

USAID/Cape Verde
ANNUAL REPORT FY 2003

3/13/2003

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Portions released on or after July 1, 2003

A. Program Level Narrative

Program Performance Summary:

Information Annex Topic: Non-presence Countries - Cape Verde

A. Contribution to Food Security: The five-year Food for Peace (FFP) Program completed by ACDI/VOCA in Cape Verde strengthened food security of the country's rural and urban populations. Given Cape Verde's climate and terrain, it is structurally food deficit. In FY 2002, USAID delivered 16,339 MT of grain (total sales value: US \$2,361,538). The Program sold 12,760 MT of corn, the food of choice for the rural poor, in addition to 3,579 MT of wheat. This constituted 23 percent of Cape Verde's annual cereal requirement and 49 percent of overall food aid received (January 2002- September 2002).

Cape Verde's strategy to achieve food security is based on: (1) increasing vegetable and fruit production through improved management of scarce land and water; and (2) increasing export earnings through tourism, light manufacturing and fishing, in order to be able to purchase food commercially.

The food aid program contributes at the macro level to lessening the structural food deficit and reducing the balance of payments deficit. At the micro level, the program helps poor families who spend a significant amount of their income on food. The rural poor are benefiting from the Program through the development of associations that execute contracts to carry out soil and water conservation works employing approximately 3,000 workers per year. An immediate impact of these efforts is improved crop yields, employment of the rural poor and the generation of income. As in the previous Title II program, it is expected that the medium and long-term food security benefits will include continued crop yield improvement and greater availability of water for domestic and agricultural purposes. Due in part to Title II PL-480 funded projects, rural household members participating in the associations' works have eaten more and wider varieties of food than those who did not participate in the associations' activities (results of the June, 2002 socio-economic survey).

The increasing popularity of drip irrigation and the availability of credit for the installation of new systems are having a positive impact on the agricultural production in Cape Verde. High drip irrigation yields have contributed to a significant increase of horticultural products in both urban and rural markets throughout the year and at moderate prices. According to a study conducted this year, horticultural production under drip irrigation is on average 2 to 3 times higher than under the widely practiced traditional flood irrigation. Many farmers have eliminated sugar cane (used to produce liquor) and planted vegetables, earning a higher return with drip irrigation. This year, ACDI/VOCA has focused its micro-finance activities on assisting rural communities on different islands in creating local micro-finance institutions and on providing technical assistance to the already existing local institutions.

B. Effectiveness of the Program in Achieving Results

1. Program Objective # 1: (a) Increase availability of agricultural products through natural resource management. In 2002, 48 associations and 22 prospective associations on four islands were contracted to undertake soil and water conservation using Title II funds. The association members plan and propose specific works, then execute the construction. This results in high quality works due to a sense of ownership and responsibility. Through these works, associations generate significant profits that are re-invested in the community. For 2002, the average association annual "profit" was \$6,595. Many of the associations are investing in income generating and social activities, such as poultry production facilities, community stores, kindergartens, and adult education programs. Despite a late start of the program's activities due to a late approval of the DAP, associations have constructed 25 reservoirs (138% of target), 127 check dams (85%), and 92 km of contour rock wall terraces (71%). Because of a late start to the rainy season, associations have not been able to carry out their tree planting activities as planned before the end of FY 2002 (7% of target). The number of workers who participated in the program's activities was 69% of the target because tree planting is one of the most labor intensive activities performed by the associations. The program was however able to complete activities not shown in the indicator table targets such as the construction of 150 cisterns, 750 km of irrigation canals and 3 captation dams. Audits

and occasional financial spot checks show that associations continue to develop as bona fide businesses with strong technical, internal control and accounting capabilities.

Objective # 1: (b) Utilization of appropriate technologies. In FY 2002, 95 drip irrigation systems were installed (75 planned) on 9 hectares (11 ha planned). The program is reaching a greater number of small farmers and is responding to their needs by assisting them in installing systems on smaller plots than anticipated. ACDI/VOCA has maintained its contacts with local private dealers of drip irrigation equipment so that these dealers may continue to respond to the growing demand for drip irrigation systems in the country. Both ASDIS (Santiago Island Association of Associations for Social Solidarity and Community Development) and CECV (Economic Fund of Cape Verde) continued to provide loans to farmers wanting to install drip irrigation systems in their fields. ACDI/VOCA drip irrigation technicians provided technical assistance to these farmers to ensure better harvest and therefore on time repayment of the loans.

2. Program Objective # 2: Increase access to food through the promotion of micro finance services. ACDI/VOCA continues to provide technical assistance to local credit associations, primarily to ASDIS, which again achieved profitable operations in 2002 with nearly 97% on time repayment, but also to MORABI (Association for Supporting Woman's Self-Promotion in Development) and OMCV (Cape Verdean Women's Organization). The capital for ASDIS was provided by rural associations constructing soil and water conservation works under PL-480 contracts. The positive impact of the loans on both drip irrigation farmers and on female street vendors is confirmed through interviews and meetings with the recipients. For FY 2002, ASDIS has disbursed 356 loans, 255 of which were to women. This year, ACDI/VOCA has helped initiate the creation of two micro finance institutions similar to ASDIS in Fogo and in Santo Antao. SOLDIFOGO (Fogo) should be functional in the near future and will receive ACDI/VOCA's technical assistance.

3. Program Objective # 3: Promote better dietary practices. During 2002, ACDI/VOCA signed a Recipient Agency Agreement (RAA) with the Cape Verdean Ministry of Health to establish an information system on the nutritional situation of children ages 0-5. In addition, ACDI/VOCA worked with the rural associations and the umbrella associations to train trainers on nutritional and health issues. In total ACDI/VOCA provided training for 43 trainers representing 17 rural associations on the island of Santiago and 19 trainers representing 13 associations on the island of Santo Antão. The trainers are mandated to conduct training sessions in their communities and serve as nutrition coordinators between their communities and the umbrella associations. Santiago's Women's Commission was also involved in the training and is expected to carry out the bulk of the training load in the future.

Environmental Compliance: N/A

Country Closeout & Graduation: N/A

D. Results Framework

655-001 Contribution to food security

Discussion: