

Cabo Verde: In Brief

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### **SUMMARY**

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## Cabo Verde: In Brief

Cabo Verde, a small island nation of about 611,000 people located off the west coast of Africa, is described by the State Department as "one of Africa's success stories." The country has long-standing people-to-people ties with the United States rooted in historical patterns of migration from Cabo Verde to the United States.

Cabo Verde's strategic significance to the United States derives from its geographic location: the country is a transshipment point for Latin American cocaine bound for Europe and a refueling stopover for transatlantic air traffic between Africa and the United States.

The country is also a long-standing U.S. partner in Africa that the State Department has cited as a model of democratic governance in West Africa since its transition from single party rule to a multi-party political system in 1991. U.S. bilateral aid to Cabo Verde is limited, and centers on military professionalization, counternarcotics efforts, past development projects supported by the Millennium Challenge Corporation (MCC), and a planned new regional MCC compact, currently under development.

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### Overview

Cabo Verde, an island archipelago of approximately 611,000 people located off West Africa's Atlantic coast, stands out as a stable democracy in a sub-region where several countries have undergone military seizures of power.<sup>1</sup> It routinely ranks among the strongest democracies in Africa, according to various indices of governance conditions. Secretary of State Antony Blinken has described the country as "a model of democratic governance and human rights in Africa" and as "one of our strongest partners on the continent." Its per-capita gross domestic product (GDP) is among the ten highest in sub-Saharan Africa, though it is not self-sufficient in food production; it imports most of its food, fuel, and consumer goods.<sup>3</sup>

U.S.-Cabo Verde relations are warm and underpinned by people-to-people ties in large part centering on a sizable U.S.-based Cabo Verdean diaspora community concentrated primarily in New England. U.S. assistance for Cabo Verde focuses on military training and counternarcotics-centered maritime security cooperation. An expanding U.S.-Cabo Verde defense partnership has included multiple U.S. military port visits and trainings, as well as the launch of a National Guard State Partnership Program with the New Hampshire National Guard in 2022. The country also has participated in two Millennium Challenge Corporation (MCC) compacts (2005-2010 and 2012-2017), and is developing a regional compact, with a projected but yet-to-be-determined goal of boosting regional economic integration, trade, or other cross-border activity.<sup>4</sup>

# **Background and Historical U.S. Relations**

Once uninhabited, Cabo Verde was colonized by Portugal in the 15<sup>th</sup> century, and later became a transshipment hub for enslaved people. It remained a Portuguese colony until 1975, when it won independence after more than a decade of anti-colonial armed struggle led by the African Party for the Independence of Guinea [Guinea-Bissau] and Cape Verde (PAIGC), fought mainly in what is today Guinea-Bissau on the West African mainland. Most Cabo Verdeans are of mixed Portuguese and African descent and speak Crioulo, a Portuguese-African Creole. In the 1800s, Cabo Verde was a whaling industry provisioning and sailor recruitment hub, which initiated a continuing pattern of emigration to the United States, especially New England states. According to the State Department, "Cabo Verde's diaspora in the United States rivals the islands' current population." Remittances are an important source of income for many Cabo Verdean households.

## **Politics and Governance**

Cabo Verde held its first multiparty elections in 1991, after more than a decade and a half of one-party rule under the African Party for the Independence of Cabo Verde (PAICV, the Cabo Verdebased successor of the PAIGC). Elections since 1991 have been competitive; control of the

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<sup>&</sup>lt;sup>1</sup> Some sources use the historical English language name of Cabo Verde, "Cape Verde." In 2013, the country's government requested that foreign governments refer to the country as "Cabo Verde," its name in Portuguese, a change approved by the U.S. Board on Geographic Names and adopted by the U.S. Department of State.

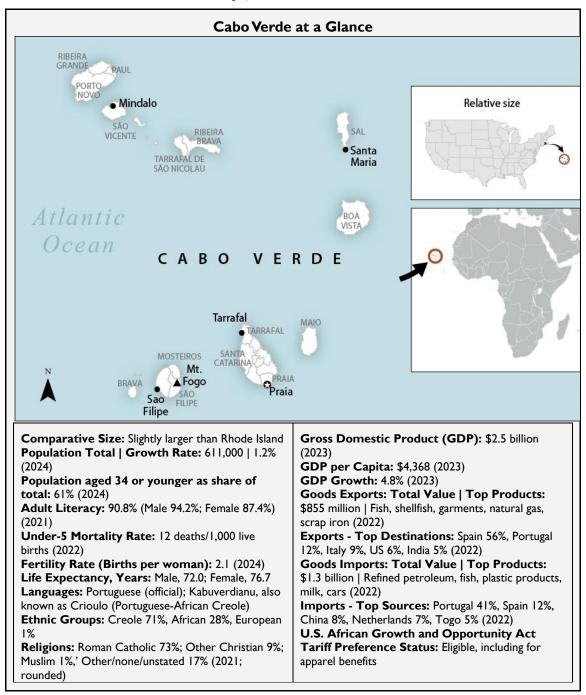
<sup>&</sup>lt;sup>2</sup> Tweets on X account of Secretary of State Blinken (@SecBlinken), February 23, 2021 and January 22, 2024. For one assessment of governance in Cabo Verde, see Freedom House, *Freedom in the World 2023*, 2023 (latest).

<sup>&</sup>lt;sup>3</sup> Trading Economics, "Cape Verde Balance of Trade," as of November 2023; Food and Agriculture Organization (FAO), "Cabo Verde," *GIEWS Country Brief*, June 16, 2022; and International Monetary Fund (IMF), *World Economic Outlook Database* (WEO), April 2024 update.

<sup>&</sup>lt;sup>4</sup> MCC, "Congressional Notification," May 14, 2024.

<sup>&</sup>lt;sup>5</sup> State Department, "U.S.-Cabo Verde Relations," October 30, 2023.

presidency and parliament has shifted between the center-left PAICV and center-right Movement for Democracy (MPD). In the most recent elections in 2021, the MPD and the PAICV won 30 and 38 of 72 National Assembly seats, respectively, and a minor party captured four. The next legislative and presidential polls are due in 2026. Members of the Cabo Verdean diaspora may vote in national elections, and are represented by six National Assembly members (two for the Americas and four for Africa and Europe).<sup>6</sup>



<sup>&</sup>lt;sup>6</sup> Inter-Parliamentary Union *Parline* database.

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**Sources:** Map created by CRS graphics team. Data from CIA, *The World Factbook*; International Monetary Fund World Economic Outlook database, April 2024; and World Bank, World Development Indicators database.

Cabo Verde has a semi-presidential political system, which divides executive powers between a prime minister—who is elected by the parliament and holds most executive authority—and a directly elected president. The president signs or vetoes proposed laws, generally in consultation with the government, per the constitution, but in practice the president typically plays a limited role in policymaking. Policymaking is generally led by the government.

Prime Minister José Ulisses Correia e Silva (*koh-RAY-ah ee SEEL-vah*), of the MPD, took office in 2016 when the MPD won a National Assembly majority after 15 years in opposition, and was able to retain his post as a result of the MPD's victory in the 2021 elections. President José Maria Pereira Neves (*NEH-vehsh*) (PAICV), a former prime minister, won presidential elections held in 2021, leading to a situation of political "cohabitation," in which the president and prime minister hail from opposing parties. Observers assessed both elections as transparent and credible.<sup>7</sup>

Successive governments generally have upheld freedoms of expression, assembly, and association, and Cabo Verde ranked highest among African countries in Freedom House's 2023 Freedom in the World index. In 2022, however, local journalists voiced concern over threats to press freedom after authorities investigated three reporters for "qualified disobedience" in relation to their reporting on an internal inquiry into a police killing. The investigation does not appear to have led to charges. In 2023, the State Department did not flag any press freedom concerns in its annual human rights report, which stated that "an independent press, an effective judiciary, and a functioning democratic political system combined to promote freedom of expression, including for media members." Civilian authorities have taken steps to investigate and punish episodic abuses by military and law enforcement personnel; the State Department has documented several instances in which officers have been dismissed, suspended, or prosecuted in response to misconduct. 10 Corruption is reportedly not widespread and Cabo Verde ranks higher than any other country in Africa apart from Seychelles on Transparency International's 2023 Corruption Perceptions Index. Cabo Verde nevertheless faces graft-related challenges. Freedom House reports that "bribery and nepotism are problems at the municipal level" and that alleged "clientelism and graft continue to surround costly infrastructure projects and other spending measures, public procurements, public companies, and management of public lands."11

Cabo Verde outperforms many of its regional peers in measures of gender equality. About 40% of Cabo Verde's national legislators are women—one of the highest rates in Africa, on par with Switzerland and in line with the country's electoral framework, which requires that women comprise at least 40% of parties' candidacy lists for National Assembly and sub-national elected

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<sup>&</sup>lt;sup>7</sup> State Department, 2021 Country Reports on Human Rights Practices: Cabo Verde, 2022.

<sup>&</sup>lt;sup>8</sup> Nick Roll, "Cape Verde: Journalists united in pushback against investigations," *Al Jazeera*, March 31, 2022; Committee to Protect Journalists, "Authorities investigate 3 Cape Verde journalists after reporting on police killing," February 18, 2022.

<sup>&</sup>lt;sup>9</sup> State Department, 2023 Country Reports for Human Rights Practices: Cabo Verde, 2024.

<sup>&</sup>lt;sup>10</sup> Ibid.; see also prior-year editions of this report.

<sup>&</sup>lt;sup>11</sup> Freedom House, Freedom in the World 2023: Cabo Verde, 2023.

<sup>&</sup>lt;sup>12</sup> For instance, Cabo Verde placed second in Africa (behind Mauritius) in the 2022 *U.N. Gender Inequality Index*, a measure of gender equality as related to reproductive health, educational and political empowerment, and labor force participation.

body posts.<sup>13</sup> The State Department nevertheless reported that in 2023 "[g]ender-based violence and discrimination against women were significant problems" and that incidents of "[g]ender-based discrimination in employment occurred," often with respect to women's wages.<sup>14</sup>

# **Foreign Policy**

## Europe

Former colonial power Portugal is a major lender and donor to Cabo Verde, and one of the country's top trade partners. Over the past decade, European countries have regularly imported over 90% of Cabo Verde's exports—led by fish products—and Europe is the main source of tourists to the country. In June 2024, Cabo Verde's President Neves stated that there is a need for governments to discuss colonial reparations. His remarks came months after Portuguese President Marcelo Rebelo de Sousa sparked a political debate when Rebelo de Sousa reportedly indicated that Portugal "was responsible for crimes committed during transatlantic slavery and the colonial era, and suggested there was a need for reparations." In May 2024, officials of São Tomé and Príncipe, another former Portuguese colony in Africa, said that they would seek such reparations, in a form yet to be determined. 15

### China

The People's Republic of China (PRC, or China) is active in Cabo Verde, in part due to Cabo Verde's role as a central Atlantic Ocean maritime and air traffic hub. China "has a strong and growing presence" in Cabo Verde, the State Department reports. <sup>16</sup> The PRC has financed several infrastructure projects in Cabo Verde, and helped to develop a special economic zone on the island of São Vicente, where a PRC firm also refurbished a ship-repair facility intended to service PRC-origin vessels on that island. The government has contracted PRC-based technology firm Huawei to install information, communications, technology, and "safe city" infrastructure in several urban zones. <sup>17</sup> China also supports efforts to counter climate change impacts in Cabo Verde under a PRC-financed joint PRC-Food and Agriculture Organization (FAO) agriculture and food security program. <sup>18</sup>

#### Russia

Cabo Verde voted in the U.N. General Assembly (UNGA) to condemn Russia's 2022 invasion of Ukraine, and has since voted in favor of four of five U.S.-backed UNGA resolutions on the Russia-Ukraine war. Like many countries in Africa, it abstained from one vote (UNGA Resolution ES-11/3) to remove Russia from the U.N. Human Rights Council. In May 2024,

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<sup>&</sup>lt;sup>13</sup> International Institute for Democracy and Electoral Assistance (IDEA), "Gender Quotas Database: Cabo Verde," available at https://www.idea.int/data-tools/data/gender-quotas/country-view/89/35.

<sup>&</sup>lt;sup>14</sup> State Department, 2023 Country Reports for Human Rights Practices: Cabo Verde, 2024.

<sup>&</sup>lt;sup>15</sup> Reuters, "Portugal must 'pay costs' of slavery and colonial crimes, president says," April 24, 2024 (quote source), "Cape Verde president says governments must discuss colonial reparations," June 5, 2024, and "Island nation of Sao Tome and Principe to ask Portugal for colonial reparations," May 2, 2024.

<sup>&</sup>lt;sup>16</sup> State Department, "U.S.-Cabo Verde Relations," October 30, 2023.

<sup>&</sup>lt;sup>17</sup> Permanent Secretariat of Forum for Economic and Trade Cooperation between China and Portuguese-Speaking Countries (Forum Macao), "Chinese-funded CCTV surveillance to cover more of Cabo Verde," April 28, 2022.

<sup>&</sup>lt;sup>18</sup> FAO, *FAO-China South-South Cooperation Programme - In brief*, 2023; and U.N. News, "Cabo Verde beats back climate change through South-South cooperation," May 30, 2024.

Ukrainian President Volodymyr Zelensky was quoted as saying that "Cape Verde is the first African country to confirm its participation in the peace summit." <sup>19</sup>

## **Economy**

Tourism is a mainstay of Cabo Verde's economy, accounting for an estimated 35% of annual GDP, 42% of jobs, and the vast majority of foreign direct investment (FDI). Tourists from Europe account for the majority of arrivals (e.g., 69% in 2023).<sup>20</sup> The agriculture sector's contribution to GDP (5% in 2022) has declined since the 1990s, but remains a notable source of employment (10% in 2022).<sup>21</sup> Sugarcane is a key crop, and is used in the production of a local alcoholic beverage, *grogue*, that is widely consumed and popular among tourists. Other agricultural commodities include citrus fruits, tomatoes, maize, legumes, cassava, and coconuts. Despite such production, the country is highly dependent on imports of staple foods, given its predominately arid or semi-arid climate, and as the roughly 10% of its territory that is considered arable is inadequate to support local needs.<sup>22</sup> Diaspora remittances are critical for many households; remittance inflows to Cabo Verde were worth about 14% of the value of GDP in 2022, according to the World Bank.<sup>23</sup>

In 2020, during the COVID-19 pandemic, Cabo Verde's tourism-driven economy shrank by 20.8%, as measured by changes in GDP. It has since recovered; GDP grew by 5.6% in 2021 and 17.1% in 2022, before moderating to 4.8% in 2023. <sup>24</sup> Cabo Verde's economy is highly vulnerable to disruptions to global tourism flows and weather-related shocks. The country has often faced droughts, and faced a prolonged one between 2017 and 2023 that reduced food production. The situation worsened as Russia's invasion of Ukraine triggered an increase in local food and fuel prices. <sup>25</sup> In 2022, the government declared a social and economic emergency in response to the socioeconomic and food security crises. In response, the United States announced \$100,000 to help address Cabo Verde's humanitarian needs, other donors committed additional funding, and Cabo Verde's government rolled out a series of measures—including subsidies for basic food items and electricity—to support the most vulnerable. <sup>26</sup>

To advance economic growth and development, government plans to call for efforts to foster inclusive, private sector-led economic expansion and end extreme poverty. Stated priorities include supporting youth development and job training programs; increasing access to housing, health care, and quality education; boosting agricultural growth and adapting to climate change; and ensuring macroeconomic and fiscal stability. The government also is seeking private sector and public-private partnership investments to develop the blue (ocean-focused) economy, and the financial services and digital economy sectors; expand the tourism, maritime and air

<sup>&</sup>lt;sup>19</sup> Reuters, "Ukraine's Zelenskiy: Cape Verde first African state to agree to attend peace summit," May 7, 2024.

<sup>&</sup>lt;sup>20</sup> World Bank, Creating Markets in Cabo Verde. An Archipelago of Opportunity: Pathways to Foster Sustainable Private Sector–Led Growth, March 2024; and World Travel & Tourism Council, "Cabo Verde 2024 Annual Research: Key Highlights," April 19, 2024.

<sup>&</sup>lt;sup>21</sup> World Bank, *World Development Indicators* (WDI) database; see also Filipa Monteiro et al., "Current Status and Trends in Cabo Verde Agriculture," in *Agronomy* (10, 74), 2020.

<sup>&</sup>lt;sup>22</sup> Monteiro et al., "Current Status"; and FAO, "Climate-Smart Agriculture in Cabo Verde," 2018.

<sup>&</sup>lt;sup>23</sup> World Bank, WDI.

<sup>&</sup>lt;sup>24</sup> IMF, WEO, April 2024 update.

<sup>&</sup>lt;sup>25</sup> IMF, Cabo Verde: First Review under the Extended Credit Facility Arrangement—Press Release and Staff Report, January 2023; and FAO, "Cabo Verde," GIEWS Country Brief, September 25, 2023.

<sup>&</sup>lt;sup>26</sup> On U.S. support, see USAID, "The United States Provides Immediate Assistance to Respond to Widespread Food Insecurity in Cabo Verde," July 18, 2022.

transportation, information and communications technology sectors; and expand renewable energy and agribusiness. The government is pursuing these goals under a range of medium- and long-term strategic plans and a private sector-labor-government policy accord.<sup>27</sup> World Bank programs support an array of these efforts, while a late 2023 International Monetary Fund (IMF) \$31.7 million Resilience and Sustainability Facility supports a program aiding climate adaptation and a transition to cleaner energy sources. A separate three-year, \$63 million IMF policy-conditioned loan mainly supports macroeconomic, financial stability, and fiscal reform goals.<sup>28</sup>

#### **Bilateral Economic Relations**

According to the State Department, Cabo Verde "is eager to attract U.S. trade and investment," which the Department seeks to facilitate, notably with regard to solar and wind energy, in line with the Cabo Verdean government's goal of generating half of electricity supplies from renewable sources by 2030.<sup>29</sup> Since 2019, the U.S. Prosper Africa trade and investment promotion initiative has facilitated five transactions in Cabo Verde worth an aggregate \$17.4 million.<sup>30</sup> Cabo Verde is eligible for U.S. duty-free trade benefits under the African Growth and Opportunity Act (AGOA, Title I of P.L. 106-200, as amended), including special textile and apparel benefits. Trade levels are variable but small relative to U.S. trade with other countries, in part due to Cabo Verde's small size, averaging nearly \$15 million annually from 2018-2022. Trade rose to nearly \$68 million in 2023, due to a spike in aircraft, engines, and parts imports that year. Cabo Verdean exports to the United States are varied, but both under AGOA and in general are dominated by fish products. The share of such exports enjoying AGOA benefits fluctuates considerably, but averaged 45% from 2019 through 2023. U.S. exports to the country vary widely but over the past five years have been dominated by vehicles, miscellaneous goods, and varied technical equipment.<sup>31</sup> U.S. foreign direct investment in Cabo Verde is limited, ranging between zero and \$2 million over the past decade.<sup>32</sup>

There are no bilateral trade agreements, but the United States and Cabo Verde have a bilateral Open Skies aviation services agreement designed to bolster a market-based system of direct flights between the two countries, as well as enhance flight safety and security.<sup>33</sup>

## **Climate Change and Environment Issues**

The U.N. Development Program has identified increased water salinization and drought driven by climate change as "the greatest constraint on the future prospects of economic development in Cabo Verde."<sup>34</sup> The country faces a projected rapid rise in mean temperatures and coastal erosion in some areas attributable to rising sea levels.<sup>35</sup> The government's climate adaptation plan aims to improve water resource management, including by promoting more efficient irrigation, which is critical to crop production in some areas; enhancing the resilience of agriculture and livestock

<sup>&</sup>lt;sup>27</sup> Cabo Verde Government, *Programa de Governo e Moção de Confiança 2021-2026*, *Acordo de Concertação Estratégica 2024-2026*, and *Strategic Plan for Sustainable Development* (PEDS II– 2023-2030); and State Department, "U.S.-Cabo Verde Relations," October 30, 2023.

<sup>&</sup>lt;sup>28</sup> IMF, "IMF Reaches Staff-Level Agreement with Cabo Verde on Fourth Review under Extended Credit Facility and First Review under the Resilience and Sustainability Facility," May 10, 2024, among others.

<sup>&</sup>lt;sup>29</sup> State Department, "U.S.-Cabo Verde Relations," October 30, 2023.

<sup>&</sup>lt;sup>30</sup> Prosper Africa, prosperafrica.gov/results.

<sup>&</sup>lt;sup>31</sup> U.S. International Trade Commission *Dataweb*.

<sup>&</sup>lt;sup>32</sup> Bureau of Economic Analysis, *BEA International Trade and Investment Country Facts* database.

<sup>&</sup>lt;sup>33</sup> Office of the U.S. Trade Representative (USTR), "Cabo Verde," as of June 21, 2024; and State Department, *Open Skies Partners*, state.gov/open-skies-partners, and "Civil Air Transport Agreements," state.gov/civil-air-transport-agreements.

<sup>&</sup>lt;sup>34</sup> U.N. Development Program, "Building Adaptive Capacity and Resilience to Climate Change in the Water Sector in Cabo Verde," as of July 15, 2024.

<sup>35</sup> World Bank, Climate Knowledge Portal.

systems; and protecting coastal areas against environmental degradation and erosion.<sup>36</sup> Illicit and unregulated fishing reportedly threatens the country's marine stocks and biodiversity.<sup>37</sup>

# **Narcotics Trafficking**

Cabo Verde is a transit point and its waters an ocean corridor for cocaine from Latin America bound for Europe. National law enforcement agencies have intercepted and seized large cocaine shipments, including some multi-ton loads, on multiple occasions. A notable high-profile seizure occurred in 2022, when Cabo Verdean law enforcement—alongside U.S. military personnel deployed as part of an African Maritime Law Enforcement Partnership operation—seized six tons of cocaine from a Brazilian-flagged vessel in international waters, leading to the arrest of five Brazilians and two Montenegrins. That operation was facilitated by Centro de Operações de Segurança Marítima (COSMAR), a Cabo Verdean inter-agency operations and intelligence fusion center. COSMAR seeks to leverage joint national military, police, and intelligence capacities to counter drug trafficking and protect maritime waters and fisheries, in some instances in cooperation with U.S. counterpart agencies. Established in 2010, in part with U.S. assistance, COSMAR supports maritime sensory and vessel-tracking systems, military and law enforcement communications, a judicial police database, and analytical capacities.

## U.S. Relations and Assistance

The State Department describes Cabo Verde as "one of Africa's success stories and an important U.S. partner in West Africa" and defines top U.S. priorities in the country as "promoting broadbased economic development, improving security sector capabilities, and strengthening Cabo Verde's resilience to environmental vulnerability and the impacts of climate change." A U.S.-Cabo Verde Partnership Dialogue addresses issues of mutual interest; the most recent session, in 2021, focused on economic, educational, and security cooperation. In early 2024, Secretary of State Blinken met with Prime Minister Correia e Silva in Praia, Cabo Verde's capital, to highlight MCC investments in Cabo Verde's economic growth; bilateral counternarcotics cooperation; Cabo Verde's "strong, principled voice" on international matters, including Russia's war of aggression against Ukraine; and its participation in the U.S. Partnership for Atlantic Cooperation. He also welcomed "the shared values between the United States and Cabo Verde

<sup>&</sup>lt;sup>36</sup> Cabo Verde Government, *Third National Communication Report to the U.N. Framework Convention on Climate Change*, 2017.

<sup>&</sup>lt;sup>37</sup> Annika Hammerschlag, "Cape Verde's 'fish detectives' try to keep extinction at bay," *The Guardian*, September 21, 2021.

<sup>&</sup>lt;sup>38</sup> Colin Freeman, "Cocaine highway: On the front line of Europe's drug war," *Sunday Telegraph*, November 3, 2019.

<sup>&</sup>lt;sup>39</sup> Deutsche Welle, "Cape Verde seizes 9.5 tons of cocaine, Russian sailors arrested," February 2, 2019; Agencia Tributaria (Spanish Government), "One tonne of cocaine seized on a fishing boat headed to Spain in waters near Cape Verde," September 28, 2023; and Maritime Analysis and Operations Centre (Narcotics), "Spanish Authorities Seize 157kg of Cocaine Near Cape Verde, With Support From MAOC-N," March 18, 2024.

<sup>&</sup>lt;sup>40</sup> U.S. Africa Command, "U.S. Tri-maritime Services and Cabo Verde authorities interdict large trans-oceanic cocaine shipment," April 7, 2022; and Gustavo Plácido Dos Santos, "Cape Verde and Drug Trafficking: A Major Challenge to the Rule of Law," IPRIS Viewpoints, 2014, among others.

<sup>&</sup>lt;sup>41</sup> State Department, "U.S.-Cabo Verde Relations," October 30, 2023.

<sup>&</sup>lt;sup>42</sup> State Department, "Joint Statement on the Third United States-Cabo Verde Partnership Dialogue," March 30, 2021.

<sup>&</sup>lt;sup>43</sup> State Department, "Secretary Blinken and Cabo Verdean Prime Minister Ulisses Correia e Silva Before Their Meeting," January 22, 2024.

in promoting democracy, good governance, and human rights."<sup>44</sup> In 2022, U.S. Permanent Representative to the U.N. Linda Thomas-Greenfield visited Cabo Verde and met with Prime Minister Correia e Silva to discuss security, commerce, climate change, and U.S. support for Cabo Verde's responses to COVID-19 and food insecurity.<sup>45</sup> U.S. officials often stop in Cabo Verde to refuel during visits to Africa. Work is underway to build a new U.S. embassy in Praia.

Bilateral security cooperation has expanded in the past decade. Cabo Verde hosts periodic port calls by U.S. Naval and Coast Guard vessels, and participates in U.S.-led regional maritime security exercises. In 2023, Cabo Verde co-hosted with U.S. Naval Forces Europe and Africa the first U.S.-African Maritime Forces Summit. <sup>46</sup> U.S. military personnel aided Cabo Verdean authorities in a drug seizure in 2022 (see above), while embarked aboard U.S. Navy Expeditionary Sea Base USS *Hershel "Woody" Williams*. A U.S.-Cabo Verde Status of Forces Agreement took effect in 2018, while a State Partnership Program between Cabo Verde and New Hampshire's National Guard was launched in 2022. In late 2022, the United States and Cabo Verde signed a memorandum of understanding on defense cooperation. <sup>47</sup>

In addition to counternarcotics cooperation, in 2020 and 2021, Cabo Verde played a central role in a U.S.-Venezuelan diplomatic and legal dispute over its detention of Alex Saab—a Colombian trade-focused businessman and alleged financier of Venezuelan President Nicolás Maduro—which ended with Saab's transfer to U.S. custody in late 2021 (see **Text Box**).

#### The Alex Saab Extradition Affair

In 2020, Cabo Verdean authorities arrested Alex Saab, a reported close associate of Venezuelan President Maduro, when Saab's private jet made a refueling stop in Cabo Verde en route to Iran. A year earlier, in 2019, Saab had been indicted in the United States on federal money laundering charges and designated for U.S. financial sanctions relating to Venezuela.<sup>48</sup> His provisional arrest in Cabo Verde was made on the basis of a U.S.-issued INTERPOL "red notice," and the United States subsequently requested his extradition. A legal battle ensued, as Saab's lawyers disputed the legality of the arrest, arguing that Saab, a Venezuelan envoy, enjoyed diplomatic immunity. They also contended that extradition would be illegal in the absence of a bilateral extradition treaty between the United States and Cabo Verde. Cabo Verde's Attorney General, José Landim, stated that Saab's transfer to U.S. custody would nevertheless be consistent with "reciprocity" between the United States and Cabo Verde in law enforcement matters.<sup>49</sup> In early 2021, an Economic Community of West African States (ECOWAS) regional court—whose judgments are technically binding on member states (including Cabo Verde), but are often flouted—ruled that the detention was unlawful, and ordered Saab's release.<sup>50</sup> Shortly after the ECOWAS court ruling, Cabo Verde's Supreme Court approved Saab's transfer to the United States, and the Constitutional Court later denied Saab's appeal. Saab was transferred to the United States later in 2021 to face charges related to

<sup>&</sup>lt;sup>44</sup> State Department, "Secretary Blinken's Meeting With Cabo Verdean Prime Minister Correia E Silva," January 22, 2024.

<sup>&</sup>lt;sup>45</sup> U.S. Mission to the United Nations, "Readout of Ambassador Linda Thomas-Greenfield's Meeting with Cabo Verdean Prime Minister Ulisses Correia e Silva," August 7, 2022.

<sup>&</sup>lt;sup>46</sup> Defenceweb, "Cabo Verde hosting first African Maritime Forces Summit," March 20, 2023, and "Leaders discuss shared issues at first African Maritime Forces Summit," April 11, 2023.

<sup>&</sup>lt;sup>47</sup> Department of Defense, "U.S. and Cabo Verde Sign a Memorandum of Understanding on Defense Cooperation," December 15, 2022.

<sup>&</sup>lt;sup>48</sup> On sanctions, see U.S. Department of the Treasury, "Treasury Disrupts Corruption Network Stealing from Venezuela's Food Distribution Plan, CLAP," July 25, 2019, and "Treasury Increases Pressure on Alex Saab and His Network in Venezuela," September 17, 2019. According to press reports, Saab was at one time a U.S. Drug Enforcement Administration informant; see Joshua Goodman, "Businessman close to Maduro was DEA informant, records show," Associated Press, February 16, 2022.

<sup>&</sup>lt;sup>49</sup> Associated Press, "Cape Verde may send suspect to US without extradition treaty," June 15, 2020.

<sup>&</sup>lt;sup>50</sup> ECOWAS Court of Justice, Judgment No ECW/CCJ/JUD/07/2021, March 15, 2021.

money laundering.<sup>51</sup> Saab—who allegedly played a key role in evading U.S. sanctions on Venezuela and other U.S.-sanctioned governments and was reportedly a U.S. Drug Enforcement Administration and FBI informant—was transferred to Venezuelan custody in late 2023 in a prisoner swap with the United States.<sup>52</sup>

### **Congressional Role**

Since at least the mid-2010s, Cabo Verde has not featured as a principal focus of U.S. legislation or publicly reported congressional oversight, but Congress has consistently funded U.S. development and security cooperation activities pertaining to Cabo Verde. The country also regularly hosts congressional and other U.S. official delegations. H.Rept. 118-554, accompanying H.R. 8771, Department of State, Foreign Operations, and Related Programs Appropriations Act, 2025, states that the bill would encourage "the Director of the Peace Corps to evaluate the merits of reestablishing operations in Cabo Verde" and direct "funding at not less than the prior fiscal year level for Cabo Verde for improving economic resilience." An analogous Senate bill has not been introduced to date. The Peace Corps maintained a Cabo Verde country program between 1988 and 2012 (FY2013), which it ended after undertaking a review that found that Cabo Verde was among "countries that had reached a higher state of development than other countries in... [Peace Corps'] overall portfolio."

#### U.S. Assistance

State Department-administered bilateral assistance for Cabo Verde totaled \$400,000 in FY2023, all under the International Military Education and Training (IMET) program, with the same annual amount requested for IMET in FY2024 and FY2025. Over the past five years, Cabo Verde also has received regional International Narcotics Control and Law Enforcement (INCLE) advisory security assistance and Department of Defense (DOD)-administered maritime security and counternarcotics assistance under DOD's global train and equip authority (10 U.S.C. 333). Law enforcement cooperation includes a 2019 bilateral law enforcement and criminal justice sector support agreement; an INCLE-U.S. Customs and Border Protection interagency agreement to help Cabo Verde increase its border security capacities, including regarding civil aviation traffic flows; and a 2023 CBP-Cabo Verde Customs Mutual Assistance Agreement focused on mutual efforts to counter illicit trafficking and customs offenses. In 2018, the State Department also facilitated a cooperative partnership between Cabo Verde's National Police and the police department of Boston, a city which hosts a large Cabo Verdean diaspora community.

The U.S. Fish and Wildlife Service (FWS) has provided assistance for sea turtle conservation in Cabo Verde under its Marine Turtle Conservation Fund. There is no U.S. Agency for International

<sup>&</sup>lt;sup>51</sup> U.S. Department of Justice, "Colombian Businessman Charged with Money Laundering Extradited to the United States from Cabo Verde," October 18, 2021.

<sup>&</sup>lt;sup>52</sup> PBS *Frontline*, "A Dangerous Assignment: Uncovering Corruption in Maduro's Venezuela," May 14, 2024; and AP, "US, Venezuela swap prisoners: Maduro ally for 10 Americans, plus fugitive contractor 'Fat Leonard'," December 21, 2023.

<sup>&</sup>lt;sup>53</sup> U.S. Embassy Praia, "Remarks by Ambassador Jeff Daigle Reception and Concert Celebrating the 247<sup>th</sup> Anniversary of U.S. Independence," July 10, 2023; and House Democracy Partnership, *Quarterly Newsletter*, July 2024.

<sup>&</sup>lt;sup>54</sup> U.S. Congress, House of Representatives, Committee on Appropriations report to accompany H.R. 8771, 118<sup>th</sup> Cong., 2d Session, H.Rept. 118-554, June 14, 2024.

<sup>&</sup>lt;sup>55</sup> Peace Corps, Congressional Budget Justification FY2014; see also Peace Corps, Host Country Impact Study Cape Verde, 2011.

<sup>&</sup>lt;sup>56</sup> State Department, Congressional Budget Justification, FY2024 and FY2025 editions.

<sup>&</sup>lt;sup>57</sup> State Department, "U.S.-Cabo Verde Relations," October 30, 2023.

Development (USAID) country mission, but USAID has occasionally funded projects in the country under regional or centrally administered programs, with a focus on such goals as renewable energy, agriculture, and economic growth. The State Department occasionally administers small grants for local development projects, and occasional larger ones (e.g., an antitrafficking in persons project in FY2021). Cabo Verdeans also participate in the Young African Leaders Initiative and other educational exchange and English language learning programs.<sup>58</sup>

## Millennium Challenge Corporation (MCC) Compacts

Cabo Verde's first MCC Compact, implemented between 2005 and 2010, was valued at \$108 million upon completion. The compact, the MCC's third such effort globally, financed the construction of several bridges and roads and many water reservoirs and dikes; expanded and upgraded the "critical Port of Praia"; trained and/or provided credit to hundreds of small farmers and agribusinesses; and "strengthened the capacity of microfinance institutions and laid the groundwork for the country's first private credit bureau." Some 385,000 people benefitted from the program, the MCC reports. Several core compact projects were significantly altered during implementation. This affected financing allocations, spurred the Cabo Verdean government to secure additional non-MCC financing (from Portugal) for some port upgrade work, and complicated economic rate of return estimates at closeout, the MCC reported. The compact also resulted in important lessons for the MCC relating to project design, preparation, revisions, and implementation challenges, which the MCC since has applied to compacts elsewhere.<sup>59</sup>

The country's second MCC compact, implemented between 2012 and 2017 and valued at \$66 million, sought to improve water infrastructure, reform Cabo Verde's institutional and regulatory environment, and enhance the legal framework surrounding land and property rights. The MCC reports that the compact "combined infrastructure improvements with ambitious policy and institutional reforms to strengthen property rights and increase access to clean water and sanitation, improving the lives of more than 600,000 people." As part of the compact's implementation, Cabo Verde's government "passed over 50 laws, closed ineffective institutions, and created new agencies based on sustainable commercial principles, demonstrating their [sic] commitment to undertake difficult policy and institutional reforms, try new approaches, and scale effective interventions," according to the MCC. The MCC also reports that the compact's implementation resulted in an array of development lessons. These related to factors necessary to for effective policy and institutional reform; appropriate project staffing levels; the conditioning of financing disbursements on the attainment of activity milestones; and a need to couple physical infrastructure investments with legal and institutional reforms, among other issues.<sup>60</sup>

In late 2023, the MCC Board determined that Cabo Verde was eligible to develop a regional compact—which it is currently doing—with a projected goal of boosting regional economic integration, trade, or other cross-border activity, in a manner yet to be determined. The MCC is financing the development of this compact with \$10 million.<sup>61</sup>

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<sup>&</sup>lt;sup>58</sup> Ibid.; FWS, "Marine Turtle Conservation Fund"; and USAID/State Department, foreignassistance.gov.

<sup>&</sup>lt;sup>59</sup> MCC, "Cabo Verde Compact," linked from mcc.gov/where-we-work/country/cabo-verde, and *Closed Compact Report: Cabo Verde Compact*, July 10, 2017, the source of direct quotes in this paragraph.

<sup>&</sup>lt;sup>60</sup> MCC, "Cabo Verde Compact II," linked from mcc.gov/where-we-work/country/cabo-verde, and *Star Report: Cabo Verde II*, May 2019, the source of direct quotes in this paragraph.

<sup>&</sup>lt;sup>61</sup> MCC, "Congressional Notification," May 14, 2024; and "Cabo Verde Proposed Regional Compact" at mcc.gov/where-we-work/country/cabo-verde.

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