

Cape Verde: Privatization & Public-Private Partnership Project

The challenge:

The Government of Cape Verde has a portfolio of 27 State Owned Enterprises (SOEs) which play an important role in key sectors of the economy, especially in the utility, energy, telecommunication and transport sectors. The five largest SOEs account for 70% of state owned capital and their assets represent 32% of GDP.

Due to their generally weak commercial and financial performance SOE liabilities undermine Government financial performance and limit alternative public investments. Government involvement in the provision of services also crowds out private investment.



In order to improve asset management and increase private sector participation in key strategic sectors, the Government is strengthening the capacity of the State Owned Enterprise Unit in the Ministry of Finance and Planning and establishing a Privatization and Public-Private Partnership (P&PPP) Unit.

The solution:

ICF and the Africa Development Bank are supporting the Government of Cape Verde to operationalize the P&PPP Unit and carry out the first program of privatisations and PPPs. The aim of the project is to increase economic growth and reduce the public debt burden in Cape Verde.

The project will cost a total of US\$ 3,600,000. Of this, ICF will contribute US\$ 1,000,000, Government of Cape Verde will contribute US\$ 1,400,000 and the Africa Development Bank will contribute US\$ 1,200,000.

Expected results:

- To reduce the public debt burden incurred by state owned enterprises
- Increase investment opportunities for the private sector in Cape Verde
- To privatize 2 state owned enterprises and establish 2 PPPs by the end of 2016
- Contribute to the transfer of knowledge, technology and management skills in Cape Verde through increased private sector participation

Project duration: December 2014 – December 2016

The Investment Climate Facility for Africa is a grant providing organisation that works with African Governments to improve the environment in which businesses operate. ICF engages closely with implementing Government bodies throughout the life of the project. For more information about ICF please visit www.icfafrica.org