Theory of Change are as follow:

- The UN System will be able to fully integrate, through the INFF, the budget support group, and contribute to the evolution of its policy support. Negotiations will take place with key international partners to this end, especially key donors such as the EU and Luxembourg.
- The JP will ensure an inclusive and a human rights-based process, despite the connectivity costs of a SIDS, spread over ten islands. The JP will use existing UN-supported SDG Localization platforms to reach out to the most excluded populations and areas (municipalities and communities), in order to integrate financing gaps related to local-national coordination and community-based SDG solutions
- The municipal (2020) and general (2021) elections and the possible government change will not affect the process



2.3 Expected results by outcome and outputs

Outcome 1. Identify, mobilize and align financial flows with the accelerators and interventions identified during the MAPS/INFF scoping mission (Financing Solutions for SDG Roadmap)

Output 1.1. A Development Finance Assessment, building on existing diagnostics and assessments, with a particular focus on women’s financial inclusion, is completed to identify the current status and prospects of the public spending and financing flows opportunities

- Costing exercise and review of public spending and financing for the PEDS priorities and SDG accelerators, using the MTEF to determine financing gaps per PEDS objectives, per populations (women, youth) and territories (islands and municipalities)
- Identification of fiscal space to reshuffle part of public expenditures, considering the context of COVID-19 and the need to build resilience to external shocks through the METF
- In conjunction with the work of the GAO, including PEFA, thorough analysis of public financial management system to identify gaps and weaknesses
- Thorough analysis to identify money laundering, corruption risks and vulnerabilities and illicit financial transactions, and provide recommendations including corrective measures
- Update mapping of the financing landscape for potential sources include the mapping out of key financing stakeholders

- Development of a gender financing profile, assessing financing flows through a gender lens, and identify possible financing policies and instruments to mobilize and align finance for gender equality as related to the SDG accelerators
- “Deep dives” analysis of financing gaps within SDG accelerators, including regulatory environment, capacity gaps for financial inclusion, formalization, and supplier linkages of small players from these sectors (women-owned small businesses, young small-scale fishermen, tech-based students’ start-up, etc.)
- Development of recommendations for key financing solutions for SDG accelerators, including climate-finance solutions, tapping into diaspora, impact investment and SSC
- Ascertaining the legal and technical requirements for national implementation of UN programmes via the state budget and corresponding insertion to the GAO
- Identification of key risks and challenges to the successful implementation of the INFF (capacity constraints, political economy considerations, development partner coordination and identify mitigation measures)

Output 1.2 A Financing strategy is developed in an integrated, participatory manner to effectively manage finance for results based on common targets for all stakeholders

- Identification of priority policy measures to align development outcomes with programmatic framework and public finance, covering the action areas across the Addis Ababa Action Agenda and integrating post-COVID 19 recovery
- Prioritization of improvements of investments regimes and market arrangements in accelerator areas and exploration of innovative taxation models/fiscal policies, with a focus on improving economic and fiscal resilience to external shocks
- Definition of priorities to foster formalization and supplier linkages to link local MSMEs (supply side) and demand through sustainable value chains within SDG accelerators
- Definition of outcome-based incentives and innovative financing instruments based on in depth analysis to determine relevance and applicability
- Prioritization of training, policy making and project design to access to climate finance
- Identification of measures for public spending to target more effectively excluded populations and workers in the informal economy, among them women and youth from the poorest islands and municipalities
- Awareness raising and installation of incentives and mechanisms to channel part of remittances and diaspora expertise toward PEDS and SDGs
- Ensuring grants and loans of the GAO are aligned with the SDGs and accelerators

Output 1.3. A Capacity building platform is installed for human and institutional capacities of key actors from public and private sectors are strengthened to ensure the quality of program and results-based planning and budgeting processes within the National Planning System, integrating non state actors (Municipalities, CSOs, University, Trade Unions, etc.)

- Capacity building on program-based planning and budgeting; data collection and analysis, management of innovative financing instruments; transparency and integrity mechanisms
- Capacity building, articulated with South-South/Triangular Cooperation networks (public, private, CSOs, University, regions and cities), to provide services on SDG financing for regional, national and local development plans, including partnership and resource mobilization
- Capacity building for INECV to support linking finance with PEDS, based on SDGs-related indicators, human rights indicators (with the CNDH and SDG localization platforms),

gender-sensitive indicators, and environmental indicators (access to climate funds); and to build a financing tracking system

Outcome 2. Support an enabling policy environment that will bring public and private, local, national and international actors together to implement sustainable development priorities

Output 2.1 National Planning System and National Investment System are strengthened into an intersectoral, multilevel governance (decision/policy making) and monitoring system for PEDS, Ambition 2030, and SDGs

- Integration of impact investment and SDG financing reporting to increase financial monitoring and transparency of both public and private sector
- Finalization of the ongoing work to create a result-based, gender-sensitive M&E framework
- Integration in the system of information disaggregated by island and municipality, and of information on the international partners' projects and financial contributions;
- Alignment of the budget and its accounting systems with SDG accelerators, and inclusion of the impact on the furthest left behind
- Dialogue on the conduction of a new Demographic and Health Survey (last was in 2005) to build a Multidimensional Poverty Index
- Strengthening the capacities of key actors in intelligence gathering and analysis of economic and financial crimes, as well as in investigation techniques
- Design of a digital governance and monitoring system based on UNINFO

Output 2.2 The legal and policy framework is improved, and match-making platforms are installed, to attract sustainable, inclusive private investment

- Consolidation of the INFF Oversight Committee into an SDG Institutional Coordination Mechanism (ICM), integration in the National Planning System, and articulated to local mechanisms
- Alignment of policies and annual budgets/multiyear expenditure frameworks to the national and local development plans
- Reinforcement of the parliamentary scrutiny over finance and of a mechanism of public budget review
- Streamlining of procedures and public services for investors
- Insertion of UN in the GAO policy dialogue process, (macroeconomic reforms, public finance management, transparency and oversight, policy dialogue, macroprudential policy, and risk management)
- Design and implementation of legal and policy framework for innovative financing instruments/solutions geared towards the achievement of the SDGs
- Integration of the SDG impact instruments and seals to set standards and label sustainable investments

Output 2.3: A capacity building strategy is implemented to reinforce transparency of the business environment, foster enterprise formalisation and promote financial inclusion of the populations from the poorest islands, especially women

- Awareness raising and advocacy on strengthening the Integrity and Professionalism in the public and private sectors

- Capacity Building for magistrates and other judiciary operators in resolution of complex cases of corruption, money laundering, asset recovery, organized crime, case management, reduction of the backlog of pending cases, and international cooperation
- Capacity building for financial and non-financial institutions in financial investigation, prosecutorial, in asset forfeiture and recovery, and prevention of illicit financial transactions
- Capacity building and training for SMES, SOEs, MNCs and Business Associations on integrity, anti-corruption, accountability and other governance aspects to facilitate access to finance
- Capacity Building to address tax avoidance, using Tax Inspectors Without Borders (TIWB), to improve transparency of multinational corporation deal and transfer pricing, cross-border tax evasion, and trade misinvoicing
- Capacity building for actors of the Anti Money laundering Law to report suspicious transactions, and with national authorities to prevent, address and recover stolen assets, and work with development partners to reduce illicit flows
- Capacity building programme for the MSMEs support ecosystem and public and private stakeholders to improve their support to Microenterprises financial literacy/inclusion and transition to formality to all islands

As per 2022, the new Government in place will start implementing its five-year plan within an integrated national planning system bringing together planning, budgeting and financing, with areas clearly identified and an enabling environment to mobilize private and climate finance within SDG-compliant programmes and strategic public-private partnerships or other blended finance mechanism involving private sector. Women and youth from the poorest islands and municipalities will be the first beneficiaries of these public and private investments, because they will be clearly targeted by human-rights-based indicators linked to budgeted activities and because they will receive the proper support and evolve in an enabling environment to unleash their economic potential, including through bankable projects ready to be financed³.

2.4 Budget and value for money

The JP budget is amounting for 1,495,000 USD, with the following breakdown:

Outcome 1: Identify, mobilize and align financial flows with the accelerators and interventions identified during the MAPS process (Financing Solutions for the MAPS priorities)	
Output	Budget (USD)
1.1 A Development Finance Assessment, building on existing diagnostics and assessments, with a particular focus on women’s financial inclusion, is completed to identify the current status and prospects of the public spending and financing flows opportunities	369,000
1.2 A Financing strategy is developed in an integrated, participatory manner to effectively manage finance for results	154,000
1.3 A Capacity building platform is installed for human and institutional capacities of key actors from public and private sectors are strengthened to ensure the quality of program and results-based planning and budgeting processes within the National Planning System	122,000

³ See expected progress on SDGs targets in section 1.2

Outcome 2: Support an enabling policy environment that will bring public and private, local, national and international actors together to implement sustainable development priorities	
2.1 National Planning System is strengthened into an intersectoral, multilevel governance (decision/policy making) and monitoring system for PEDS, Ambition 2030, and SDGs	256,000
2.2 The legal and policy framework is improved, and a match-making platform is reinforced, to attract sustainable, inclusive private investment	224,000
2.3 A capacity building strategy and technical assistance programmes are designed and implemented to reinforce transparency of the business environment, foster enterprise formalisation and promote financial inclusion of the populations from the poorest islands, especially women	240,000
Subtotal	1,365,000
Monitoring, reporting and evaluation	90,000
Communication	40,000
Total	1,495,000

These financial resources will be necessary to proceed with the ongoing projects in the country aiming at reinforcing the National Planning System, through an Integrated National Financing Framework (INFF). In this sense, within this JP, they will be invested in an ongoing process, started with the INFF inception phase, and integrating the support of WB and technical assistance of the UN participating agencies to the implementation and monitoring of the relevant programs of the PEDS, which is aligned to the SDGs.

Used in an alternative framework, they would anyway be dedicated to the same end, because it is a governmental priority, already supported by different national and international partners, yet with financing institutional and programmatic gaps and bottlenecks that prevent PEDS and SDGs financing to take off.

The JP will use the capacities, dynamics, networks and tools already used within this UN-facilitated, government-led process.

The budget is built to address directly gender inequalities, by putting at the core of the planning and budgeting process, integrating women rights and empowerment public and private institutions, creating human-rights based and gender-sensitive datasets to monitor the impact of public spending and private investments on women financial and socio-economic inclusion, and creating legal and policy framework and capacities to ease the access of women to public and private investments.

The JP will leverage cofinancing by complementing the programmatic support and investments developed by UN agencies and international partners (see related initiatives list in Annex), and therefore matching other funds already dedicated to the matter. Furthermore, by identifying through the INFF innovative sources of finance, including climate finance and impact investment, and developing clear strategies for their mobilization, it will create the conditions for the integration of these resources into an integrated ecosystem for PEDS and SDG financing.

In order to contribute and guarantee the sustainability, this JP will be in line with Government strategic plans and planning instruments. In this regard, the UN agencies will work to guarantee that the JP and its Action plans remain within the framework of the Country's strategic vision and are formulated by consensus from all stakeholders. Most central to the sustainability of this JP will be the strengthening the partnership between the public and

private sectors and the participation of civil society through the establishment of local and national management committees⁴.

Government management, monitoring and evaluation systems will also be used. Moreover, efforts will seek to generate positive and purposeful partnership among actors as well as to strengthen the building of local capacities to guarantee the efficient management of the JP. Also, some good practices will be reinforced, namely the recovery of crime assets to support the country's development programs in line with SDGs and PEDS objectives.

The JP will contribute to actively include the financial of the populations from the poorest islands, especially women. This fact will foster the social ownership of this comprehensive approach. Citizen ownership and social control mechanisms will also contribute to the sustainability of the process.

2.5 Partnerships and stakeholder engagement

The three governmental leading entities, coordinating all other stakeholders' action in the JP, will be the Ministry of Finance, the Ministry of Foreign Affairs, and the National Institute for Statistics.

The **Ministry of Finance**, through its National Planning Directorate has a lead on the INFF inception phase (2019) and the elaboration of this JP. It will naturally have the lead on its implementation and monitoring. It is responsible for the National Planning System and will ensure the integration of the budget system within it. It will coordinate the action of the different line ministries.

The **Ministry of Foreign Affairs and Communities** will colead the INFF design and implementation process, and have a particular role on resource mobilization, information on international partners' contributions, international partners and external investments and funds (including climate funds) mobilization, and the service provision platform that could evolve into a Regional Centre of Excellence for SDG Financing.

The **National Institute for Statistics** will support MoF in coordinating and reinforcing capacities of other ministries and public agencies/administration for them to provide high quality data and analysis to the planning and budgeting system and finance tracking mechanisms that the INFF will reinforce, including the integrated monitoring system. INECV is currently working with ILO, UNDP, the WB, and IMF, on data collection and analysis.

The rest of partners are already or will be included in this government-led, UN-facilitated ecosystem, thanks to a clear, shared partnership strategy to engage relevant stakeholders, within a form follows function approach. Indeed, mobilizing the scale of public and private resources required to implement the SDGs, while maximizing their impact on the social, environmental and economic dimensions of the 2030 Agenda presents a range of challenges in Cabo Verde. Governmental entities in charge of planning and financing and the National Parliament will ensure the evolution of the legal and policy framework in this sense.

UN agencies will bring its expertise and tools in terms of data collection and analysis, result-based management, program-based budgeting and SDG financing, and facilitate international partnerships to build capacities within public and private institutions. The UN will also bring data, tools and networks from past and ongoing initiatives in support to countries strategic reforms such as enabling business climate change adaptation, decentralization, social protection and inclusion, etc. UN-supported efforts have led to encouraging results in accountability/transparency, and created information, analysis and momentum for broad,

⁴ For a detailed analysis of value for money and leveraging of finance, broke down by output, see budgeted workplan (Annex 4.3)

strategic reforms. The INFF will build on the 2015 PEFA assessment; the 2017 Public Finance Management Reform Action Plan (PARGFP) with the monitoring and execution of reform projects in the National Investment System (SNI), its Monitoring and Evaluation Module (MSA) and the development and adaptation of an Integrated Financial and Budgetary Information System (SIGOF); the SDG Roadmap (November 2019) and its recommendations for "action toward an SDG Financing Strategy in Cabo Verde"; on UNCTAD Investment Policy Review (2018); on the World Bank Systematic Country Diagnostic (2018), and on several high quality, up-to-date assessments and strategic documents prepared by the Government for the International Investor Conference "*Building New Partnerships for the Sustainable Development of Cabo Verde*" (Paris, December 2018). To ensure it is conducted in an integrated, inclusive manner, the assessment will use several tools created or supported by different UN agencies: UNWomen gender budgeting and financing tools, UNICEF Public fiscal space analysis tools, UNDP Finance Hub tools - including with the Development Finance Assessment, the SDG Impact, the Digital finance -, UNODC asset recovery tools and GIABA assessment of money laundering risks on institutional strengthening to avoid illicit financial flows, ILO's FAMOS method (allows financial institutions to assess whether their offer is gender-responsive), ILO's EESE (Enabling Environment for Sustainable Enterprises), ILO's Informal Economy diagnostic and self-assessment tool for identifying gaps in social and environmental management with a focus on National Development Finance Institutions, and the recent "Fiscal space for social protection – a handbook for assessing financing options", etc. The assessment will build on the monitoring of territorial projects, with indicators aligned with national indicators and 52% of them with the SDGs. The work on transparency and anti-corruption supported by the UN will also help integrate asset recovery and illegal flows analysis into the assessment and will be a solid basis to build on to install/reinforce public expenditure monitoring and evaluation mechanisms included in the SDG Roadmap.

International Financing Institutions are also fully engaged, as stated above. The World Bank will continue to support the process, as it is in part based on their support, together with UNDP, to the National Planning System, reinforcing its M&E capacities. The African Development Bank is currently preparing its new programme-based financing plan, with a focus on strengthening the financing ecosystem, and it financed a blue economy finance plan. The IMF is not working in Cabo Verde, but the INECV and DNP recently integrated their global platform on investment data.

Private stakeholders' participation (Chambers of Commerce, Large enterprises -including SOEs-, MSMEs/SSE networks) will allow for a dialogue on financing the SDGs-related national priorities that will extend coordination efforts widely into the culture and relationships among of public and private stakeholders, at local, national, regional and global levels.

National Financing institutions - including Central Bank and the Stock Exchange-, and the MSMEs support Ecosystem, have fully be associated to the preparation of the proposal, and will have a leading role in the implementation, because they are at the heart of the financing system.

The European Union is one of the main donors of the SDG Fund, and one of the main international partners for Cabo Verde, as well as a leading entity within the GAO. The European Union presented in January 2020 a new instrument to attract private sector investment in sustainable development: the European Green Deal investment Plan. The EU will engage in the JP by bringing expertise and facilitating knowledge sharing with EU experts and institutions on how some elements of this new instrument can be adapted to Cabo Verde as a result of the INFF.

Luxembourg is also an important donor from the SDG Fund and the main public international partner for Cabo Verde, together with the EU. It also has been associated in the process from the inception phase (INFF scoping mission) and is willing to bring in some of the capacity building for banking sector and microentrepreneurs. It will also make the link with LuxFlag labelling agency, and the Climate Bonds Initiative, supported by its cooperation agency LuxDev.

3. Programme implementation

3.1 Governance and implementation arrangements

The national implementation of the Joint Programme will be fully embedded in the National Planning System, with the Ministry of Finance to take the lead through its National Directorate of Planning, and the representations of the different line ministries within the Ministry of Finance to act as focal points for their sector. The Ministry of Foreign Affairs and Communities with a leading role on international partners coordination and integration of their support within the national planning and budgeting system. Bolsa de Valores (see above), for its current role and its leadership in the Cabo Verde Investment Forum process, will be the focal point for private investments, and private sector engagement (in coordination with the two Chambers of Commerce, and the Competitiveness Unit under the PM office. The National Directorate for Planning will take the lead on the assessment phase, and on the participatory strategic prioritization (INFF Blocks I and II), ensuring the participation of all relevant stakeholders, not only as a single moment but as partners in a continuous process for planning, budgeting and policy making, toward the creation of an enabling environment for SDG financing. The Minister of Finance being Vice-Prime Minister, the DNP will have the institutional strength to coordinate the action of all relevant Ministries, public agencies, and local authorities, as well as to promote the participation of civil society organization and private sector representatives.

An INFF oversight Committee will be created ad hoc, anchored in the NPS and with a view to evolve into an SDG Institutional Coordination Mechanism (ICM). Co-chaired by the Minister of Finance and the UN Resident Coordinator and with participation of relevant line ministries - at decision making level (General Directors) - and public agencies, as well as relevant UN Agencies (PUNOs + UNIDO, UNCTAD, UNEP and ECA). It will take all decisions on the national consultations and on the different steps of the process. The Steering Committee will integrate the members of the Budget Support Group (EU, Portugal, Luxembourg, World Bank, African Development Bank), to make sure the INFF is in line with GAO's support.

A technical level Monitoring Committee (composed of members reflecting the composition of the ICM) will represent the same institutions through their permanent, formally appointed focal points, to ensure the implementation of the decisions made by the Steering Committee. The technical committee (or Task Team) will work in a flexible manner, update in real time the development finance assessment thanks to the digital platform based on UNINFO, and through institutionalized channels of communication with the DNP and the ICM and can ask for an extraordinary Steering Committee meeting at decision making level any time a particular obstacle or opportunity arises.

An operational cell, composed by representatives of the DNP, Ministry of Foreign Affairs, and PUNOs will write the national consultations intermediary reports, the different documents (DFA, Strategy, and final INFF document integrating both and the M&E and governance decisions), and prepare the draft reports to be consolidated/finalized within the Task Team, before being shared with the Steering Committee for review/approval.

Within the UN System, the **RC** will take the lead, supported at technical level by the **RCO** Economist, on coordinating the work of the different UN agencies (both PUNOs and engaged agencies that will not receive funds). It will also facilitate the communication, within a whole-of-UN approach, with national government and stakeholders.

UNDP, within the Joint Office (UNDP, UNICEF, UNFPA) structure at country level, will be the lead implementing agency. Drawing on its capacities, resources as well as regional and global structures, UNDP will fulfil its SDG integrator function to ensure coherence and coordination with respect to policies, actors, and institutions – both within the scope of the implementation process and with regards to related activities to ensure the realization of targeted outcomes. Under the authority and guidance of the Resident Representative (or interim Head of the Joint Office), the UNDP focal point for Joint Programme implementation will be the Country Programme Specialist, who will be supported by relevant programmes portfolio leads contributing to the implementation process through assigned activities and outputs. Based on established delegation and procurement rules and processes, UNDP will be responsible for financial management of the Joint Programme implementation process. UNDP will receive the funds and sign relevant agreements with other PUNOs and implementing partners, thereby delegating financial authority according to the implementation plan. Under this arrangement, UNDP will work closely with other Joint Office agencies, particularly engaging **Unicef's** work on fiscal space. While the Joint Office agencies (UNDP, UNFPA and UNICEF) work under a joint programme, UNDP in particular has a longstanding institutional partnership with the government aimed at strengthening governance systems and public financial management. These efforts have focused on improving the planning system, establishing Monitoring and Evaluation systems for evidence-based and results-oriented planning, and SDG-oriented budgeting. UNDP has supported the government, technically and financially, in integrating the SDGs within its strategic planning process (PEDS) and in municipal planning exercises (PEMDS) for SDG localization, assuring no one is left behind. UNDP also supports the government in the continuing development of its Ambition 2030 agenda, thus supporting public authorities in three separate but interrelated and concurrent planning exercises aimed at coalescing the public sector, civil society and the private sector for SDG achievement. If approved, this Joint Programme will further deepen and strengthen the implementation of recommendations derived from UNDP-led MAPS/INFF missions.

ILO will be responsible for the output 1.3, i.e the reinforcement of the monitoring system and the capacity building of national institutions on analysing the business-enabling environment, fostering enterprise formalisation and promoting financial inclusion for creating more and better work. Thanks to its support to data collection and analysis, and its close work with INECV, ILO is perfectly positioned to play this role. It will oversee the design and implementation of the training on program-based planning and budgeting, data collection and analysis, management of innovative financing Instruments, and transparency and integrity mechanisms. Another important technical support is also linked with output 1.1 related to public financing and fiscal space instruments that can be used for priority sectors, namely social protection. It will support the development of a capacity building program for the National Institute for Statistics to lead a data collection and analysis and information sharing system based on SDGs-related indicators, and its articulation with the National Commission for Human Rights to produce human-rights based, gender-sensitive indicators, and with UNDP-supported SDG localization platforms for inclusion of under-financed sectors, populations and geographical areas.

UNODC has had relevant technical cooperation (regulatory and institutional support) with the national authorities within the framework of the justice system in the prevention and fight against financial and economic crimes. Using the United Nations Convention against

Corruption as the basis, UNODC with its anti-corruption expertise, will provide added value to ensure longer-term enhancement of the quality and scale of financing, by improving the retention and management of national funding (e.g. tax revenue) for the advancement of the SDGs. Frequently, actions to mitigate corruption risks also improve the overall efficiency of the organization and thus contribute to the sustainable management of domestic resources. UNODC's corruption risk assessment and management approach could be integrated in projects supporting the design and operationalization of Integrated National Financing Frameworks (INFF) as part of the assessment of risks and the analysis of transparency and accountability to be undertaken in this context. effective, accountable and transparent institutions are a key element of these Frameworks. Moreover, since the adoption of the 2030 Agenda and the Addis Ababa Action Agenda, there has been broad consensus that returned assets play an important role in enabling States to invest their domestic resources in national development. As a result, asset recovery measures, including mechanisms for the confiscation, return and disposal of the proceeds of crime, have been high on the international agenda.

As the focal within the United Nations system on issues related to foreign direct investment for development, **UNCTAD** will be an active participant to support the Government's reform process in line with the recommendations of the country's Investment Policy Review and the subsequent request for technical assistance received from the office of the Prime Minister in the following areas: 1) business facilitation, through the mapping, streamlining and digitization of procedures relevant for business establishment and operation; 2) entrepreneurship development, through assistance in the formulation of a national entrepreneurship strategy and the establishment of an EMPRETEC Cabo Verde programme to train aspiring entrepreneurs, women and young people; 3) business linkages, through the launching of a supplier development programme between local agribusiness and creative industries firms and large tourism companies; and 4) investment promotion, through capacity-building to the staff of Cabo Verde TradeInvest in the areas of image-building, investor targeting, and aftercare services

UNIDO, although not a PUNO, will actively participate in the process, based on its experience, expertise and tools, including its support to industrial policies (investments, tax regimes, enabling environment), and to FDI (investment promotion agencies).

UNEP will bring its experience and tools in climate finance, but also in sustainable finance in general (UNEP Finance Initiative).

3.2 Monitoring, reporting, and evaluation

Reporting on the Joint SDG Fund will be results-oriented, and evidence based. Each PUNO will provide the Convening/Lead Agent with the following narrative reports prepared in accordance with instructions and templates developed by the Joint SDG Fund Secretariat:

- *Annual narrative progress reports*, to be provided no later than one (1) month (31 January) after the end of the calendar year, and must include the result matrix, updated risk log, and anticipated expenditures and results for the next 12-month funding period;
- *Mid-term progress review report* to be submitted halfway through the implementation of Joint Programme⁵; and

⁵ This will be the basis for release of funding for the second year of implementation.

- *Final consolidated narrative report*, after the completion of the joint programme, to be provided no later than two (2) months after the operational closure of the activities of the joint programme.

The Convening/Lead Agent will compile the narrative reports of PUNOs and submit a consolidated report to the Joint SDG Fund Secretariat, through the Resident Coordinator.

The Resident Coordinator will be required to monitor the implementation of the joint programme, with the involvement of Joint SDG Fund Secretariat to which it must submit data and information when requested. As a minimum, joint programmes will prepare, and submit to the Joint SDG Fund Secretariat, 6-month monitoring updates. Additional insights (such as policy papers, value for money analysis, case studies, infographics, blogs) might need to be provided, per request of the Joint SDG Fund Secretariat. Joint programme will allocate resources for monitoring and evaluation in the budget.

Data for all indicators of the results framework will be shared with the Fund Secretariat on a regular basis, in order to allow the Fund Secretariat to aggregate results at the global level and integrate findings into reporting on progress of the Joint SDG Fund.

PUNOs will be required to include information on complementary funding received from other sources (both UN cost sharing, and external sources of funding) for the activities supported by the Fund, including in kind contributions and/or South-South Cooperation initiatives, in the reporting done throughout the year.

PUNOs at Headquarters level shall provide the Administrative Agent with the following statements and reports prepared in accordance with its accounting and reporting procedures, consolidate the financial reports, as follows:

- Annual financial reports as of 31st December each year with respect to the funds disbursed to it from the Joint SDG Fund Account, to be provided no later than four months after the end of the applicable reporting period; and
- A final financial report, after the completion of the activities financed by the Joint SDG Fund and including the final year of the activities, to be provided no later than 30 April of the year following the operational closing of the project activities.

In addition, regular updates on financial delivery might need to be provided, per request of the Fund Secretariat.

After completion of a joint programmes, a final, *independent and gender-responsive*⁶ *evaluation* will be organized by the Resident Coordinator. The cost needs to be budgeted, and in case there are no remaining funds at the end of the joint programme, it will be the responsibility of PUNOs to pay for the final, independent evaluation from their own resources.

The joint programme will be subjected to a joint final independent evaluation. It will be managed jointly by PUNOs as per established process for independent evaluations, including the use of a joint evaluation steering group and dedicated evaluation managers not involved in the implementation of the joint programme. The evaluations will follow the United Nations

⁶ [How to manage a gender responsive evaluation, Evaluation handbook](#), UN Women, 2015

Evaluation Group's (UNEG) Norms and Standards for Evaluation in the UN System, using the guidance on [Joint Evaluation and relevant UNDG guidance on evaluations](#). The management and implementation of the joint evaluation will have due regard to the evaluation policies of PUNOs to ensure the requirements of those policies are met and the evaluation is conducted with use of appropriate guidance from PUNOs on joint evaluation. The evaluation process will be participative and will involve all relevant programme's stakeholders and partners. Evaluation results will be disseminated amongst government, development partners, civil society, and other stakeholders. A joint management response will be produced upon completion of the evaluation process and made publicly available on the evaluation platforms or similar of PUNOs.

The JP M&E arrangements will be integrated in the broader National Planning System reinforced throughout the proposal, in line with UNDP/WB support to monitoring system, to end in June 2020. It will therefore benefit from the National Planning System capacities in terms of intersectoral and multilevel coordination, data collection and analysis, information sharing, etc. It will also feed in and benefit from the broader process to define the Ambition 2030 strategy for SDGs, and will use the existing SDG Roadmap, produced during the INFF/MAPS mission. Finally, the M&E of the JP will take advantage of the recent launch of UN INFO at national level, and the interest of the Prime Minister to progressively open its platform to government revenues and spending. UNINFO will therefore serve as a tracking tool and a communication facilitator, and at the same time it will be reinforced by the process, by including progressively more rubrics covering governmental policies monitoring.

3.3 Accountability, financial management, and public disclosure

The Joint Programme will be using a pass-through fund management modality where UNDP Multi-Partner Trust Fund Office will act as the Administrative Agent (AA) under which the funds will be channeled for the Joint Programme through the AA. Each Participating UN Organization receiving funds through the pass-through has signed a standard Memorandum of Understanding with the AA.

Each Participating UN Organization (PUNO) shall assume full programmatic and financial accountability for the funds disbursed to it by the Administrative Agent of the Joint SDG Fund (Multi-Partner Trust Fund Office). Such funds will be administered by each UN Agency, Fund, and Programme in accordance with its own regulations, rules, directives and procedures. Each PUNO shall establish a separate ledger account for the receipt and administration of the funds disbursed to it by the Administrative Agent.

Indirect costs of the Participating Organizations recovered through programme support costs will be 7%. All other costs incurred by each PUNO in carrying out the activities for which it is responsible under the Fund will be recovered as direct costs.

Funding by the Joint SDG Fund will be provided on annual basis, upon successful performance of the joint programme.

Procedures on financial transfers, extensions, financial and operational closure, and related administrative issues are stipulated in the Operational Guidance of the Joint SDG Fund.

PUNOs and partners must comply with Joint SDG Fund brand guidelines, which includes information on donor visibility requirements.

Each PUNO will take appropriate measures to publicize the Joint SDG Fund and give due credit to the other PUNOs. All related publicity material, official notices, reports and publications, provided to the press or Fund beneficiaries, will acknowledge the role of the host Government, donors, PUNOs, the Administrative Agent, and any other relevant entities. In particular, the

Administrative Agent will include and ensure due recognition of the role of each Participating Organization and partners in all external communications related to the Joint SDG Fund.

3.4 Legal context

Agency name: UNDP

Agreement title: ACCORD ENTRE LE GOUVERNEMENT DE LA REPUBLIQUE DU CAP-VERT ET LE PROGRAMME DES NATIONS UNIES POUR LE DEVELOPPEMENT (Accord de base)

Agreement date: 31 January 1976

Agency name: UNODC

Agreement title: Anti-organized crime and counternarcotic enforcement programme in Cabo Verde (CPVS28) -

Agreement date: 2005

Agency name: International Labour Organization

Agreement title: Since 2011 the ILO has had its cooperation program with the Government of Cabo Verde, "Decent Work Country Program for the period 2011-2017". This document is in line with the Government's priorities and with UNDAF and defines the ILO's framework for responding to national priorities in terms of promoting decent work.

Agreement date: Cabo Verde joined the ILO on April 3, 1979 and has since benefited from its assistance in several areas of intervention

D. ANNEXES OF THE JOINT PROGRAMME TEMPLATE

Annex 1. List of related initiatives

Name of initiative/project	Key expected results	Links to the joint programme	Lead organization	Other partners	Budget and funding source	Contract person (name and email)
Building Capacity for PEDS and SDG achievements	<p>1) Public sector more efficient with the interoperability of processes for centric public service delivery and enhanced transparency and open governance with dynamic interactivity with citizens and enterprises stimulating participation in decision making</p> <p>2) Planning system improved integrating budgeting, evidence based in a systemic monitoring and evaluation focused on results to assure the SDG achievements</p> <p>4) DNP and DNAPEC with capacity enhanced for partnership namely multilateral, bilateral, triangular and South-South Cooperation for SDGs achievements</p>		UNDP	UNFPA, UNICEF		elisabete.mendes@cv.jo.un.org
Human Rights promotion and Justice improvement for SDG achievements	<p>(1) Human rights respected and protected (2) Justice system more efficient assuring the rule of law for peaceful society and assuring judicial security for businesses (3) Access to justice to the poorer guaranteed</p>	output 2.2 The legal and policy framework is improved, and a match-making platform is reinforced, to attract sustainable, inclusive private investment	UNDP	UNICEF		elisabete.mendes@cv.jo.un.org
Support the development of the National Plan against Corruption	(1) National Plan against Corruption is elaborated with a focus on human rights (2) Cabo Verdean	Output 1.1. A Finance Assessment, building on existing diagnostics and	UNODC	MJT/FIU/AGO /	Global Programme against Money-Laundering, Proceeds of Crime and	Cristina Andrade – Cristina-andrade@un.org



<p>Reinforce the capacities of law enforcement working to combat cybercrime</p>	<p>expertise (UIF) is strengthened regarding the prevention of money laundering and terrorism financing.</p> <p>(1) National capacities in the prevention and combat against economic-financial crimes and international organized crimes (specically, cyber crime, asset recovery, terrorism, etc.) are strengthened</p>	<p>assessments, with a particular focus on women's financial inclusion and enterprise formalisation, is completed to identify the current status and prospects of the public spending and financing flows opportunities</p> <p>Output 2.3 A capacity building strategy and technical assistance programmes are designed and implemented to reinforce transparency of the business environment, foster enterprise formalisation and promote financial inclusion of the populations from the poorest islands, especially women</p>			<p>the Financing of Terrorism</p>	
<p>Investment Policy Review (IPR) of Cabo Verde</p>	<p>The IPR of Cabo Verde analyzes the legal and regulatory framework for investment, and contains a strategic analysis on how to better utilize Foreign Direct Investment in the tourism sector as a leverage for sustainable development, including through increased business linkages with local investors. It also provides concrete recommendations to strengthen key government institutions as well as processes relevant to business facilitation, FDI targeting and entrepreneurship support for sustainable development.</p>	<p>Contributes to outputs 1.1, 1.2 and all outputs under outcome 2</p>	<p>UNCTAD</p>	<p>UNDP, Ministry of Finance, Cabo Verde TradeInvest, Competitiveness Unit under the Prime Minister.</p>	<p>Extra-budgetary funds – IPR trust fund</p>	<p>Massimo Meloni massimo.meloni@unctad.org</p>



<p>WEST AFRICA COMPETITIVENESS SUPPORT PROJECT - Cabo Verde</p>	<p>-Technical and productive capacity building of MSMEs</p> <p>-Strengthening of intermediary organizations and support services to MSMEs and value chains</p> <p>- Improving the business environment of target sectors and developing a more inclusive, sustainable and resilient competitive ecosystem</p>	<p>Output 2.3</p>	<p>UNDP</p>	<p>UNIDO</p>	<p>Estimated total cost: 4,930,000 EUR:</p> <p>11 EDF total contribution: 4,870,000 EUR</p> <p>This project is co-funded by: United Nations Development Program (UNDP) with an amount of 50,000 EUR</p>	<p>Adelaide.ribeiro@cv.jo.un.org</p>
<p>Jov@Emprego</p>	<p>Access to finance is improved and adapted to the needs of young entrepreneurs in Cape Verde</p> <p>Quality Business Development Services, including financial education for vulnerable groups, are integrated in the portfolio of local providers</p>	<p>Contributes to outputs 1.2, 1.3 and all outputs under outcome 2</p>	<p>ILO and UNDP</p>	<p>Moff, DGEFPEP, IEF, Central Bank</p>	<p>Luxembourg</p>	<p>Dinastela Curado</p> <p>curado@ilo.org</p>
<p>ACTION/Portugal I (Phase 2) - Strengthening of the Social Protection Systems of the PALOP and Timor-Leste - Cabo Verde</p>	<p>Permanent technical assistance and capacity building in the implementation of MFIS programs</p> <p>Technical assistance for the promotion and effective operationalization of the mandatory social protection coverage extension</p>	<p>Contributes to output 1.1</p>	<p>ILO</p>	<p>MFIS, INPS/MSSS, Moff</p>	<p>Portugal - Ministry of Labour, Solidarity and Social Security</p>	<p>Joana Borges</p> <p>borges@ilo.org</p>

Annex 2. Results Framework

2.1. Targets for Joint SDG Fund Results Framework

Joint SDG Fund Outcome 2: Additional financing leveraged to accelerate SDG achievement

Indicators	Targets	
	2021	2022
2.1: Ratio of financing for integrated multi-sectoral solutions leveraged in terms of scope ⁷	3:1	5:1
2.2: Ratio of financing for integrated multi-sectoral solutions leveraged in terms of scale ⁸	2:1	4:1

Joint SDG Fund Output 4: Integrated financing strategies for accelerating SDG progress implemented

Indicators	Targets	
	2021	2022
4.1: #of integrated financing strategies that were tested (disaggregated by % successful / unsuccessful)	10 (40/60)	20 (70/30)
4.2: #of integrated financing strategies that have been implemented with partners in lead ⁹	6 (Gov.) 2(CSO) 2 (PS)	12 (Gov) 4 (CSO) 6(PS)
4.3: # of functioning partnership frameworks for integrated financing strategies to accelerate progress on SDGs made operational	5	7

Joint SDG Fund Operational Performance Indicators

- Level of coherence of UN in implementing programme country¹⁰
- Reduced transaction costs for the participating UN agencies in interaction with national/regional and local authorities and/or public entities compared to other joint programmes in the country in question
- Annual % of financial delivery
- Joint programme operationally closed within original end date
- Joint programme financially closed 18 months after their operational closure
- Joint programme facilitated engagement with diverse stakeholders (e.g. parliamentarians, civil society, IFIs, bilateral/multilateral actor, private sector)
- Joint programme included addressing inequalities (QCPR) and the principle of "Leaving No One Behind"
- Joint programme featured gender results at the outcome level
- Joint programme undertook or draw upon relevant human rights analysis, and have developed or implemented a strategy to address human rights issues
- Joint programme planned for and can demonstrate positive results/effects for youth
- Joint programme considered the needs of persons with disabilities
- Joint programme made use of risk analysis in programme planning

⁷Additional resources mobilized for other/ additional sector/s or through new sources/means

⁸Additional resources mobilized for the same multi-sectoral solution.

⁹ This will be disaggregated by (1) government/public partners (2) civil society partners and (3) private sector partners

¹⁰ Annual survey will provide qualitative information towards this indicator.



- Joint programme conducted do-no-harm / due diligence and were designed to take into consideration opportunities in the areas of the environment and climate change

2.2. Joint programme Results framework

Result / Indicators	Baseline	2020 Target	2021 Target	Means of Verification	Responsible partner
Outcome 1 Identify, mobilize and align financial flows with the accelerators and interventions identified during the MAPS/INFF scoping mission (Financing Solutions for SDG Roadmap)					
Outcome 1 indicator Percentage of increase in domestic revenues allocated to sustainable development as percent of GNI, by sector	TBD (Budget 2020)	5%	10%	National budget Budgetized activities of PEDS programmes (35 programmes)	Ministry of Finance
Outcome 1 indicator Percentage of increase of FDI, official development assistance and South-South Cooperation investments mobilized within SDG-aligned PEDS programmes and objectives as a proportion of total domestic budget	TBD (Analysis based on Cabo Verde Investment Forum data)	2%	5%	World Bank and Central Bank estimates for personal remittances data based on data from IMF Balance of Payments Statistics database	Ministry of Finance /Bolsa de Valores
Outcome 1 indicator Percentage of public expenses and private investments for which impacted is tracked targeting specifically women	TBD (Gender Financing tool)	15%	25%	National budget Budgetized activities of PEDS programmes (35 programmes) INECV/Cabo Verde Investment Forum data on FDI and international partners' support	Ministry of Finance /INECV/Bolsa de Valores
Output 1.1 A Development Finance Assessment, building on existing diagnostics and assessments, with a particular focus on women's financial inclusion and enterprise formalisation, is completed to identify the current status and prospects of the public spending and financing flows opportunities					
Output 1.1 indicator Number of private sector representatives actively participating in the national consultations	0	50	NA	Lists of participants Consultations minutes	Ministry of Finance /Bolsa de Valores (Cabo Verde Investment Forum)
Output 1.1 indicator Number of SDG accelerators screened to identify current and potential, public and private investments	0	6	NA	Deep-dives documents to feed in DFA 0 draft	Ministry of Finance /UNJO
Number of financing stakeholders and finance sources identified in the mapping of the financing landscape	0	100	NA		
Output 1.1 indicator				Draft DFA	Ministry of Finance /UNJO

Number of recommendations endorsed by government to improve public spending and private investments in SDG-compliant PEDS programmes	0	30	NA		
Number of recommendations targeting women financial inclusion	0	10	NA		
Output 1.2 A Financing strategy is developed in an integrated, participatory manner to effectively manage finance for results based on common targets for all stakeholders					
Output 1.2 indicator Number of priorities aimed at optimizing public revenue (tax collection, reduction of illicit transaction/corruption/tax evasion) and reshuffling part of public spending toward SDG accelerators	0	20	NA	Draft strategy	Ministry of Finance
Number of priorities targeting specifically women	0	10	NA	Draft Laws/Policies	
Number of priorities resulting in a draft law/public policy	0	0	10		
Output 1.2 indicator Number of priorities endorsed by the Government and approved by UNCTAD and GAO, creating an enabling environment for SDG finance	0	5	NA	Draft strategy	Ministry of Finance
Output 1.2 indicator Number of key financing solutions designed and integrated in the strategy to mobilize private investments for PEDS and SDGs-compliant initiatives	0	3	NA	Draft strategy	Ministry of Finance
Output 1.3 A Capacity building platform is installed for human and institutional capacities of key actors from public and private sectors are strengthened to ensure the quality of program and results-based planning and budgeting processes within the National Planning System					
Output 1.3 indicator Number of institutions (including directions of INE and Ministry of Finance) benefitting from a capacity building program to strengthen NPS and allow for an efficient implementation of the PEDS	0	10	20	Presence lists Programmes' reports	Ministry of Finance/INECV/ILO
Output 1.3 indicator				NPS documents	Ministry of Finance/INECV/ILO

Number of human rights based, and environmental output indicators integrated in the Monitoring system of the NPS	0	35	70	PEDS M&E system	
Output 1.3 Number of decision makers declaring the capacity building program changed (for good) the way the personal of their institution work within the NPS	0	8	16	End-of-training survey	Ministry of Finance/INECV/ILO
Outcome 2 Support an enabling policy environment that will bring public and private, local, national and international actors together to implement Cabo Verde's sustainable development priorities					
Outcome 2 indicator Number of laws, policies and programmes including incentives for public spending (line ministries) and private investments in line with PEDS and SDGs priorities	0	0	10	Laws/policies	Ministry of Finance
Outcome 2 indicator Number of SDG-compliant initiatives developed within public-private partnerships within the implementation of the INFF strategy (matching public and private funds)	0	0	5	Memorandums of Understanding	Ministry of Finance
Number of laws, policies, programs and initiatives integrating facilitation of women's access to sustainable development finance (as beneficiaries of public programs or private investments)	0	0	8	Laws/policies/MoU	Ministry of Finance
Output 2.1 National Planning System is strengthened into an intersectoral, multilevel governance (decision/policy making) and monitoring system for PEDS, Ambition 2030, and SDGs					
Output 2.1 indicator Percentage of Activities budgeted, aligned with outputs and subprograms, and covered by at least one gender-sensitive, SDG-compliant and one gender-sensitive, human rights based indicators, within the 35 programmes of the PEDS	0	70	100	PEDS Programmes document	Ministry of Finance
Percentage of financing gaps within SDG accelerators covered by a resource mobilization strategy in implementation	0	40	90	MoF's resources mobilization strategies	
Output 2.1 indicator Number of joint decisions implying actions/budget allocations from at least three ministries within the implementation of the INFF strategy and the SDG Intersectoral Coordination Mechanism (IMC)	0	2	15	INFF Oversight Committee/SDG IMC reports	Ministry of Finance
Number of joint decisions implying actions/budget allocations from at least one public stakeholder and one private stakeholder within the implementation of the INFF strategy and the SDG Intersectoral Coordination Mechanism (IMC)	0	0	10		

Number of joint decisions implying actions/budget allocations from at least one public stakeholder and women organization within the implementation of the INFF strategy and the SDG Intersectoral Coordination Mechanism (IMC)	0	0	10		
Output 2.1 indicator					
Volume of financing flows in SDG accelerators covered by the tracking mechanism based on UNINFO	0	TBD	TBD	UNINFO	Ministry of Finance
% of data disaggregated by gender	0	50	100		
% of data disaggregated buy islands	0	25	70		
Output 2.2 The legal and policy framework is improved, and a match-making platform is reinforced, to attract sustainable, inclusive private investment					
Output 2.2 indicator					
Number of draft laws and policies based on priorities from the INFF strategy	0	0	3	Draft Laws/Policies	Ministry of Finance
Output 2.2 indicator					
Number of SDG aligned investments interests expressed through the match-making platform	0	0	15	Data from Bolsa de Valores SDG Impact seal tools	Ministry of Finance/UNJO/Bolsa de Valores
Output 2.2 indicator					
Number of investments targeting initiatives including women empowerment (inclusion of women businesses in value chains, improving women's access to land/infrastructure/equipment, etc.)	0	0	5	Data from Bolsa de Valores	Ministry of Finance/UNJO/Bolsa de Valores
Output 2.3 A capacity building strategy and technical assistance programmes are designed and implemented to reinforce transparency of the business environment, foster enterprise formalisation and promote financial inclusion of the populations from the poorest islands, especially women					
Output 2.3 indicator					
Number of institutions (including directions of Ministry of Justice) benefitting from a capacity building program to strengthen transparency integrity	0	0	8	CB Program Document Presence lists CB sessions reports	Ministry of Finance/Ministry of Justice/UNODC
Output 2.3 indicator					
				CB Program Document	Ministry of Finance/ILO



Number of institutions (including the MSMEs ecosystem ProEmpresa/ProGarante/Procapital/Chambers of Commerce) benefitting from a capacity building program on support to Microenterprises financial literacy and inclusion and transition to formality	0	5	10	Presence lists CB sessions reports	
Output 2.3 Number of decision makers within trained institutions declaring the capacity building programs improved transparency	0	0	6	End-of-training survey	Ministry of Finance/ILO/UNODC
Number of decision makers within trained institutions declaring the capacity building programs improved financial inclusion	0	3	8		



Annex 3. Gender marker matrix

Indicator		Score	Findings and Explanation	Evidence Means Verification or of
N°	Formulation			
1.1	Context analysis integrate gender analysis	2	Throughout the many session of joint works with governmental institutions to build the JP, the specific challenge of assessing the impact of SDG financing on women has been discussed. Although the findings were that this impact cannot be adequately measured, therefore leading to a lack of disaggregated information in the problem statement, these findings provoked a complete reshuffle of the proposal to fully integrate women financial inclusion with the INFF	Reports of meetings to elaborate the proposal
1.2	Gender Equality mainstreamed in proposed outputs	3	Most outputs integrate a special focus on women, namely tracking impact of SDG finance on women and addressing women financial inclusion	JPD
1.3	Programme output indicators measure changes on gender equality	3	Most outputs include a specific indicator tracking the impact of the output on gender equality	JPD
2.1	PUNO collaborate and engage with Government on gender equality and the empowerment of women	2	Ministry of Family and Inclusion will guarantee the inclusion of gender equality issue, and capacities will be built for gender-sensitive monitoring and tracking of financing. ILO will be the PUNO specifically responsible for this part. All governmental entities and private stakeholders involved in the elaboration of the proposal has agreed on a specific focus with clear indicators on women financial inclusion	Reports of meetings to elaborate the proposal JP
2.2	PUNO collaborate and engages with women's/gender equality CSOs	2	Women empowerment/rights organization have been consulted, and will have a clear role in the consultations, to analyze the impact of SDG finance on women and prioritize ways of reinforcing it, as well as their financial inclusion (capacity building/networking)	Reports of meetings to elaborate the proposal JP
3.1	Program proposes a gender-responsive budget	2	The budget was calculated based on the	
Total scoring		2,3		



Annex 4. Budget and Work Plan

4.1 Budget per UNSDG categories

Staff and personnel accounts for 25% of total budget, which is relatively high, but is justified by the will to build in-house capacities to support the process on a medium-term basis. Un staff will therefore dedicate time to directly support the process, and consolidate the trustful relationship built with national government over the past months.

Supplies, commodities and material are foreseen to cost 10% of the total, for national consultations, working sessions and reports drafting mainly, while equipment will amount for around 20% of total budget, mainly to equip task teams and the Steering Committee/Institutional Coordination Mechanism secretariat.

Contractual services amount for 15% of the proposal and aim at bringing complementary expertise for the DFA mainly, especially for the deep dives and the gender profile. Travels, representing also 15% of total budget, are aimed at ensuring the national consultations, and the inclusion of local actors in general.

Transfers and grants represent 7% of the proposal and are aimed at providing some direct support to the MSMEs ecosystem institutional capacity building.

Finally, direct costs are 8%, due to the need of close follow up of the whole process, within a learning-by-doing approach.

UNDG BUDGET CATEGORIES	UNDP(JO)		UNODC		ILO		TOTAL		Government contribution (USD)
	Joint SDG Fund (USD)	PUNO Contribution (USD)	Joint SDG Fund (USD)	PUNO Contribution (USD)	Joint SDG Fund (USD)	PUNO Contribution (USD)	Joint SDG Fund (USD)	PUNO Contribution (USD)	
1. Staff and other personnel	92 000		68 000		71 000		231 000		
2. Supplies, Commodities, Materials	55 000		24 500		26 000		105 500		
3. Equipment, Vehicles, and Furniture (including Depreciation)	92 000		30 500		36 000		158 500		
4. Contractual services	83 000		30 000		34 000		147 000		
5. Travel	76 000		29 400		35 000		140 400		
6. Transfers and Grants to Counterparts	67 000						67 000		
7. General Operating and other Direct Costs	35 000		32 553		12 953		80 506		
Total Direct Costs	500,000		214,953		214,953		929,906		
8. Indirect Support Costs (Max. 7%)	35,000		15,047		15,047		65,093		
TOTAL Costs	535,000	50,000	230,000	50,000	230,000	50,000	995,000	150,000	350,000
<i>1st year</i>	<i>223,200</i>	<i>20,000</i>	<i>72,800</i>	<i>10,000</i>	<i>80,150</i>	<i>30,000</i>	<i>376,150</i>	<i>60,000</i>	<i>150,000</i>
<i>2nd year</i>	<i>311,800</i>	<i>30,000</i>	<i>157,200</i>	<i>40,000</i>	<i>149,850</i>	<i>20,000</i>	<i>618,849</i>	<i>90,000</i>	<i>200,000</i>

4.2 Budget per SDG targets

The INFF will have a transversal effect on reorienting public finance and mobilizing private finance (SDG 17) all SDGs, especially in terms of boosting finance for SDG accelerators (SDG 14). On the other hand, JP is focusing solidly on financial inclusion of the furthest left behind (SDG 10), i.e tracking the impact of public and private finance on the poorest populations (SDG 1), with a special focus on women (SDG 5), building capacities of the economic services ecosystem and the micro and small businesses to improve access to finance (SDG 8). A third important aspect of the JP is its focus on transparency and good governance for SDG finance (SDG 16). Finally, an important feature that makes the proposal stronger, is its multilevel approach, i.e including local level (islands and municipalities) in the monitoring system and governance framework (SDG 11).

SDG TARGETS		%	USD
1.B	Create sound policy frameworks at the national, regional and international levels, based on pro-poor and gender-sensitive development strategies, to support accelerated investment in poverty eradication actions	7	104 650
5.A	Undertake reforms to give women equal rights to economic resources, as well as access to ownership and control over land and other forms of property, financial services, inheritance and natural resources, in accordance with national laws	10	149 500
8,3	Promote development-oriented policies that support productive activities, decent job creation, entrepreneurship, creativity and innovation, and encourage the formalization and growth of micro-, small- and medium-sized enterprises, including through access to financial services	7	104 650
8,1	Strengthen the capacity of domestic financial institutions to encourage and expand access to banking, insurance and financial services for all	7	104 650
10,1	By 2030, progressively achieve and sustain income growth of the bottom 40 per cent of the population at a rate higher than the national average	8	119 600
11.A	Support positive economic, social and environmental links between urban, peri-urban and rural areas by strengthening national and regional development planning	7	104 650
14,7	By 2030, increase the economic benefits to Small Island developing States and least developed countries from the sustainable use of marine resources, including through sustainable management of fisheries, aquaculture and tourism	8	119 600
16,4	By 2030, significantly reduce illicit financial and arms flows, strengthen the recovery and return of stolen assets and all forms of organized crime	10	149 500
16,6	Develop effective, accountable and transparent institutions at all levels	12	179 400
17,1	Strengthen domestic resource mobilization, including through international support to developing countries, to improve domestic capacity for tax and other revenue collection	12	179 400
17,3	Mobilize additional financial resources for developing countries from multiple sources	12	179 400
TOTAL		100	1 495 000



			formalization, and supplier linkages of small players from these sectors (women-owned small businesses, young small-scale fishermen, tech-based students' start-up, etc.)																	
			Development and promotion of recommendations for key financing solutions for the accelerators prioritized in the SDG Roadmap, including climate-finance solutions climate-finance solutions, tapping into diaspora, impact investment and south-south cooperation																	



sectors are strengthened to ensure the quality of program and results-based planning and budgeting processes within the National Planning System	their institution work within the NPS	their institution work within the NPS	Capacity building, articulated with South-South/Triangular Cooperation networks (public, private, CSOs, University, regions and cities), to provide services on SDG financing for regional, national and local development plans, including partnership and resource mobilization, including access to climate funds						will be easily identified thanks to the participation of their institutions in the process, and to the localization platforms for local level players. The platform will use existing logistical assets, such as training rooms, catering for public buildings, etc. This national participation and ownership, and the cost-rationalization approach will allow for financial sustainability, because the process will be replicable with domestic public funds. Gender-sensitivity					Transport s; Maritime Economy; Ministry of Environment and Agriculture; Ministry of Industry, Trade and Energy, Ministry of Justice and Labour, Ministry of Family and Social Inclusion
			Capacity building for INECV to support linking finance with PEDS, based on SDGs-related indicators, human rights indicators (with the CNDH and SDG localization platforms), gender-sensitive indicators, and											



			environmental indicators; and to build a financing tracking system								will be ensured in terms of beneficiaries and content of the programs. For instance, it is worth noticing that most of the capacity building efforts under the three activities of the capacity building platform aim at ensuring the proper tracking of financing, and its impact on the furthest left behind, with a specific focus on women						
Outcome 2			Support an enabling policy environment that will bring public and private, local, national and international actors together to implement Cabo Verde sustainable development priorities														
Output	Annual target/s		List of activities	Time frame								PLANNED BUDGET				PUNO/s involved	Implementing partner/s involved
	2020	2021		Q 1	Q 2	Q 3	Q 4	Q 1	Q 2	Q 3	Q 4	Overall budget description	Joint SDG Fun	PUNO Contributions (USD)	Government contribution (USD)		



<p>reinforce transparency of the business environment and financial inclusion of the populations from the poorest islands, especially women</p>	<p>transition to formality 3 decision makers within trained institutions declaring the capacity building programs improved financial inclusion</p>	<p>tal/Chambers of Commerce) benefitting from a capacity building program on support to Microenterprises financial literacy and inclusion and transition to formality 6 decision makers within trained institutions declaring the capacity building programs improved transparency 8 decision makers within trained institutions declaring the capacity building programs improved financial inclusion</p>	<p>and private sectors</p>	<p>[Blue shaded cell]</p>	<p>[Blue shaded cell]</p>	<p>[Blue shaded cell]</p>	<p>[Blue shaded cell]</p>	<p>[Blue shaded cell]</p>	<p>[Blue shaded cell]</p>	<p>existing expertise and in-house UN technical support. The beneficiaries will be easily identified thanks to the participation of their institutions in the process, and their joint work with UNODC and UNDP, and to the localization platforms for local level players. The platform will use existing logistical assets, such as training rooms, catering for public buildings, etc. This national participation and ownership, and the</p>	<p>[Empty cell]</p>	<p>[Empty cell]</p>	<p>[Empty cell]</p>	<p>[Empty cell]</p>	<p>Institute for Statistics, Ministries of Tourism and Transport; Maritime Economy; Ministry of Environment and Agriculture; Ministry of Industry, Trade and Energy, Ministry of Justice and Labour, Ministry of Family and Social Inclusion</p>
			<p>Capacity Building for magistrates and other judiciary operators in resolution of complex cases of corruption, money laundering, asset recovery, organized crime, case management, reduction of the backlog of pending cases, and international cooperation</p>												
				<p>Capacity building for financial and non-financial institutions in financial investigation, prosecutorial, in asset forfeiture and recovery, and prevention of illicit financial transactions</p>											

Annex 5. Risk Management Plan

The Risks associated with the JP were assessed with the different stakeholders consulted during the INFF scoping mission and the preparation of the JP. This consultation covered all stakeholders listed in the partnership section. Therefore, a wide range of actors, from different sectors and levels, contributed to the elaboration of the risk management plan, and will contribute to the mitigation of the risks. The implementation of the plan will be based on UNDP social and environmental standards and risks.

These risks are overall unlikely, thanks to the continuity of the process, the comprehensive approach followed (one UN, whole-of-government, whole-of-society), and the very characteristic of the JP (timeline, outputs, activities). Indeed, the JP is embedded in a broader reform path and SDG Roadmap, and gives continuity to the INFF scoping mission; it is building on a wide partnership, with clear responsibilities and a solid consensus; and it is thought to be innovative, demand-driven and realistic. This forms the basis for the risk management plan, which considers contextual risks (geographical aspects, socioeconomic development path and political context), programmatic risks (roles and responsibilities of each partner), institutional risks (acknowledgement of the role of the leading national partner and the UN), and a fiduciary risk (capacities to deliver).

Finally, the Development Finance Assessment will include a section that identifies key risks and challenges to the successful design and implementation of an INFF, e.g. capacity constraints, political economy considerations, development partner coordination and identify mitigation measures.

1. Contextual risks

a. Geographical features

The archipelagic condition of Cabo Verde remains a challenge to be considered, including the insular costs related to this condition. Mitigation measures on risks associated with this condition are based on the strategy of using existing local mechanisms at the level of municipalities and communities, including the identified National Local SDG Programme (Platforms), currently being implemented through the UN. The JP will ensure an inclusive and a human-rights based process, despite the connectivity costs of a SIDS, spread over ten islands. The JP will use existing UN-supported SDG Localization platforms to reach out to the most excluded populations and areas (municipalities and communities), in order to integrate financing gaps related to local-national coordination and community-based SDG solutions.

b. Socioeconomic development path

The OECD notes that Cabo Verde faces several risks to its long-term sustainable development if adequate support is not provided and appropriate steps taken. Cabo Verde is a small and open island economy with high exposure to trade volatility and high vulnerability to climate related risks and natural disasters. Economic diversification has been limited by a relatively weak business environment. The World Bank identified a number of binding constraints to reducing poverty and improving welfare in Cabo Verde, including inadequate human capital, poor connectivity, risks to macroeconomic stability and fiscal sustainability, weak public sector performance and the lack of resilience. The risk is important that the INFF strategy can hardly make a difference in terms of private investments. The INFF process will therefore focus on building enabling policy and regulatory environment by, on the one hand, defining investment opportunity areas that would attract private investment (assessing its policy and institutional risks and calculating its potential investment return), and, on the other, recommending policy change needed to help address barriers and constraints.

c. Political context

Cabo Verde is considered a country of social and political stability. The democratic process is consolidated at the level of the country's governance, both at Central Government level and at the Municipal level. Risks associated with civil unrest, radical variations in the democratic process, or any important institutional change are therefore rare. However, the municipal (2020) and general (2021) elections and the possible government change could affect the process. The risk is unlikely, thanks to the consensus around SDGs as a policy articulator, and on the need of optimizing public revenues and spending and mobilizing new sources of financing. To mitigate this risk, the preparation of the INFF, from scoping mission to design of the JP, and from the assessment phase to the governance framework, is reaching out many different stakeholders, from different political parties and sectors of society. This wide participation, across levels and sectors, and transcending political barriers, will mitigate the risk linked to changes in power at local and national level, and ensure the continuity of the process.

2. Programmatic risks

To ensure the quality of the elaboration of the INFF, and its impact on systemic changes, each player will have to fulfil its role in each output. The risk is moderate that one or more players are not fully involved in the process and break the chain of activities and results. The mitigation measures lie in the leading roles of the ministry of Finance and the Ministry of Foreign Affairs. The Minister of Finance is Vice-Prime Minister, so he has the institutional strength to coordinate the action of all other players. The Ministry of Foreign Affairs also have a transversal institutional role and has a strong institutional legitimacy with regards to international public and private financing players and flows.

3. Institutional risks

The United Nations System (UNS) in Cabo Verde is recognized as a unique example at a global level for having a Joint Office for various United Nations Agencies and has a positive experience of Delivering as One. However, there is a low risk that UNS is not recognized by other national and international stakeholders as central partners in the INFF and the reform process. The risk is low because UN is already supporting ongoing assessments, planning processes/system and legal/policy reforms. The risk lies above all within the GAO, which needs to fully integrate the UNS in its work. The mitigation measure is already in place, by fully associating all GAO members into the design and implementation of the JP, and before, since the INFF scoping mission. This JP constitutes an opportunity to reinforce the importance and leadership role of the UNS and to continue to consolidate its reputation at the national and regional levels with government entities, populations, bilateral and multilateral partners.

4. Fiduciary risks

There is a favorable political and social environment for the implementation of SDG´s in the country. Nevertheless, there are some potential moderate risks linked to the capacity of implementation by the partners within the timeframe of the JP. To minimize this risk, appropriate follow-up and monitoring measures have been adopted in this JP and will enable timely identification of potential delays related to implementation capacity (output 2.1). Previous experience in monitoring the implementation of projects of this magnitude and the existing capacities at the level of the various UN agencies is a valuable resource that can be used to reduce this risk.

Risks	Risk Level	Likelihood	Impact	Mitigating measures	Responsible Org./Person
Contextual risks					
Geographical features (isolation/connectivity)	9	3	3	Rely on existing, UNDP supported localization	JO/Christopher Lilyblad



				platform to reach out to all islands and populations, including women and youth	
Socioeconomic development path	9	3	3	Reinforce enabling environment by defining investment opportunity areas and recommending policy change needed to help address barriers and constraints	JO/Christopher Lilyblad
Political context	6	2	3	Ensure wide participation, across levels and sectors, and transcending political barriers, to avoid suffering from changes in power at local and national level, and ensure the continuity of the process	JO/Christopher Lilyblad
Programmatic risks					
Partners' responsibilities	8	2	4	Define clearly responsibilities and timeline, support leadership of MoF, facilitate intersectoral and multilevel coordination, set up a clear M&E system	UNODC/Cristina Andrade
Institutional risks					
UN-Government-private sector International partners relationships	4	1	4	Maintain constant communication along clear channels with all partners based on a clear monitoring	ILO/Joana Borges



				framework and impact-oriented	
Fiduciary risks					
Implementation capacities of national counterpart	4	1	4	Ensure constant support to national implementation, build capacities for proper implementation of the INFF	JO/Christopher Lilyblad