

**STATUS OF PROJECTS IN EXECUTION – FY05**  
**SOPE**  
**REGION: AFRICA**  
**COUNTRY: CAPE VERDE**

Operations Policy and Country Services  
SEPTEMBER 23, 2005



**Report on the Status of Projects in Execution - FY05**  
**Region: Africa**  
**Country: Cape Verde**

**Introduction**

The Status of Projects in Execution (SOPE) Report for FY05 provides information on all IBRD/IDA projects that were active on and beyond June 30, 2005. Thus it bridges the gap in information available to the public between the Project Appraisal Document, disclosed after the Bank approves a project, and the Implementation Completion Report, disclosed after the project closes.

The World Bank has issued a SOPE Report every year as an internal communication to the Board of Executive Directors. Now, in accordance with the Bank's revised disclosure policy, the SOPE Report is also available to the public. By publishing this improved report, we have addressed one of the main concerns we heard from the public during disclosure consultations – that the public has very little access to information on projects while they are being implemented. Readers familiar with past reports will note that projects that closed during the fiscal year are no longer included in the SOPE, since their Implementation Completion Reports are now also disclosed.

The FY05 SOPE introduces a new element: in order to disclose project-by-project comparisons of disbursement estimates and actual disbursements, the SOPE report contains a line chart<sup>1</sup> showing the original estimated disbursement schedule, the latest approved revised schedule (if any) and actual disbursements for investment operations and a table showing the loan/credit/grant amount and disbursements to date.

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<sup>1</sup> Notes:

- Amounts for Projects in currencies other than U.S. dollars may not match exactly due to exchange rate fluctuations over the life of the project.
- Disbursement graphs are not included for Development Policy Loans, which provide quick-disbursing external financing to support policy and institutional reforms. For these loans, funds are disbursed in one or more stages (tranches), released when the borrower complies with agreed conditions.
- Projects which are not yet effective may not have a planned disbursement schedule and thus may not include a graph.

**Country: Cape Verde**

**Project Name (ID):** Energy and Water (P040990)

**Country:** Cape Verde

**Board Approval Date:** 05/11/1999

**Midterm Review Date:** 01/11/2003

**Closing Date:** 12/31/2006

**Loan/Credit/Grant Number:** IDA-32050, IDA-Q0690, IDA-Q0691, IDA-Q0692, JPN-29426, OPEC-04320

**Sector(s):** Power (44%), Water supply (39%), Sanitation (10%), Renewable energy (7%)

**Theme(s):** Regulation and competition policy (P), State enterprise/bank restructuring and privatization (P), Other financial and private sector development (P), Other urban development (P), Climate change (P)

**Project Development Objectives:**

The objectives are (i) to improve the supply of power, water and sanitation systems; (ii) to increase operational and end-use efficiency in the power and water sectors; (iii) to lessen the barriers to the development of renewable energy resources; and (iv) to foster sound management of water resources.

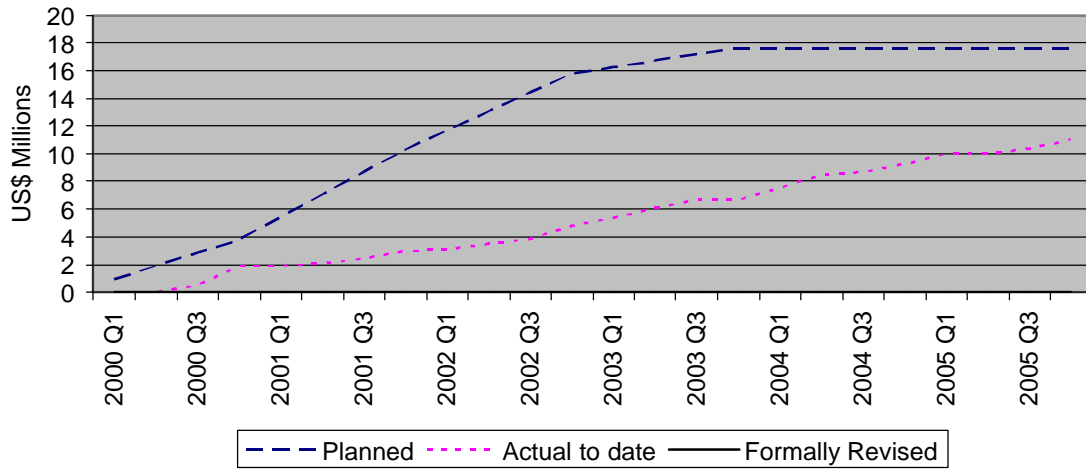
**Progress toward achieving development objective(s):**

Both the electricity and water production and sewage treatment facilities were privatized with 51% shareholding by Strategic Investors. In addition, the services were placed under a long-term concession with the same private partners. Supply of electricity and water & sanitation services have seen some improvement. However, due to lack of regulatory oversight and lack of timely adjustments to tariffs, the performance of the privatized utility has been well below expectations; it has suffered significant operating losses. The Government and the Strategic Partners began discussions in November 2004 to find solutions to the problems, and reached final resolution of all issues, including the principal one on the tariff shortfall. The project has suffered implementation delays and it was extended in order to complete implementation of the key remaining components and to ensure the achievement of development objectives.

**Lending Information/Disbursement Summary (USD millions, as of June 30 2005)**

Loan/Credit/Grant	Status	Amount	Disbursed	Undisbursed	Cancellation
IDA-32050	Effective	18.24	11.05	6.41	0.00
IDA-Q0690	Closed	1.00	0.00	0.00	1.00
IDA-Q0691	Closed	0.30	0.00	0.00	0.30
IDA-Q0692	Closed	0.40	0.00	0.00	0.40
JPN-29426	Closed	0.40	0.38	0.00	0.02
OPEC-04320	Effective	3.00	0.00	3.00	0.00

Status of Projects in Execution - FY05



**Project Name (ID):** Growth and Competitiveness (P074055)

**Country:** Cape Verde

**Board Approval Date:** 05/13/2003

**Closing Date:** 02/28/2008

**Loan/Credit/Grant Number:** IDA-37550, IDA-Q2830, IDA-Q3480

**Sector(s):** General public administration (35%), Compulsory pension and unemployment insurance (20%), General finance (20%), General industry and trade (20%), General transportation (5%)

**Theme(s):** Other financial and private sector development (P), Regulation and competition policy (P), Legal institutions for a market economy (P), Standards and financial reporting (S), Trade facilitation and market access (S)

### Project Development Objectives:

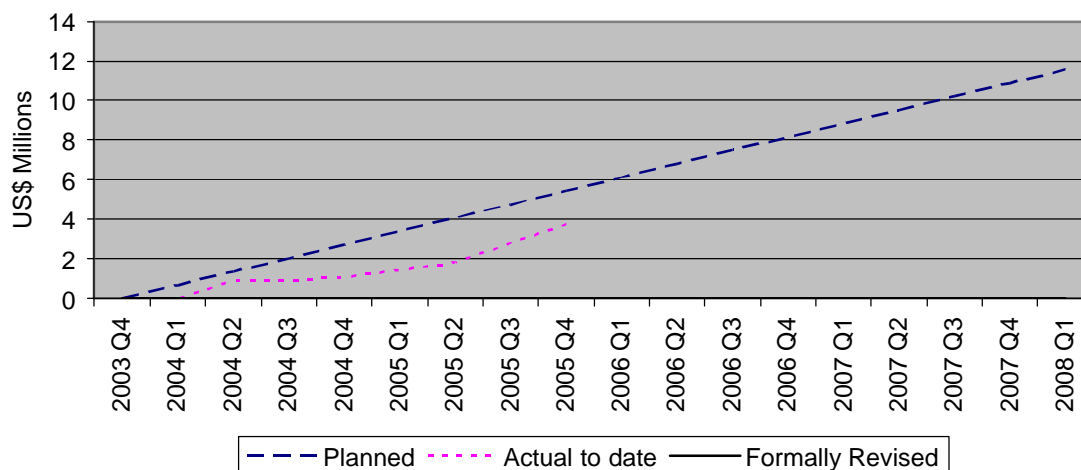
The aim of the project is to broaden the base of private participation in the country's economic growth and enhance private sector competitiveness and further develop the financial system.

### Progress toward achieving development objective(s):

In the financial sector, the credit card project has been launched. Clients are now able to withdraw funds, pay bills and recharge cellular telephone. Under pension reform, preliminary studies are completed and some baseline projections have been established. In the area of investment climate, task force advances on recommendation from FIAS study. Under post privatization and divestiture reforms, the multi-sector regulatory agency ARE has been established and has started to actively participate in transport, energy & water sectors. In the area of private sector development, the matching grant program has done very well and it is almost fully disbursed.

### Lending Information/Disbursement Summary (USD millions, as of June 30 2005)

Loan/Credit/Grant	Status	Amount	Disbursed	Undisbursed	Cancellation
IDA-37550	Effective	12.40	3.75	8.71	0.00
IDA-Q2830	Closed	1.10	0.00	1.10	0.00
IDA-Q3480	Closed	0.60	0.00	0.00	0.60



**Project Name (ID):** HIV/AIDS (P074249)

**Country:** Cape Verde

**Board Approval Date:** 03/28/2002

**Midterm Review Date:** 09/13/2004

**Closing Date:** 12/31/2006

**Loan/Credit/Grant Number:** IDA-36290

**Sector(s):** Health (72%), Central government administration (19%), Other social services (6%), Sub-national government administration (3%)

**Theme(s):** HIV/AIDS (P), Participation and civic engagement (S), Social risk mitigation (S)

### Project Development Objectives:

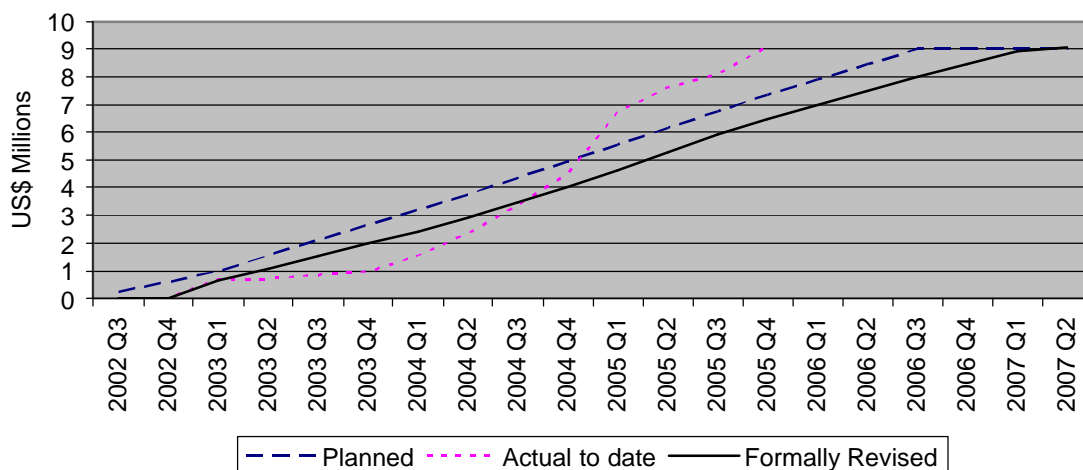
The objective of the project is to reduce the spread of HIV infection in the country. As a means of achieving this goal, the project will also support the following objectives: (1) Mitigation of the health and socio-economic impact of HIV/AIDS at individual, household, and community levels thus sustaining an economically productive population; and (2) Establishment of a strong and sustainable national capacity to respond to the epidemic.

### Progress toward achieving development objective(s):

The capacity of the Ministry of Health has been strengthened by the hiring of consultants in the areas of information, education, communication, voluntary counseling, testing and epidemiology. Sectoral Units to Combat AIDS (SUCA) have now been established in the ministries. Each line ministry has an action plan and has submitted at least one sub-project for financing. The municipal HIV/AIDS committees are operating in all 17 municipalities. Each municipality has submitted at least one sub-project for funding. Training on HIV/AIDS and on Implementation has been ongoing for civil society organizations, conducted concurrently with municipal training.

### Lending Information/Disbursement Summary (USD millions, as of June 30 2005)

Loan/Credit/Grant	Status	Amount	Disbursed	Undisbursed	Cancellation
IDA-36290	Effective	10.65	9.08	1.55	0.00



**Project Name (ID):** Road Sector Support (P087004)

**Country:** Cape Verde

**Board Approval Date:** 05/19/2005

**Closing Date:** 08/31/2010

**Loan/Credit/Grant Number:** IDA-40640, IDA-Q4140

**Sector(s):** Roads and highways (67%), Central government administration (33%)

**Theme(s):** Administrative and civil service reform (P), Infrastructure services for private sector development (P), Rural services and infrastructure (S), Trade facilitation and market access (S)

### Project Development Objectives:

The objective of the project is to enhance the road sector management. This will be achieved through: (i) institutional reform of the road sector and improved functioning of related civil works markets; and (ii) better access to social and economic opportunities due to improved mobility for affected populations.

### Progress toward achieving development objective(s):

The project became effective in the latter part of the reporting period and was still in too early a stage for meaningful progress

### Lending Information/Disbursement Summary (USD millions, as of June 30 2005)

Loan/Credit/Grant	Status	Amount	Disbursed	Undisbursed	Cancellation
IDA-40640	Not Effective	14.45	0.00	14.45	0.00
IDA-Q4140	Effective	1.50	1.42	0.08	0.00

