



MCA-Cape Verde First Year Accomplishments

On July 4, 2005 Cape Verde signed a five year \$110 million Compact with the Millennium Challenge Corporation. Three months later funding and implementation began on October 17, 2005. In this first year, \$7.5 million of Compact funds have gone to Cape Verde .

The Compact is supporting Cape Verde in achieving its overall national development goal of transforming its economy from aid-dependency to sustainable, private-sector led growth. MCC funds are being used to improve the country's investment climate and reform the financial sector; improve infrastructure to support increased economic activity and provide access to markets, employment, and social services; increase agricultural productivity and raise the income of the rural population; as well as carry out some key policy reforms needed for sustained economic growth.

Some key accomplishments in the first year of the Cape Verde Compact include:

- **Developing local capacity :** The Cape Verde Compact is developing local capacity in the government's financial management system that will benefit the overall management of public funds. New technology and procedures are being implemented to improve government accountability and efficiency in order implement the Compact and increase financial management capacity. The Compact has introduced formal, transparent, international procurement procedures that are being adopted by government ministries as various Compact procurement activities are taking place.
- **Breaking ground for infrastructure projects :** The Cape Verde infrastructure projects are underway. For the rehabilitation of five roads in Santiago , contracts for construction and supervision have been signed. Procurement and contracts are finished for the construction for four bridges in Santiago . Cape Verde is in the process of selecting consultants for the expansion and modernization of the Port of Praia .
- **Introducing policy reform to spur private sector development :** The Central Bank has proposed a new law to facilitate the development of micro-finance institutions (MFIs).
- **Leveraging MCC's impact :** Cape Verde is working with various international donors like the World Bank and International Finance Corporation, to leverage the Compact's impact. The program is receiving technical assistance from U.S. Department of Agriculture and the U.S. Geological Survey on their Watershed Management and Agriculture Support Project.

- Fostering accountability: The governing boards for MCA-Cape Verde consist of government, private sector and civil society representatives. The board is actively engaged in managing the Compact thus enabling successful implementation of the program.

“The Millennium Challenge Compact is an important part of our ongoing effort to foster the development of our nation and to build a better life for our children.”- His Excellency José Neves, Prime Minister of the Republic of Cape Verde