



**REPÚBLICA DE CABO VERDE**

**MINISTÉRIO DAS FINANÇAS**

**TERMS OF REFERENCE (TOR):**

**BUSINESS ENABLING ENVIRONMENT 3: STARTUP-FRIENDLY LAWS, REGULATIONS  
AND POLICIES**

## **1. Background**

The Government of the Republic of Cape Verde received funding of US\$20 million (\$20,000,000) from the World Bank to fund the implementation of the Digital Cape Verde Project (DCV) Project. The project will support the government's strategy to transform the country into a skills-based service economy, increasing its competitiveness and attracting more investment. The project seeks to accelerate and develop the country's digital economy through improved technological and digital infrastructure, in response to an increased demand for strengthened digital services leveraging new digital skills.

The DCV Project comprises three main components, namely:

- 1. Component 1: Favorable Legal and Regulatory Environment** to support the Government of Cape Verde in improving the regulatory environment for the development of the digital economy.
- 2. Component 2: Promote Digital Competitiveness** to better prepare individuals and companies across the country to be more competitive in the job market, to stimulate innovation and productivity.
- 3. Component 3: Improve the Governance of Public Services and Digital Markets** based on the principles of dematerialization to improve the governance of public services.

This ToR fits within the objective of Component 2 to support the Government of Cape Verde in its efforts to improve the capabilities of individuals in the country and the diaspora to be more competitive in the digital economy's job market. More specifically, Component 2 comprises eight projects (please see Figure 1 below) that aim to foster a digital innovation and entrepreneurship ecosystem, transforming the country into Africa's Digital Hub. Among the eight projects depicted in the figure below, this ToR focuses on providing a Business Enabling Environment by implementing Project 2: Startup-Friendly Laws, Regulations, and Policies.

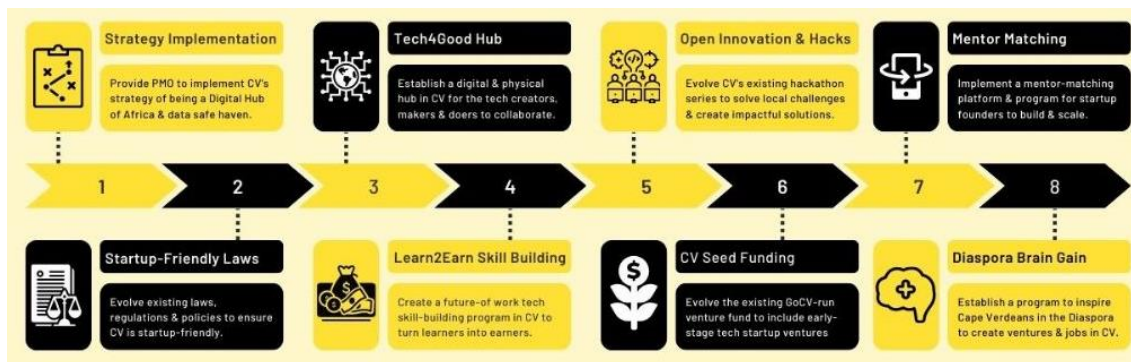


Figure 1: Component 2.3 Promote Digital Competitiveness Eight Projects List.

**Gender-oriented interventions are critical for the project:** Activities will be designed to reduce the gender gap in a typically male-dominated sector, like technology. These will include (i) mechanisms for overcoming social and gender norms in business operations through efforts to address internalized biases on the role of women in economic activities, as well as (ii) women-only networking opportunities, customized training when appropriate, and childcare services. In addition, interventions will set dedicated tracks for persons with disabilities, and displaced youth through specific awareness-raising campaigns, trainings, support programs, and fast-track access to project support.

## 2. Objective & Scope of Work

### A. General Objective of the Assignment

The general objective of this ToR is to assist the Ministry of Digital Economy (Ministério da Economia Digital - MED in Portuguese) – the Client, and the Special Projects Management Unit (Unidade de Gestão de Projetos Especiais - UGPE in Portuguese) of the DCV Project, in designing, implementing and managing a Startup-Friendly Laws, Regulations & Policies project to foster the creation of digital businesses in Cape Verde through a more conducive regulatory environment in the country.

### B. Specific Objectives of the Assignment

The specific objectives of this ToR are to assist MED (the Client), and the Special Projects Management Unit (UGPE) to:

- a. Evaluate Cape Verde's existing startup laws, regulations, and policies.
- b. Draft updated language and diplomas to support evolving laws, regulations, and policies.
- c. Design a framework for the development of the Cape Verde Startup Act.
- d. Establish an environment for startups that is recognized for its progressiveness within Cape Verde, across Africa, and worldwide.
- e. Develop a detailed Operations Manual for the project.

- f. Develop a detailed communication strategy and plan for the project's external communication to support the delivery of the project.

### **C. Scope of Work**

The firm is expected to undertake but is not limited to the following activities:

#### **ACTIVITY 1 – STARTUP FRIENDLY LAWS**

Under this activity, the firm is expected to evaluate Cape Verde's business-enabling environment, and more specifically, the current framework of startup laws, regulations, and policies. The firm is also expected to propose a draft updated language to support the evolution of the current framework into a revamped one that enables local startups to build, scale, and thrive while positioning Cape Verde as a Digital Hub for Africa. The goal is to establish an environment for startups that is recognized for its progressiveness within Cape Verde, across Africa, and worldwide. Intellectual property (IP) rights, tax incentives, ease of doing business, value creation, innovation, disruption, accessing capital, maximizing revenue, and globalization, among other best practice topics should be included.

**During this activity, the firm will, but not exclusively:**

- Conduct a comprehensive assessment of the current framework of laws, regulations, and policies related to intellectual property rights, business registration, taxation, valuation, access to finance, innovation, ease of doing business, and job creation in the country, especially for digitally enabled startups<sup>1</sup>. The assessment will comprise both primary and secondary sources, including interviews, surveys, and focus group discussions, among others;
- Analyze a selection of (business-enabling environment) best practices benchmarks for startup-friendly environments from at least four (4) countries comparable to Cape Verde and the country nuances. Identify areas for tailored replication and adaptation to the local Cape Verde context. The benchmarking countries must have undertaken successful legislative and regulatory changes to foster business creation in the last eight (8) years;
- Engage with key stakeholders including government agencies, policymakers, ESOs, industry experts, startup founders, investors, and other relevant players to gather insights and perspectives on the current regulatory landscape and potential enhancements;
- Develop draft proposals for updated language and amendments to existing laws, regulations, and policies to create a more conducive environment for startup growth and innovation;
- Collect and incorporate feedback from stakeholders and iterate on the draft proposals to ensure alignment with the overarching goal of establishing Cape Verde as a Digital Hub of Africa;

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<sup>1</sup> Digitally enabled startups are entrepreneurial ventures that leverage digital technologies, such as the internet, mobile applications, software platforms, and data analytics, to create innovative products or services and disrupt traditional industries or business models.

- Based on the activities above, develop a long-term business-enabling environment strategy for the GoCV with specific activities, sub-activities, timelines, budgets, and roles.

### **Activity 1 Deliverables:**

The firm will provide the following deliverables that would need to be approved by the Client, UGPE, and the World Bank.

1. **Initial Assessment Report** detailing the findings from the evaluation of Cape Verde's startup laws, regulations, and policies, along with recommendations for improvement.
2. **Comparative Analysis Report** highlighting international best practices and benchmarks in startup-friendly environments, with recommendations for adaptation to Cape Verde's context.
3. **Stakeholder Engagement Report** summarizing insights and perspectives gathered from consultations with relevant parties.
4. **Draft Proposals for Updated Language** and amendments to existing laws, regulations, and policies, addressing areas such as, but not limited to, intellectual property rights, tax incentives, ease of doing business, value creation, innovation, disruption, accessing capital, maximizing revenue, and globalization.
5. **Final Proposal** presenting the revised startup laws, regulations, and policies, incorporating feedback from stakeholders and reflecting the goal of fostering a conducive environment for startup growth and positioning Cape Verde as a leader in digital entrepreneurship within Africa and globally.
6. **Long-term Strategy** that presents a detailed long-term strategy with specific activities, sub-activities, and their sequencing, budget, timeline, roles, and responsibilities, among others.
7. **Report on the Mobilization Process of Women Participants:** Gender parity and inclusion are key foundations for the DCV Project and the GoCV, therefore, the firm would need to closely monitor female participation, and prepare a report documenting the number of women reached, the agreements established with female business associations or sector support organizations, and the expected results of that effort.
8. **Operations Manual:** Develop an Operations Manual outlining the processes, procedures, and responsibilities for implementing the Startup-Friendly Laws project, ensuring consistency and efficiency in project execution. The Manual should cover all aspects related to program design, dissemination, communication, logistics, and monitoring.

### **ACTIVITY 2 – FRAMEWORK FOR THE CAPE VERDE STARTUP ACT**

This activity will include the development of a robust framework for the subsequent development of the Cape Verde Startup Act. This framework will contain the definition, objectives, and application of the Startup Act and the various components/sections of the Act.

The goal is to produce a robust end-to-end document that will guide the development and implementation of the Startup Act.

**During this activity, the firm will, but not exclusively:**

- Leveraging the outcome of Activity 1, develop a draft framework with a concise roadmap for the development and execution of the Capr Verde Startup Act;
- Collect and incorporate feedback from stakeholders and iterate on the draft framework to ensure alignment with the overarching goal of establishing Cape Verde as a Digital Hub of Africa;
- Based on the activities above, develop a robust framework and a concise roadmap for the Cape Verde Startup Act with specific objectives, activities, outputs, timeline, and resources needed for the end-to-end implementation of the framework. This will also include a skeletal draft of the Startup Act.
- The firm will provide technical assistance in implementing the Framework post the lifecycle of this project. This will involve technical guidance in the execution of the framework during the development and adoption of the Startup Act.

**Activity 2 Deliverables:**

- Draft of Framework and Roadmap: A preliminary framework for the Cape Verde Startup Act, outlining key components and a sequential roadmap for its development and execution, considering objectives, stakeholders, legal aspects, and potential challenges.
- Robust Framework and Roadmap: A comprehensive framework for the Cape Verde Startup Act, incorporating specific objectives, activities, outputs, timeline, and resource requirements, along with a detailed roadmap for implementation, including roles, responsibilities, budget, funding sources, and risk mitigation strategies.
- Documentation and Reporting: Documentation of all the stages of the framework development, feedback collection, and refinement processes, providing a rationale for key decisions, supporting data and evidence, recommendations for monitoring and evaluation, and communication materials for stakeholders and the public.
- Presentation and Communication Materials: Presentation materials summarizing the finalized framework and roadmap, along with communication materials to raise awareness about the Cape Verde Startup Act's potential impact, including briefing documents and talking points for engaging with relevant stakeholders.

**ACTIVITY 3 – COMMUNICATION STRATEGY**

The firm will be responsible for designing a promotion, marketing, and communications strategy for the new startup-friendly laws. The draft strategy will ensure maximum visibility among private sector operators, organizations, academia, startups, diaspora, and individuals who could apply to and benefit from the different program activities.

The firm will leverage the strategy to design and implement a holistic communication plan with detailed actions to promote and position the program activities. The communication plan would consider multiple channels and formats, including traditional and social media, with a focus on direct marketing to platforms identified to meet the criteria to participate in the DCV Project. A substantive communications strategy would be made possible through strategic institutional partnerships.

### **Activity 3 Deliverables:**

This activity includes, but is not limited to, the following deliverables:

- 1. Develop and Execute Communication Strategy and Plan:** The firm will develop and present a communication strategy and plan that will be implemented for the entire assignment of this ToR. The strategy will also include details on awareness strategies and a report on the partnerships established in the context of preparing the awareness campaign. The firm will need to capture and report a database of all means of communication, their evolution, and receptivity (impact, views, reach, etc.). The firm will deliver the database, tests of production and dissemination of the information, promotional materials, evidence of implementation of the events, and awareness sessions of the strategy. All these elements under implementation by the firm would need to be approved by the Client, UGPE, and the World Bank.
- 2. Report on the Mobilization Process of Women Entrepreneurs:** Under the communications strategy and plan, the firm would need to closely monitor female participation, and prepare a report documenting the number of women reached, the agreements established with female businesses, associations, NGOs, and others to increase the outreach of the communication plan, and the expected results of that effort.

### **ACTIVITY 4 – GRIEVANCE REDRESS MECHANISM (GRM)**

Compliance with World Bank Group Environmental and Social Safeguards mandates the establishment of a Grievance Redress Mechanism (GRM). The firm would develop and implement a GRM according to best practice, in order to ensure that candidates, partners, and other stakeholders can file complaints and that the complaints are dealt with most appropriately. The GRM would need to be made available in a transparent way in various media (paper, electronic, etc.) The GRM would add but also be interconnected to the overall DCV Project GRM. The GRM would ensure that complaints received are promptly reviewed and addressed promptly. The firm would need to develop a process to properly respond to complaints. This process, as well as how people can voice their concerns, would require approval from the client, UGPE, and the World Bank.

### **Activity 4 Deliverables:**

The third activity includes but is not limited to, the following deliverables:

- 1. GRM**, including inter alia:

- a. Develop a Grievance Redress strategy that allows easy access and confidentiality to those who complain. The firm will present evidence of the implementation of this strategy.
- b. Report on the number of complaints received and processed. The firm will prepare a report of complaints received throughout the program, how they were addressed, as well as their status at the end of the program.

### 3. Reporting Requirements

#### **Inception Report**

Inception Report and a detailed Work Plan (following the final deliverables schedule). The Inception Report would update the methodology and the work program, including deployment of personnel that would be included in the Firm's proposal and used as a basis for agreed pricing, noting the changes and detailing any difficulties encountered, together with a proposal on how they may be overcome. The Client would review and comment on the Inception Report and provide final acceptance. The Firm's established Work Plan may be revised from time to time, but acceptance by the Client would need to be requested each time.

#### **Progress Reports**

The firm would report on the implementation progress of the Project to the Client and UGPE through interim reports produced monthly, quarterly, at project midterm, and close. The interim reports would include project implementation status (description of the activities for the period and comparison of progress of work with the projected work plan), updated work schedule, major issues, and proposed corrective actions. All progress reports from the start to midway into the project will be consummate to form a midterm report. The reports would be in English and Portuguese.

#### **Completion Report**

A Completion Report at the end of the assignment would be submitted immediately after activities have been completed and would summarize the activities and approach/methods used during the assignment, including a brief section on recommendations with lessons learned for future projects of a similar nature.

#### **Insight Report**

A detailed documentation of lessons learned should also be gathered throughout the implementation and be consummated into a concise insight document (sample [here](#)) as a contribution to knowledge for global good and to support the implementation of similar projects in the future.

### 4. Deliverables, Timeline & Payment

The selected firm must carry out the project within 6 months from the date of signing the contract with all project activities ending before March 2025. The following remuneration schedule is set for each part of the contract. Bidders should adhere to these in their proposals, within the total budget given. Deliverables completed per the remuneration schedule will be

approved by the Client, after which invoices may be submitted for payment as per the remuneration schedule below:

#### DELIVERABLES, TIMELINE & PAYMENT

Deliverables	Schedule	Payment (After client's approval)
<p>D1:</p> <ul style="list-style-type: none"> <li>● Inception Report with precise planning of the project. This should include detailed work plans and a 6-month implementation schedule across all project activities</li> <li>● Communication Strategy and Plan</li> </ul>	Signing of contract + 2 weeks	10%
<p>D2:</p> <ul style="list-style-type: none"> <li>● Project Q1 Report</li> <li>● Initial Assessment Report</li> <li>● Draft Startup Act Framework and Roadmap</li> <li>● Grievance Redress Strategy</li> <li>● Operations Manual Strategy</li> <li>● Strategy for the mobilization process of women entrepreneurs</li> </ul>	Signing of contract + 12 weeks	25%
<p>D3:</p> <ul style="list-style-type: none"> <li>● Comparative Analysis Report</li> <li>● Stakeholder Engagement Report</li> <li>● Draft Proposals for Updated Language</li> <li>● Draft Operations Manual</li> </ul>	Signing of contract + 16 weeks	25%
<p>D4:</p> <ul style="list-style-type: none"> <li>● Final Proposal</li> <li>● Long-term Strategy</li> <li>● Robust Startup Act Framework and Roadmap</li> <li>● Startup Act Documents and Report</li> <li>● Startup Act Presentation and Communication Materials</li> <li>● Report on the mobilization process of women participants</li> <li>● Report on the number of complaints received and processed</li> <li>● Final Operations Manual</li> </ul>	Signing of contract + 24 weeks	40%

## 5. Eligibility Criteria

### Proven Experience:



- The firm must have at least 5 years of demonstrated experience in implementing similar projects related to regulatory reform, startup ecosystems, or similar initiatives in Cape Verde or comparable contexts. Additionally, the firm must have experience in designing and executing project communication strategy, and grievance redress mechanisms.
- Evidence of past engagements with government agencies, international organizations, or relevant stakeholders involved in policy development and implementation, preferably in international development contexts in Africa.

**Expertise:**

- The firm must have a multidisciplinary team with expertise in legal, regulatory, and policy frameworks about startups, entrepreneurship, innovation, and the digital economy.
- The firm must have proficiency in analyzing complex regulatory environments and proposing strategic solutions to enhance the startup ecosystem.
- The firm must have experienced professionals in project management, monitoring and evaluation, and report writing.
- A team comprising senior staff with at least seven (7) years of experience and junior staff with at least three (3) years of experience in supporting African startups and entrepreneurs.

**General Technical Capacity:**

- Capability to design and implement robust business-enabling environment projects, incorporating global best practices across the assignment.
- Availability of skilled professionals with backgrounds in law, economics, business, or related fields, capable of conducting thorough assessments and drafting comprehensive proposals.
- Expertise in conducting stakeholder engagement workshops and gathering relevant inputs from participants.
- Access to relevant databases, research materials, and tools necessary for conducting detailed analysis and benchmarking exercises.
- Proficiency in producing high-quality reports, including inception reports, interim reports, completion reports, and documentation of lessons learned.
- Ability to communicate effectively in English and Portuguese, both written and verbal.
- Competence in developing comprehensive operations manuals and communication strategies tailored to project requirements.
- Ability to establish effective grievance redress mechanisms ensuring accessibility and confidentiality.
- Demonstrated creativity and innovation in designing and implementing solutions to address project objectives and challenges.
- Capacity to adapt to evolving project needs and incorporate feedback from stakeholders.

**Resource Allocation:**

- Sufficient human and technical resources to effectively execute all activities under the scope of work within the specified timeframe.
- Availability of key personnel with relevant experience and expertise throughout the project duration.

**Collaboration:**

- Willingness to collaborate with the Client, UGPE, the World Bank, and other stakeholders to ensure project success.
- Ability to foster partnerships and engage with diverse stakeholders including government officials, policymakers, entrepreneurs, investors, and diaspora communities.
- **The firm is strongly encouraged to collaborate with a local Cape Verdean firm based in Cape Verde for the execution of this ToR. Such collaboration will be highly beneficial as it would guarantee on-the-ground support, local expertise, experience, a thorough understanding of the cultural context, and the startup ecosystem in Cape Verde, as well as sustainability through post-program support for participants. If a firm decides to partner with a local Cape Verdean firm, it must include a signed partnership agreement with the local firm in the technical proposal.**

**Team Composition: The team must consist of the following experts, at the minimum:**

- Program Manager (1);
- Legal Expert (1);
- Policy and Financial Analyst (1);
- Communications and Stakeholder Engagement Specialist (1).

**Program Manager**

- Master's degree in business administration, project management, or a related field.
- Minimum of 5 years of experience in program/project management management, preferably in the field of economic development, entrepreneurship, or technology.
- Demonstrated success in leading multidisciplinary teams and managing at least 2 similar projects from initiation to completion.
- Excellent analysis, communication and writing skills.
- Ability to network with officials from the public and private sector.
- Ability to multi-task and meet tight deadlines.
- Expertise in project planning, budgeting, and resource allocation.
- Strong understanding of gender mainstreaming principles and strategies with the ability to design and implement initiatives to promote female participation in entrepreneurship and decision-making processes.

- Ability to communicate effectively with diverse stakeholders and build strong relationships.
- Previous experience in the African region will be considered a strong asset.
- Prior experience in working cooperatively with other multilateral agencies and industry, would be an advantage.
- Excellent oral and writing capacity in English and Portuguese would be an advantage.

#### **Legal Expert (preferably a local expert)**

- Higher education in Law with specialization in corporate or business law.
- Minimum 5 years of experience in legal analysis and drafting of legislation, regulations, and policies related to business environments, preferably with a focus on startup ecosystems in Africa.
- Demonstrated success in implementing at least 2 similar assignments.
- Proficiency in legal research, analysis, and interpretation.
- Ability to draft legal documents with precision and clarity.
- Strong understanding of intellectual property rights, taxation, and regulatory frameworks.
- Strong problem-solving skills and ability to provide practical legal solutions.
- Previous experience in the Cape Verde will be considered a strong asset.
- Prior experience in working co-operatively with other multilateral agencies and industry, would be an advantage.
- Excellent oral and writing capacity in English and Portuguese would be an advantage.

#### **Policy and Financial Analyst**

- Advanced degree in Public Policy, Economics, or related field.
- Minimum 5 years of experience in policy analysis, particularly in evaluating regulatory environments and recommending policy reforms.
- Demonstrated success in implementing at least 2 similar assignments.
- Proficiency in financial modeling and forecasting with an ability to analyze tax incentives, access to finance, and investment opportunities for startups.
- Experience in similar assignments within the African startup ecosystems and innovation policies.
- Excellent analytical skills with the ability to assess policy effectiveness and identify areas for improvement.
- Proficient in conducting comparative analyses and benchmarking studies.
- Strong written and verbal communication skills.
- Previous experience in the Cape Verde will be considered a strong asset.
- Prior experience in working co-operatively with other multilateral agencies and industry, would be an advantage.

- Excellent oral and writing capacity in English and Portuguese would be an advantage.

### **Communications and Stakeholder Engagement Specialist**

- Higher education in Communications, Public Relations, or related field.
- Minimum 3 years of experience in stakeholder engagement, including conducting consultations with government agencies, industry experts, and community organizations.
- Demonstrated success in implementing at least 2 similar assignments.
- Ability to design and execute campaigns to raise awareness and promote program activities.
- Excellent interpersonal skills with the ability to build and maintain relationships with diverse stakeholders.
- Proven experience in developing and implementing communication strategies, preferably in the context of public sector projects or startup initiatives.
- Skilled in organizing and facilitating workshops, focus groups, and interviews.
- Strong negotiation and conflict resolution skills.
- Previous experience in the African region will be considered a strong asset.
- Prior experience in working cooperatively with other multilateral agencies and industry, would be an advantage.
- Excellent oral and writing capacity in English and Portuguese would be an advantage.

## **6. Organization of the Assignment**

The selected firm shall undertake the assignment in close consultation with Cape Verde Digital and other stakeholders deemed appropriate by the GoCV.

The firm will report to Unidade de Gestão de Projetos Especiais (UGPE) for contract administration.

The firm to be hired must present a work methodology with the following principles:

- Ensure effective communication between the firm and the MED and UGPE team;
- Ensure a common understanding of the work expected;
- Be flexible in managing expectations and adjusting process flows;
- Be able to anticipate and manage project risks.

The methodology must be adapted to achieve the Client's objectives within the established deadline and guarantee high-quality outputs.

The Special Project Management Unit (UGPE) intends for the contract to be executed within a framework of trust between the parties, to facilitate the availability and use of information necessary for the exclusive purposes for which it was made available.

The reference workplace will be at the TechPark CV, in Achada Grande Frente, in Praia, Cape Verde.

The reports must be developed in Portuguese and English, and the outputs must be sent to UGPE and the Client in English and Portuguese, in digital format, and PowerPoint for presentations.

In addition, the firm may obtain the assistance of a local legal expert with demonstrated legal experience in the sub-region and management experience in similar projects for issues on training certification standards and international rules.

## **7. Contract Type**

A lump sum contract shall be signed, payments of the firm remuneration are linked to approval of deliverables, and the payment of reimbursable expenses will be made upon presentation of the receipt of the expenses incurred at the real cost.

## **8. Intellectual Property**

MED will be the legitimate owner of all intellectual property resources associated with this ToR and will have all rights to the ways in which it can use these same resources. The developed program and all related materials and data will be the exclusive property of MED or any agencies designated by it, and the contracted firm will not have the right to commercially use or apply the developed program elsewhere.