

Business Environment Reforms

Strategic study synthesis

Daouda Mbor Thiaw

Performances Group

May 16th, 2014

II Fórum Nacional de Transformação
CABO VERDE 2014

Cidade da Praia
14 a 16 de Maio de 2014

The achievements

Cabo Verde is one of best African country in terms of Governance



TRANSPARENCY
INTERNATIONAL

Rank : 41/177
Score : 58 -- +2



Mo Ibrahim
FOUNDATION

2011's prize



MILLENNIUM
CHALLENGE CORPORATION
UNITED STATES OF AMERICA

First country to have
successfully completed a
Millennium Challenge
Corporation



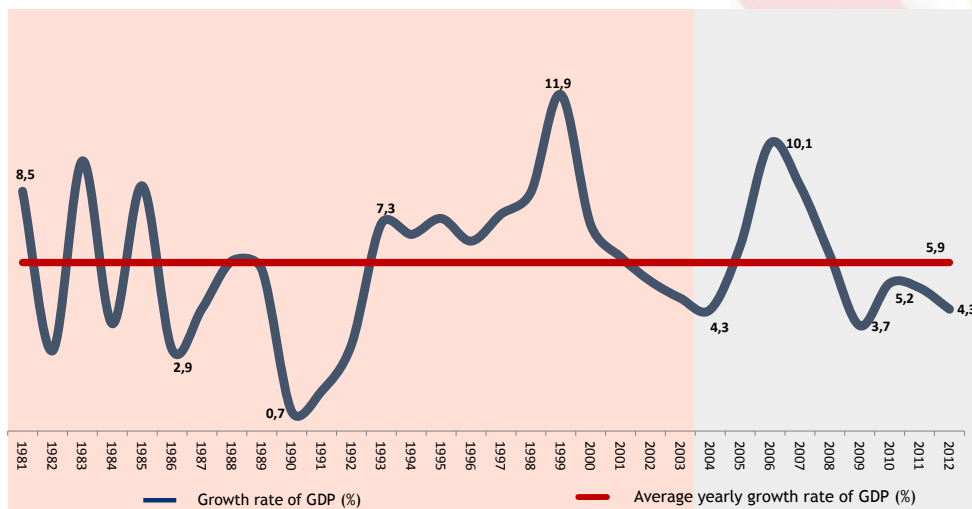
Rank 60/165
Rate : 66,1 --- +2,4

The achievements

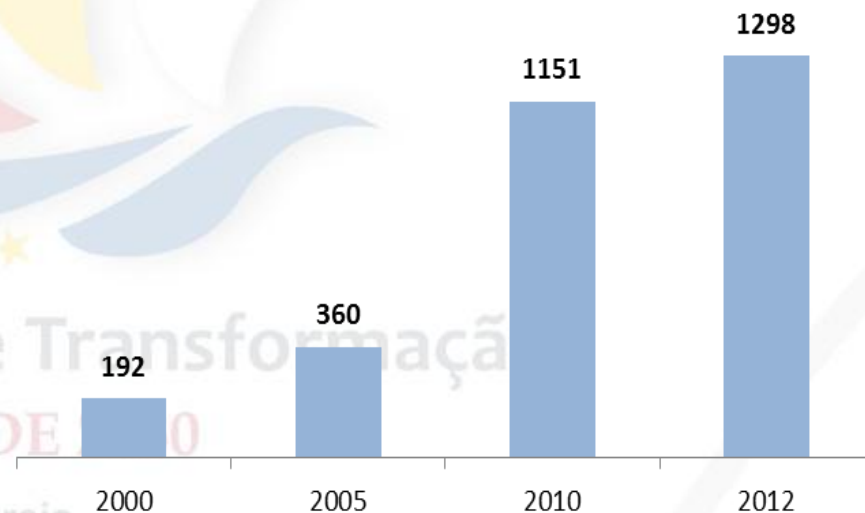
Economic Progress

Above regional average economic growth the last thirty

18% average increase of FDI



Source : Institute of statistics of Cape Verde and World Bank

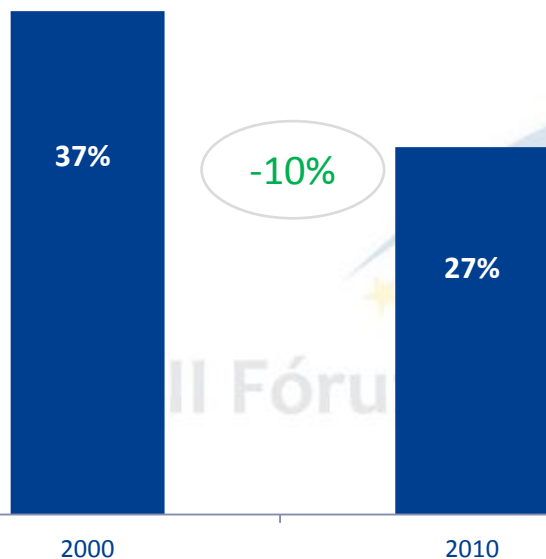


Cidade da Praia
14 a 16 de Maio de 2014

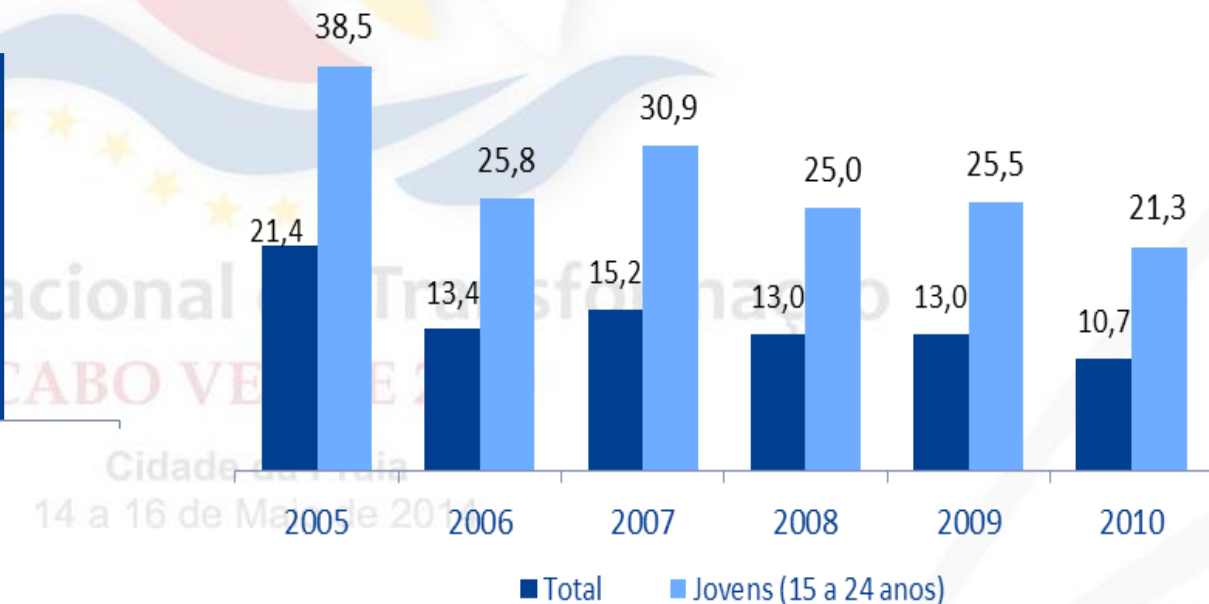
The achievements

Economic Progress

Reduction of poverty incidence rates



Improvement in unemployment figures



The constraints

**Level of
indebtedness**

**Structural budget
deficit**

**Increasing cost of
financing**

**Economic
concentration**

**Size and vulnerability
of the financial sector**

**Lower economic
growth**

**Weakness of the private
sector and weigh of informal
activities**

Substantial efforts to build a favorable Business Environment

Registering a business has become much easier

100 Mudar para competir Program

Legislative reforms : code of fiscal benefits, investment law

Restructuring of the Investment Promotion Agency

Privatization process of SOE

Progress in Rankings

- Doing Business
- Travel & Tourism Competitiveness Report
- International recognition of economic successes

Why sustain the reform process ?

Stalled progress in Business Environment rankings

Need to strengthen Public private Dialogue

State reform still considered as too slow – bureaucracy considered critical

Need to strengthen enabling factors for Business Environment: Infrastructures & Human Capital

Development of regional integration

....

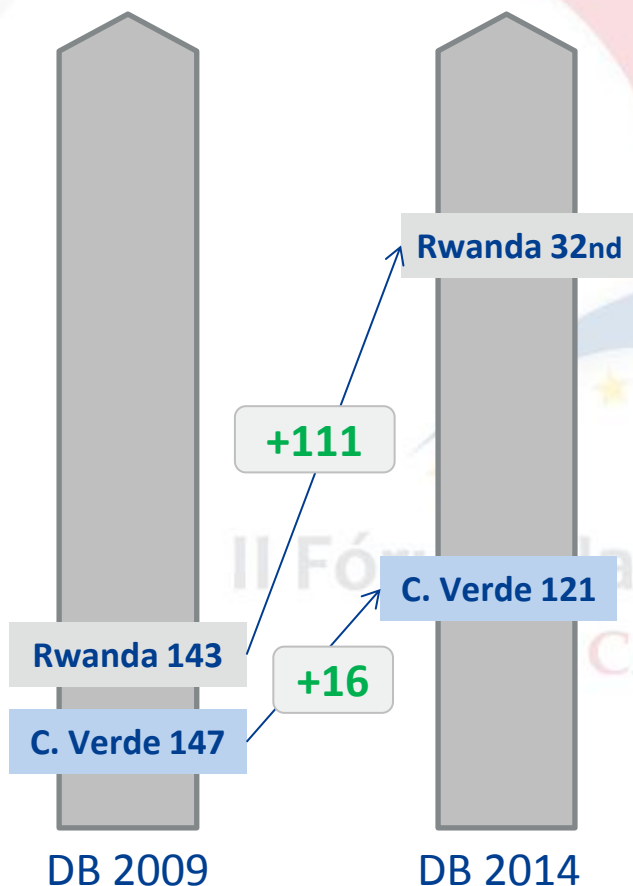
Cape Verde in 2030 means Business

II Fórum Nacional de Transformação
CABO VERDE 2030

Cidade da Praia
14 a 16 de Maio de 2014

Cape Verde in 2030 means Business

1. Become one of the highest-ranking African and insular countries in the Doing Business and other similar rankings.



- **Reach within in less than 10 years, single-digit rankings in the Doing Business**

- ✓ Implement a specific, long-term Doing Business Project sufficiently funded
 - In Georgia, each dollar invested in the Business Climate Reform project produced 57 USD in return. This country gain 113 places in 4 years in the DB Report.
 - Cape Verde has had similar project with the Improvement of Business Lifecycle Services

- ✓ e-governance projects – Government has strong capacity with NOSI

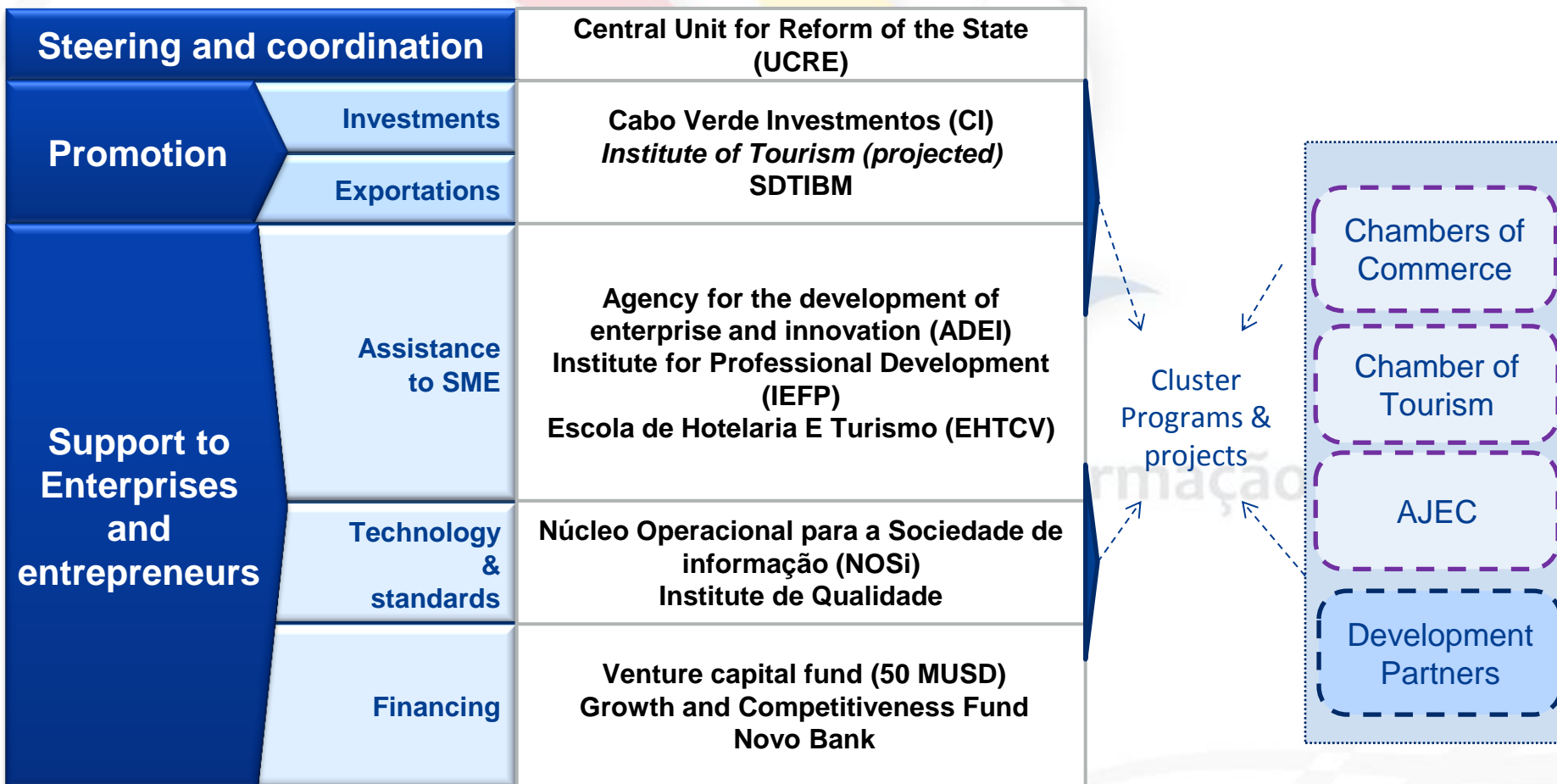
Account not taken of countries that have joined the Doing Business Rankings in between.

Cape Verde in 2030 means Business

2. Build effective & best-in-class private sector support institutions

Public Support Institutions

Private Partners



Cape Verde in 2030 means Business



2. Build effective & best-in-class private sector support institutions

In Rwanda, supporting agencies have all been merged into the Rwanda Development Board in 2008.

Rwanda Investment Promotion Agency

Tourism and Conservation

Registrar General's Office,

Privatization Unit,

Human and Institutional Development,

**Center for the Support to Small and
Medium-Sized Enterprises (CAPMER),**

IT Agency

**National Environment Management
Authority.**

RWANDA DEVELOPMENT BOARD

VISION

To transform Rwanda into a dynamic global hub for business, investment, and innovation.

MISSION

Fast tracking economic development in Rwanda by enabling private sector growth.

Cape Verde in 2030 means Business

3. Ensure efficient and optimal administrative processes

Expand One-Stop-Shops for Registration, Licenses, Permits

Widespread use of online services

Competitiveness Areas up to international standards

Business registration

Tax administration

Customs & ports facilities

Construction

Property registration...

Increase speed

Reduce costs

Provide high quality services

Reduce the need for matching information

Industrial Parks

Special Economic Zones

Tourism Special Zones

Technology park

Cape Verde in 2030 means Business

3. **Ensure efficient and optimal administrative processes**

Pursue State Reform

Implement and update annually, modernization and administration simplification projects

Extend e-Government projects

Develop business intelligence capabilities on competitiveness regarding fiscal incentives and investments benefits

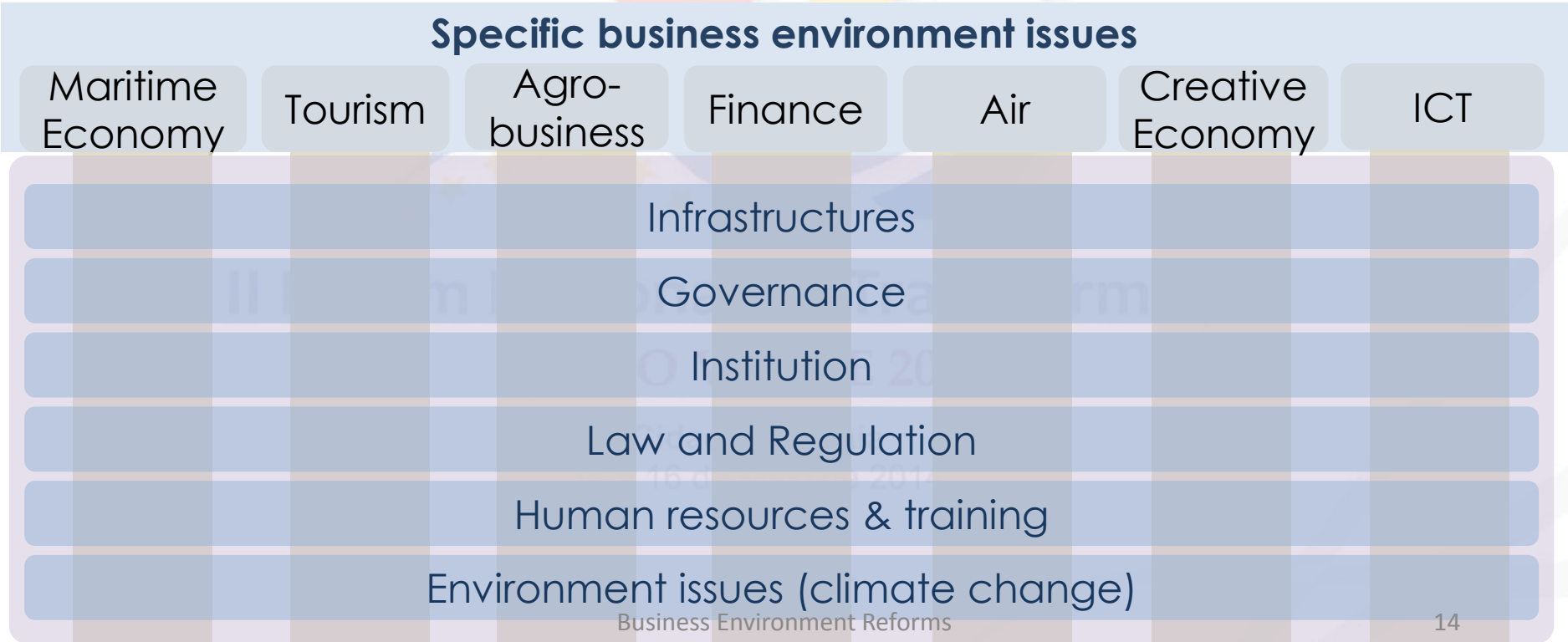
Rationalize institutions and monitor their effectiveness through Performance Contracts

Cape Verde in 2030 means Business

3. Ensure efficient and optimal administrative processes

Address crosscutting and specific business environment issues for the emergence of clusters

Crosscutting business environment issues (e.g. land, labor reform, taxation)



Cape Verde in 2030 means Business



4. *Have a world-class country investment promotion*

Empower private sector support institutions

Develop a detailed Strategy for investment promotion and private sector development particularly for priority clusters

Strengthen private sector support entities (CI, ADEI, DG Tourism, SDTIMB, planned Institute of Tourism)

Assess and secure sufficient funding and develop sustainable financing strategy

Rationalize, where possible, supporting institutions for private sector development

Cape Verde in 2030 means Business

5. **Implement a Permanent Public Private Dialogue that lead to effective Reforms**

Bring together the Public Administration, National and International investors and Development Partners around a common platform for business environment reforms.

Set up specific Public Private committees for reforms

- **Justice**
- **Human Resources, labor reforms**
- **Fiscal and financing reforms**
- **Land**
- **Institutional**
- **Administrative procedures**
- **Quality & costs of inputs (energy, telecommunications, etc.)**
- **Physical Infrastructures**

CNDE has a mandate on this mission. The council can structure a long and mid-term reform strategy around the key issues relating to Business Environment Reforms..

Important to ensure accountability and results.



Muito Obrigado

II Fórum Nacional de Transformação
CABO VERDE 2030

Cidade da Praia
14 a 16 de Maio de 2014