



## Competitiveness for Tourism Development (P146666)

AFRICA | Cabo Verde | Finance, Competitiveness and Innovation Global Practice |  
IBRD/IDA | Investment Project Financing | FY 2016 | Seq No: 4 | ARCHIVED on 25-Jun-2018 | ISR31239 |

Implementing Agencies: Ministerio do Turismo e Transportes, Ministério das Finanças

### Key Dates

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Bank Approval Date:10-May-2016

Effectiveness Date:15-Nov-2016

Planned Mid Term Review Date:15-Nov-2018

Actual Mid-Term Review Date:--

Original Closing Date:31-May-2021

Revised Closing Date:31-May-2021

### Project Development Objectives

Project Development Objective (from Project Appraisal Document)

The project development objective is to create the conditions necessary to increase investment into and diversification of the tourism sector.

Has the Project Development Objective been changed since Board Approval of the Project Objective?

No

### Components

Name

Component 1: Enhancing governance framework of the tourism sector:(Cost \$2.27 M)

Component 2: Diversify tourism sector and increase inclusiveness of tourism-led growth by strengthening the competitiveness of local MSMEs:(Cost \$2.24 M)

Component 3: Project implementation:(Cost \$0.49 M)

### Overall Ratings

Name	Previous Rating	Current Rating
Progress towards achievement of PDO	● Satisfactory	● Satisfactory
Overall Implementation Progress (IP)	● Satisfactory	● Moderately Satisfactory
Overall Risk Rating	● Moderate	● Moderate

### Implementation Status and Key Decisions



The overall progress on implementation has been downgraded to Moderately Satisfactory, given the delays caused by changes to Government structure and implementing agencies following the establishment of a new Government in Cabo Verde and the relatively low disbursement rate of 15%. This said, implementation is picking up and we foresee this rating to return to Satisfactory in the next cycle, if the current trend persists. Below, we provide a general overview per beneficiary:

1. Ministry of Tourism and Transport: the project is currently supporting three crucial activities: the national strategic plan for the tourism sector, the national tourism legal code, and the support to the establishment of the tourism board (to be called “*Turismo de Cabo Verde*”). On the first topic, the new consensus noted by the Minister of Tourism and Transport is that the national tourism strategy would incorporate specific masterplans or roadmaps per island, in addition to a document dubbed “Grand Options” for the sector for which the groundwork and roundtables have already been conducted. Additionally, it was determined that the national tourism strategy would incorporate a marketing plan, which the DGTT had initially considered contracting separately. UGPE is now launching the procurement for the associated TA, as per agreed ToRs. On the Tourism Code, the project is supporting the legal codification and harmonization of tourism governance, on two phases – a diagnostic phase with recommendations e.g. on how to deal with local AirBnB-type accommodations; and subsequent legal work to codify these recommendations and best practices into a draft Law. On the latter issue of establishment of the tourism board, the project is supporting the due diligence on the economic feasibility of this new body under an individual consultant contract.
2. Cabo Verde TradeInvest: CVTI revealed that both ongoing technical assistances supported by the CTD project – relaunch of the agency and the outreach marketing plan - are being well received and have been instrumental in revamping the agency. Both assistances will come to completion in this first semester of 2018, and several additional and complementary activities have been identified, namely detailed sector maps for priority sectors (hospitality & tourism, agribusiness, blue ocean), in addition to support in direct marketing events and campaigns under the recently identified outreach plan. Some of these complementary activities may be eligible for funding even after the project reallocation if the Government so deems it.
4. Tourism Land Banks: The project is supporting the head of the tourism land banks transitory office, and the head of the Tourism Fund, regarding the intention to elaborate twelve (12) *Planos de Ordenamento Turístico* (Tourism Zoning Plans - POTs) for the designated tourism development zones (Special Zone for the Development of Tourism - ZDTIs). Mandate over the ZDTIs had rested with the investment promotion agency in the past, but many ZDTIs still lack the detailed urban planning provided under the legal POTs to make it possible to properly prepare and package investment opportunities. Considering that the funding allocation in the CTD is not sufficient to cover the conception of all twelve POTs, the head of the tourism fund noted availability to cover the funding gap, provided UGPE handles the procurement- this was well noted and accepted, and UGPE has since launched the procurement process; these will be tendered in blocks of 4 POTs, to accelerate the process and potentially conclude all 12 plans in 2018. To note also that the oversight of the ZDTIs will be transferred to the recently created Institute for Territorial Management (INGT), which will hence forward be the end client and supervisor for these POTs.
4. Chambers of Commerce: With the Northern and Southern Commerce Chambers, thus far the following activities have been approved and are under implementation – a quality certification program for SMEs that are supplying the tourism value chain; technical assistance to establish a financial resource mobilization unit in the chambers to assist members; and an integrated joint enterprise resource planning software for internal use of the Chambers. A fourth activity - a video-conference system that will permit communication, training and services for both chambers and respective members across all islands -, was approved for procurement, provided that the equipment remains property of the Ministry of Finance as beneficiary of the credit and is then subsequently ceded to the Chambers under an MoU. Further activities are in the pipeline, also with the Tourism Chamber, and the corresponding ToRs are under discussion with the Government/UGPE also with Bank involvement.
6. Ministry of Justice: In the access to finance subcomponent, the Ministry of Justice and Labor is now heading the “insolvency reform task force” and work is continuing with two activities thus far completed: a Cabo Verde delegation attending an international insolvency reform roundtable in Mauritius in December of 2017; and the organization of the first Cabo Verde national insolvency training and dissemination conference on 21 - 23 of February of 2018 in the island of Sal. The latter conference brought together legal practitioners from all over the country and sought to disseminate and provide training on the recent Insolvency and Recovery Law, in effect since late 2016, in addition to determining which are the complementary regulations missing. Three international experts on the topic, including a Bank-invited Brazilian judge, attended. Pursuant to the findings of this event, the Ministry of Justice is now procuring additional technical assistance under the project with a specialized legal firm to complete the legal framework on insolvency, particularly complementary regulations on insolvency administrators et others.
7. Institute for the Management of Quality and Intellectual Property (IGQPI) the inception consultancy to launch the small accommodation quality label design consultancy began on January 8, 2018. Through the consultancy, which should be completed end-June, the operating procedures and standards of the program will be defined. It was agreed that the work should be closely monitored and that a sub-committee of the project steering committee consisting of IGQPI, DGTT, and the Tourism Chamber will review the draft recommendations and standards when presented by the consultant in March. Another aspect discussed is the financial sustainability of the program, and IGQPI agreed that it and the other members of the sub-committee will approach the Tourism Fund to explore collaborative funding.

The project and UGPE are also discussing with additional beneficiaries under the tourism development umbrella, namely the Minister of Culture and



Creative Industries, to explore linkages and involve the national culture agenda in the scope of activities of the CTD – e.g. certification of national artisans; application of the Morna traditional music as world heritage under UNESCO; classification of eight selected Cabo Verde sites under UNESCO protection; etc. These discussions are ongoing, also with Bank collaboration. With regards to ProEmpresa, the new Government official SME business promotion agency, the project is supporting an inception technical assistance to elaborate a strategic plan for this new body, particularly focusing on how this new agency can accomplish its mandate; follow-on technical assistance and capacity building activities are expected.

## Risks

### Systematic Operations Risk-rating Tool

Risk Category	Rating at Approval	Previous Rating	Current Rating
Political and Governance	● Moderate	● Moderate	● Moderate
Macroeconomic	● Substantial	● Substantial	● Substantial
Sector Strategies and Policies	● Moderate	● Moderate	● Moderate
Technical Design of Project or Program	● Moderate	● Moderate	● Moderate
Institutional Capacity for Implementation and Sustainability	● Moderate	● Moderate	● Moderate
Fiduciary	● Moderate	● Moderate	● Moderate
Environment and Social	● Moderate	● Moderate	● Moderate
Stakeholders	● Moderate	● Moderate	● Moderate
Other	--	--	--
Overall	● Moderate	● Moderate	● Moderate

## Results

### Project Development Objective Indicators

► Increased investment generated (Amount(USD), Custom)				
	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	0.00	0.00	0.00	35.00
Date	10-May-2016	09-Aug-2017	12-Jun-2018	01-Mar-2021

► Increased bed nights at beneficiary small accommodation establishments (Percentage, Custom)				
	Baseline	Actual (Previous)	Actual (Current)	End Target



Value	0.00	0.00	0.00	18.00
Date	10-May-2016	09-Aug-2017	12-Jun-2018	01-Mar-2021

#### Overall Comments

At this stage of implementation, the Project does not yet have results to report.

#### Intermediate Results Indicators

► Start-up of operations of the joint tourism and investment promotion agency (CI-ATIC) (Yes/No, Custom)				
	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	N	--	N	Y
Date	10-May-2016	--	12-Jun-2018	01-Mar-2021

► Beneficiaries of the small accommodation quality label that feel project investments reflected their needs (Percentage, Custom)				
	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	0.00	--	0.00	75.00
Date	10-May-2016	--	12-Jun-2018	01-Mar-2021

► Development of a national tourism strategy (Yes/No, Custom)				
	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	N	N	N	Y
Date	10-May-2016	09-Aug-2017	12-Jun-2018	01-Mar-2021



► Implementation of a formal investor outreach program (Yes/No, Custom)

	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	N	N	N	Y
Date	10-May-2016	09-Aug-2017	12-Jun-2018	01-Mar-2021

► Implementation of a formal investor facilitation program (Yes/No, Custom)

	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	N	N	N	Y
Date	10-May-2016	09-Aug-2017	12-Jun-2018	01-Mar-2021

► Establishment of a moveable collateral registry (Yes/No, Custom)

	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	N	N	N	Y
Date	10-May-2016	09-Aug-2017	12-Jun-2018	01-Mar-2021

► Number of investor leads receiving improved investment promotion services in the tourism sector (Number, Custom)

	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	0.00	0.00	0.00	18.00
Date	10-May-2016	09-Aug-2017	12-Jun-2018	01-Mar-2021



► Number of MSME representatives trained by private sector organizations (Number, Custom)

	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	0.00	--	23.00	100.00
Date	10-May-2016	--	12-Jun-2018	01-Mar-2021

▲ Of which women (%) (Percentage, Custom Supplement)

	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	0.00	0.00	0.00	35.00

**Overall Comments**

23 MSMEs have received training from the Chambers of Commerce thus far:

- 17 MSMEs from the Southern Chamber of Commerce
- 6 MSMEs from the Northern Chamber of Commerce.

## Data on Financial Performance

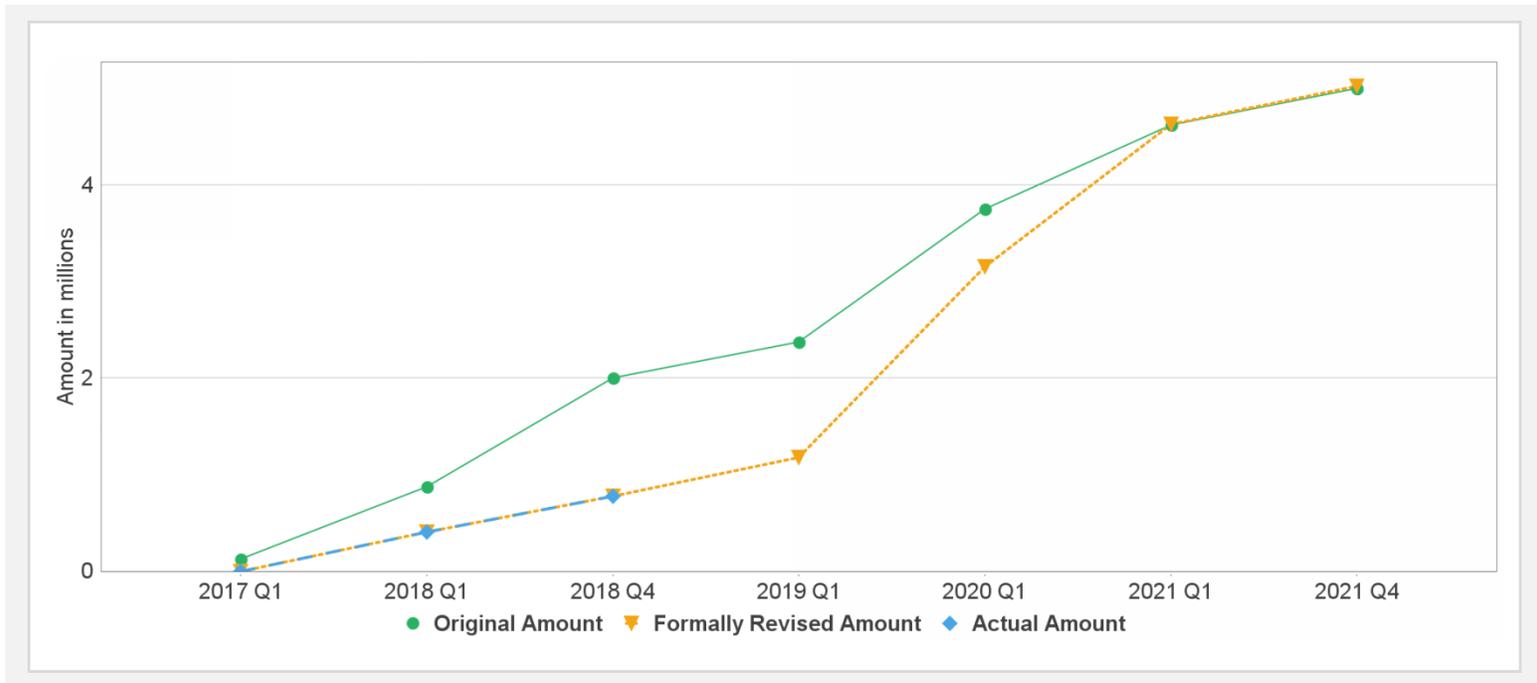
### Disbursements (by loan)

Project	Loan/Credit/TF	Status	Currency	Original	Revised	Cancelled	Disbursed	Undisbursed	Disbursed
P146666	IDA-58010	Effective	USD	5.00	5.00	0.00	0.77	4.44	 15%

### Key Dates (by loan)

Project	Loan/Credit/TF	Status	Approval Date	Signing Date	Effectiveness Date	Orig. Closing Date	Rev. Closing Date
P146666	IDA-58010	Effective	10-May-2016	17-Jun-2016	15-Nov-2016	31-May-2021	31-May-2021

### Cumulative Disbursements



## Restructuring History

There has been no restructuring to date.

## Related Project(s)

There are no related projects.