

**STATUS OF PROJECTS IN EXECUTION – FY06**  
**SOPE**  
**REGION: AFRICA**  
**COUNTRY: CAPE VERDE**

**Operations Policy and Country Services**  
**SEPTEMBER 19, 2006**



**Report on the Status of Projects in Execution - FY06**  
**SOPE**  
**Region: Africa**  
**Country: Cape Verde**

**Introduction**

The Status of Projects in Execution (SOPE) Report for FY06 provides information on all IBRD/IDA projects that were active on June 30, 2006.

The World Bank has issued a SOPE Report every year as an internal communication to the Board of Executive Directors. In accordance with the Bank's revised disclosure policy, since FY02, the SOPE Report is available to the public.

The report is intended to bridge 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.

In addition to the project progress description, the FY06 SOPE report<sup>1</sup> contains project level comparisons of disbursement estimates and actual disbursements, and a table showing the loan/credit/grant amount and disbursements to date for all active projects.

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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):** CV-Energy & Water SIL (FY99) ( P040990 )

**Country:** Cape Verde

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

**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 (a) to improve the supply of power, water and sanitation systems; (b) to increase operational and end-use efficiency in the power and water sectors; (c) to lessen the barriers to the development of renewable energy resources; and (iv) to foster sound management of water resources.

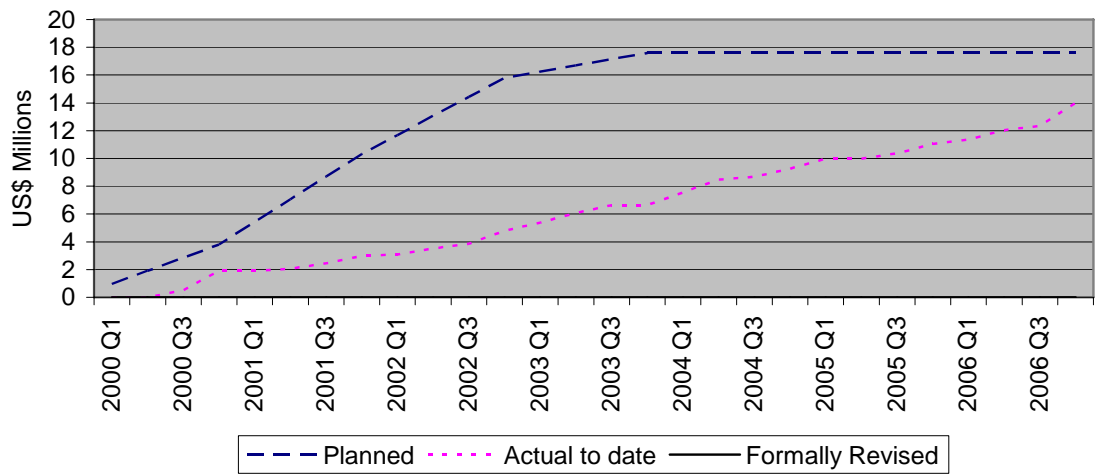
**Progress toward achieving development objective(s):**

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 significantly improved, with population access to electricity increasing from about 54% in 2000 to about 70%, access to water has also increased from about 34% in 2000 to about 46%, but access to sanitation services remains low, about 13% of the population. However, due to increasing fuel and operating costs, inadequate tariffs, and weak regulatory oversight, the performance of the privatized utility continues to deteriorate, with declining service quality and growing financial losses. As a result, there is a risk that the development objectives of the project would not be achieved and sustained, despite of the progress made in the physical aspects. The Government and the Strategic Partners continue discussions to find solutions to the problems and turn the performance of the utility around.

**Lending Information/Disbursement Summary ( USD millions, as of June 30 2006 )**

<b>Loan/Credit/ Grant</b>	<b>Status</b>	<b>Amount</b>	<b>Disbursed</b>	<b>Undisbursed</b>	<b>Cancellation</b>
IDA-32050	Effective	18.37	13.99	3.52	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	0.03	2.97	0.00





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

**Country:** Cape Verde

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

**Midterm Review Date :** 05/25/2006

**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):**

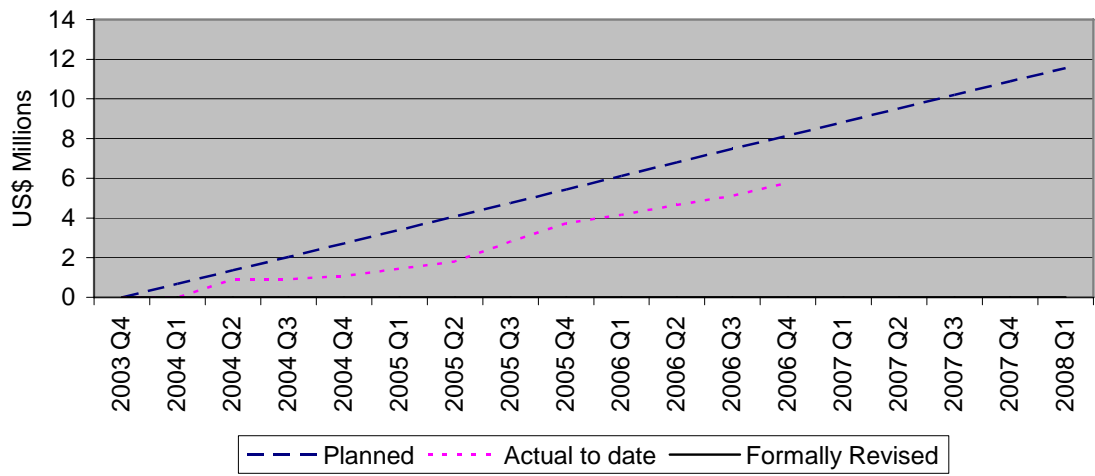
The Project continues to make good progress and, in some cases, even exceeded its initial targets. The Government has accelerated and consolidated the reforms into "Making Cape Verde more Competitive". At the same time, it has broadened the scope of the reforms, namely in the financial sector and in the reduction of administrative barriers (through the E-Government initiative). Firms can now be registered electronically in less than 1 day. The Corporate tax rate has been reduced to 30%. The import fees and taxes were significantly modified and lowered. At the same time, customs taxes were streamlined.

The Financial system has been strengthened: electronic VISA transactions are now available on 6 islands; the number of transactions reached 66,700 generating Euro 7.9 million; the Non Performing Loans ratio is now 6.3% (down from 9%).

**Lending Information/Disbursement Summary ( USD millions, as of June 30 2006 )**

<b>Loan/Credit/ Grant</b>	<b>Status</b>	<b>Amount</b>	<b>Disbursed</b>	<b>Undisbursed</b>	<b>Cancellation</b>
IDA-37550	Effective	12.49	5.80	6.71	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 PROJECT ( 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: (a) Mitigation of the health and socio-economic impact of HIV/AIDS at individual, household, and community levels thus sustaining an economically productive population; and (b) Establishment of a strong and sustainable national capacity to respond to the epidemic.

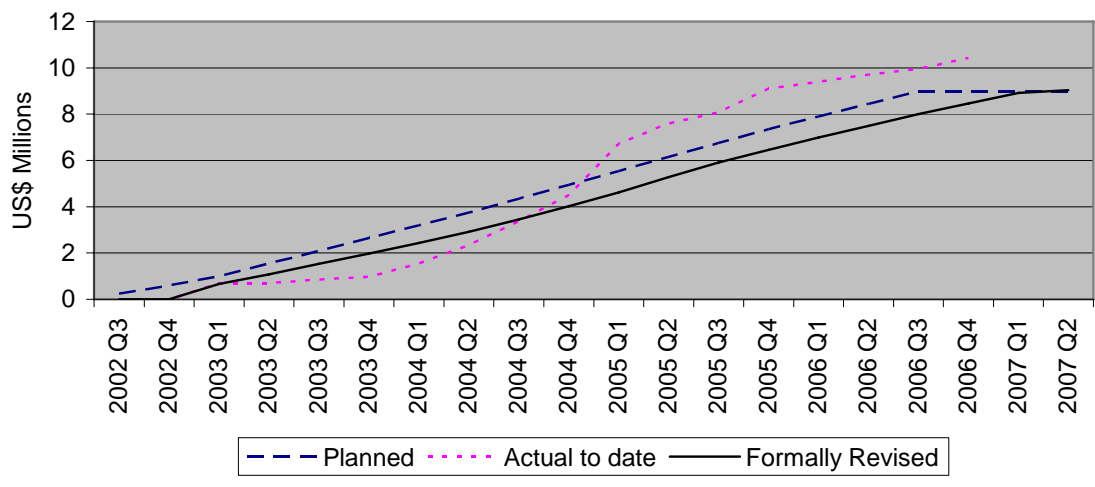
**Progress toward achieving development objective(s):**

The 2005 Demographic and Reproductive Health Survey shows an overall crude prevalence estimate of HIV infection at 0.5%, compared to 1.13% prevalence among women attending ante-natal care clinics in 2002. Project performance indicators are showing a positive trend towards safer sexual behavior in Cape Verde. According to the 2005 survey, 65% of men and 32% of female used a condom in their last act of sexual interaction, above the project target of 60% male and 30% female by 2006. Also, the percentage of sexually active people reporting having non-regular sexual partners over the previous 12 months appears to have gone down (e.g., from 39% of all women in 1998 to 26% of women market vendors, considered a good proxy for the general female population). The project contributed to these results by supporting both broadbased and targeted preventive activities implemented by Government and NGOs entities, voluntary, counseling and testing, diagnostic studies and capacity building with a national coverage. In addition, the project also supported access to anti-retroviral treatment for HIV/AIDS infected persons.

**Lending Information/Disbursement Summary ( USD millions, as of June 30 2006 )**

<b>Loan/Credit/Grant</b>	<b>Status</b>	<b>Amount</b>	<b>Disbursed</b>	<b>Undisbursed</b>	<b>Cancellation</b>
IDA-36290	Effective	10.73	10.40	0.22	0.00





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

**Country:** Cape Verde

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

**Midterm Review Date :** 09/03/2007

**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:

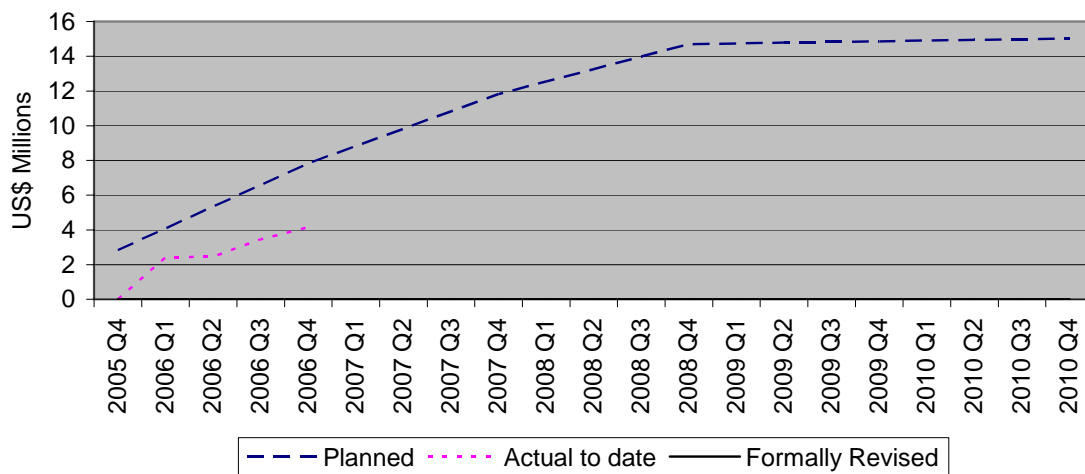
The objective of the project is to enhance the road sector management. This will be achieved through: (a) institutional reform of the road sector and improved functioning of related civil works markets; and (b) better access to social and economic opportunities due to improved mobility for affected populations.

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

The project is still in its early months of implementation, but progress so far is broadly in accordance with plans. Significant progress was made in addressing institutional reform, with a functioning and very well performing Road Agency and a Road Maintenance Fund that legally and administratively is being set up. Revenue collections for the fund have commenced. Work on the review of the country's Transport Strategy is ongoing.

### Lending Information/Disbursement Summary ( USD millions, as of June 30 2006 )

Loan/Credit/ Grant	Status	Amount	Disbursed	Undisbursed	Cancellation
IDA-40640	Effective	14.55	4.16	10.37	0.00
IDA-Q4140	Closed	1.50	0.00	0.00	1.50



**Project Name (ID):** Poverty Reduction Support Credit II ( P090875 )

**Country:** Cape Verde

**Board Approval Date :** 06/01/2006

**Closing Date :** 08/31/2006

**Loan/Credit/Grant Number :** IDA-41750

**Sector(s):** Central government administration (25%), Primary education (20%), Health (20%), Compulsory pension and unemployment insurance (20%), Law and justice (15%)

**Theme(s):** Public expenditure, financial management, and procurement (P), Administrative and civil service reform (S), Education for all (S), Health system performance (S), Social risk mitigation (S)

**Project Development Objectives:**

The objective is to continue to support the implementation of Cape Verde's Growth and Poverty Reduction Strategy (GPRSP).

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

The project did not become effective before the end of the reporting period.

**Lending Information/Disbursement Summary ( USD millions, as of June 30 2006 )**

<b>Loan/Credit/ Grant</b>	<b>Status</b>	<b>Amount</b>	<b>Disbursed</b>	<b>Undisbursed</b>	<b>Cancellation</b>
IDA-41750	Not Effective	10.29	0.00	10.29	0.00

