Annual Progress Report of Cabo Verde 2030 Acceleration Fund

for the period of 1st January to 31st December of 2025

May 2026

EXECUTIVE SUMMARY

The Cabo Verde 2030 Acceleration Fund aims to support strategic and coherent actions towards the achievement of the 2030 Agenda in Cabo Verde and to draw up and mobilize funding/financing for strategic interventions through which the UN development system and its partners (acting together and drawing on each other's comparative advantages) can contribute to the achievement of Cabo Verde's United Nations Sustainable Development Cooperation Framework (UNSDCF), ultimately contributing to Agenda 2030.

The Cabo Verde 2030 Acceleration Fund was created in 2008. As of 31 December 2025, 7 contributors deposited US$ 41,251,664. 18 projects were implemented, with US$ 36,286,492 of expenditure. 17 UN agencies participated, including UNDP, UNICEF, WHO, FAO, ILO, UNODC, UN WOMEN, UNHABITAT, UNFPA, UNIDO, IOM, UNCTAD, UNV, and WFP, working across areas such as good governance, economic graduation, security and rule of law, education, health, youth participation, environment, local development, and food security.

In 2025, US$ 3,287,792 was net funded to Participating Organizations, and US$ 1,445,610 was reported in expenditure.

In 2025, only one project is implemented under the Fund: the Joint Programme Promoting Local Development in Cabo Verde, by UNDP and UN-Habitat. It contributed to both key outcomes: Outcome 1 (Prosperity & Planet) and Outcome 2 (People & Peace).

The Joint Programme for the Promotion of Local Development (PCPDL), a $ 6,557,500 (€6.1 million) initiative is contributing to the long-term transformation of local governance and bringing public policies closer to citizens. Implemented by UNDP and UN-Habitat, with financial support from the Government of the Grand Duchy of Luxembourg, and in close collaboration with the Ministry of Territorial Cohesion and the National Association of Municipalities of Cabo Verde, the Programme supports local governments in modernizing their governance systems and strengthening their institutional capacities. In a context where decentralization is a key lever for accelerating territorial development, PCPDL is emerging as a catalyst for change across Cabo Verde's municipalities, aligned with the Sustainable Development Goals (SDGs) and guided by the United Nations' core principle of Leave No One Behind (LNOB).

Since 2025, the Programme has entered a decisive operational phase, with activities now reaching almost the entire national territory. Twenty municipalities have developed action plans to strengthen their own-source revenue generation, nearly 150 municipal officials and technicians have been trained 47% of whom are women, and 25 territorial development projects have been approved, directly benefiting nearly 25,000 people. These initiatives support key sectors such as agriculture, water and sanitation, renewable energy, and digital governance, contributing to improved living conditions while strengthening digital and financial inclusion and promoting more inclusive and sustainable territorial development.

Together, these achievements position PCPDL as a practical platform that enables municipalities to deliver stronger, more transparent and more responsive local governance, ensuring that development efforts are closer to citizens and that no one is left behind.

I. Purpose

The Cabo Verde 2030 Acceleration Fund aims to support strategic and coherent actions towards the achievement of the 2030 Agenda in Cabo Verde and to draw up and mobilize funding/financing for strategic interventions through which the UN development system and its partners (acting together and drawing on each other's comparative advantages) can contribute to the achievement of Cabo Verde's United Nations Sustainable Development Cooperation Framework (UNSDCF), ultimately contributing to Agenda 2030.

The Cabo Verde 2030 Acceleration Fund's joint program implementation, follow-up and reporting is carried out within the strategic framework of the United Nations Sustainable Development Cooperation Framework (UNSDCF 2023-2027), structured around three strategic areas and four outcomes. The UNSDCF adopts an integrated programming approach that combines interventions from different sectors, government and non-government stakeholders both at national and local level supporting the National Strategic Plan for Sustainable Development (PEDS II 2022-2027), which in turn is also aligned with the 2030 Agenda and its 17 Sustainable Development Goals (SDG).

This 2025 report aims to present the programme results contributing to the outcomes and outputs of the Acceleration Fund and the synergies which made it possible to achieve the results. One outcome of the UNSDCF is induced by the contributions of the Programmes: **Strategic priority area 3** "*transformative governance and strengthened territorial cohesion - Outcome 3.1: By 2027, more people, especially women, youth, and those in vulnerable groups, freely exercise their rights, participate in, and benefit from, inclusive, resilient, transparent, and accountable institutions and a more modernized, transformative and effective system of democratic governance that upholds the rule of law, at national and local levels*".

The JP will also contribute to the following expected result in PEDS II: "By 2026, 100% of Municipalities will have adopted results-based planning and budgeting instruments."

The purpose and long-term impact envisioned by the Joint Programme (JP) Promoting local development in Cabo Verde is to reduce poverty in Cabo Verde, addressing territorial disparities in access to basic services and economic opportunities whilst contributing to the consolidation of democracy. The JP objective is "local development action in Cabo Verde is strengthened and responds to local development needs such as gaps in the provision of social and financial services, and capitalizes on local and regional potentials".

II. Results: how in 2025, the Joint Programme Promoting Local Development in Cabo Verde, contributed to both key outcomes of the Acceleration Fund: Outcome 1 (Prosperity & Planet) and Outcome 2 (People & Peace).

The Joint Programme Promoting Local Development has three outcomes:

- **Outcome 1**. Local authorities increase own revenues to contribute to the local development agenda.
- **Outcome 2**. Local development action is effectively managed
- **Outcome 3**. Local development actions are guided by local and regional needs and priorities through participatory planning and coordination

The Fund had two outcomes:

- **Outcome 1**. Prosperity & Planet.
- **Outcome 2**. People & Peace.

This section will summarize how each of the three programme outcomes achieved results under the two Fund outcomes.

A. Results for the Fund Outcome 1 (Prosperity & Planet)

Programme Outcome 1, primarily contributed to Fund Outcome 1 (Prosperity & Planet) by strengthening municipal fiscal capacity, improving domestic resource mobilization, and laying the institutional foundation for more sustainable, locally financed development across Cabo Verde's 22 municipalities. The Joint Programme delivered a nationwide system strengthening approach to municipal own source revenue (OSR) reform. Building on the 2014 OSR analysis, a Rapid Analysis on Local Revenues covering all 22 municipalities was completed in the first quarter of 2025, identifying revenue gaps, legal constraints, and priority reform opportunities. This analytical foundation informed a National Workshop on Local Revenues held on 18 to 19 February 2025 in Praia, with participation from 20 municipalities, alongside national institutions including the Ministry of Finance and UN Habitat. Two specialized technical trainings on revenue planning, budgeting, and local revenue enhancement equipped municipal representatives with practical tools to improve fiscal performance. Technical missions were also completed for Sal, Boa Vista, São Nicolau, and Maio, ensuring national territorial coverage. As a direct result, municipalities were supported to translate diagnostic findings into operational reforms. By October 2025, 20 municipalities had developed and submitted Individual Action Plans to improve own revenues, representing over 90 percent national municipal coverage. These plans included measurable fiscal reform actions such as broadening the tax base through registration of previously unregistered commercial and residential properties, updating local fees and service charges, revising property valuation systems, unifying taxpayer databases, digitizing commercial licensing, strengthening tax compliance and debt enforcement, and conducting tax citizenship awareness campaigns. Across Quarters 2 and 3, 11 structured working sessions were held with mayors and municipal representatives from 12 municipalities, while 16 municipalities also participated in online technical sessions and nine municipalities received in person follow up support. Internal monitoring tools were additionally created to track implementation progress.

Programme Outcome 2, strengthened municipal institutional performance, professionalizing local public administration, and improving the effectiveness, efficiency, and sustainability of decentralized governance systems necessary for inclusive local development delivery. In support of Fund Outcome 1, the Joint Programme significantly strengthened municipal technical and management capacities across Cabo Verde's 22 municipalities through large scale institutional capacity building. Between January and mid February 2025, a comprehensive Human Resources Management training was delivered nationwide to municipal administrations, reaching 65 municipal technicians, including 42 women (65%) and 23 men (35%), as well as two participants with special needs. This single intervention achieved 98% of the Programme's 2027 target of training 66 municipal technicians under Activity 2.1.2. The training focused on modern HR practices, including recruitment, leadership, motivation, and performance evaluation, with a 100% participant satisfaction rate, substantially exceeding the logframe target of 80%. In addition, project design, management, monitoring, and evaluation training sessions were conducted in Praia and Sal for 44 municipal staff members (18 women and 26 men), totaling 28 hours per session. These trainings strengthened competencies in results based management, municipal budget alignment, and HACT compliance, ensuring municipalities are better equipped to manage development financing, planning, and implementation. The Programme also exceeded annual targets for training delivery, while over 80% of participants reported satisfaction with relevance, organization, and technical quality. These interventions collectively improved municipal management systems, resource efficiency, and service delivery capacity, directly reinforcing the institutional foundations for local economic development.

Programme Outcome 3, contributed by financing territorially responsive local development investments, reducing regional disparities, and strengthening municipalities' ability to deliver sustainable economic and social development based on locally identified priorities. In direct support of Fund Outcome 1, the Joint Programme operationalized a nationwide financing mechanism for local development through the successful launch and implementation of the first Call for Project Proposals for all 22 municipalities. Officially launched in March 2025 following a national ceremony in Praia attended by all municipalities and key national and international stakeholders, the Call generated 26 project proposals from the 22 municipalities, demonstrating full national coverage and strong local ownership. Through structured technical support, webinars, proposal reformulation assistance, and continuous municipal accompaniment, 25 of the 26 proposals were approved, representing a 96% approval rate. This resulted in 27 contracts signed and 25 first tranche disbursements completed, corresponding to 40% of approved project budgets, with an average of approximately 6 million CVE per project. A total of 22 projects entered implementation during 2025, while 18 municipalities submitted partial financial justification reports and several projects exceeded 80% utilization of initial funds. Project sectors strongly reflected local development priorities, particularly in agriculture, water, fisheries, tourism, service modernization, and revenue generation, directly contributing to economic opportunity, territorial equity, and local resilience. By financing locally prioritized investments at scale, the Programme created a concrete mechanism for decentralized development financing while reinforcing municipal capacity to transform participatory planning into implementation.

B. Results for the Fund Outcome 2 (People & Peace)

Programme Outcome 1 contributed to Fund Outcome 2 (People & Peace) through governance, accountability, and institutional trust dimensions. While fiscal reforms primarily served economic resilience, they also strengthened social cohesion by promoting more transparent and equitable local governance systems. Support to municipalities on taxpayer notification systems, citizen awareness campaigns, and fairer tax administration improved the relationship between local authorities and citizens through greater accountability and transparency. The approval of the new CIP and CIT property tax codes by Parliament on 9 May 2025, combined with Joint Programme facilitated technical coordination among 21 municipalities, ANMCV, INGT, NOSi, and MCT during the October national workshop, further reinforced inclusive governance and institutional coordination. By supporting municipalities to align fiscal reforms with transparent legal frameworks and digital systems such as SIMPLe, the programme advanced confidence in public administration, reduced governance fragmentation, and strengthened participatory local governance structures, thereby indirectly contributing to peacebuilding and stronger citizen state relations.

Programme Outcome 2 also made substantial contributions through governance reform, accountability, inclusive leadership, and institutional legitimacy. By strengthening oversight, ethical leadership, and public sector accountability, the Programme enhanced trust in local governance and promoted more transparent, equitable, and rules based public administration. In July 2025, 41 elected municipal officials from all 22 municipalities, including mayors, councillors, and municipal assembly representatives, were trained on leadership, ethics, and results based governance through the Pedro Pires Institute for Leadership. This initiative strengthened democratic governance capacities and clarified institutional roles and responsibilities, improving the ability of elected officials to govern more effectively and transparently. At national level, the development of the Regulation and Inspection Procedures Manual for the Municipal Inspection and Audit Service (SIAA) further reinforced municipal oversight architecture by establishing standardized legal, operational, and audit frameworks aligned with national decentralization objectives. By December 2025, key outputs included a draft inspection regulation, a comprehensive procedures manual, and implementation guides to professionalize municipal inspections and audits. This institutional strengthening supports legality, reduces governance risks, and improves accountability across local administrations. Together, these actions contributed to stronger governance systems, better public trust, enhanced anti corruption safeguards, and more

inclusive local institutions, thereby advancing the People & Peace dimension of the Fund through stronger social contracts between citizens, municipalities, and the state.

Programme Outcome 3 supported participatory governance, transparency, citizen responsive planning, and strengthened coordination between local and national actors. The Call for Proposals process itself institutionalized participatory and transparent governance practices by ensuring municipalities identified priorities based on local needs while adhering to clear national criteria and oversight procedures. The Programme supported this through 38 municipal project idea submissions, technical webinars, individualized support, and transparent Selection Committee processes based on predefined scoring thresholds. The creation of an interactive Local Development Landing Page and dynamic dashboard further strengthened transparency, accountability, and public oversight by centralizing project information, enabling digital proposal submission, and allowing municipalities and stakeholders to monitor project financing, SDG alignment, and beneficiary reach across all municipalities. Monitoring visits conducted in 21 municipalities reinforced compliance, accountability, and implementation quality while promoting learning and coordination. These innovations strengthened trust in public institutions, improved fairness in resource allocation, and enhanced collaboration among municipalities, national ministries, development partners, and communities. By embedding participatory coordination into both planning and financing systems, the Programme reinforced inclusive local governance, reduced perceptions of exclusion, and strengthened social cohesion through more equitable and visible local development processes.

III. Qualitative assessment:

Key challenges of 2025

During 2025, the Programme faced a range of challenges that impacted the execution of activities and the achievement of expected results. These challenges were mainly related to logistics, human resources availability, coordination among municipalities, and the implementation of new systems and processes. The key challenges for each outcome are outlined below:

Outcome 1 of the programme – local revenue improvement

- Limited availability of flights affected technical missions and participation in national workshops.
- Municipalities had challenges in collecting evidence to justify proposals for improving own revenues.
- Limited availability of municipal focal points, particularly senior officials, hindered more effective decision-making.
- Introduction of the new property tax system and high expectations for financial support from the Programme posed implementation challenges.

Outcome 2 of the programme – capacity building and training

- Coordinating training across multiple islands was complex, especially for remote municipalities.
- Timely distribution of daily subsistence allowance remained a concern to ensure participant engagement.
- Logistic challenges, including air and maritime transport, affected full participation in training activities.
- Time constraints during the training for municipal elected officials in Cabo Verde on their roles and responsibilities, limited the depth of discussions and immediate consolidation of content.

Outcome 3 of the programme – Project formulation and financing

- Limited capacity of some municipalities to take ownership of project formulation activities.

- Delays in activating local platforms resulted in postponed approvals and financing of several projects.
- Reduced availability of municipal officials during holiday periods affected continuity of activities.
- Political neutrality risk: a primary challenge during the year was managing project communication within the sensitive pre-electoral context. This posed a high risk to the neutrality and institutional credibility of all partners (UN, MCT, ANMCV, and G.D. of Luxembourg).

Despite these challenges, the Programme team implemented mitigation strategies to ensure the continuity of activities and achieved significant progress in municipal capacity building and revenue improvement.

Solutions and lessons learned

During 2025, the Programme identified several solutions and lessons learned to address the challenges encountered across the three outcomes. These measures aimed to improve implementation, coordination, and sustainability of activities.

- Articulate engagement between MCT and municipalities for the implementation of the new tax code.
- Ensure clarity in advance on the direct (financial) support the JP can provide for the implementation of local action plans.
- To overcome challenges related to lack of evidence, municipalities were advised to include evidence collection as a specific action in their plans.
- Dedicated working sessions with muncipal focal points were conducted.
- Improve travel arrangements to ensure wider territorial coverage and full participation.
- Plan and launch tenders in advance, with realistic evaluation timelines, to reduce delays.
- Use flexible and continuous approaches, combining in-person and online sessions to deepen understanding of key topics.
- Implement targeted strategies to increase women's representation in municipal leadership, fostering greater gender equity.
- Monitoring and Proximity Monitoring of projects in all phases, anticipating identification of risks and solutions in each specific case;
- Holding of early alignment meetings and motivation for the implementation of local platforms, demonstrating the relevance; sharing of success stories and the assembly process; Project approval conditioning as a pressure mechanism.
- Prepare a practical guide (checklist) with all steps and required documents for contract signing.
- Review and validate templates in advance to avoid errors and rework.
- Provide clear information on operational alternatives to mitigate administrative constraints.
- Plan subscription and approval activities outside holiday periods.
- Define alternative signatures to ensure continuity of processes.
- Provide a complete example of a correctly completed FACE form to reduce submission errors.
- Reinforce persuasive communication around the need for project approval by Local Platforms.
- The Programme proactively issued a Communication Guidance Note, establishing strict protocols for joint and coordinated communication and mandating the avoidance of public events or inaugurations during the first semester of 2026 to ensure impartiality.

IV. Indicator Based Performance Assessment:

Outcome	Activity	Target / Indicator	Result achieved 2025	Comments / lessons learned	Evidences
<u>Outcome 1</u> – Local authorities increased own-source revenues to support the local development agenda	**Strengthening municipal capacity for own-source revenue generation and fiscal management**	*Conduct a comprehensive diagnosis on the potential of RSO in the 22 municipalities -* ***Indicator 21***	***22 municipalities*** *with a comprehensive diagnosis of their RSO potential*	*Active participation of the municipal councils of Cabo Verde's 22 municipalities, particularly through the finance departments and municipal secretaries*	*Rapid Analysis of Local Revenues (ROSRA) Report*
		Conduct 1 (one) diagnosis on the available resources of the ANMCV - ***Indicator 22***	***Diagnosis performed***	*The diagnosis of the ANMCV's available resources and needs was carried out through working meetings between the Joint Program team and the ANMCV. Based on the survey, a Concept Note was prepared to strengthen the ANMCV's capacities in the short, medium, and long term.*	*Memo of the meetings with the ANMCV; proposal for a Concept Note for ANMCV Capacity Building*
		Develop 1 (one) manual for mobilizing municipalities' own resources - ***Indicator 23***	*Ongoing*	*In 2025, the Joint Program conducted an analysis of the Real Property Tax Code from an assessment perspective to identify key risks and gaps and recommend a viable approach for developing supporting assessment guidelines that are legally compliant and practically feasible.*	*Technical advisory on the implications of the changes in the Property Tax Code*
		Number of municipalities that participated in a capacity building session on OSR analysis, to be held by UN Habitat, MCT and ANMCV - ***indicator 24***	***20 municipalities*** *participated in the National Workshop on Local Revenues, in February 2025;* ***21 municipalities*** *participated in the Workshop on the new Property Tax Codes, in October 2025.*	*The workshops promoted the dissemination of relevant studies and legislation on local finance, enabling the sharing of information, exchanges of experiences, and strengthening municipalities' capacities to mobilize their own revenues.*	*Report of the national workshop on local revenues; Report of the workshop for the proper implementation of the Property Tax Code (IPI); List of participants*
		Organize capacity building activities for the 22 municipalities to mobilize their own resources - ***indicator 25***	*In 2025,* ***2 (two) capacity-building activities*** *were organized for the 22 municipalities to mobilize their own revenues*	*The capacity-building activities consisted of a national workshop on local finances, held in February 2025, and a national workshop for the proper implementation of the new property tax codes, held in October 2025*	*Report of the national workshop on local revenues; Report of the workshop for the proper implementation of the Property Tax Code (IPI); List of participants*
		Number of persons trained in techniques for mobilizing municipal resources - ***indicator 26***	*A total of* ***81 staff*** *from the municipalities were trained, 36 female and 45 male*		*List of attendance of training activities*
		Number of municipalities that have implemented at least 2 recommendations for improvement ORS - ***indicator 27***	***7 municipalities*** *(Porto Novo, Sal, Boa Vista, São Salvador do Mundo, São Miguel, Mosteiros and Santa Catarina do Fogo) have started implementing actions to increase the collection of their own revenues*		*Joint Programme Annual Report*

		Number of municipalities that participated in at least one CSR peer learning event ***- indicator 28***	*(To be completed by responsible agency)*	*This activity is scheduled for 2026*	*(Evidence to be provided by the responsible agency)*
<u>Outcome 2</u> – Local development action is effectively managed	**Human Resources trainign for municipality staff**	**Activity 2.1.2 target –** Train 66 municipal technicians by 2027	**65** municipal technicians trained (23 men – 35%; 42 women – 65%)	Achieved 98% of the annual target. Strong female participation and inclusive approach. Overall results exceed LogFrame performance benchmarks.	Training reports; attendance lists; participant satisfaction survey results; quarterly and annual programme reports
	Capacity building in project design, monitoring and implementation	**Indicator 34** – Conduct one comprehensive training course	**1** comprehensive course conducted – target exceeded	Training contributed to strengthening municipal technical capacity and improved understanding of RBM-based project management.	Consolidated training reports; attendance lists; training agendas and materials; evaluation summaries; quarterly and annual programme reports
		Indicator 40 – Municipalities trained on roles and responsibilities of elected officials	**22** municipalities trained – target achieved	Supported the adoption of updated management procedures and reinforced institutional roles at local level.	Training completion reports; attendance lists; presentation materials; post-training evaluation summaries; annual programme report
		Indicator 41 – % of elected municipal officials trained	**41** officials trained (62.1% of the 2027 target)	Significant progress toward end-of-programme targets, contributing to improved governance and managerial performance.	Training reports; attendance lists; participant profiles; post-training evaluation results; annual programme report
	Strengthening municipal inspection, audit and oversight systems (SIAA)	**Indicator 16** – Strengthen capacities of MCT staff	SIAA regulation and inspection procedures manual developed	Fully meets AWP 2025 objectives; contributes to legality, efficiency and standardization of inspection procedures; training on the SIAA Regulation and Inspection Procedures Manual is scheduled to commence on 19 January 2026.	Approved SIAA regulation and inspection procedures manual; validation records; programme implementation records; annual programme report
		Indicator 17 – Strengthened national technical capacities	Specialized training programme implemented for SIAA inspectors	Training programme supporting entry into the SIAA inspector career is under preparation, including the selection and certification process for trainers, aimed at strengthening the national pool of qualified inspectors.	Terms of reference for trainers; programme implementation records; Annual Programme Progress Report.
<u>Outcome 3</u> – Local development actions are guided by local and regional needs and priorities through participatory planning and coordination	**Support to municipal and intermunicipal project formulation and financing**	**Indicator 62** – Number of municipal/intermunicipal project proposals received	**25** proposals submitted by **22** municipalities – target achieved and exceeded	High level of municipal engagement demonstrates effectiveness of technical assistance and outreach mechanisms.	Publication on a digital platform
		Indicator 63 – Number of municipal/intermunicipal projects funded/approved	**25** projects funded/approved – target achieved and exceeded	LoAs signed and first disbursement tranche initiated, enabling timely start-up of local development initiatives.	Decisions of the Selection Committee; LoAs and FACEs documentation Evidence of transfers