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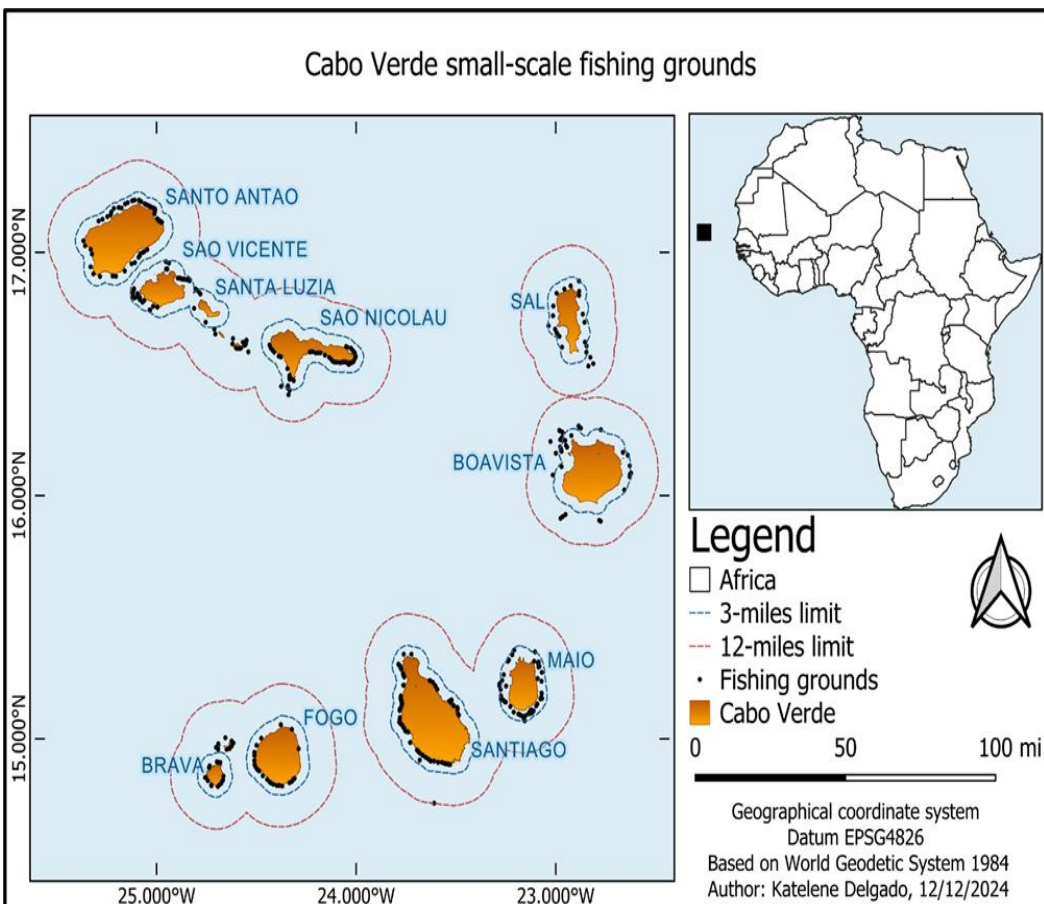


Hand-in-Hand
Initiative

Cabo Verde

Opportunities for Investment for
Expansion of High Value Fisheries

Contents



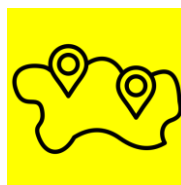
Cabo Verde Overview

Statistics and current status of country



Enabling Environment

Policies and Sector Strategies



Fisheries Resources, Fleets and Fisheries Value Chains

Efficiency and Potential of the Cabo Verde Fisheries Resources



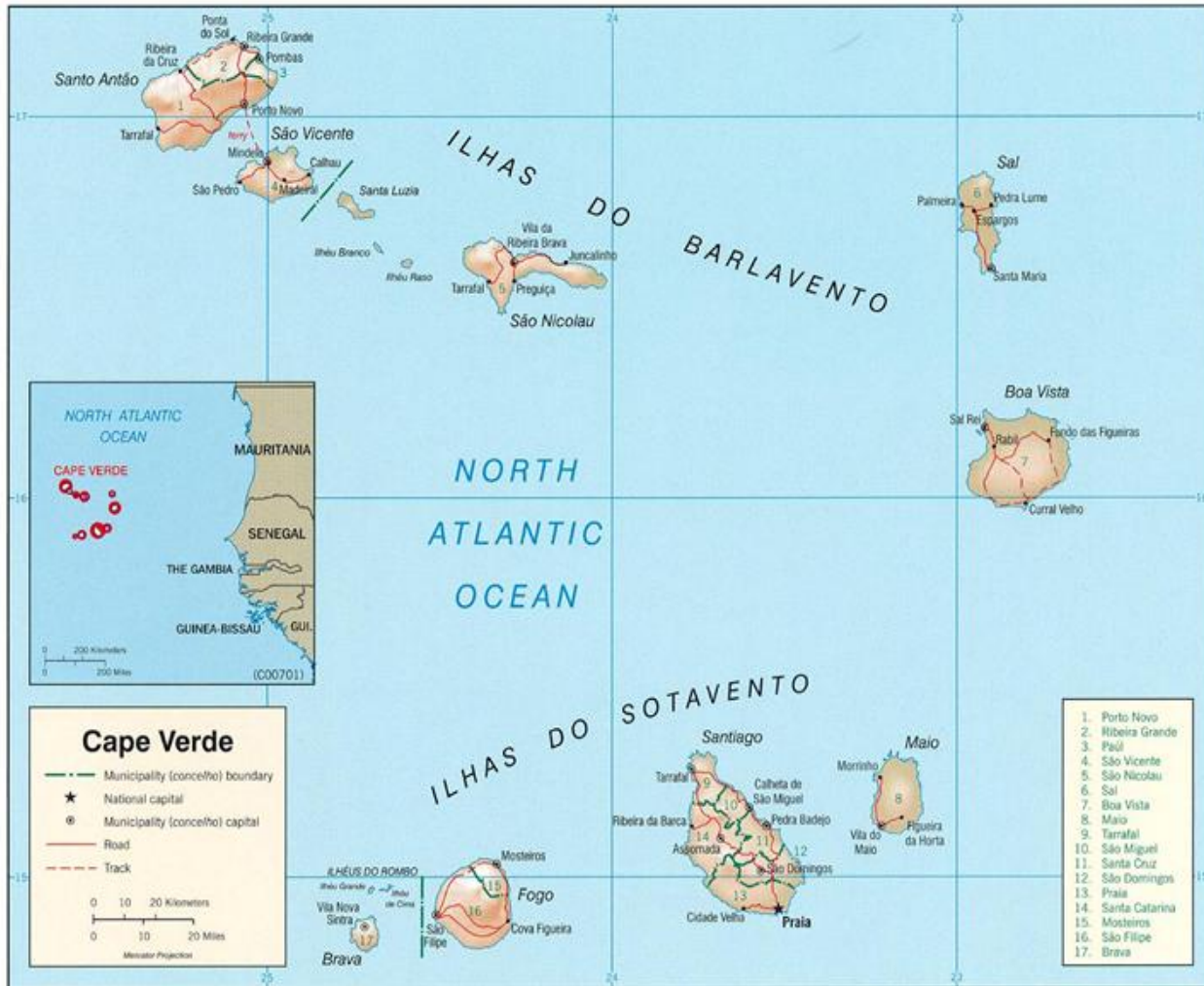
Investment Plans and Opportunities

Artisanal, Semi/Industrial fleets and Alternative, Income Projects in the Fisheries Value Chains

Cabo Verde Overview

Current Status and Country Statistics

Overview



Global location:

Cabo Verde is an archipelago composed of 10 islands and 18 islets situated in the mid-Atlantic Ocean, approximately 600 km off the West African coast. Only 10% of its terrestrial territory is classified as arable land, and its exclusive economic zone (EEZ) is almost 180 times larger than the surface of all its islands taken together

Country Land Mass: 4,030 km²

Land Covered area: 4,030 km²

Exclusive Economic Zone (734.265 km²)

Population (2024): 524,877

Population Density(people per km²) : 129/km²

Population Growth Rate (2024): 0.5% (World Bank, 2026)

Unemployment Rate (2025): 11,9% (World Bank, 2026)

Official Languages: Portuguese

Common Spoken Language: Crioulo

GDP (2024): USD 2.73 billion (World Bank, 2026)

GDP per capita (2024): USD 5,192.5 (World Bank, 2026)

Inflation Rate (2024): 1.0% (World Bank, 2026)

Culture: Unique (crioulo)

National Poverty Line: 15.1% (World Bank, 2025)

Enabling Environment

Policies and Sector Strategies

- Blue economy is a national development priority (PEDS II).
- Strong institutional framework promotes integrated ocean governance.
- One of the few countries with a dedicated Ministry of the Sea.
- Committed to international efforts for ocean conservation and sustainable use.

Enabling Environment (cnt')

Polices and Sector Strategies

- QEUEA (2019): Strategic framework guiding ocean economy sectors—fisheries, aquaculture, tourism, infrastructure, marine spatial planning, and inclusion.
- PNIEA (2020): Investment plan offering tax incentives to promote ocean economy beyond main tourism hubs, while improving ports and protecting natural capital.
- PROMEA (2020): Operational programme fostering entrepreneurship, innovation, public-private partnerships, and environmental awareness in coastal communities.
- Sea Strategy (2024): Long-term, integrated national strategy providing a holistic and science-based vision for the protection and sustainable use of the ocean, guiding governance, investment and coordination across Blue Economy sectors to ensure environmental sustainability, economic resilience and social inclusion.

Why Invest in Cabo Verde?

Strategic Advantages

- Gateway to West Africa: Cabo Verde's geographic location makes it a hub for maritime trade and logistics, with 9 ports and a growing Special Maritime Economic Zone (ZEEEM-SV) on São Vicente Island
- Political Stability: Democratic governance and transparent regulatory frameworks ensure a predictable business environment
- Tourism Synergies: Fisheries complement tourism , creating demand for high-quality seafood in hotels and resorts

Economic Resilience

- Post-COVID Recovery: GDP growth rebounded to 7.1% in 2024, driven by tourism and blue economy diversification
- World Bank Support: Focus on climate-resilient blue economy projects to reduce reliance on tourism

Government Incentives for Blue Economy & Fisheries

Fiscal Incentives

- Tax Credits & Exemptions
- Corporate Income Tax (CIT) Reductions:
- 30–50% CIT credit for eligible investments in industrial fisheries or aquaculture under Differentiated Merit Investment (PMD) status
- Reinvestment Incentives: Exemption for profits reinvested in R&D or sustainable fishing technologies .

Customs Duty Exemptions:

- 5% reduced rate on imported equipment for fisheries modernization
- Full exemption for raw materials used in fish processing

Blue Economy-Specific Benefits

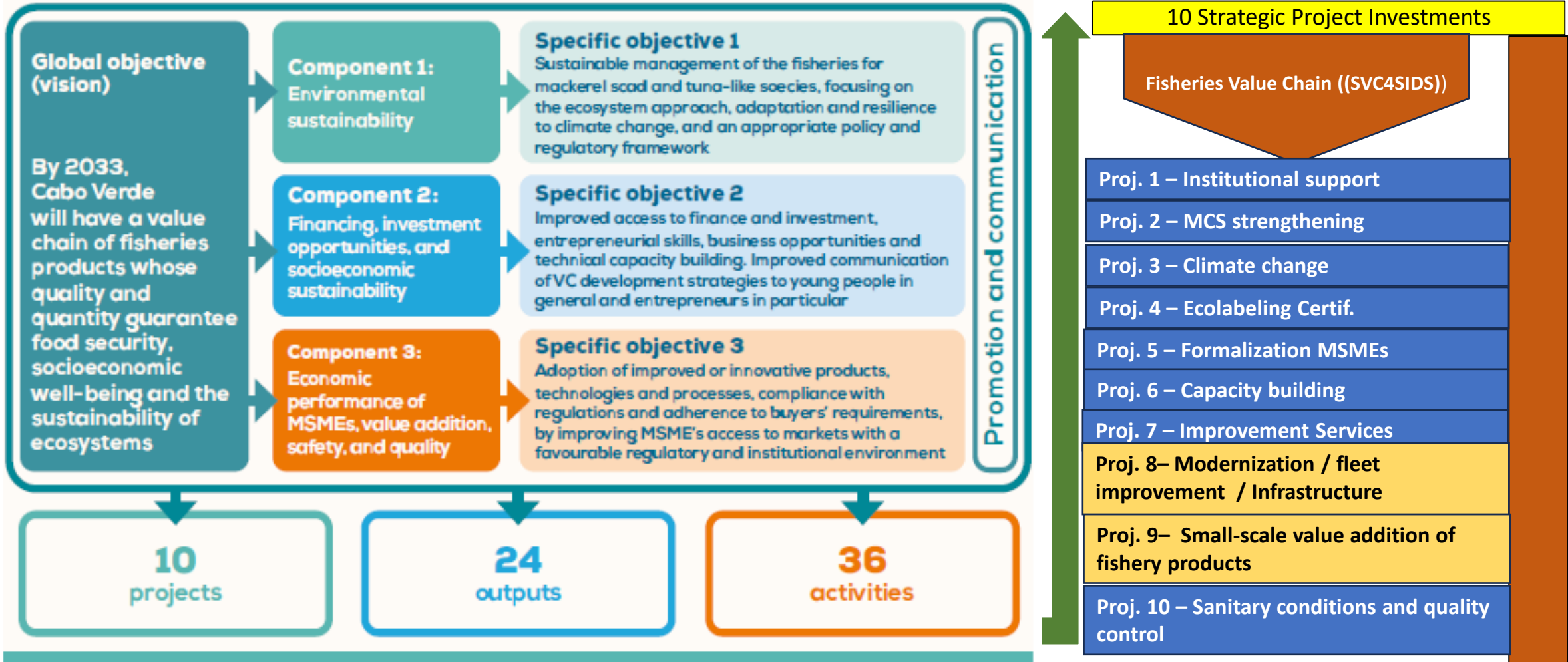
- ZEEEM-SV Zone: Case-by-case incentives for projects in ship repair, aquaculture, or renewable energy-linked fisheries
- R&D Deductions: Up to 40% deduction for R&D expenses in sustainable fishing practices.

Non-Tax Incentives

- **Streamlined Licensing: Cabo Verde TradeInvest's "one-stop shop" fast-tracks approvals for fisheries projects**
- **Access to Finance: World Bank and IMF programs (e.g., Resilience and Sustainability Facility) support climate-adaptive fisheries**

10 Year Upgrading Strategic Priority Areas and Investment Opportunities

Gov Priorities



Prioritise investment in sustainable fishing production, downstream processing and value addition

Growing demand in fisheries

Key Issues

- Fish and canned fish account for more than 80% of Cabo Verde's exports - mostly to the European Union.
- In 2023, these exports totalled USD 61 million, of which 9.3 million was fresh and frozen fish and USD 54.7 million was canned fish.
- There is an opportunity to sustainably diversify and increase catch to supply national processing plants/canneries.
- The fishing potential in Cabo Verde's EEZ is estimated at 40,000 tons/year. Of this fishing potential in Cabo Verde, only an average of 15,000 tons/year is caught, due to the lack of appropriate catching capacity.
- Of the total of approximately 19,000 tons processed and exported in 2024, only 20% used local raw materials.
- The focus is to address the gaps by sustainably increasing local catch capacity to meet the domestic raw material needs of the canneries and also to serve other national and international fresh fish customers.

- ✓ The main focus will be the market for raw materials whose need amounts to an estimated 25,000 tons/year;
- ✓ In addition, the following could also be considered:
 - the fresh or frozen fish export market, especially to Europe,
 - the domestic market - whose consumption is estimated at 5,000 tons/year - including strong demand from the tourist sector.

Fisheries Resources, Fleets and Fisheries Value Chains

Current Status and Fisheries

Fishing fleets: Multispecies fishing fleets (Artisanal, Semi-Industrial and Industrial)

Fishing potential: Cabo Verde has a fishing potential between **36,000 and 46,000 tonnes** through its **800,000** km² Exclusive Economic Zone (EEZ) and extensive coastline.

Species type: Tuna and tuna like, but with other important coastal species, small pelagic (mid-water) and demersal (bottom-feeding).

Type of fishing:

- smallholder subsistence fishing (individually)
- Artisanal (small boats from five to 8 meters)
- Semi-industrial (from eight to 22 meters) and Industrial (from twenty-two meters)
- Tourism fishing (recreational or sport fishing)
- Scientific fishing (research)

National catch composition: Coastal pelagic species such as mackerels, oceanic pelagic tuna and shark species), as well as various crustaceans and mollusk species

Fisheries sector's contribution to GDP was recorded at a mere **1%** (INE, 2023), however, this figure is likely underestimated due to the significant informal nature of artisanal fisheries (Wabnitz & Harper, 2023). FAO (2023) suggests that the sector's real contribution is more likely to average around **3.7%**. If processing is included, the contribution is estimated between 7 and 10% (Macías González, J., Ichibane, M., Inejih, C. & Oliveira Almada, E. 2024)

Sectorial employment: The fishing industry in Cabo Verde employs roughly **5.2%** of the active workforce and **2.1%** of the total population (primary and secondary sector) (FAO, 2023).

Non fishery Exports: Crude Palm Oil, Cocoa, Coffee, Copra, Spice, Rubber, and tea.

Contribution to food security : approximately **12% of the overall animal protein** intake (FAO, 2023;)

Contribution to the export trade economy: of **USD 61 million** (FAO, 2023).





Current Situation of Fishing Sector in Cabo Verde Sector Overview:

- Semi-industrial and artisanal fisheries dominate.
- Main species: tuna, grouper, lobster, mackerel, and molluscs.
- Employs over 7,000 fishers, the sector also generates a significant number of employment opportunities in the post-harvest activities.

Challenges:

- Post-harvest losses due to lack of cold chain and storage.
- Limited value addition and processing infrastructure.
- Fragmented market access for small-scale and semi-industrial fishers .
- Pressure on marine resources and climate-related risks.



Key Trends:

- 📈 Rising Local & Global Demand
- Growing interest in high-quality, sustainably caught seafood.
- Tourism sector driving demand for fresh fish and seafood dishes.
- Export potential to EU and West African markets.

Consumer Preferences:

- Preference for fresh, frozen, and value-added products.
- Increasing demand for certified and traceable seafood.

Opportunities:

- Ongoing upgrading of vessel monitoring systems (VMS).
- Ongoing updating of the fisheries management plan based on the ecosystem approach to fisheries (EAF).
- Expansion of eco-labeled products.
- Development of processing and transformation facilities.
- Green solutions for cold chain to access premium markets.



1. Adequacy of the semi/industrial fleet in terms of on-board conservation/freezing

Proposed Fleet Modernization & On-Board Conservation Solutions

Markets & Opportunities

Current State of the Semi-Industrial Fleet

Fleet Characteristics

- **Overcrowded semi/industrial sector:** Many vessels are outdated, lacking proper refrigeration, leading to **high spoilage rates** 4.
- **Dependence on foreign fleets:** Cabo Verde's **Exclusive Economic Zone (EEZ) is exploited by foreign vessels**, limiting local fleet competitiveness .
- **Limited cold chain infrastructure:** Most small-scale fishers rely on **ice storage**, which is insufficient for longer trips .

Sustainability Concerns

- **Declining fish stocks:** Rising **coastal temperatures** and overfishing threaten key species .
- **Bycatch and IUU fishing:** Weak enforcement leads to **unsustainable practices** .
- **Fuel inefficiency:** Many vessels use outdated engines, increasing costs and emissions .

Technological Upgrades

1. **Installation of On-Board Freezing Systems**
 - **Solar-powered refrigeration units** to reduce reliance on diesel .
 - **Blast freezers** for rapid freezing, preserving fish quality for export markets.
 - **Insulated storage holds** to maintain temperature stability.
2. **Fuel-Efficient Vessel Upgrades**
 - **Hybrid propulsion systems** (electric-diesel) to cut fuel costs by **20-30%** .
 - **Optimized hull designs** to reduce drag and fuel consumption.
3. **Digital Monitoring & Traceability**
 - **GPS and catch reporting systems** to comply with **FAO's Catch Document Schemes** .
 - **Traceability** for export certification (e.g., MSC standards) .

Sustainable Fishing Practices

- **Adoption of low-impact fishing gear** (e.g., selective nets to reduce bycatch) .
- **Implementation of science-based quotas** to prevent overfishing .
- **Training programs on best handling practices** to minimize post-harvest losses

Target Markets

1. **Canneries (canning factories)**
 - Increased raw material for canning
2. **Tourism Sector**
 - Cabo Verde's **hospitality industry** (hotels, restaurants) seeks **high-quality, locally sourced seafood** 4.
 - **Certification programs** (e.g., MSC, WWF seafood guides) can increase market access 3.
3. **Export Markets**
 - **EU and West African markets** demand frozen, high-quality fish products.
 - **Improved cold chain logistics** will enable compliance with international standards.

Raw Materials

High-value added

Bottlenecks

1. **High upfront costs**
2. **Lack of technical expertise**
3. **Weak enforcement of regulations**
4. **Climate change impacts**
5. **Access to finance: Limited access to credit & finance for Semi/Industrial Fleet**

Key Investments

Investments costs

- Blast Freezer & Insulated Storage
- Hybrid Propulsion System (Diesel-Electric)
- GPS & Digital Catch Monitoring System
- Training & Certification (Best Practices, Safety, Sustainability)
- Miscellaneous (Maintenance, Installation, Contingency)

Operational costs

- Fuel (30% savings due to hybrid engines)
- Maintenance & Repairs
- Labor (Crew + Technicians)
- Insurance & Licensing
- Cold Storage Electricity (Solar Hybrid)

Risks & Mitigation

1. Seek blended finance (World Bank's CFI-CF, GEF grants)
2. Partner with FAO & UNDP for training programs
3. Advocate for stronger port state measures (PSMA)
4. Integrate climate-resilient fishing strategies (e.g., shifting fishing zones)
5. Seek Government incentives for the blue economic initiatives

1. Business Opportunity for Investment in Adequacy of the semi/industrial fleet

Key Objectives:

1. **Upgrade on-board freezing and storage** to meet export and tourism sector demands.
2. **Reduce post-harvest losses** (currently estimated at **30% in developing nations**) .
3. **Improve fuel efficiency** to lower operational costs and environmental impact.
4. **Strengthen market linkages** between fishers and high-value buyers and canneries.
5. **Ensure sustainable fishing practices Fishing.**

Economic Impact & Sustainability Benefits

Employment & Local Economy

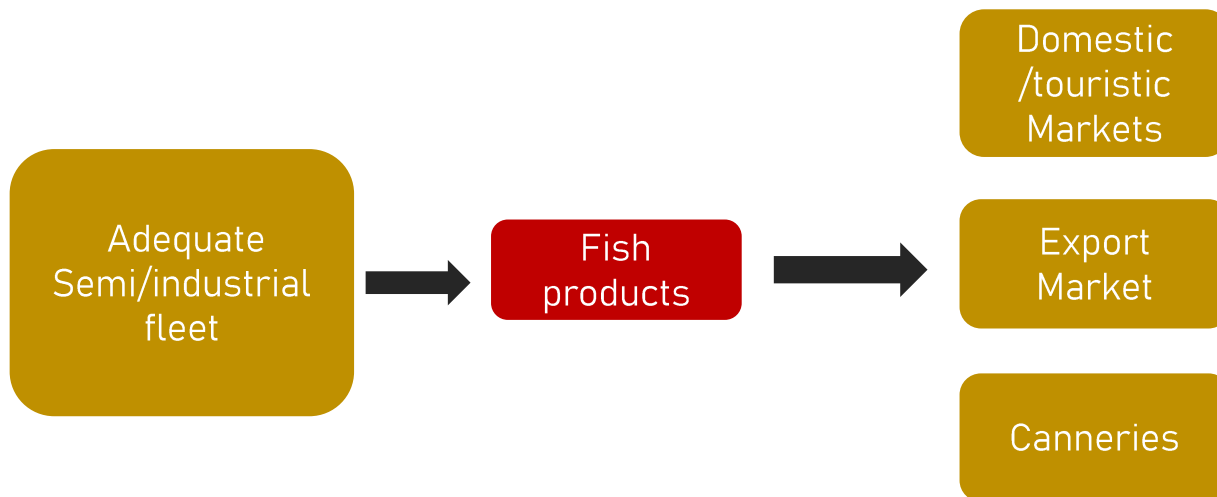
- **Direct jobs created: 300** (crew, technicians, cold chain workers).
- **Indirect jobs: 500+** (processing, logistics, export services).

Resource Sustainability

- **Reduced overfishing** via **digital monitoring & quotas**.
- **Lower carbon footprint** (hybrid engines cut emissions by **25%**).

Foreign Exchange Earnings

- **Potential seafood export growth: \$5M/year** (with scaling).



Profitability Indicators (@17 %, 10 year evaluation period)

Investment Required (USD)	5.8 Million
NPV (USD)	676 558
IRR	14%

2. Reconversion of Surplus Cabo Verdean Artisanal Fishing Fleet into Semi-Industrial Fleet

Current State of the Artisanal Fleet

Key Issues

- **Excess capacity** - Too many boats competing for dwindling coastal fish stocks
- **Poor Safety Standards** - High accident rates due to lack of life jackets, GPS, and weather monitoring
- **Low Efficiency** - Outdated engines, no refrigeration → high spoilage (~30%)
- **Unsustainable Fishing** - Locally Overfishing of coastal species (e.g., some demersal species, lobster)

Fleet Statistics

- **~1,500 artisanal boats (mostly wooden, <8m length)**
- **Only ~20% have basic safety gear (life jackets, radios)**
- **Fuel inefficiency: Old engines consume 40% more diesel than modern ones**

Proposed Reconversion Strategy

Target Fleet for Upgrade

- Phase 1: Convert 150 excess artisanal boats (prioritizing larger, seaworthy vessels).
- Phase 2: Expand to 300 boats based on pilot success.

Key Upgrades

- Component Artisanal (Current) to Semi-Industrial (Upgraded)
- Hull Structure Wooden - Reinforced fiberglass/steel
- Engine Outdated, high fuel use - Fuel-efficient diesel/hybrid (30% savings)
- Safety equipment Minimal (if any) - GPS, life rafts, EPIRB, AIS, VMS
- Storage Ice boxes (high spoilage) - On-board refrigeration/freezing
- Fishing Gear Non-selective nets - Sustainable gear (FADs, circle hooks)

Training & Certification

- Safety at Sea: IMO-compliant courses (navigation, emergency response).
- Sustainable Fishing: FAO best practices, bycatch reduction.
- Financial Literacy: Access to credit, business management.

Markets & Opportunities

Target Markets

1. **Canneries (canning factories)**
 - Increased raw material for canning
2. **Tourism Sector**
 - Cabo Verde's **hospitality industry** (hotels, restaurants) seeks **high-quality, locally sourced seafood**.
 - **Certification programs** (e.g., MSC, WWF seafood guides) can increase market access.
3. **Export Markets**
 - **EU and West African markets** demand frozen, high-quality fish products.
 - **Improved cold chain logistics** will enable compliance with international standards.

Raw Materials

High-value added

Bottlenecks, Key Investments & Risks, Mitigation

Bottlenecks

1. High upfront costs
2. Resistance from fishers
3. Lack of technical expertise
4. Market access barriers
5. Weak enforcement of regulations
6. Climate change impacts
7. Access to finance: Limited access to credit & finance for Semi/Industrial Fleet

Key Investments

Investments costs

- Hull Structure
- Engine
- Safety Gear
- Storage
- Fishing Gear

Operational costs

- Fuel (30% savings due to hybrid engines)
- Maintenance & Repairs
- Labor (Crew + Technicians)
- Insurance & Licensing
- Cold Storage Electricity (Solar Hybrid)

Risks & Mitigation

1. Seek blended finance (World Bank's CFI-CF, GEF grants)
2. Co-ops, profit-sharing incentives
3. Partner with FAO & UNDP for training programs
4. Pre-negotiated contracts with hotels/exporters and canneries
5. Advocate for stronger port state measures (PSMA)
6. Integrate climate-resilient fishing strategies (e.g., shifting fishing zones), Diversify fishing zones
7. Seek Government incentives for the blue economic initiatives

2. Business Opportunity for Reconversion of Surplus Cabo Verdean Artisanal Fishing Fleet into Semi-Industrial Fleet

Key Objectives:

Cabo Verde's artisanal fishing fleet faces challenges of excess capacity, declining fish stocks, and unsafe working conditions. This plan proposes reconverting excess artisanal boats into a modernized semi-industrial fleet to improve safety, efficiency, and sustainability. Key objectives include:

- ✓ Vessel upgrades (safety equipment, engines, storage)
- ✓ Training programs (navigation, safety, sustainable fishing)
- ✓ Policy incentives (subsidies, access to finance)
- ✓ Market linkages (tourism, exports, canneries, value-added processing)
- Ensure sustainable fishing practices Fishing.

Economic Impact & Sustainability Benefits

Employment & Local Economy

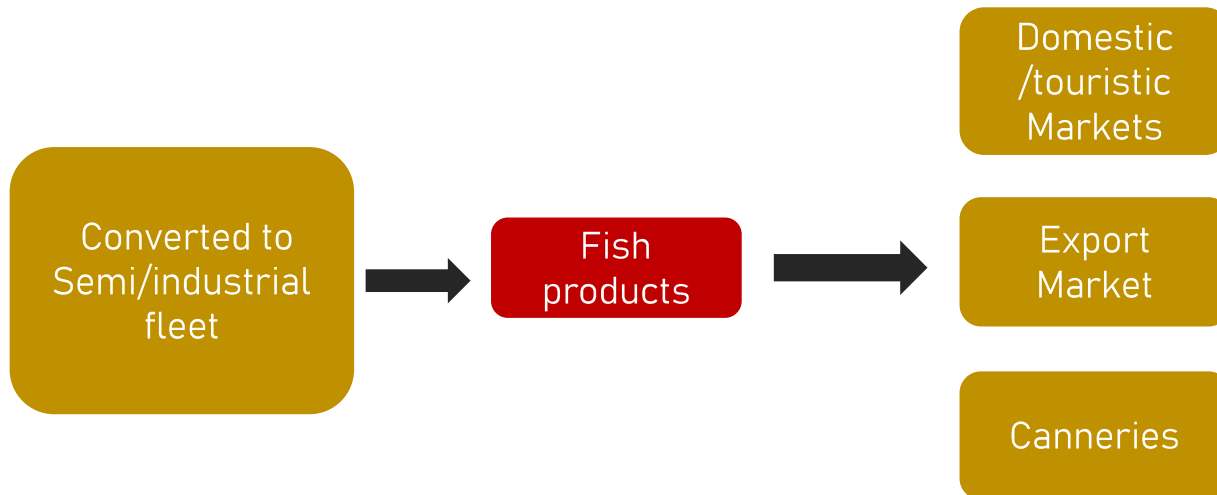
- **Direct jobs created: 900** (crew, technicians, cold chain workers).
- **Indirect jobs: 1500+** (processing, logistics, export services).
- **Indirect job creation**

Resource Sustainability

- **Reduced overfishing** via **digital monitoring & quotas**.
- **Lower carbon footprint** (hybrid engines cut emissions by 25%).

Foreign Exchange Earnings

- **Potential seafood export growth: \$5M/year** (with scaling).



Profitability Indicators (@19 %, 10 year evaluation period)

Investment Required (USD)	12.3 Million
NPV (USD)	1.56 Million
IRR	18 %

3. Sustainable Value Chain Alternative Income Integrated Project

Key Objectives

- This business plan presents a comprehensive, bankable fisheries project integrating six sub projects into a single sustainable and profitable ecosystem.
- The project enhances the fishing value chain through digital marketplace solutions, cold chain logistics, processing, eco-tourism, fish waste upcycling, and artisanal seafood products.
- By addressing inefficiencies, reducing waste, and adding value, this initiative ensures financial viability while promoting environmental and social sustainability.

Operations & Logistics

- Development of a digital marketplace and mobile app.
- Establishment of an eco-friendly fish processing plant.
- Investment in solar-powered cold storage and refrigerated transport.
- Partnerships with local fishermen, restaurants, hotels, and export markets.
- Training programs on sustainability, quality control, and hospitality.

Markets & Opportunities

Target Markets

- Growing Seafood Demand: Increasing domestic and international market demand for high-quality, sustainably sourced seafood.
- Supply Chain Challenges: Lack of infrastructure, post-harvest losses, and limited market access for small-scale fishermen.
- Competitive Advantage: Integrated approach combining technology, logistics, value-added products, and tourism

Raw Materials

High-value added



Bottlenecks, Key Investments & Risks, Mitigation

Bottlenecks

1. High upfront costs
2. Lack of technical expertise
3. Market access barriers
4. Weak enforcement of regulations
5. Access to finance: Limited access to credit & finance for Semi/Industrial Fleet

Key Investments

Investments costs

- Digital marketplace and mobile app.
- Fish processing plants including small value addition units.
- solar-powered cold storage and refrigerated transport.
- Training programs on sustainability, quality control, and hospitality.

Risks & Mitigation

1. Seek blended finance (World Bank's CFI-CF, GEF grants)
2. Partner with FAO & UNDP for training programs
3. Pre-negotiated contracts with hotels/exporters .
4. Seek Government incentives for the blue economic and value chains initiatives

3. Business Opportunity for Sustainable Value Chain Alternative Income Integrated Project

Business Model & Revenue Streams:

- **Digital Marketplace & Cold Chain:** Transaction commissions, subscription fees, logistics services.
- **Fish Processing & Value-Added Products:** Sales of fillets, frozen fish, smoked seafood, and ready-to-eat meals.
- **Eco-Tourism & Seafood Gastronomy:** Tour packages, seafood dining experiences, partnerships with hotels.
- **Artisanal Fish Snacks:** Direct retail and wholesale distribution to supermarkets, airports, and export markets.
- **Fish Waste a seaweed (kelp) Upcycling:** Sales of organic fishmeal and fertilizers for aquaculture and agriculture.
- **Refrigerated Transport Services:** Rental fees, subscription-based cold storage services.

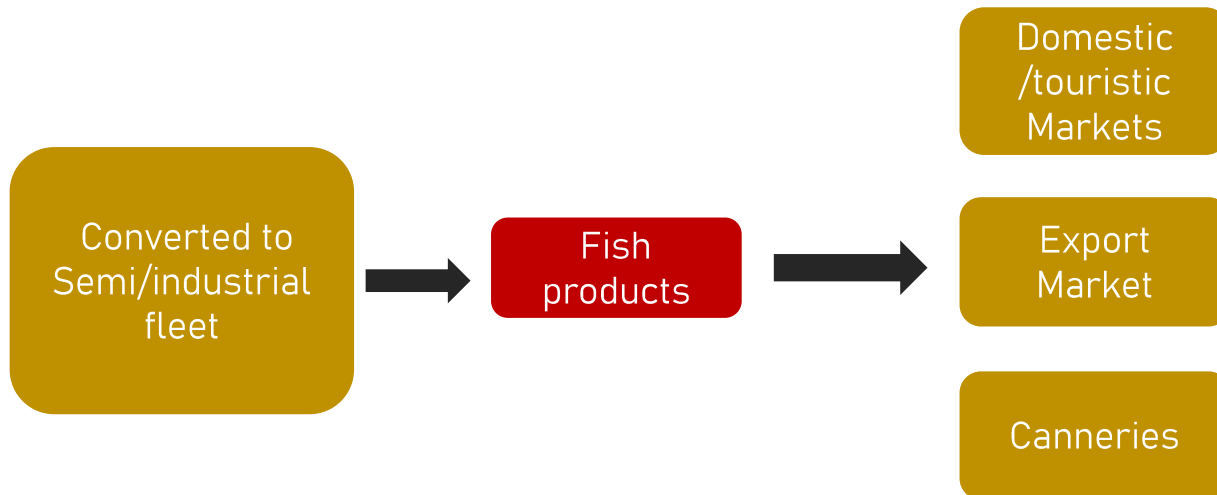
Economic Impact & Sustainability Benefits

Employment & Local Economy

- **Direct jobs created: 1000-1500** (, technicians, cold chain workers, sellers, processing, logistics, export services).
- **Indirect job creation: 4500 jobs**

Business Sustainability & Impact

- **Social:** Job creation, fair trade for fishermen, community development.
- **Environmental:** Reduction of fish waste, promotion of responsible fishing, renewable energy use.
- **Economic:** Strengthens local economy, enhances export potential, diversifies revenue sources.



Profitability Indicators (@22 %, 10 year evaluation period)

Investment Required (USD)	2.15 Million
NPV (USD)	3.69 Million
IRR	24 %

Summary Investment plan of Cabo Verde

20.23 M US\$

2.0 M USD

18.23 M USD

9 600 people

858 USD

Investment cost
Investment case

Govt. Budget

Investment case

Investment Required

Investment case

Total Beneficiaries

Av. Per capita income

Investment case

Adequacy Fleet Investment

Investment:

5.8 million USD

NPV :

676 558 USD

IRR:

14%

Direct beneficiaries

300 people

Indirect beneficiaries:

900 people

Total beneficiaries:

1,200 people

Per Capita income increase

1,127 USD/Person

Reconversion Investment

Investment:

12.3 million USD

NPV :

1.56 million USD

IRR:

18%

Direct beneficiaries

900 people

Indirect beneficiaries:

1,500 people

Total beneficiaries:

2,400 people

Per Capita income increase

833 US\$/Person

Value Chain Income Integrated Project

Investment:

2.15 million USD

NPV :

3.69 million USD

IRR:

24%

Direct beneficiaries

1,500 people

Indirect beneficiaries:

4,500 people

Total beneficiaries:

6,000 people

Per Capita income increase

615 USD/Person

3