



**COMPACT GOAL**

MCC's five-year, \$66.2 million compact with the Government of Cape Verde was signed on February 10, 2012. The Compact focuses on two main constraints to growth: 1) inefficiencies in Cape Verde's water and sanitation sector that result in limited access, high costs, low quality, and poor systems management; and 2) inadequacies in the country's land property registration and management systems that limit the ability of households and firms to invest in their property in order to create value and increase incomes.

**COMPACT AT A GLANCE**

Compact Signed	<b>02-10-2012</b>
Entry Into Force	<b>11-30-2012</b>
Compact End Date	<b>11-30-2017</b>
Compact Total	<b>\$66,230,000</b>
Amount Committed	<b>\$751,584</b>
Amount Expended	<b>\$710,451</b>
Estimated Program Beneficiaries	<b>604,100</b>
Estimated Increase in Household Income	<b>\$112,900,000</b>

% OF TOTAL COMPACT	BUDGET (USD MILLIONS)
<b>62%</b>	<b>Water, Sanitation, and Hygiene Project \$41.0</b>
<b>26%</b>	<b>Land Management for Investment Project \$17.2</b>
<b>10%</b>	<b>Program Administration \$6.5</b>
<b>2%</b>	<b>Monitoring and Evaluation \$1.3</b>



■ Project Preparation ■ Project Implementation

Water, Sanitation, and Hygiene Project	PROJECT COST	TOTAL CONTRACT COMMITMENTS	TOTAL PROJECT EXPENDITURES <sup>1</sup>							
	<b>\$41,030,000</b>	<b>\$3,854</b>	<b>\$3,854</b>							
<p>The \$41.0 million Water, Sanitation, and Hygiene (WASH) Project is designed to establish a financially sound, transparent and accountable institutional basis for the delivery of water and sanitation services to Cape Verdean households and businesses.</p> <p><b>Projected Long-Term Results</b> (Up to 20 years)</p> <table border="0"> <tr> <td style="text-align: center;">ESTIMATED BENEFICIARIES</td> <td style="text-align: center;">ESTIMATED INCREASE IN HOUSEHOLD INCOME</td> </tr> <tr> <td style="text-align: center;"><b>591,000</b></td> <td style="text-align: center;"><b>\$46,500,000</b></td> </tr> <tr> <td style="text-align: center;">Beneficiary numbers estimated over 20 years.</td> <td style="text-align: center;">Discounted benefits in USD attributed to MCC costs, which amount to approximately 91% of the PV of total costs.</td> </tr> </table>	ESTIMATED BENEFICIARIES	ESTIMATED INCREASE IN HOUSEHOLD INCOME	<b>591,000</b>	<b>\$46,500,000</b>	Beneficiary numbers estimated over 20 years.	Discounted benefits in USD attributed to MCC costs, which amount to approximately 91% of the PV of total costs.	<p>Water, Sanitation, and Hygiene Project</p> <p>YEAR 1    YEAR 2    YEAR 3    YEAR 4    YEAR 5</p> <p>PRESENT</p>	<p><b>PROJECTED RESULTS BY END OF COMPACT</b></p> <p>National institutional and regulatory reform and municipal utility reform will improve planning systems and regulatory processes, including tariff setting and social and gender inclusion, and restructure and corporatize utilities to function independently. New entities for sector oversight will be established and an infrastructure grant facility will provide funding for WASH infrastructure improvements.</p>	<p><b>PROGRESS TO DATE</b></p> <p>The MCA-Cape Verde II WASH team is fully staffed. Implementing entities with key government ministries and regulatory agencies have been signed. An MOU with the municipalities is finalized. The Reform Commission, including key government and civil society stakeholders, meets regularly. Procurements for key foundational studies to inform the national and utility reform processes are underway.</p>	<p><b>PROJECT ACHIEVEMENTS</b></p> <p>The foundational studies for the National Masterplan and the Institutional Design of ANAS are completed. These studies form the basis for national level WASH sector reform and establishment of ANAS, a new National Agency for Water and Sanitation. ANAS will be responsible for policy and planning of all water resources, domestic water supply, and wastewater and sanitation, responsibilities previously fragmented across government institutions.</p>
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Land Management for Investment Project	PROJECT COST	TOTAL CONTRACT COMMITMENTS		TOTAL PROJECT EXPENDITURES*					
	\$17,260,000	\$196,446		\$151,207					
<p>The \$17.3 million Land Management for Investment Project aims to loosen the land-related constraints to investment and to reduce land rights registration and transaction time and cost for all users by refining the legal, procedural and institutional environment, developing and installing a land information system, and clarifying rights and boundaries on targeted islands.</p> <p><b>Projected Long-Term Results</b> (Up to 20 years)</p> <table border="0"> <tr> <td>ESTIMATED BENEFICIARIES</td> <td>ESTIMATED INCREASE IN HOUSEHOLD INCOME</td> </tr> <tr> <td><b>13,100</b> Beneficiary numbers estimated over 20 years.</td> <td><b>\$28,000,000</b> Discounted benefits in USD attributed to MCC costs, whose PV amount to approximately USD 16 million as compared to USD 39 million of associated non-MCC costs.</td> </tr> </table>	ESTIMATED BENEFICIARIES	ESTIMATED INCREASE IN HOUSEHOLD INCOME	<b>13,100</b> Beneficiary numbers estimated over 20 years.	<b>\$28,000,000</b> Discounted benefits in USD attributed to MCC costs, whose PV amount to approximately USD 16 million as compared to USD 39 million of associated non-MCC costs.					
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<p><b>PROJECTED RESULTS BY END OF COMPACT</b></p> <p>The legal, institutional, and procedural foundations for land management and property rights will be reformed and strengthened. A new land information and transaction system will be developed and installed. Building on the legal and institutional groundwork, actual clarification and formalization of parcel rights and boundaries in targeted islands of high tourism investment potential will be completed.</p>	<p><b>PROGRESS TO DATE</b></p> <p>The MCA-Cape Verde II Land team is fully staffed. Implementing entity agreements with key government ministries and institutions have been signed. The Procurements are underway for key foundational studies that will inform the land management and property right reforms and for the initial design and equipment related to the new land management system development. MCA and the RCM have started productive project outreach with key stakeholders.</p>	<p><b>PROJECT ACHIEVEMENTS</b></p> <p>The project's Technical Committee has been formed and is prepared to play a key oversight role in project implementation. Consultants have been hired to geo-reference existing municipal-level parcel information and work is underway. With World Bank funds, paper-based property registration records are being scanned for the islands of Sal and Santiago. Both tasks are early inputs into the eventual computerized land administration system.</p>							

\*Expenditures are the sum of cash outlays and quarterly accruals for work completed but not yet paid or invoiced.