Early Warning System

AFDB-P-CV-GB0-005

Cabo Verde - Morabeza Innovation Project

Early Warning System

Cabo Verde - Morabeza Innovation Project

AFDB-P-CV-GB0-005

Quick Facts

Countries	Cape Verde
Financial Institutions	African Development Bank (AFDB)
Status	Proposed
Bank Risk Rating	C
Voting Date	2024-12-17
Borrower	Government of Cape Verde
Sectors	Law and Government
Investment Type(s)	Loan
Investment Amount (USD)	$ 24.90 million
Loan Amount (USD)	$ 24.90 million

Project Description

According to the bank provided information, the proposed Results-Based Financing (RBF) project, spanning from 2024 to 2028 is structured to cover four budget years (2025, 2026, 2027 and 2028). The Bank's financing of EUR 24 million accounts for 15.37% of the overall cost of the broader program, which totals EUR156.18million. This support is specifically targeted towards the implementation of 18 out of 37 key activities under Cabo Verde's Digital Economy Sector Strategy. These activities focus on critical areas such as promoting digital nomads, supporting the digitalization of non-digital MSMEs, building capacity through training, and expanding access to digitally enabled financial inclusion for MSMEs.

The primary objective of this project is to use digital innovation to contribute to private sector growth and employment, for youth and women in particular, in Cabo Verde. As alluded to in the country context, Cabo Verde's private sector faces distinct challenges due to its geographic and demographic realities. As a Small Island Developing State (SIDS), an archipelago comprising nine islands and a dispersed population of approximately 600,000, the country struggles with poor economies of scale and limited market size, which hinder local private sector growth. Additionally, the small, dispersed population constrains the supply of talent necessary to sustain economic growth and competitiveness.

The project aims to attract and retain technology talent, including digital nomads and tech-enabled companies, positioning Cabo Verde as a hub for digital services. By incentivizing elite talent and growth-stage digital/ digitally enabled enterprises, it will contribute to expanding Cabo Verde's talent pool and market reach, addressing the challenges posed by its small and dispersed population. And also aims to develop the local MSME ecosystem by promoting the use of technological tools, digital services, and platforms to boost productivity and using fintech platforms to scale access to finance. By scaling up local businesses and enabling them to access new markets, the project seeks to disrupt traditional growth cycles and foster long-term economic sustainability.

Investment Description

- African Development Bank (AFDB)

Contact Information

Uyoyo EDOSIO
ICT Specialist, PITD2
African Development Bank
u.edosio@afdb.org
www.afdb.org

ACCESS TO INFORMATION

You can submit an information request for project information at: https://www.afdb.org/en/disclosure-and-access-to-information/request-for-documents. Under the AfDBÕs Disclosure and Access to Information policy, if you feel the Bank has omitted to publish information or your request for information is unreasonably denied, you can file an appeal at https://www.afdb.org/en/disclosure-and-access-to-information/appeals-process

ACCOUNTABILITY MECHANISM OF AfDB

The Independent Review Mechanism (IRM), which is administered by the Compliance Review and Mediation Unit (CRMU), is the independent complaint mechanism and fact-finding body for people who have been or are likely to be adversely affected by an African Development Bank (AfDB)-financed project. If you submit a complaint to the IRM, it may assist you by either seeking to address your problems by facilitating a dispute resolution dialogue between you and those implementing the project and/or investigating whether the AfDB complied with its policies to prevent environmental and social harms. You can submit a complaint electronically by emailing crmuinfo@afdb.org, b.kargougou@afdb.org, b.fall@afdb.org, and/or s.toure@afdb.org. You can learn more about the IRM and how to file a complaint at: https://www.afdb.org/en/independent-review-mechanism/

Bank Documents

- Appraisal Report