



Building Resilience & Ending Vulnerabilities in SIDS

Joint Programme 2022 Annual Progress Report

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Cover Page

UNCT/MCO: Cabo Verde

Reporting Period: 1 January - 31 December 2022

JP title: Connecting blue economy actors: Generating employment, supporting livelihoods and mobilizing resources

Stakeholder partner: National Government; Sub-national Governments; Civil

Society Organizations; Universities;

Thematic SDG Areas: Food systems transformation; Decent jobs & universal social protection; Digital transformation;

PUNOs: FAO, UNIDO, UNDP, IOM

Total estimated expenditures: US\$ 125,236.0

Total estimated commitments (including expenditures): US\$ 177,236.0

Gender Marker: Gender-transformative (for example, the JP explicitly aimed to address the structural and root causes of gender inequality, such as by combining social protection with community dialogues and economic empowerment activities that aim to shift gender social norms and power relations)

Resident Coordinator: Touza, Ana Laura (RC a.i.)

Resident Coordinator Email: ana.touza@fao.org

Executive Summary

The project “Connecting blue economy actors: Generating employment, supporting livelihoods and mobilizing resources” aims at unleashing the potential of the Blue Economy in Cabo Verde as an accelerator of the Sustainable Development Goals and an engine of socio-economic inclusion for the poor coastal communities in the island of Santiago, Cabo Verde, especially women and youth. Its objectives are to increase the income of youth and women in the pilot coastal communities by improving their access to innovation, decent jobs, markets, services and finance; and to foster investments to finance blue economy income-generating projects, in particular impact and diaspora investments.

During the first reporting year, the 3 major results are the following:

- Virtual and Physical Diaspora Investor Desks (tool to mobilized caboverdean diaspora resources to invest in the country) are operational at pilot Municipalities and key capeverdean diplomatic missions abroad.
- Appropriate sustainable financing for microentrepreneurs in the blue economy identified: issuance of a Blue Bond. The blue bond was made possible by the enactment of a Blue Bond Regulation by the Cabo Verde capital markets regulator – AGMVM – in November 2022. Following the publication of the regulation, the Blu-X project partnered with the International Investment Bank of Cabo Verde to issue a blue bond to raise proceeds for microentrepreneurs with certified blue economy projects through small-scale loans. The adherence to Cabo Verde’s blue economy taxonomy and blue bond principles is assured through a third-party external review process completed by the international company EY.
- Initiated Value Change Analyses (VCA) for two of pre-identified high-value species (tuna sp, maquereau) Functional analysis and

sustainability assessment completed and discussed with key stakeholders in December 2022.

Annual Progress

Overall JP self-assessment of 2022 progress:

Satisfactory (majority of annual expected results achieved; 1 to 3 months delay in implementation)

Overall progress against 3 key results

Outcome 1

Output 1.1 High-value species and products are identified, value chain analyses are completed and upgraded plans (with investment strategies) for selected value chains are formulated and approved by stakeholders

- Identification and selection of potential of high-value species in close collaboration with the Ministry of Sea and initiated Value Change Analyses (VCA) for two of pre-identified high-value species (tuna sp, maquereau)
- Functional analysis and sustainability assessment completed and discussed with key stakeholders during a workshop that took place in São Vicente Island in December 2022.
- Initiated consultations with key stakeholders (fishermen, fishmongers, SMEs, national institutions with mandate in the fisheries and tourism sector, NGOs and municipality of Santa Catarina)

Output 1.2 Youth and women led business or business ideas are supported with incubation and elaboration of business plans

- Initiated consultations with key stakeholders (fishermen, fishmongers, SMEs, national institutions with mandate in the fisheries and tourism sector, NGOs and municipality of Santa Catarina)
- Meetings with interested parties, collection of studies and information on seaweed production, definition of the IDEA APP Incubation Program and elaboration of the terms of reference for contracting the service provider and local incubator.

Output 1.3 Technical assistance to upgrade the production processes of the selected value chains is provided

- Meetings with interested parties, collection of studies and information on seaweed production, definition of the IDEA APP Incubation Program and elaboration of the terms of reference for contracting the service provider and local incubator.

Output 1.4 Youth and Women's have improved access to productive resources, knowledge and market opportunities of selected value chains

- No action taken during the reporting period.

Outcome 2

Output 2.1 A sustainable financial instrument supporting the blue economy is developed.

- In Q3 and Q4 2022, the Bolsa de Valores de Cabo Verde (Cabo Verde Stock Exchange) and UNDP, through their Blu-X sustainable finance platform, identified an appropriate sustainable financing for microentrepreneurs in the blue economy through the issuance of a Blue Bond. The blue bond was made possible by the enactment of a Blue Bond Regulation by the Cabo Verde capital markets regulator – AGMVM – in November 2022 that was based on technical and scientific work by the Atlantic Technical University in Cabo Verde that was commissioned by the Blu-X project in 2021. Following the publication of the regulation, the Blu-X project partnered with the International Investment Bank of Cabo Verde to issue a blue bond to raise proceeds for microentrepreneurs with certified blue economy projects through small-scale loans. The adherence to Cabo Verde's blue economy taxonomy and blue bond principles is assured through a third-party external review process completed by EY.

- High level meeting with the Ministry of Sea and key sectors officers of the blue economy sector to discuss synergies with projects implemented by the UN and the World Bank and identify suitable mechanism to coordinate and articulate international cooperation with the country's Blue Economy initiatives

Output 2.2 Virtual and Physical Diaspora Investor Desks are operational at pilot Municipalities and key Cabo-Verdean Diplomatic Missions abroad

- Procurement of services (national and international) for the design of the project Diaspora Investor Desk and contents for the investor's offices
- Consultations with Ministry of Communities to align the objectives of the consultancy and expected deliverables.
- Virtual and Physical Diaspora Investor Desks are operational at pilot Municipalities and key Cabo-Verdean Diplomatic Missions abroad.

Output 2.3 Potential diaspora investors and entrepreneurs are informed about the new Diaspora Investor Desks
No action taken during the reporting period

SDG Acceleration progress towards the SDGs, focusing on the main SDG targets

The Blue Economy sector has been identified as one of the SDG accelerators by the Government of Cabo Verde. This project will directly contribute to the government efforts and is aligned with the key strategic documents such as the Blue Economy Strategic Framework, National Investment Plan for Blue Economy and Plurianual Programme for Blue Economy.

The project is fully aligned to global goals and contributes to several Sustainable Development Goals (SDG) especially Goal 14, Life Below Water, and more specifically Target 14.7 where Blue Growth/Economy is considered a means of implementation of the Blue Economy for Small Island Developing States (SIDS) and Least Developed Countries (LDCs). In addition, it will contribute to SDG 1, SDG 2, SDG 5, SDG 8, SDG9 and SDG 17.

14.7 By 2030, increase the economic benefits to Small Island developing States and least developed countries from the sustainable use of marine resources, including through sustainable management of fisheries, aquaculture and tourism.

1.B Create sound policy frameworks at the national, regional and international levels, based on pro-poor and gender-sensitive development strategies, to support accelerated investment in poverty eradication actions.

2.3 By 2030, double the agricultural productivity and incomes of small-scale food producers, in particular women, indigenous peoples, family farmers, pastoralists and fishers, including through secure and equal access to land, other productive resources and inputs, knowledge, financial services, markets and opportunities for value addition and non-farm employment.

8.3 Promote development-oriented policies that support productive activities, decent job creation, entrepreneurship, creativity and innovation, and encourage the formalization and growth of micro-, small- and medium-sized enterprises, including through access to financial services.

Constraints that were encountered and any adjustments that were made to strengthen the relevance and effectiveness of the JP and the coherence and coordination of UN system support.

The main constraints are related with:

- Some delay to deploying the implementation phase which could only begun once the funds were received by PUNOS.
- Delays in the selection process of JP Coordinator which was finalized only in December 2022
- The publication of the regulation of blue bonds through the regulatory agency was awaited, which came in November 2022
- The recruitment process of the international consulting firm was launched twice because in the first phase the proposals received did not respond to the requirements

The delays were overcome with the following:

- The co-funded activities within the workplan
- The allocation of internal staff to deploy the activities under the workplan

Next steps, scaling and sustainability [up to half a page]

Next steps:

- Organize first steering committee (SC) meeting
- Revise joint work plan 2023 and have it approved by SC

Output 1.1 High-value species and products are identified, value chain analyses are completed and upgraded plans (with investment strategies) for selected value chains are formulated and approved by stakeholders

- Finalize specific value chain upgrading plan including market analyses for targeted species and product and stakeholder consultations.
- Develop overall investment plan and organize a validation workshop for the upgrading the investment plan
- Implement IDEA APP
- Identify complementary trainings
- Organize the final ceremony and pitch

Output 1.2 Youth and women led business or business ideas are supported with incubation and elaboration of business plans

- Consultations meetings with the Beneficiaries and Consultants
- Implementation of the Action Plan

Output 2.1 A sustainable financial instrument supporting the blue economy is developed

- Launch the first blue bond on the Blu-X sustainable finance platform.
- Make available microloans to blue economy microentrepreneurs through the International Investment Bank

Output 2.2 Virtual and Physical Diaspora Investor Desks are operational at pilot Municipalities and key Cabo-Verdean Diplomatic Missions abroad

- Conduct the joint mission of Key Impacte and INOVE; a Study visit to Ireland;
- Finalization and presentation of the mapping report on investment support/promotion and diaspora engagement initiatives,
- Draft of Investors needs and priorities report, Diaspora Investor Desk content and Draft of the report of the international practices
- Organize sessions for the Diaspora Investor Desk's staff on how to operate new dedicated service platform;
- Organize an event to launch the Diaspora Investor Desks;

Output 2.3 Potential diaspora investors and entrepreneurs are informed about the new Diaspora Investor Desks

- Develop and disseminate a smart communication campaign plan to inform about the new Diaspora Investor Desks.
- Conclude the Diaspora Investment Program.

Programmatic Survey

Total number of people benefited from the JP in 2022:

Percentage (%) of women benefited among the total number:

Percentage (%) of children & youth (0-24 years of age) benefited among the total number:

Percentage (%) of older persons (age 60 and above) benefited among the total number:

Percentage (%) of persons with disabilities benefited among the total number:

Explain how people benefited from the joint programme.

The project is at the first stage of the implementation and at this point the direct beneficiaries are being identified.

The project will directly target:

- unemployed or underemployed young graduates or those in the informal sector, women and men in the blue economy areas who benefit from entrepreneurship training actions with a view to integrate value chains as a means of obtaining decent work, generating better quality of life and income
- the Cabo Verdean Diaspora maximizing the rate of return on their investment directly or through the financial market, instead of utilizing their resources for direct consumption and opt for savings with a lower rate of return.

Indirectly it will benefit the SMEs support ecosystem; socio-Professional Organizations and Business with direct or indirect to the Blue Economy

Priority Cross-cutting Issues

Cross-cutting results/issues

The main target groups are the most vulnerable social layers in coastal communities: women and youth. Women is a group identified by the LNOB Assessment as at risk of being left behind are women and girls, especially from poor households and social groups in both urban and rural areas.

How did the JP apply the Gender Marker

The JP is Gender-transformative (for example, the JP explicitly aimed to address the structural and root causes of gender inequality, such as by combining social protection with community dialogues and economic empowerment activities that aim to shift gender social norms and power relations). Capacity development (e.g. training of social workers, local governments, local communities);

JP address the below cross-cutting issues and principles of leaving no one behind

Human Rights	Persons with disabilities	Youth	Environmental and social standards
No	No	Yes	No

Key meetings and events organized in 2022

JP steering committee/ programme board meeting	Strategic partners/ donors event	Kick-off meeting
No, but planned in 2023	Yes, in 2022	No, but planned in 2023

Explanation if you have not held any key meeting/events.

The official launch has not been realized yet however, each agency has already held working meetings with their direct counterparts.

The official launch will take place in early 2023 once the PSC is official.

Contribution to enhancing SDG Financing

Drafted a bill, strategy, and/or approved a law increasing the fiscal space for the policy focus	Produced financing, costing, diagnostic and feasibility analyses as a basis to invest or increase spending on the SDGs	Improved efficiency (cost savings) in the management of programmes/schemes	Improved effectiveness (value for money; i.e. social impact of \$1 spent) of spending	Drafted policies/regulatory frameworks or developed tools to incentivize private sector investment on the SDGs	Structured new financial instruments (public, private or blended) to leverage additional funding
No	No	No	No	Yes	Yes

How JP contributed to enhancing SDG financing

Output 2.1 of the Joint Programme is about “A sustainable financial instrument supporting the blue economy is developed”. In this regard, during the second semester of 2022, the Bolsa de Valores de Cabo Verde (Cabo Verde Stock Exchange) and UNDP, through their Blu-X sustainable finance platform, identified an appropriate sustainable financing for microentrepreneurs in the blue economy through the issuance of a Blue Bond. The blue bond was made possible by the enactment of a Blue Bond Regulation by the Cabo Verde capital markets regulator – AGMVM – in November 2022 that was based on technical and scientific work by the Atlantic Technical University in Cabo Verde that was commissioned by the Blu-X project in 2021. Following the publication of the regulation, the Blu-X project partnered with the International Investment Bank of Cabo Verde to issue a blue bond to raise proceeds for microentrepreneurs with certified blue economy projects through small-scale loans. The adherence to Cabo Verde’s blue economy taxonomy and blue bond principles is assured through a third-party external review process completed by EY.

Thus, with the support of the JP Cabo Verde is actively seeking to attract foreign investment (including diaspora investment) as a catalyst for the blue economy, which was identified as a key SDG Accelerator during a 2019 UN MAPS mission and reaffirmed as a

'radial center' of economic diversification within the Cabo Verde Ambition 2030 strategic vision exercise in 2020.

The blue bond is the first issuance on Blu-X that is not backed by a public guarantee: it is a private issuance with a commercial bank without a state guarantee for the benefit of coastal communities, with minimum USD 500,000 and up to USD 1 000 000 in loans to microentrepreneurs in fisheries and other blue economy projects, while the remainder of the USD 3.5 million for SMEs operating in the blue economy. This resulted in a small-scale issuance as a pilot case study to test market demand and ascertain the viability of larger issuances.

This initial blue bond investment instrument is expected to have a catalytic effect in terms of generating new value in the blue economy and offering returns on investment well exceeding the government's initial 7 million investment, especially considering that this blue bond is only intended as an initial test case for global, regional, and domestic financial market demand for blue finance in Cabo Verde.