

ANNUAL REPORT



International Federation of Red Cross and Red Crescent Societies
Fédération Internationale des Sociétés de la Croix-Rouge et du Croissant-Rouge
Federación Internacional de Sociedades de la Cruz Roja y de la Media Luna Roja
الاتحاد الدولي لجمعيات الصليب الأحمر والهلال الأحمر

CAPE VERDE

2 April 2004

In Brief

Appeal No.: 01.36/2003 ([Click here to access the 2003 Appeal](#))

Appeal target: CHF 107,081 (USD 73,473 or EUR 72,804)

Appeal coverage: 126.1% ([Click here to access the Final Financial Report](#))

Appeal 2004: Cape Verde no. 01.33/2004 ([Click here to access the 2004 Appeal](#))

This Annual Report reflects activities implemented over a one-year period; they form part of, and are based on, longer-term, multi-year planning.

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Overall analysis of the programme

Cape Verde is made up of ten islands 450 km west of Senegal, with half the population of 430,000 people living on the main island of Santiago. The country has a unique geography and history with African and European roots and is part of the drought-prone Sahel and as such its history is dominated by years of famine and drought. Food security, particularly in remote areas, is a concern. The country produces less than 11% of the food needed to keep its tiny population alive. Public sector salaries are low, often less than USD 150 per month. According to the World Bank, over 30% of the population lives below the poverty line and 14% live in absolute poverty. Yet, even among the poorest households, most homes are owner occupied and have electricity, television and running water, often paid for by the remittances of emigrant Cape Verdeans. In the year 2000, emigrant remittances amounted to almost 15% of the GDP (EIU). Cape Verde's recent economic growth was as a result of improved tourism, finance, transport and communications sectors, which posted impressive profits. However, this had minimal impact on job creation for low-income families. Thus, Cape Verde is a country of wide contrasts.

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The [Red Cross of Cape Verde](#) is unique in West Africa and has programmes focusing on:

- The elderly
- The handicapped
- Young women in difficulties
- Women vulnerable to prostitution
- Single mothers
- Unemployed young women
- Community-based kindergartens.

The national society's health programmes include:

- HIV/AIDS
- Diabetes
- Vaccination campaigns
- Social mobilization.

The national society runs programmes in disaster response and promotion and dissemination of humanitarian values. The national society is financially self-sufficient in some of its programmes because of diverse sources of income such as the national lotteries and other investments. The national society has been given a natural mineral water source which it plans to develop in addition to the development of two tourism residences. The national society has some strong branches which run major programmes through own funding, volunteers, and partnerships with the local government. Despite these major accomplishments, the national society does have limitations.

In 2003, the Secretariat, planned to assist certain regional committees facing food insecurity. Special emphasis has been placed on collaboration with the Sahelian national societies, particularly the Red Cross of Cape Verde. However, it proved to be difficult to obtain a plan from the national society for a food security programme which went beyond food distributions. This is linked to the context in which the national society operates, i.e. the country is a net food importer, the government distributes significant amount of food to needy persons, and rural populations live in mountainous areas which are difficult to access and in islands which are geographically apart.

In 2003, the Federation Secretariat planned to assist the national society increase and diversify its resource development base by improving its financial management systems. In 2001, the national society expenditure was approximately CHF 1.06 million. The national lottery provides 64% of the national society's budget. In addition, the national society benefits from an investment portfolio. To achieve its goal of diversifying its resource base, the national society plans to:

- Increase profitability of less productive gaming activities by reaching out to the expatriate community and Cape Verdians in USA
- Increase its services to reach out to more people
- Update and expand its financial management systems for better management. Progress was registered but the process was slow.

To help in understanding the national society's operating environment and constraints better, the Federation Head of Sahel office visited Cape Verde in November 2003. She met with headquarters personnel and the executive board. She visited programmes targeting the elderly, handicapped, and youth at risk and all branches on São Tiago Island, where the capital Praia is located; she also visited similar programmes, staff, and volunteers on São Vicente Island. While the national society conducts extremely relevant programmes geared to assist the most vulnerable, it nonetheless has potential to develop and increase its effectiveness.

The Red Cross of Cape Verde completed the Federation's National Society self-assessment questionnaire in November 2003 which allows for the creation of a set of criteria against which to measure the national society's development. Using this information and feedback from the Secretariat's monitoring and evaluation department, further discussions will be held with the national society about its ability to expand its programming and strengthen some of its less active branches.

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In August 2003, a meeting of the Sahel Sub-Regional Group was held in Mali. The Red Cross of Cape Verde was represented at the meeting by a former President because the President and Secretary General could not attend. While Cape Verde enjoys a significantly higher standard of living than the other countries of the region, the national society's priorities, as presented, match those of the other national societies and include:

- HIV/AIDS
- Preventive health (especially diabetes)
- Disaster preparedness (including food security)

One of the national society's board members who is a nurse and an experienced trainer in disaster response participated in the Francophone regional disaster response training (RDRT) in Mali in August 2003. The board member is available to assist other Francophone and Lusophone countries in the Federation Sahel Sub-Regional Office and other sub regions.

To ensure that the national society continually builds and renews its volunteer capacity, the Federation Sub-Regional Office in Dakar facilitated the participation of a board member in the International Red Cross and Red Crescent Movement's executive leadership development programme whose first two modules were conducted in Geneva in October and November 2003.

Disaster Management

Objective: Vulnerable communities develop disaster prevention and preparedness mechanisms mainly through small-scale projects relating to food security.

Achievements:

- Despite the announcement of the availability of funding by mid-year, the national society was unable to undertake the food security programme in 2003. However, another proposal has been developed for 2004.

Constraints:

- The national society has limited capacity at its headquarters (one Secretary General, one Programme Officer) to develop and oversee projects at the branch level, which has led to delay in programme implementation.
- The revised plan of action submitted by the national society for its food security programme against available funding was heavily focused on food distributions and did not sufficiently reflect the above objective; the proposal was returned to the national society for revision.

Organizational Development

Objective: Financial management and resource development capacities of the Cape Verde Red Cross are strengthened.

Achievements:

- A diagnostic assessment showed that:
 - The national society finance staff use an accounts package called INPAC and installed under DOS system in 1995 on the recommendation of local PriceWaterhouseCoopers (PWC) consultants who carry out external audits of the national society.
 - The accounting software is affected by frequent power failures and requires re-initialization to set up the system.
 - The Red Cross of Cape Verde does not have a maintenance contract for this software which became obsolete in the local market and no company in Praia can provide maintenance services.
 - Three different accounting systems are used: lottery games, programs and management.
 - Three charts of accounts are in place: the first was set up in 1995 in order to codify the lines related with the invoices of the core-costs, the second was set up in 1998 and is used for totoloto and joker games and the third one is used for the national lottery.
 - There are no records of fixed assets

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- The Regional Finance and Resource Development Delegate and the Chief Accountant reviewed the tools and services available in the market. Quotations were received for two accounting packages the Primavera software and SAC (Advanced System of Accounts) software.
- Primavera was chosen as a professional tool originating in Portugal, recommended by the majority of the companies and PWC consultants, adapted for lusophone countries and commonly used by the large companies of Praia (Telecom-TACV-Electra); it also includes the traditional modules of general ledger, cash manager, sales and receivables, purchases and payables, inventory and financial statements.
- An independent local consultant was chosen to undertake the computerisation process, with consideration given to implementation, coaching, monitoring and management.
- The Red Cross of Cape Verde currently benefits from a draft version of a procedures manual from the Mozambique Red Cross Society. The Regional Finance and Resource Development Delegate offered a manual used by the Rwandan Red Cross developed with assistance from PWC consultants. The introduction of new management procedures was raised during a meeting with the local representative of PWC. It seems judicious to have Red Cross of Cape Verde external auditors' assistance to work on the implementation of this Manual due to their knowledge of the national society.

Constraints:

- Due to communication constraints with the national society for several months during the year and the absence of quotations, the Cooperation Agreement Strategy for the programme couldn't be signed. The installation of the software did not begin despite much effort made by the Federation Sahel Sub-Regional Office.
- The Chief Accountant and the assistants will require additional training to be able to use the new accounting and management software.
- No real progress was made regarding the national resource development committee and resource development plan by the national society despite on-going discussions over the development of the national society's assets.

Impact:

- The use of primavera software will ensure that the national society consolidates the different budgets and harmonizes the accounting codes.
- A UPS was installed in the finance department and an engraver CD was used to backup all records after the Regional Finance and Regional Development Delegate expressed her concern about the lack of a backup system.
- The Chief Accountant is fully involved in budget preparation, control and financial reporting. The installation of primavera in the finance department will help the accountants network and share tasks.
- The implementation of a new software and the use of a new manual should also allow to proceed to a fixed asset inventory.

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