Until 2019, Cape Verde could be considered one of the champions among Sub-Saharan African Countries in terms of poverty reduction. Poverty projections based on economic growth suggest that poverty rates, measured by the US$5.5 a day (2011 PPP) poverty line, declined by 6 percentage points between 2015 and 2019 from 41 percent to 35 percent, corresponding to around 23,000 people moving out of poverty. Over the same period, extreme poverty, measured by the US$1.9 a day poverty line, declined from 3.4 percent to 2.3 percent in 2015, consolidating the country's good performance in poverty reduction. Furthermore, between 2001 and 2015, inequality (measured by the Gini Index) fell from 53 to 42.

During 2020, Cape Verde was hit hard by the COVID-19 pandemic and its associated lockdown measures, travel restrictions, and supply chain disruptions. The contraction in private consumption resulting from a slowdown in services, hospitality, and tourism sectors, as well as disruptions in labor market activities and informal businesses, highlights the high vulnerability of Cape Verdean households. As a result, poverty was projected to rise with extreme poverty reaching 3.8 percent in 2020 - equivalent to nearly 10,000 additional extreme poor. The unemployment rate increased from 11.3 to 14.5 percent in 2020.

Post-COVID-19 Outlook is likely to be compromised by the Russia-Ukraine conflict. Poverty estimates based on the Lower Income Country international poverty line of US$3.2 per day 2011 PPP suggest that the rebound in economic activity in 2021 resulted in a reduction in the poverty rate from 14.7 percent to 12.3 percent, reflecting nearly 12,000 fewer people living in poverty. The extreme poverty rate reduced from 3.1 percent to 2.4 percent. Estimates indicate that the poverty rate is projected to decline to 10.8 percent in 2022 and 8.0 percent by 2024. Poverty reduction will be supported by growth, mainly in the tourism and industry sectors, the stabilization of inflation over the medium term, and the enhancing of the Government cash transfer program. However, the Russia-Ukraine conflict poses a risk of higher inflation including food price shocks, affecting economic growth and vulnerability of households, suggesting the need for rapid preventative actions to contain inflation and reduce households' vulnerability to price shocks.

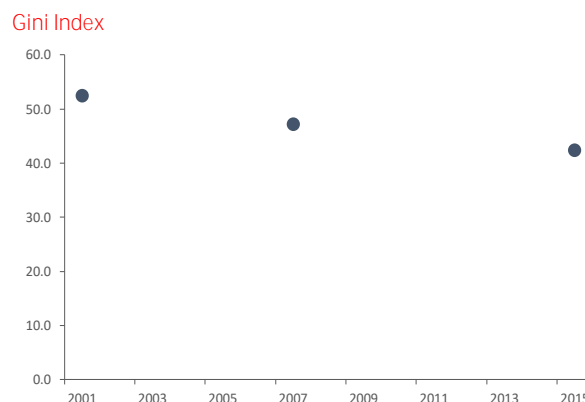| POVERTY	Number of Poor (thousand)	Rate (%)	Period
National Poverty Line	186.5	35.0	2015
International Poverty Line 94.9 in Cabo Verde escudo (2015) or US$1.90 (2011 PPP) per day per capita	17.6	3.4	2015
Lower Middle Income Class Poverty Line 159.9 in Cabo Verde escudo (2015) or US$3.20 (2011 PPP) per day per capita	80.6	15.4	2015
Upper Middle Income Class Poverty Line 274.8 in Cabo Verde escudo (2015) or US$5.50 (2011 PPP) per day per capita	216.7	41.3	2015
Multidimensional Poverty Measure		6.5	2015
SHARED PROSPERITY			
Annualized Income or Consumption Growth per capita of the bottom 40 percent		N/A	N/A
INEQUALITY			
Gini Index		42.4	2015
Shared Prosperity Premium = Growth of the bottom 40 - Average Growth		N/A	N/A
GROWTH			
Annualized GDP per capita growth		0.21	2010-2015
Annualized Income or Consumption Growth per capita from Household Survey		N/A	N/A
MEDIAN INCOME			
Growth of the annual median income/consumption per capita		N/A	N/A

Sources: WDI for GDP, National Statistical Offices for national poverty rates, POVCALNET as of April 2022, and Global Monitoring Database for the rest.

POVERTY HEADCOUNT RATE, 2001-2015

Poverty rate (%)

- ■ International Poverty Line
- ● Upper Middle IC Line
- ▲ GDP
- ● Lower Middle IC Line
- ● National Poverty Line

GDP per capita, $ 2017 PPP (Thousand)

Source: World Bank using IDRF/SSAPOV/GMD

INEQUALITY TRENDS, 2001-2015

Gini Index

Source: World Bank using IDRF/SSAPOV/GMD

KEY INDICATORS

Distribution among groups: 2015	International Poverty Line(%)		Relative group (%)	
	Non-Poor	Poor	Bottom 40	Top 60
Urban population	99	1	29	71
Rural population	93	7	59	41
Males	97	3	39	61
Females	97	3	41	59
0 to 14 years old	95	5	49	51
15 to 64 years old	97	3	36	64
65 and older	98	2	33	67
Without education (16+)	96	4	47	53
Primary education (16+)	97	3	43	57
Secondary education (16+)	99	1	33	67
Tertiary/post-secondary education (16+)	100	N/A*	6	94

Source: World Bank using IDRF/SSAPOV/GMD

Notes: N/A missing value, N/A* value removed due to less than 30 observations

Multidimensional Poverty Measures: 2015	(% of population)
Monetary poverty (Consumption)	
Daily consumption less than US$1.90 per person	3.4
Education	
At least one school-aged child is not enrolled in school	2.7
No adult has completed primary education	11.7
Access to basic infrastructure	
No access to limited-standard drinking water	11.1
No access to limited-standard sanitation	30.2
No access to electricity	9.9

Source: World Bank using IDRF/SSAPOV/GMD

POVERTY DATA AND METHODOLOGY

Cabo Verde has two comparable household income and expenditure surveys, the Inquerito às Despesas e Receitas Familiares (IDRF). for 2001 and 2015. Both used a two-week food consumption diary and have similar consumption questionnaires. However, the method for incorporating purchased assets in the consumption aggregate differs. The 2007 Questionnaire of Basic Indicators of Well Being survey also collected consumption data, but used a shorter questionnaire and no consumption diary, so comparisons with the IDRF surveys require caution. A new household income and expenditure survey is under preparation as part of the Harmonization and Improvement of Statistics in West Africa (HISWA) project. The new household survey aims to maintain the comparability with the previous IDRF2015, and to be aligned with the regional standards based on approach like the EHCVM being rolled out in eight West African countries. Under this scenario, the World Bank can provide technical assistance to the Government to estimate comparable consumption aggregates and poverty numbers for 2015 and 2022/23, while considering the WAEMU harmonized approach. Technical discussions between the World Bank and the NSO team have already started, including on the possibility of combining an experimental survey with the new survey. Recently, the NSO implemented three rounds of phone surveys under World Bank financial and technical assistance to understand household living conditions during and after COVID-19 (results expected in April 2022). The country is pursuing effort to fill the statistical gap. Important innovations have been made during the last two years. The 2021 Population Census data collection was completed in August 2021 after being delayed due to COVID-19. Three other important operations were carried out between 2021 and 2022: the general census of tourist establishments (December 2021), the fishing census (November-December 2021), and the sports census (March 2022). Since February, the Country national account data have migrated from 1993 SNA approach to the 2008 SNA approach, and a rebasing was done with 2015 as the new baseline year (2007 previous baseline). The new results suggest that the 2015 GDP need to be readjusted at

HARMONIZATION

The numbers presented in this brief are based on the SSAPOV database. SSAPOV is a database of harmonized nationally representative household surveys managed by Sub-Saharan Team for Statistical Development. It contains more than 100 surveys covering 45 out of the 48 countries in the SSA region. The three countries not covered in the database are Eritrea, Equatorial Guinea, and Somalia. Terms of use of the data adhere to agreements with the original data producers.