

Blu-X

Leveraging Sustainable Finance for the Blue Economy

What is Blu-X?

Based in Cabo Verde, Blu-X aims to become a regional platform for listing sustainable and inclusive finance instruments oriented towards the blue economy.

Over recent years, demand for ‘sustainable’ or ‘impact’ investments has surged, while massive growth in the ocean economy is expected over the next 15 years, especially in sustainable shipping, ports, offshore wind, marine aquaculture, fish processing, waste management, and the renewable energy transition.¹ Housed at the Cabo Verde Stock Exchange, the Blu-X platform will facilitate investment in innovative and sustainable maritime economy projects, unlocking private finance for high-impact ventures.

BLUE ECONOMY: Exploring a world of opportunity

- Value of global ocean assets estimated at US\$ 24 trillion, making it the 7th largest economy in the world
- 90% of world trade is through shipping
- Marine fisheries contribute US\$ 270 billion to global GDP and employ 10-12% of world population
- Aquaculture accounts for more than 50% of global seafood production
- Coral reefs drive up to US\$ 36 billion annually in revenue
- Growth in ocean economy expected to outpace global growth over next 15 years
- Fastest growth expected in offshore wind, marine aquaculture, fish processing and ports
- Volume of seaborne trade expected to double by 2030 and quadruple by 2050
- Ocean based jobs are expected to increase 120% between 2010 and 2030
- Off-shore wind capacity set to reach 520 gw by 2050, up from 20 gw in 2018
- By 2030 ocean industries will account for around 40 million full time jobs

On the investor opportunity side:

- Global impact investing market above US\$ 500 billion in 2019
- Market has seen first issuance of ‘blue’ themed financial instruments but remains underdeveloped
- 21% of impact investors currently target sdg14 (life below water) with their investments but say they want to do more
- Gap in the market for financing ‘blue’ entrepreneurs

Sustainable stock exchanges are not new. Blu-X builds on a tried and tested model and applies it to a new and rapidly growing economic frontier. However, if successful, it will be the world’s first platform that will exclusively display financial instruments dedicated to a sustainable blue economy. It will offer innovative financial products, including bonds, equities, and funds, providing investors with opportunities to deploy their capital with sustainability and inclusivity in mind.

Blu-X also seeks to capitalize on Cabo Verde’s natural position as a strategic pivot between

¹ Caribbean Development Bank, Financing the Blue Economy: A Caribbean Development Opportunity, 31 May 2018; Responsible Investor and Credit Suisse, Investors and the Blue Economy, 20 January 2020; Organisation for Economic Cooperation and Development, The Ocean Economy in 2020, 27 April 2016; World Bank Group, Toward a Blue Economy: A Promise for Sustainable Growth in the Caribbean, 3 October 2016.

various regions with vast maritime economies spanning Africa, the Americas and Europe as well as its leadership role among the world’s Small-Island Developing States (SIDS). A user-friendly digital platform will connect Blu-X to regional and world markets.

Blu-X provides Cabo Verde with an opportunity to be a pioneer in blue economy-oriented sustainable finance, while orienting private capital in ways that serve people and planet.

Why Cabo Verde?

Cabo Verde is uniquely positioned to host Blu-X due to its high governance standards, strong institutions, and stable political environment, offering a potential leadership opportunity with respect to sustainable finance among African countries.

As an archipelagic state, the ocean impacts every part of Cabo Verde’s economy and society. The blue economy has been identified as an SDG “Accelerator” and the Government’s new blue economy strategy – a key component of its Ambition 2030 and Strategic Plan for Sustainable Development (PEDS) – maps out its catalytic potential across multiple Sustainable Development Goals (SDGs). While Ambition 2030 explicitly lists Blu-X as a priority within its innovative sustainable finance strategy for resources mobilization, the platform addresses the following PEDS objectives:

PEDS Objective	PEDS Description	Blu-X Contribution
Maritime Platform	Develop a logistics port for transshipment and supplies for international fleets of ships on their routes, and develop transport of quality, reliable, sustainable, resilient to support economic development and human well-being.	Offers platform for listing bonds, funds, and other investment instruments for the development of ports and shipping services.
Financial Platform	Transformation of Cabo Verde into a marketplace for international business, including the creation of an international financial center.	Development of sustainable finance products, including blue, green, and other securities, attracting investments from regional and world markets.
Commercial and Industrial Platform	Develop a platform for business relocation and transformation in Cape Verde within an International Center for Business and attracting FDI and promoting the Endogenous Business Initiative.	Pipeline of investment-grade projects with sufficient absorption capacity for large-scale investment and identification of IPOs.
Digital and Innovation Platform	Transform Cape Verde into a center for the development of the Digital and Nanotechnological Economy, positioning the country as a reference in Africa, in terms of innovation and knowledge; develop human skills and promote a business environment around ICT and R&D.	Establishment of Blu-X as an accessible and user-friendly digital platform establishing links to regional and world markets in partnership with both existing and emerging ICT systems in Cabo Verde
‘Ethnic’ Investment	Develop conditions that can promote and increase the participation of Cape Verdeans living abroad and, also, promote ethnic participation in economic and social development.	Digital platform offers easy access for diaspora and domestic population to investment opportunities and entry of innovative projects/ideas into

		investment pipeline.
Improved Business Climate	Reform policies, legislation and administrative processes that influence the business environment; Contribute to economic growth and creating more job opportunities by improving competitiveness and the business environment and boosting private investment and growth (weight) of the of the private sector in the Cape Verdean economy.	Platform reduces risks and transaction costs in exchange by offering transparent and reliable information on investment products. Platform offers link between innovative public, private, and blended sustainable finance on the one hand and blue economy projects/companies seeking investments on the other.
Use of endogenous resources	Promote balanced, harmonious, and ecologically sustainable economic development, transforming each island into an economy according to its comparative advantage(s).	Investment pipeline will focus on endogenous resources and domestic capacities. Examples of future investment-grade projects include domestic maritime transport, aquaculture, expansion of fisheries industry, marine conservation for tourism, etc.
Sustainable Energy	Transition to a safe and efficient and sustainable energy sector, reducing dependence on fossil fuels and ensuring universal access and energy security.	Sustainable finance will include blue, green and sustainability bonds and funds adhering to strict norms and regulations in terms of energy consumption associated with their respective labels and/or standards. Financing will be oriented towards the renewable energy transition, especially in terms of water desalination.
Modern and secure infrastructure	Develop resilient, reliable and sustainable infrastructures, and ensure the conservation, use and maintenance of the infrastructure network according to these priorities to support economic and social development, focusing on equitable and affordable access for all	Mobilizing investment for the expansion of maritime transport infrastructures and the reduction of pollution, carbon emissions, and other environmental risks associated with maritime trade.
Conservation of Biodiversity and Environment	Promote and preserve biodiversity through the sustainable use of environmental resources for the promotion of economic sectors; namely tourism, agriculture, forestry, livestock, and fishing. Implement Management Plans for Protected Areas. Guarantee environmental quality, promote ecological awareness and strengthen environmental licensing and auditing systems.	Debt-for-nature swaps focusing on marine protected areas and their sustainable use within the tourism sector through investment and upgrades. Labels and standards (blue, green, ESG, sustainability, social, SDG, etc.) ensure adherence to norms, rules and regulations pertaining to environmental protection, biodiversity, and sustainable use of natural resources.

However, as a small island economy, Cabo Verde faces significant resource mobilization constraints. These include a narrow revenue base, low external private investment (except for tourism), a domestic private sector characterized by SMEs with low capacities and limited access to finance, lack of domestic market integration, and isolation from world markets. Aid

declined when the country graduated to middle income status, contributing to rising public debt. Fragility arising from climate change is increasing the costs of development.

Through Blu-X, Cabo Verde will demonstrate how a small ocean economy can successfully transition away from aid dependence, diversify its sources of finance, promote entrepreneurship, become more connected to key markets, and inspire other small island developing states.

The transformative potential of Blu-X

Achieving a step-change transformation in the blue economy will only be possible if investments are mobilized that adequately capitalize innovative entrepreneurial activities. Yet significant challenges remain for mobilizing and attracting resources, especially from the private sector, to transformational blue economy investments.

These challenges include limited awareness of blue economy business and investment opportunities in Cabo Verde, especially among international investors, as well as low capacities of small and medium-sized enterprises (SMEs), leading to a lack of investment-grade projects. Furthermore, current investments remain concentrated in tourism and fisheries concessions and uncertainty remains around how SMEs, which represent 97% of businesses, can participate more actively in blue economy opportunities. Bound by high transaction costs and limited savings derived from surplus revenues, SMEs often lack the finance to implement or scale-up their ideas.

To help overcome these challenges, Blu-X will operate across six interlinked areas:

1. Create a platform at the Cabo Verde Stock Exchange that will list and promote a range of sustainable finance instruments certified via finance labelling mechanisms to catalyze a step-change in private finance for the blue economy;
2. Develop criteria for labeling of 'blue' bonds, funds, and equities to list on Blu-X and support enterprises to fulfil the platform's labelling requirements;
3. Creating and list sustainable finance instruments (e.g. blue bond) to be listed and traded on the platform
4. Build a pipeline of investment-grade projects, including bundled funds comprised of diversified portfolios of domestic and international SME projects in the blue economy and related areas (e.g. renewable energy transition, maritime trade, tourism, etc.);
5. Support seamless global transactions on Blu-X through a focus on fintech and digital infrastructure, connecting the exchange to regional and world markets; and
6. Supply investors with requisite knowledge, data and information to ensure trust, reliability and integrity.

Blu-X will unlock finance for the blue economy by offering a dedicated platform for listing and trading certified 'blue' and other 'sustainable' securities, both domestically and internationally. The platform will list securities from private and public entities as well as support public-private partnerships, including debt-for-nature swaps. In partnership with credible and established actors in global sustainable finance, Blu-X will develop a 'blue label' to ensure both impact and transparency. Access will be restricted to bonds, funds or equities that correspond to transparent sustainability norms, certified via labels and standards, that fulfil the exchange's disclosure and reporting requirements.

'Blue' instruments specifically oriented to **SMEs** will also be developed, including bundled fund listings that will reduce risk through diversification and facilitate access to new market entrants. However, SMEs will not only benefit from bundled funds but also from new market opportunities, or 'spillover effects', derived from demand for complementary goods and services stimulated by a consolidated domestic market with greater direct or indirect access to

regional economic systems.

Blu-X will seek to reinforce Cabo Verde's position as an **inter-regional**, or arguably even global, pivot point.² The platform not only seeks to serve Cabo Verde's domestic market capitalization needs but also serve the wider African and Atlantic regions. Through Cabo Verde's membership in ECOWAS, and the Community of Portuguese-Language Countries (CPLP), as well as privileged access to US and EU markets, the platform seeks to attract new market participants ranging from impact investors to brokers, fund managers, SMEs and entrepreneurs. The operationalization of AfCFTA and its leadership role among SIDS, especially in the Atlantic and Indian oceans, will provide further access to growing markets and upscaling opportunities.

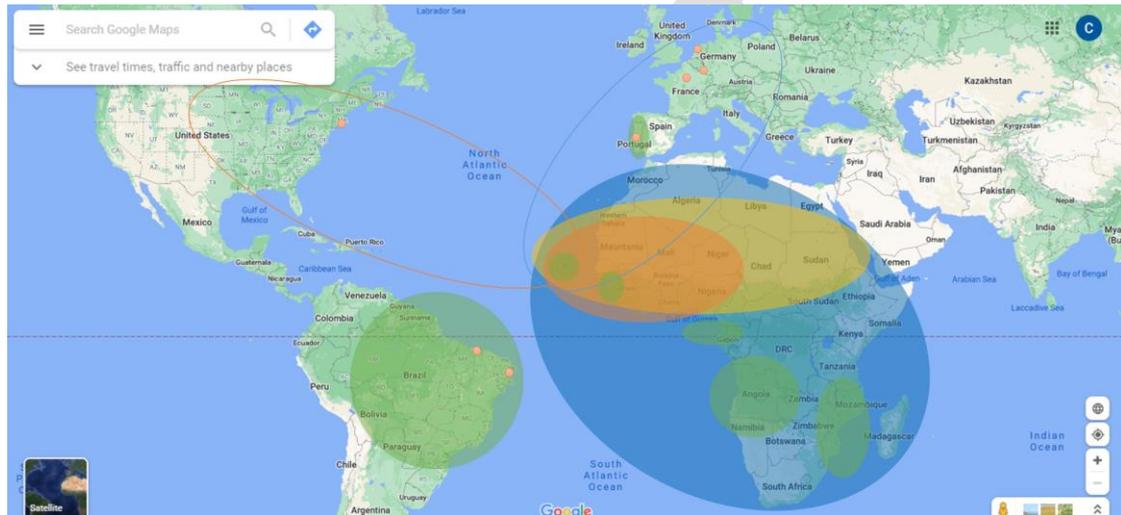


Figure 1 – Cabo Verde as a Pivot Point

Given that Cabo Verde's securities-based market capitalization remains relatively small at approximately 80 billion CVE (approximately 708 million EUR) in 2020,³ the regional dimension could allow Cabo Verde to position itself as a hub for investments from Africa, the Americas, and Europe that could allow the country to attract foreign direct investment, particularly from entities interested in transatlantic trade and investment opportunities. The approach is consistent with the Addis Ababa Action Agenda by seeking to “encourage impact investing, which combines a return on investment with non-financial impacts.... such as development-oriented venture capital funds, potentially with public partners, blended finance, risk mitigation instruments, and innovative debt funding structures with appropriate risk management and regulatory frameworks. ... We underline that regional markets are an effective way to achieve scale and depth not attainable when individual markets are small.”⁴

Blu-X will also target the **diaspora**, which is concentrated in several strategic locations including the Netherlands, Luxembourg, US, and Brazil by offering viable investment products and opportunities for capital acquisition. This will build on the Government's work to strengthen links with its diaspora.

The Government's **digital transformation** strategy also informs the Blu-X approach. Cabo Verde's digital transformation plan aims to transform Cabo Verde into a “Cyber Island”, connecting it to regional and global markets. Blu-X will offer an efficient, trusted, and cost-

² [Tangled in a Geopolitical, Economic, and Global Health Storm, Cape Verde Has a Plan for Breaking Free \(foreignpolicy.com\)](https://www.foreignpolicy.com/story/2020/08/11/cape-verde-geopolitical-economic-global-health-storm)

³ [Stock Exchange: Market capitalization in the 3rd quarter of 2020 with positive variation compared to 2019 | INFORPRESS](https://www.inforpress.com/stock-exchange-market-capitalization-in-the-3rd-quarter-of-2020-with-positive-variation-compared-to-2019/)

⁴ https://www.un.org/esa/ffd/wp-content/uploads/2015/08/AAAA_Outcome.pdf

effective digital platform to facilitate transactions at-scale that have sustainability at their core. The approach capitalizes on a rapidly expanding global market for sustainable investment products and increasing interest in the oceans, driven by increasing concern over climate change and the environment among investor communities and leading financial centers. It will also support smaller blue economy businesses to improve their sustainability performance by providing them with incentives and a trusted certification framework, thus increasing access to capital and investment. Through the development of a user-friendly digital interface, Blu-X will enable small-scale citizen investment, with a particular emphasis on attracting diaspora investments.

In addition to the socioeconomic transformation, Blu-X also places **climate change** mitigation and adaptation measures at the forefront. According to the EU: “Maritime transport emits around 940 million tonnes of CO2 annually and is responsible for about 2.5% of global greenhouse gas (GHG) emissions (3rd IMO GHG study). These emissions are projected to increase significantly if mitigation measures are not put in place swiftly. According to the 3rd IMO GHG study, shipping emissions could under a business-as-usual scenario increase between 50% and 250% by 2050, undermining the objectives of the Paris Agreement.”⁵ However, carbon dioxide emissions are not the only externality that negatively impacts the environment as the pollution that ships produce in ports and while at sea, including shipwrecks and use of unrefined oil, can have devastating effects on local and regional ecosystems.

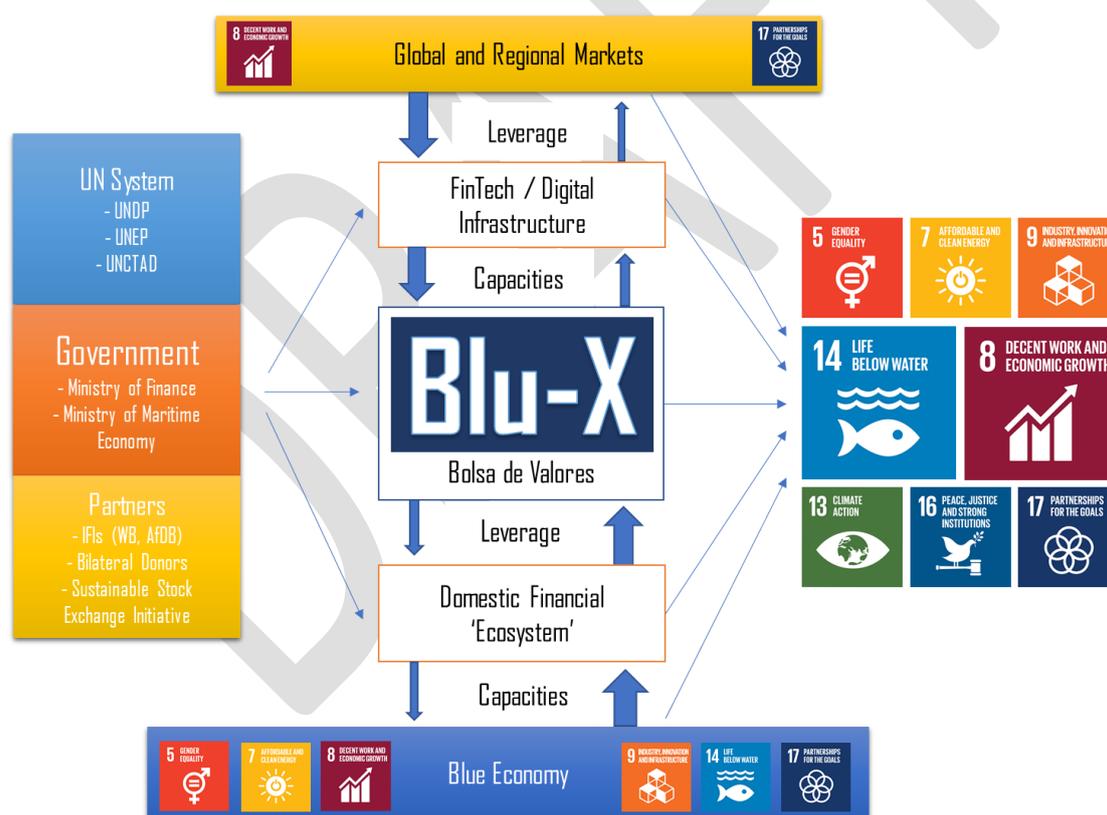


Figure 2 – Blu-X as a catalyst for SDG acceleration

Implementation and Partnerships

As indicated above, the implementation of the Blu-X falls squarely within the scope of Ambition 2030 and the SDG-aligned Strategic Plan for Sustainable Development (PEDS)

⁵ https://ec.europa.eu/clima/policies/transport/shipping_en

2017-21, especially the country's strategy in terms of sustainable development finance and the blue economy.

For this reason, the platform will be developed within the framework of ongoing strategic initiatives and partnerships between the Government of Cabo Verde and the UN Joint Office in Cabo Verde, especially the Integrated National Financing Framework (INFF). Conforming to the development effectiveness principles of government ownership and leadership, the principal counterparts in this regard will be:

- Office of the Prime Minister (focus on international promotion)
- Ministry of Finance / Directorate of National Planning (focus on sustainable finance)
- Ministry of Maritime Economy (focus on blue economy investment pipeline)

Based on preceding exchanges with each of these entities concerning the conceptualization and establishment of the Blu-X platform, the Office of the Prime Minister reached out to UNDP with regards to making Blu-X the principal theme in its blue economy promotion strategy in the context of the Ocean Race hosted by Cabo Verde in October or November 2022. As such, timing will be critical, considering that the Blu-X platform must be operational before Quarter 4 2022, which also coincides with the first year of implementation of the PEDS II. Within the context of the implementation process, a comprehensive promotion strategy will be articulated in close collaboration with all stakeholders.

Within this overarching governance framework, the technical implementation of the platform is intended to maximize flexibility and opportunities for engagement with the private sector, particularly entities operating in the areas of sustainable finance and impact investments. For this reason, the principle partner at technical level will be:

- Cabo Verde Stock Exchange (Bolsa de Valores)

Indeed, Cabo Verde already possesses significant technical capacities through its Bolsa de Valores (CVBV). Despite being relatively small in terms of only listing four companies on its exchange, the CVBV has a demonstrated history of successfully listing and auctioning bonds on its exchange.⁶ While the CVBV has so far not listed bonds subjected to sustainability labels or standards, this capacity will be developed and scaled up over time through specific technical training to be offered by the LGX Academy (see below). Once such an institutional framework is in place, it only takes a single security listing in order to demonstrate the operationalization of the exchange, thus offering the opportunity for a “quick win” that offers a proof of concept, while simultaneously creating prospects for scaling up and attaining long-term impact. The platform would emphasize attracting diaspora investment as well as public-private partnerships, including debt-for-nature swaps.

International Implementation Partners:

- United Nations Development Programme (UNDP)

UNDP, as the lead implementing agency within the UN system, offers support, knowledge, and expertise through its networks at local, regional, and global levels. At country level, the platform will be supported principally by the Strategy and Policy Unit but also through the Accelerator Lab and the Environment portfolio. At regional and global level, further assets include the Finance Sector Hub and SDG Impact. Given its SDG integrator role, UNDP is well positioned to offer the following value-added services with respect to Blu-X:

⁶ An accessible overview of the bonds that were available on CVBV in 2017 is available here: [{aa60b69e-ebab-4b97-a13a-d12aec24a5a5}.pdf \(bi.cv\)](#)

1. Strategic guidance and advisory services, including support in the identification and coordination of (prospective) national and international partners
2. Support to the establishment and development of the Blu-X platform through consultancy services and technical capacities within the framework of the Development Finance Assessment, especially the Blue Economy ‘Deep Dive’
3. Capacity building and training initiative in the area of sustainable finance in partnership with the LGX Academy
4. Support to the establishment of the digital services for operationalizing the platform in partnership with Cabo Verde’s domestic digital initiatives and capacity
5. International outreach and promotion through UNDP’s regional and global networks as well as through selected events and publications

From a policy and programmes perspective, this initiative falls within the scope of UNDP’s governance, poverty reduction and socioeconomic development, as well as climate change and environmental protection mandates. It falls within the scope of the roll-out of an Integrated National Financing Framework, for which Cabo Verde has been identified as a pioneer country, especially in terms of channeling and attracting private sector resources and innovative finance for sustainable development objectives, notably the SDGs. Blu-X will feature prominently in the Finance Strategy to be developed under the guise of the Development Finance Assessment, a UNDP-led exercise. The innovative approach of this platform also renders it relevant to the work of the UNDP Accelerator Lab mandate, notably due to its focus on the blue economy.

Finally, it offers a significant contribution to the private sector dimension of the COVID-19 national response and recovery plan (NRRP) articulated jointly between the Government of Cabo Verde and the UNCT, notably in terms of revival of the tourism sector and expansion of the maritime economy. The NRRP is intended to offer a bridge to PEDS II, commencing in 2022, which is expected to maintain the focus on innovation and technology in the context of Cabo Verde’s status as a LMIC. Support for the implementation of the Blu-X platform therefore will help position UNDP in terms of its contribution to Cabo Verde’s ambitions and strategic objectives for sustainable development within the context of the SDGs and the 2030 Agenda.

Other International partners:

- Luxembourg Green Exchange (LGX)
- LGX Academy (in partnership with the IFC and House of Training)
- Luxembourg Financial Labelling Agency (LuxFLAG)

Luxembourg, a key development partner in Cabo Verde, hosts one of the world’s most successful sustainable finance platforms: the Luxembourg Green Exchange (LGX). LGX offers sustainable finance expertise and support through its LGX Academy. The LGX has also expressed the possibility of ‘mirroring’ bonds and funds listed on Blu-X, as it already does with green financial instruments listed on the Shanghai exchange. The Luxembourg Financial Labelling Agency (LuxFLAG) is a global leader in labeling of sustainable securities (mostly bonds and funds). Together, these partners could provide, *inter alia*, capacity development for the Bolsa de Valores to build technical capacities for listing of blue securities and impact investment products.

UN System Partners

- United Nations Environment Programme (UNEP)
- United Nations Conference on Trade and Development (UNCTAD)

UNEP and UNCTAD lead the Sustainable Stock Exchanges Initiative. They offer relevant capacities, including technical guidance and links to peer exchanges as well as SME capacity

development.

Additional partners could include:

- World Bank and IFC
- African Development Bank
- Climate Bonds Initiative

Private Sector Partners

The private sector will be an indispensable component in terms of creating a pipeline of investment-grade projects and possibly listing companies conforming to certified SDG impact or other sustainability criteria. In this regards, extensive discussions have already taken place with CV *Interilhas* (see below) with respect to improving maritime transportation services.

Draft as of March 3, 2021

EXPECTED OUTPUTS	PLANNED ACTIVITIES <i>List all activities including M&E to be undertaken during the year towards stated CP outputs</i>	TIMEFRAME						RESPONSIBLE PARTY	PLANNED BUDGET		
		2021			2022				Source of Funds	Budget Description	Amount
		Q2	Q3	Q4	Q1	Q2	Q3				
Output 1. Sustainable Finance and Impact Investment Component	Activity 1. Create a platform at the Cabo Verde Stock Exchange that will list and promote a range of sustainable finance instruments certified via finance labelling mechanisms to catalyze a step-change in private finance for the blue economy;	X	X	X				Bolsa de Valores, UNDP & LGX Academy	INFF DFA / TRAC-2	Capacity Building and Technical Assistance	50,000 USD
	Activity 2. Develop criteria for labeling of 'blue' bonds, funds, and equities to list on Blu-X and support enterprises to fulfil the platform's labelling requirements;.		X	X	X			Ministry of Finance, LuxFLAG, UNDP	TRAC-2	Technical Assistance	50,000 USD
	Activity 3. Create and list at least one sustainable finance instrument (e.g. blue bond) listed on the platform		X	X	X	X		Bolsa de Valores, Ministry of Finance, Treasury, UNDP	INFF / TRAC-2	Technical Assistance	80,000 USD
	Activity 3. Build a pipeline of investment-grade projects, including bundled funds comprised of diversified portfolios of domestic and international SME projects in	X	X	X	X	X	X	Ministry of Finance (DNP), ProCapital, ProEmpresa, UNDP, Private Sector	INFF DFA / TRAC-2	Consultancy and Technical Assistance	100,000 USD

	the blue economy and related areas (e.g. renewable energy transition, maritime trade, tourism, etc.);										
Output 2. Digital Component	Activity 1. Support seamless global transactions on Blu-X through a digital interface (internet site and app) using fintech and innovative digital services, connecting the exchange to regional and world markets	X	X	X	X			Bolsa de Valores, NOSI & UNDP Accelerator Lab	AccLab / TRAC-2	Technical assistance and digital services	70,000USD
	Activity 2. Supply investors with requisite knowledge, data and information to ensure trust, reliability and integrity.				X	X	X	Ministry of Finance, Bolsa de Valores, BCV, INS, UNDP, LuxFLAG	TBD	Technical assistance and digital services	50,000 USD
Output 3. Promotion and Outreach	Activity 1. International Outreach and Promotion			X			X	Office of the Prime Minister; UNDP; Conventures	UNDP Environment Portfolio (TBC) / TRAC-2	Marketing and Outreach	100,000 USD (TBC)

Indicators of Success (based on TRAC-2 Funding Allocation)

Indicator: RM-R2 (CPD Indicator 4.3.1) Extent to which the sustainable development financing strategy with related coordination tools is elaborated

(Rating scale from 0-3: 0. The sustainable development financing strategy with related coordination tools not elaborated; 1. The sustainable development financing strategy with related coordination tools at the initial stage of elaboration; 2. The sustainable development financing strategy with related coordination tools partially elaborated; 3. The sustainable development financing strategy with related coordination tool fully elaborated)

Baseline: 2

Target: 3

Source of data: Ministry of Finance

Timeline for target: 31/12/2021

Indicator: PR-R1 Establishment of an SSC Action Plan, including pipeline of largescale investment-grade projects, encompassing Cabo Verde and at least 1 SSC partner, with clear entry points and corresponding added value for UNDP support

Baseline: 0

Target: 1

Source of data: SSC / Development Effectiveness Report

Timeline for target: 31/12/2021

Indicator: PR-R2 Number of innovative and sustainable financial instruments for the blue economy (bond, fund, security, etc.) formally agreed and listed on the Sustainable Finance Platform pipeline

Baseline: 0

Target: 1

Source of data: Bolsa de Valores de Cabo Verde Annual Report

Timeline for target: 31/12/2021

Indicator: PR-R3 (CPD Indicator 4.1.1) Extent to which women's and youth groups have strengthened capacity to engage in critical development issues through digital/innovative solutions

(Rating Scale from 1-3: 1. Not adequately - capacities do not show improvement, even if some actions have been undertaken to strengthen them; 2. Partially - capacities show some of the improvements required to engage in critical development issues; 3. Largely - capacities required to engage in critical development issues are largely of fully in place)

Baseline: 2

Target: 3

Source of data: Youth and women organizations reports

Timeline for target: 31/12/2021

Risks:

Risks	Probability	Impact	Mitigation strategy
The COVID-19 situation, especially in the case of lockdown, may compromise the implementation and achievement of the expected results	Medium	Medium	In the event of a further largescale lockdown, some reprogramming may be required to mitigate immediate effects and impacts (similar to 2020); however, since the proposal already targets COVID-19 recovery and the pandemic has been accounted for in the design, these changes should be minimal.
Reduced human resource capacities at the national level which might entail a slow uptake	Medium	Medium	The establishment of the core inter-ministerial team to lead and manage the process
Due to the geographic location/isolation of the country, there is a risk of non/poor connection internally and externally	Low	Medium	Design virtual platforms through IT means, for exchange programmes, and other initiatives aimed at connecting the country officials, business representatives, youth, etc. with their peers and with youth empowerment entities on the continent.
Elections (legislative and presidential in 2021) -- election year will affect the availability of government officials and timely execution of program	Medium	Medium	1) Acceleration of measures right after the installation of new Government as consequence of legislative elections; 2) the appointment of a focal point in each implementing partner responsible for execution that is strongly engaged.
Difficulties in recruitment of suitable high-level experts for innovative interventions, particularly with regards to digital and/ or sustainable finance	Low	Medium	Use of UNDP rosters, close collaboration with UNDP's regional and HQ services (Finance Sector Hub, Global Policy Network, Accelerator Labs, UNDP's Digital Strategy), possible pooling of funds for a competitive international procurement process for a technical assistance facility.

Annexes:

1. Letter of Interest from Cabo Verde Bolsa de Valores
2. Draft MoU for Ocean Race (prepared by Cabo Verde Office of the Prime Minister)
3. Ocean Race document (prepared by Conventures)
4. Draft MoU for BluX (prepared by UNDP)
5. World Bank Note on Blue Bonds in Cabo Verde (2020)