

Investment, Enterprise and
Development Commission

Tenth session

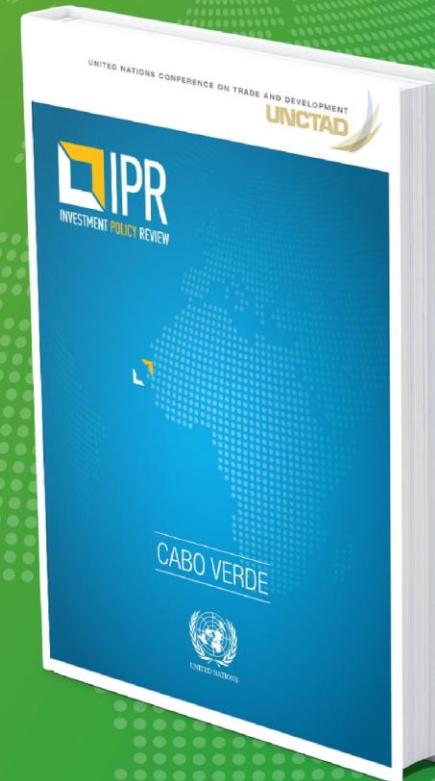
Investment Policy Review of Cabo Verde



UNITED NATIONS
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4 December 2018

Palais des Nations
Room XXVI



Investment Policy Review



Cabo Verde

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Division on Investment and Enterprise
Geneva, 4 December 2018

A boom in FDI inflows halted by the crisis

(million dollars)



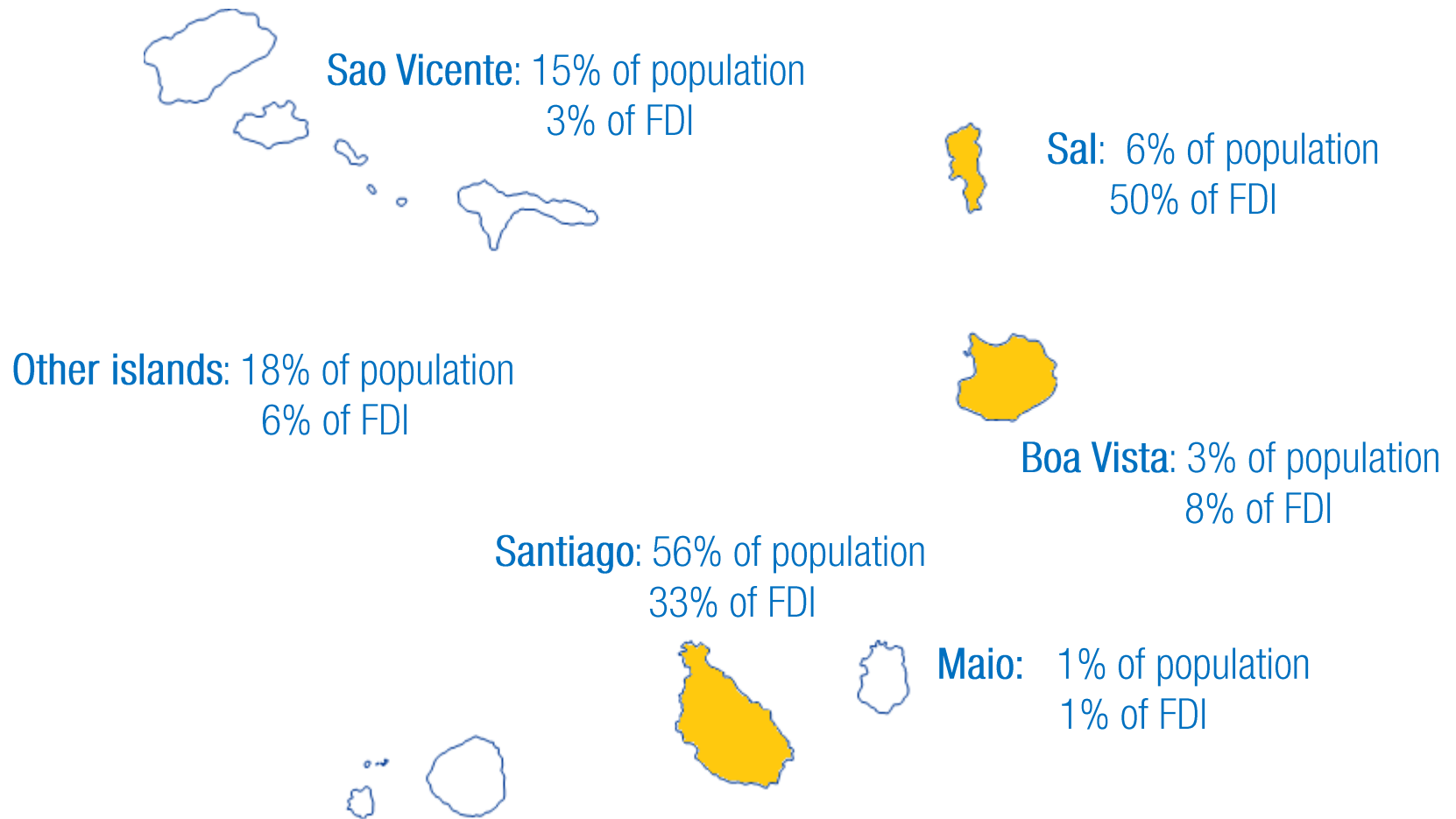
FDI has transformed Cabo Verde

FDI has a key role in:



- Economic growth
- Employment
- Exports
- Poverty reduction
- Graduation from LDC status

...but FDI and growth are unevenly distributed



Opportunities exist for a more diversified economy

- Strategic location
- Stability
- Openness
- IT infrastructure
- Diaspora

Adopt more proactive FDI policy and promotion

FDI-specific regime: rethink the use of contracts

The proliferation of investment contracts:



- Encourages discrimination
- Hampers transparency
- Adds complexity

FDI-specific regime: rethink the use of contracts

Phase out investment contracts and:



- Consolidate key provisions of the investment regime
- Harmonize and clarify investment-related definitions
- Modernize international investment agreements

General regime: rebalance promotion and protection

Despite significant efforts to streamline business procedures



- Uneven regional coverage of reforms
- Complex tax and customs administration
- Difficulties in accessing land and finance
- Weak competition and intellectual property regimes
- Limited environmental protection and labour inspections capacities

General regime: rebalance promotion and protection

Address remaining
bottlenecks



- Consolidate business establishments reforms
- Improve access to land
- Streamline the tax regime
- Enhance labour policy and skills
- Strengthen environmental protection
- Address trade-related issues

Tourism FDI: beyond sun-sea-sand

All-inclusive tourism a key driver of development, but limits exist:



- Dependence on few operators
- Low integration of local companies
- Concentration of economic activity
- Environmental sustainability
- Social imbalances

Tourism FDI: beyond sun-sea-sand

A pro-active policy approach:



- Use policy to encourage specific outcomes
- Adopt modern FDI promotion techniques
- Formulate a national entrepreneurship strategy
- Implement a linkages development programme
- Foster sustainability initiatives

Next steps in the IPR process

Implementation and
monitoring:



- Follow-up technical assistance
- Donor support
- Evaluation of progress and impact

Thank you!
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