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SAUL ROOM

NAVIGATING ECONOMIC RESILIENCE AND GROWTH IN SMALL ISLAND STATES

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INTRODUCTION:

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FIRESIDE CONVERSATION:

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Prime Minister, Republic of Cabo Verde

MODERATOR: PIERRE NGUIMKEU

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COULIBALY: Good morning, everyone. If you can please find your seats, and then you will see some devices on the chairs. This is for simultaneous translation. And I believe channel 10 is for Portuguese. I'm the vice president of the Global Economy and Development program here at Brookings. It's a program that houses our Africa program and it's really my great pleasure to welcome you all to Brookings for what I'm confident would be a really insightful conversation on navigating economic resilience and growth in small island states featuring His Excellency Prime Minister Ulisses e Silva of the Republic of Cabo Verde. Mr. Prime Minister, we are truly honored to host you today, and thank you for joining us. The small highland states hold a unique place in the global development landscape. They are often celebrated for their cultural richness, biodiversity, and geographic beauty. But beneath that lies a far more complex reality.

These nations face outsized challenges relative to their size, including climate vulnerabilities, a high dependence on a narrow set of economic activities, and susceptibility to global shock. As well as limited access to affordable financing due to high cost of capital and perceived risk. Yet, despite these constraints, small island states also demonstrate remarkable ingenuity and resilience, and Cabo Verde is a case in point. Since gaining independence in 1975, the country has charted a path of political stability, strong institutions and governance, social progress, and commitment to democratic principles. But like many small island economies, Cabo Verde's economic model remains vulnerable. It has faced setbacks from the global trade disruption to climate-related risk that threaten coastal livelihoods and infrastructure.

And yet, in the face of these challenges, Cabo Verde continues to look ahead with ambition, vision, and a spirit of innovation. Today's conversation comes at a particularly meaningful time. As Cabo Verde approaches 50 years of independence this year, the country will turn toward a future with a bold agenda anchored in the blue economy strategy. By advancing sustainable tourism, investing in ocean-based industries, and fostering international partnerships, Cabo Verde is positioning itself as a model of inclusive, climate-smart development.

These issues, resilience, growth, sustainability, in vulnerable context are central to our work here at Brookings. Through our Africa Growth Initiative and the broader global development efforts, we thrive

to elevate policy dialog on innovative pathways to development that are locally grounded and globally relevant. So, today's conversation will be moderated by my colleague Pierre Nguimkeu, who is senior fellow and director of our Africa Growth Initiative. Pierre brings both academic rigor and regional insights that will make this dialogue even more enriching. So prime minister, we look forward to hearing your reflections on Cabo Verde's journey, the challenges you face, your vision for a more resilient and prosperous future. So, with that, let me turn it over to Pierre for the fireside chat. Thank you.

NGUIMKEU: Thank you very much. Yeah, yeah. Thank you very much, Coult, for your welcome remarks and for the kind introduction. I would like to also thank all of you for coming here today and also joining online in our live stream. I want to remind the audience to tune into Channel 10 for Portuguese and Channel 2 for English. For those joining online, please select the correct language from the globe icon.

Mr. Prime Minister, it's indeed a true pleasure to welcome you at Brookings. They say Cabo Verde is a small island state, but in reality, it has a huge global presence. When you see the soulful rhythms of morna or the passion of your national football team lighting up the African Cup of Nations, Cabo Verde cannot go unnoticed. And today, we are truly excited that we will be hearing from you how that same spirit of creativity and resilience is shaping the economic trajectory of Cabo Verde. So, thank you again for accepting our invitation.

SILVA: So, thank you, before I respond to your question in Portuguese, I'd like to thank Brookings for this opportunity to have this conversation, to share some point of view of Cabo Verde development process and how we're going forward in the next future. And thank you to you to moderate this conversation. And I go on in Portuguese.

SILVA [interpreter]: First of all, I wanted to say that Cabo Verde indeed is a small, insular, developing state in Africa. Our location places us close to the African continent, close to Europe, close to Brazil, close to the United States of America. So, we have a seven-hour flight, takes us to the U.S.. One hour to Africa, for example, in the car, and three and a half hours to the car and about

seven hours to Brazil. So as a small insular state, resilience is a key factor for our country's development. And in the last few years, we have been exposed to severe external shocks. I took office as prime minister in 2016. I took office, from 2017 to 2021, we were exposed to the worst droughts in the last 40 years of our history. And Cabo Verde demonstrated its ability to be resilient. We mitigated the drought's impacts, at the same time generating more resilience through better use of fresh water. In 2020, we were exposed to the worst global health, social, economic crisis in the last year since the second World War. The impact was truly global, as we know, and in Cabo Verde we were able to face that crisis. We saved lives, we protected our people, businesses, jobs, and we allowed for the economy to return to its path towards growth. Until 2019, our average annual growth was around 5 percent. And we closed 2019 with 6.9 percent. 2020, we had the worst economic retraction ever in our history. 20.8 percent drop. Tourism, our strongest sector, faced a dramatic drop in growth.

Within two years, we were able to recover in 2021. In 2022, we recovered. Our growth more than overcame the recession of 2020. We were recovering during those years. In 2022 we then faced the impact of the war in Ukraine, which impacted energy and For so many years, our inflation had been around 1 percent and it jumped to 8 percent due to the energy crisis as well as the price of commodities that had risen. And once again, we had to face a serious crisis back in 2022. And all of these challenges led our resilience. And one of the lessons we've taken is that we have to rely, first and foremost, on our own strength. On turning that strength into growth and resilience as well as active international diplomacy. And we also learned to believe that recovery is a process deeply connected to crises. And in 2023, we were able to grow again, 7.3% growth by the end of 2024. More jobs were created. Poverty was reduced. Extreme poverty is now around 3 percent in Cabo Verde, and our goal is to eradicate extreme poverty by 2026.

By the end of 2024, we had reached 1.2 million tourists for a population of 500 million. Tourism had dramatically in 2020 and once again it grows. And it has the positive impact in our economy as it had always had before. So essentially, that has been our recent trajectory in Cabo Verde, which has allowed us to learn these lessons I have described. We had to double down on resilience, diversify our economy so it is less dependent on any given sector. And reinforce our trust in the future.

NGUIMKEU: Prime minister, for this wonderful outlook of the Cabo Verde economy within the last decade. So, this is what we're going to do. I'm going to begin with questions to the prime minister and then I will open up the floor to our guests in the room and online. Those online can submit their questions by email to events@brookings.edu or by X/Twitter using hashtag #CaboVerde at Brookings. Mr. Prime minister. Cabo Verde is often cited as a model of political stability and human development. What do you see as the country's greatest economic achievement within the last decade and what keeps you up awake at night?

SILVA [interpreter]: First of all, I would say stability, good governance, low risks related to corruption, those are our greatest assets in a country that has a deficit in other resources, so human capital is definitely our main asset. Now what keeps us up at night has to do with risks of global threats, the unpredictability we face in the world, as well as eventual prospects of new crises of global impact. And that is basically what we see around us in the world today. However, the only variable we can control, especially as a small insular state, which does not have the ability to impact the whole world, we can only control certain variables. And those are to ensure that our country becomes more and more resilient. That the country can find its niche for development in terms of how to be positioned in the global stage to ensure continued stability, social, political, economic stability, so that we can navigate this very tumultuous world. That has been our vision, our perspective to have our own niche. Sometimes small can mean agile in its repositioning, global integration to take advantage of that niche and promote stability, stable conditions. And that is the basis for everything we have been developing. All those crises we've faced and how we continue to shape our future has been to ensure our own path and our own conditions for development.

NGUIMKEU: We've witnessed recently a lot of global shocks. We had COVID-19 inflation, supply chain disruptions, et cetera. How has Cabo Verde navigated these recent shocks? And what lessons have been, can emerge from building long-term economic resilience in Cabo Verde, especially given the country's reliance on tourism?

SILVA [interpreter]: We were able to face and overcome these serious crises such as the COVID-19 pandemic, the inflation crisis of 2022 through policies that have been quite assertive in order to protect our economy, to protect our citizens, and to ensure that a recovery could take place while growth would also increase. Once again, generating jobs, reducing poverty, that has been our mission. And one of the lessons learned have been that we have to become more resilient and we have to contain those factors that expose us to external shocks, especially in the energy field. We have the ability to replace the fuel we import, the fossil fuel we import at the moment. We need to diversify our economy so we do not have to rely on any one sector such as tourism. We need to be able to make up for that eventual loss through other sectors. And essentially that has been the process we have developed and we hope to continue to strengthen, foster in this direction so we can have a more prosperous future.

NGUIMKEU: -- Cabo Verde's next wave of economic diversification? Is it the blue economy, as we might guess? Is it digital services, green infrastructure? What are your priorities?

SILVA [interpreter]: First of all, we want to diversify tourism itself, because it is very concentrated on beach destinations and only limited to two islands, and tourism could grow further and it could bring up local revenues. If each island, the nine inhabited islands, in different destinations, there are islands that can offer tourism or nature tourism, cultural destinations or ocean, water activities, diving, fishing, nautical events, international events even that could become flagship events. We need to diversify and de-concentrate tourism.

And in second place I'd like to mention the blue economy. Yes, there's great potential. Our economic, our exclusive economic zone is the size of Texas. Our land surface is limited in Cabo Verde; however, our maritime domain is quite sizable and this exclusive economic maritime area has great economic potential that we would like to exploit. Tourism depends also on the ocean. Fishing, we have our fishery sector, it is growing. Aquaculture also is growing. We have ongoing investments, significant investments in the production of the tuna, a specific type of tuna that's of high value in the international market. And through investments of a Norwegian company, Nortuna, they have already started production, and soon they will be exporting. And we also want to become a transshipment

market. Our location is very favorable for that purpose. We could have a share of the transshipments market in Cabo Verde. And we're also connected to the blue economy. We have entrepreneurship involving local communities that depend on fishing. In the coastal areas, we want to generate more jobs, reduce poverty, and take full advantage of maritime resources for that purpose.

Digital economy is another factor for the diversification of economy and we're developing that. We have data centers, technological parks, internet infrastructure that is accessible, creating the conditions for young people to invest in the digital sector. We had a very favorable ecosystem with technical assistance. With financing for professional training, also financing for the youth to create startups related to digital economies, digital nomads. We have an interesting area there that can grow so that we can have a greater part of the GDP in digital economy, our technological part has 23 companies that export services to many countries, including cybersecurity. And there are 350 people that are working there, young people that qualified and that can provide those services, and they are very competitive in terms of salaries compared to other countries.

At the same time, we create a technological economic zone. The companies that come to that park have fiscal and financial incentives to develop export businesses related to the digital sector. We want the creative arts to contribute to GDP. That's what we have in Africa, culture, music, arts. So, we want to transform that, an economic asset, and export those services. We are working on those sectors so we can reduce the impact of shocks. When your economy is only linked to one sector, you suffer more, so we want to have more opportunities to grow, more potential, and of course more job opportunities.

NGUIMKEU: -- services have a lot of potential from the youth, but to develop all these sectors we need funding. How is Cabo Verde balancing access to development finance with the need to maintain depth sustainability and also policy independence? What kind of reforms of support do you believe are the most urgent to better serve island states like Cabo Verde at the international level?

SILVA [interpreter]: We continue having access to concessional loans and credits. We have access to AIDA, other World Bank, bilateral relations with countries that give us concessions financing, and

that is one of the financing instruments that we use for development. Also, we have the capacity of accessing the market through the private sector, capital markets, in conditions with guarantees that are guaranteed by the state itself.

We have sovereign risk guarantees that allow the country to have access to financing. So, the private sector has greater capacity to finance the development of the country. We were careful to avoid over indebtedness ratio, debt, GDP, during the COVID crisis was 140 percent. Now it's below 100 percent. And our intent is to reduce that ratio and to manage the debt. We have to grow more. We have to have a more robust economic growth so we can reduce that dependency that has an impact on our sovereignty. We have a margin for growth and a margin for good debt management and good macroeconomic stability. That is our picture in terms of financing.

NGUIMKEU: The Verdes diaspora is vast and influential, especially in the United States. Some statistics even say that the number of Cabo Verdeans outside the country is higher than those inside the country. Are there policies in place to channel their contributions beyond remittances into innovation and investment into the country?

SILVA [interpreter]: In fact, we have a very large diaspora. Cape Verde is a nation that goes well beyond its territory. More than double of the population lives outside the country, here in the U.S. And the state of Massachusetts. That's where most of our community lives. First, second, third generations of Cape Verdeans are there. And they contribute to the economy through remittances, also in direct investment. And we want the diaspora to be more and more linked to the country. I want them to be productive investing in blue economy, agriculture, and the digital sector, in tourism.

And another component which is as important as the economic and financial sector is qualification, competencies, capabilities that diaspora has in several areas. I always use this example. We have 500,000 inhabitants, but we are in the World Basketball Cup, World Handball Cup, the Cup of the African Nations. And we're two games away to qualify for the World Cup here in the U.S. Why does this happen? Because we recruit talent, not only in Cape Verde, but we recruit the children of Cape Verdeans that have Cape Verdean nationality here in the U.S. People, Cape Verdeans that were born

here in Italy, in Portugal, and in Ireland as well. One of our best players is the son of an Irish woman and a Cape Verdean, and Angola as well. We broaden the recruitment field. We don't just recruit from the 500,000 inhabitants to find football players. We have a much larger universe from which to recruit, and that creates human capital. And this is valid for other areas as well. For culture, obviously, many of the names that are famous in Cape Verdean music either are in the diaspora or were born already abroad. And what is common to all of that is that in sports, when they come into the fields, they sing the Cape Verdean anthem, they have the flag. They are proud to be Cape Verde, and they represent the nation even if they're abroad. And that's the spirit that we have in our diaspora. If we transmit that, if we transfer that to science, medicine, technology, to the academic sector, we're going to broaden the human capital available to the country.

And that is the strategy that we've been developing. And in medicine, that is a reality. We have doctors that are American Cape Verdean or Cape Verdean Americans that are 250 doctors, specialists in several areas, scientists, university professors, and they're connected to the country that increase our capacity to intervene in the different sectors and complements the deficit we still have in terms of specialists. And also, as we do in medicine, we can do technology, business or sectors. And that is a contribution of the diaspora. So, Cape Verde is much more than its national territory, much more than the residents.

NGUIMKEU: -- Strategy that is put in place, a lot of projects and initiatives from various sectors that will attract the diaspora and allow them to contribute to their home country. That's wonderful. Thank you so much. In terms of global engagement, how does Cape Verde position itself in regional bodies like ECOWAS or among Lusophone and Atlantic partnerships?

SILVA [interpreter]: We believe that ECOWAS creates markets for Cape Verde. It's a small country and we cannot have the ambition to produce just for the internal market. The global markets have to be our targets. So, ECOWAS is one of the markets. We have commercial trade preferences. We have the conditions to join that market. It hasn't been easy, but it's one of the openings. In the Portuguese-speaking countries, again, it's not an area of economic integration, but Portuguese-speaking countries are very much linked by language, culture, and that creates the opportunity to strengthen the

relations, that are either economic and we have some partnerships ongoing and there's also a potential that we can explore areas, geographical integration areas, which we're really working on.

NGUIMKEU: Excellency, in terms of vision and future outlook, looking at 10 years ahead, what is your vision for Cabo Verde's economy, and what does 2026 look like to you?

SILVA [interpreter]: In the next 10 years, we want to reinforce our adaptation and resilience capability. We want to double our economic growth potential. That is the basis for us to be sustainable, creating jobs, reducing poverty in a sustainable way. Also, we're... On resilience factors. We are targeted in 2026 is to increase the production of renewable energy to 35 percent in 2030, 50 percent in 2040, more than 80 percent. As we reduce those targets, we reduce the exposure of the country to external shocks because that's the shock we suffered in 2022, inflation caused by energy. 50% were renewables, we had 50% fewer shocks. And that's important for us. That's what we're doing. Then the other area is water. We are at the – we suffer the droughts that come from the Sahel. So, we are investing on desalinization.

And we with renewable energies and water that will help agriculture. And that's another factor to exposure to shocks that will be reduced. And we want to achieve sustainable development. In 2030, we believe we will attain the ODS. We want to be a developed country. The SDGs as what we will be attaining in 2030. We will be reducing poverty. We will have better jobs. We have more jobs. And we will improve the people's lives, which is really the goal of all our activities, both in the entrepreneurial sector and governance.

NGUIMKEU: We will now turn to questions from the audience. I'm going to start with a question. I'm going to start with a question that came online from Palavê Characá, who is the manager at Iniciativa Climática. He is asking how are islands balancing long-term climate resilient investment with investment that produce shorter-term economic growth but may not be resilient in the face of climate shocks and stress?

SILVA [interpreter]: In balancing, we focused first on depending less on importing fossil fuels, their economic impact and direct environmental impacts in the medium term until we can reach 50 percent or more. Of renewable energy, as well as the water sector, protecting biodiversity, protecting our ecosystem, and to allow the country to strengthen its resilience. In the short term, we need to secure the financing conditions integrating the private sector to investments in renewable energies as well. Boost economic actions by the government. So, we always invest in public-private partnerships, both in resilience and increasing sustainability.

NGUIMKEU: Please raise your hands, state your name and affiliation, and please be brief. Yeah, microphone. Yeah, the lady right there.

AUDIENCE MEMBER: Thank you. I'm Jemima Neves-Barlow from the National Democratic Institute. I have a short two-part question. One is, Cabo Verde is one of the rare countries in Africa that has had peaceful alternations of power between opposition and ruling party, which is important for economic growth, good governance, and stability. With West Africa having all of these coups and a return to autocracy, what role can Cabo Verde play in terms of the stabilization in the region? And two, do you know whether Cabo Verde will ever have the opportunity to chair the African Union? Thank you.

SILVA [interpreter]: Those are, that's a good challenge. It does not depend only on us, but perhaps one day we'll get there. We'll be, we'll chair the African Union. And when you talk about stability and good governance, those are essential factors for Cabo Verde.

AUDIENCE MEMBER: Thank you, excellency. My name is Ander Pico from Columbia University. My question is about how best to catalyze private sector growth in Cape Verde through foreign direct investment. So what forums, what sort of special economic zones can you propose to investors, perhaps from the US or the Europe, to invest into these areas that you've discussed today that you seek to have high economic growth, whether it be tourism or new energy initiatives. Thank you.

SILVA [interpreter]: The foreign direct investment requires a series of requisites, and we are very interested in them. We try to generate the best possible conditions to attract and retain those investments. Digital economy is one of those sectors. We have already seen some activity in that area, but in tourism and other areas, we have this challenge of attracting and retaining FDIs.

NGUIMKEU: Online from Joanna Gradel, who is a strategic officer at World Bank. The question is, are small island state challenges truly unique? If so, what needs to be different in the approach to this small island states compared to other low-capacity settings?

SILVA [interpreter]: Yes, these insular states, or islands obviously, they're exposed to external shocks, and that is the reason why we have these unique characteristics and the need for specific and appropriate instruments, namely our per capita GDP. We can't build an airport at a CID because, based on per capita GDP. All islands need airports. So, the size of the population turns those investments very challenging, but those investments are very important because they generate more connectivity and drive growth. So that has been one of the sources of difficulty. We have been trying to protect our uniqueness, but we need to access financing to development as well as access to the international financing system.

One of the most sought-after islands for tourists in Cabo Verde, Boa Vista, has around 3,000 inhabitants. We can't build an airport with our per capita GDP. This is a very small airport. It cannot follow international standards. So, we would never have one under those standards. The airport, however, has been built. And Boa Vista, which had a very weak economy, now are developing their tourism. Out of 1.2 million tourists, Cabo Verde receives 400,000 go to Boa Vista. There are plenty of jobs and that is one of the reasons we need access to financing, which has been a fight we always have to insist on in international for so that we can make this happen. And we have to protect our needs and our relationship with international investors.

NGUIMKEU: The gentleman here.

AUDIENCE MEMBER: Thank you, prime minister. I'm a reporter, Ziwen Zhao, from South China Morning Post. Want to ask a question about U.S.-China rivalry, because now I think China's influence in Africa and also on Pacific Island countries has become a growing concern of Washington, and it is already a crucial part of U.S.-China rivalry. And for your country, I know it's in Atlantic, but it's still in Africa. And we've got strategic importance as an island country. What's your take on your country's development in terms of this growing intense geopolitical relations, especially between Beijing and Washington? Thank you.

SILVA [interpreter]: We have good relations with China as development partners. They have been our partner for development for many years, as well as relations with the U.S. And Europe, but in a different way. For example, with Europe, our currency since 1998 has been packed to the euro. Eighty percent of our commerce is done with Europe. Over 80 percent of FDIs come from Europe. Most of our tourists come from Europe, so naturally, Cabo Verde is deeply connected to Europe. With the U.S., we have our large diaspora, which is also a factor. That guides some of our decisions in the government because we want to protect this relationship. But when we consider security issues, our options are very clear. We are in the Atlantic.

We want maritime security in the crossing between the crossroads between Brazil, U.S., Africa, and Europe. So, the geopolitical game is played often within the context of maritime security. And we see there is some predictability in terms of what we seek in our external relations. And we are close to NATO, which is in terms of strengthening conditions for ensuring cooperative maritime security. That is our goal, because maritime security for us is a priority. We are right in that quarter. There are many good aspects but many bad events too. Drug trafficking, trafficking in persons, maritime piracy, not in Cabo Verde, but from Brazil to the Gulf of Guinea and Europe. And so cooperative security in the maritime domain is essential for us to maintain security within the Atlantic, but also to protect our own security. That said, it becomes clear what development. Connections we want to have. We want to have good relations with the U.S., with Europe, with the rest of Africa. We seek friendly relations with all of these players.

NGUIMKEU: From Nana Yenga Balthazar, who's the founder of Africa Oikotri Yenga Foundation from the Democratic Republic of Congo. So, her question is what could be the role of the civil society organizations, the role that they could play in economic recovery and growth?

SILVA [interpreter]: It is an essential role. We are for an empowered private sector and civil society. The state is an important player, but not the only one. We have the history, really. Promoting a good environment for people to feel included, to apply their positive energy towards solving their own problems, and in doing so, they help the country. That is the best type of relationship we could have with these organizations. Not only an empowered civil society is positive and they need to be more and more empowered, but we also have a freedom of press that we protect. The social control of power, checks and balances, all of that means an empowered civil society with the means to participate actively and to limit public power, which it's important for any country that wants to have sustainability in their developmental process.

NGUIMKEU: The lady.

AUDIENCE MEMBER: Good morning, your excellency, my name is Zina Ben-Karin, I'm a senior economist with the International Finance Corporation which is part of the World Bank Group. Our managing director was with you I think last week. I also authored the Country Private Sector Diagnostic for Cabo Verde which was published last year and I'd like to first acknowledge the excellent work of the government that has been done to really advance the reforms to help improve private sector participation in the economy in all of the different sectors that you've mentioned. My question is on one of the enabling sectors that will be necessary to progress in order for sustainable tourism diversification to be achieved, in order for digital services to take off. And that is inter-island connectivity. Can you just talk a little bit about the progress that has been made in terms of inter-island connectivity, whether it be maritime or air in order to help propel the economy further. Thank you so much.

SILVA [interpreter]: Thank you for your question. Indeed, connectivity is a critical factor for our islands. We have low population, which is also fragmented, dispersed over many islands, and air and

maritime connectivity is important, but also digital connectivity between the islands and the world.

That is one of our key priorities as to air transportation. With COVID, we were hit hard and until this day, our airline still suffers the consequences of that crisis. We are trying to stabilize them in order to position Cabo Verde once again as a hub since we are at the crossroads of many different air routes in trying to make our own national airline viable. If we only serve the internal market, it makes any airline difficult to support an archipelago such as ours unless we have heavy subsidies.

As to inter-island connection, we consider that transportation between islands a matter of sovereignty. It has to be assured at any cost due to the need for mobility and the concept of integrated nation, a unified market. We have been once again promoting greater stability for this sector, seeking to have more vessels, a greater fleet for inter-island connectivity, vessels for maritime transportation as well as air transportation. We will have the need for subsidies and we compensation so that smaller islands can have the same access to transportation as larger islands and so that that transportation is sustainable. That is one of the greatest challenges that Cabo Verde and our islands face. Small population, medium low income and low connectivity between the islands due to these matters that I have described which are fundamental to respond to the needs of our citizens. And we are focused on reaching these goals of greater regularity and predictability in the routes between our islands and with other countries in the world.

NGUIMKEU: The lady on the, behind, in blue.

AUDIENCE MEMBER: So, thank you very much, prime minister. So, my question is more related to trade. So, my name is Regina Atsebi from the World Bank as a consultant, and my question is related to trade. What are the main steps is your country is taking to advance the implementation of the African continental free trade area? So what kind of tariffs are implemented? What kind of trade policies? Implementing to strengthen the trade integration between your country and the rest of African countries. Thank you.

SILVA [interpreter]: The free trade area, African free trade area was created a few years ago, just as the area of free circulation for air transport. I forget the name, but those two areas then for air

transport and free trade in Africa. In one area or the other. We have not gone forward as we should. We're delayed in the implementation of the free trade area. And we are small players. We don't have enough influence to transform the relations in African trade. We've tried to increase our trade quota in the continent, which is about 2 percent of our trade, and to increase that percentage, we have to eliminate at the barriers at the continental level, barriers that are administrative, not even financial or fiscal. But the idea is that we go forward to this free trade area will be a benefit for all of us.

NGUIMKEU: Online from Marcelino Avila, who is a senior policy advisor at the government of Belize. The question is, what types of support are international organizations providing for research and development towards growth and resilience of the blue economy?

SILVA [interpreter]: For Cape Verde, we have several partners in this area, the European Union, a very strong partner in the global gateway. They are investing 400 million euros in Cape Verde in programs that are transformative such as the blue economy. When I said position, Cape Verde has a trans-shipment hub for the Atlantic, we have a very strong financing for the European Union. Other partners, the World Bank, is an important partner for Cape Verde in our diversification blue economy, digital economy, and bilateral partners that work with us. Portugal, Luxembourg, an important partner. So, in our external relations, given our reputation, we are really well-positioned.

NGUIMKEU: Yes, over there, behind.

AUDIENCE MEMBER: Hi, thank you very much. My name is Kamiyo Shikoya. You mentioned so many things about trade and investments. My question to you is your plan, if you can share with us your plan regarding education and health.

SILVA [interpreter]: In terms of education, first, has been always a number one priority for our country. We've taken steps to eliminate obstacles and financial barriers to access to education from preschool until secondary school. All free in Cape Verde today. Access to elementary education and secondary education. In preschool, we offer subsidies to the poorer families to ensure that children have access to preschool. At the same time, we are also supporting the quality of education. Access

is important, and we have a very broad access. 86% of Cape Verdean from four to five years of age are in these preschools, elementary schools. We have a high percentage, almost 100% of children are in school, secondary as well. Universities, 23 percent, and we want to increase it. So total priority to human capital from the very beginning. Preschools, we start breaking the vicious circle of poverty that is transmitted from parents to children. We want to give the same opportunities to all, and that's something we believe is very important.

NGUIMKEU: From online by Michael Carlson, who's president of International Storytelling Center. The question is, how is Cabo Verde investing remittances and creating opportunities for of Cabo Verdeans residing in your country.

SILVA [interpreter]: -- remittances. We have taken steps to improve its management. We have a system to manage small remittance that are sent to families, giving fiscal incentives, reducing customs tariffs. It has a very big impact on the families. And also, we are in giving incentives for productive investments so they generate more jobs, greater benefits for the economy and for the economies where they're linked. They are very much linked to the islands and the municipalities from which the people come from.

NGUIMKEU: The audience.

AUDIENCE MEMBER: Hello, my name is Tim Herschel-Burns. I work for the Boston University Global Development Policy Center. And despite Cabo Verde's impressive achievements, as a small country, you will always have limited power in the international arena. So, I'm wondering if you think there are ways to deepen and improve cooperation with countries that have common interests, whether that's other small states or regional groupings, to advance your collective interests.

SILVA: I didn't understand.

NGUIMKEU: Can you repeat? Slowly?

AUDIENCE MEMBER: Yes, all right. I am wondering if there are ways to improve cooperation with countries that have common interests with Cabo Verde to support your shared interests.

SILVA [interpreter]: We are very much interested to cooperate. Cape Verde is open and interested, not only cooperation for development, but also for investment, and to improve our relations of trust. And we are working both multilaterally and bilaterally for that.

NGUIMKEU: Mr. Prime minister, thank you so much for this rich and very candid conversation. You've given us a lot to think about, and not just in terms of Cabo Verde's journey, but also in terms small island states, the way that they can lead with resilience and creativity. I would like to thank our incredible staff, both from both teams, for making this event possible. Thank you so. To everyone here at Brookings and joining online, thank for being part of this important We look forward to keeping the conversations and going forward to supporting Cabo Verde's continued success. Thanks again to everyone.