



### Terms of Reference:

#### Workshop 2.3 Tourism Cluster

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During the period between 1999 and 2011, international tourist arrivals grew by almost 18 percent per year (from about 67,000 to 428,000). According to INE, the added value of tourism and its related activities corresponds to about 20 percent of total value added. According to the Central Bank of Cabo Verde, tourism generated about 27.8 billion CVE (€190 million) in revenues, in 2011, representing about 21 percent of GDP. The tourism industry's estimated total contribution to the government coffers is about €59 million per year. It is estimated that there were 500,000 arrivals in 2013, generating 10,000 jobs.

In Cabo Verde, the trend has been essentially “sun, sea and sand” tourism, with tourists coming mainly from Western European markets. This type of tourism tends to favor large-scale all-inclusive (AIs) resorts. The challenge is to diversify tourism, both in terms of tourist origin and tourism products.

Other tourism potential, such as the rich biodiversity, the culture and the landscape and ecological diversity, and cruise tourism, have not yet been exploited. Although Cabo Verde has a vibrant national culture, reflecting a unique blend of European and African influences, cultural tourism represents only a small fraction of the industry.

Another major challenge in the tourism sector is its still weak link to the Cabo Verdean economy. It is important to develop the links between the tourism sector and other economic sectors, which involves developing the production of quality goods and services, as well as the creative industries, to supply the tourist market. Similarly, we must give importance to small establishment tourism, which probably poses constraints and challenges arising from a weak business environment and high inter-island transportation costs.

Cabo Verde has been touted internationally as a preferred tourist destination. Therefore, we must consolidate the destination CABO VERDE, which involves, among others, strengthening the sector's competitiveness and improving the quality of services provided to tourists.

The workshop will be strategic in nature and will be focused on policy formulation. It will explore Cabo Verde's potential to develop the tourism cluster. It will discuss, in particular, what needs to be done so that Cabo Verde can create a **high value added tourism cluster**.

Specifically, the workshop will provide answers to the following questions:

- What are the prospects for tourism as the main lever of the Cabo Verdean economy in the coming years?
- What are the areas of activities within the tourism cluster where Cabo Verde has comparative advantages?
- What should the governance structure and institutional framework for the tourism Cluster be? Who should be a member of the Cluster network? What should the Cluster's performance indicators be? What system should we adopt for monitoring and evaluating Clusters? What should the governance system be?
- How do we optimize and plan the Cluster's activities? How do we ensure that planned activities are consistent with the Cluster's positioning?
- How do we ensure the Cluster's competitiveness and what changes should be made to implement a vision for "high-value tourism?"
- What should be the promotion strategy to attract foreign direct investment and create opportunities for the domestic private sector? What should be the policy for promoting Cabo Verde as a tourist destination?