



**Ministério
das Finanças**

Unidade de Acompanhamento
do Setor Empresarial do Estado

Information Memorandum

Concession of Inter-island Maritime Transportation of Passengers and Cargo



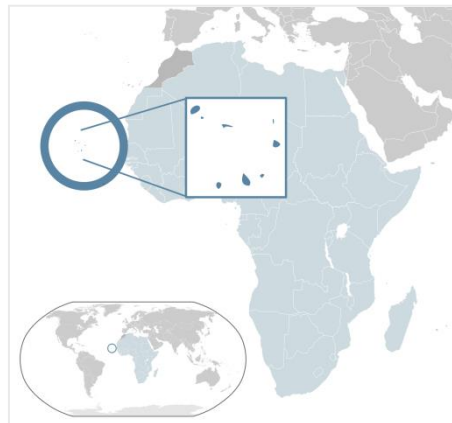
Table of contents

1. Preamble	3
2. Demand	4
2.1 Demand Projections	4
2.1.1 Passenger Demand	4
2.1.2 Cargo Demand	4
3. National Port System	5
3.1 Port of Praia	5
3.2 Port of Palmeira	5
3.3 Port of Sal Rei	6
3.4 Port Grande	6
3.5 Port Novo	7
3.6 Port of Tarrafal	7
3.7 Port of Furna	8
3.8 Port of Vale dos Cavaleiros	8
3.9 Port of Porto Inglês	9
3.10 Summary of Cape Verde' Total Ports Capacity	9
4. Supply	10
4.1 Supply's Diagram	10
4.2 Minimum weekly supply lines and frequencies (Year 1)	11
4.3. Vessel Type	12
5. Legal Framework	13



1. Preamble

Cape Verde is an archipelago with ten islands, located in the eastern center of the Atlantic Ocean at 570 kilometers (350 nautical miles) off the coast of Senegal in West Africa. The islands have a land surface of 4033 square kilometers and a population of about 500,000. Thanks to its good governance, strong democratic institutions, good economic performance and socio-political peace and stability, Cape Verde is seen as an African success story; it graduated from the United Nation's Least Developed Countries List in 2008. Its fastest-growing sector, the tourism industry, has grown by double digits yearly over the last decade. Today Cape Verde is on track to achieve most of the UN Millennium Development Goals.



The inter-island maritime transport system has been considered one of the sectors that have significant constraints to the movement of people and goods in the national territory. The inter-island maritime transport is mainly operated by private companies, which have not been able to meet the demands; weaknesses are evident with regard to the availability, modernization of the fleet and replacement of older units, already with weak operative capacity and quality to carry out effectively and efficiently the important function of connecting all the Islands of the Archipelago.

One of the priorities of the Cape Verdean Government is the improvement of inter-island transportation. As Cape Verde is an archipelago the connectivity between the islands is critical to ensuring the efficient movement of passengers and cargo, promoting market unification, bringing an additional impetus to the economy, and supporting new investments/ business opportunities.

The Government of Cape Verde is launching an international tender to select a strategic partner, with proven track record, know-how and experience in this sector. The selected firm will have an exclusive concession contract for the provision of public service on the inter-island maritime transport, which does not allow from now the entry of operators for the provision of inter-island transportation of passengers and cargo.

The Concession will be awarded through international competitive public bidding following the rules and procedures described in Code of Public Procurement Law of Cabo Verde. The bidding for the concession entails a two-phase procedure with a qualification phase, where the candidates express their interest. The selected firms will be invited to present their Technical and Financial Proposal during the second phase of the process.

In the qualification phase, prospective bidders will be selected based the criteria below

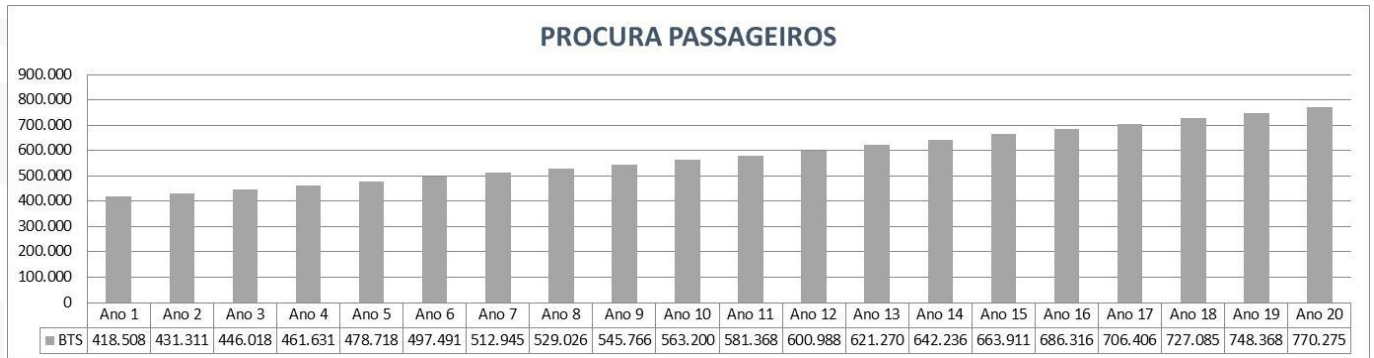
- a) Technical requirements
- b) Financial requirements



2. Demand

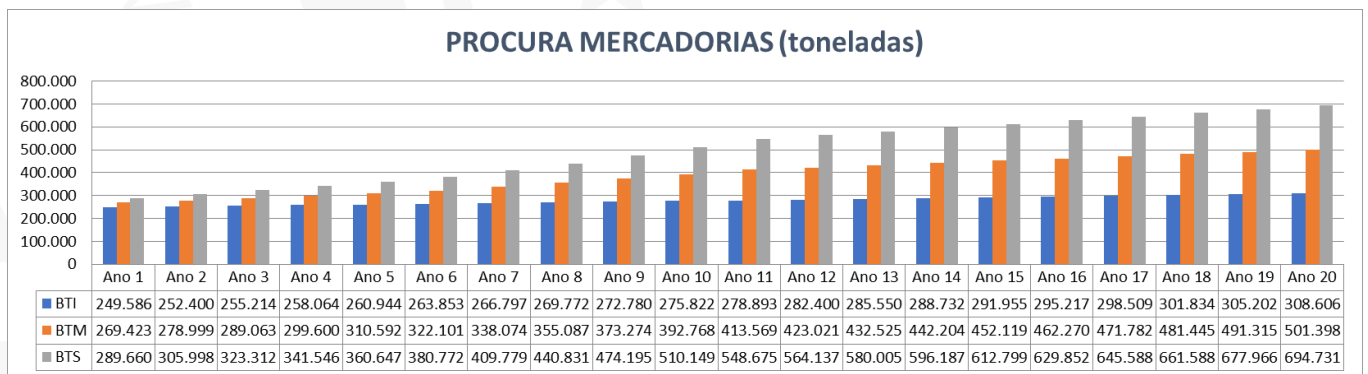
2.1 Demand Projections

2.1.1 Passenger Demand



The projected medium rate of passenger growth per year is 3.1%

2.1.2 Cargo Demand



The expected medium rates of growth of cargo per year are 4.5% (BTS variant), 3.2% (BTM variant) and 1.1% (BTI variant).



3. National Port System

3.1 Port of Praia

Located in the country's capital, the Port of Praia is one of the main national ports. With an area of 30 hectares, it ensures 34% (2016 data - source: ENAPOR) of the goods handled in the Cape Verde ports. In 2016, the Port of Praia handled 481,927 tons of long-haul freights and 234,310 tons of cabotage freights, this ensures the 2nd and 1st place, respectively, in the national ports ranking relating to the total cargo handled in 2016.



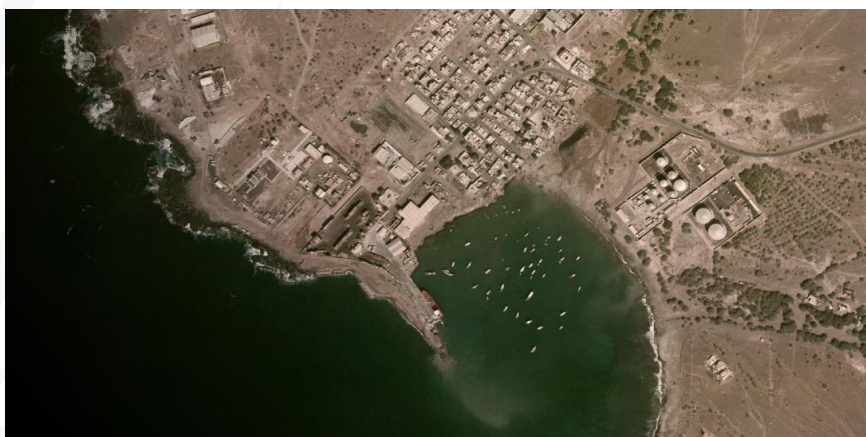
The Port of Praia has experience, over the last years, works of modernization and expansion. Versatile and safe, the Port of Praia now has infrastructures that guarantee the operation of any type of ship, from container and bulk carriers to Roll-on Roll-off vessels, and it also has a fishing pier.

3.2 Port of Palmeira

Located on Sal Island, the port of Palmeira is the third most important Cape Verdean port in terms of long-haul and cabotage freight traffic, with 175,679 and 120,806 tons, respectively.

It includes, in addition to the commercial activity of the freights and passengers transportation, also fishing activities and businesses related to recreational and maritime tourism.

This Port, which was inaugurated in 1986, underwent a process of modernization and expansion, nowadays the Port of Palmeira has a new cabotage park with an area of 1.5 hectares which allowed horizontal movement, it also has an access road to the terminal, and an expansion of the container park to 3 hectares, a new pier that now as a total of 240 linear meters of quay.



In addition to the Roll-on Roll-off ramp, it presents a modern fire-fighting and video surveillance systems, infrastructures for water supply, drainage and treatment of rainwater for use in irrigation, which shows the concern that the port has with the environment.



3.3 Port of Sal Rei

The Port of Sal-Rei is located on the island of Boa Vista, which, in terms of surface, is the third island of Cape Verde. Boa Vista island is characterized by its tourism potential, which led to the decision of building a bigger and better port infrastructures, in order to respond adequately to the development and increase of maritime traffic.

The work carried out in 2015, endowed the port of Sal-Rei with infrastructures capable of capturing the international tourism traffic, while becoming an important scale of the cabotage ships.



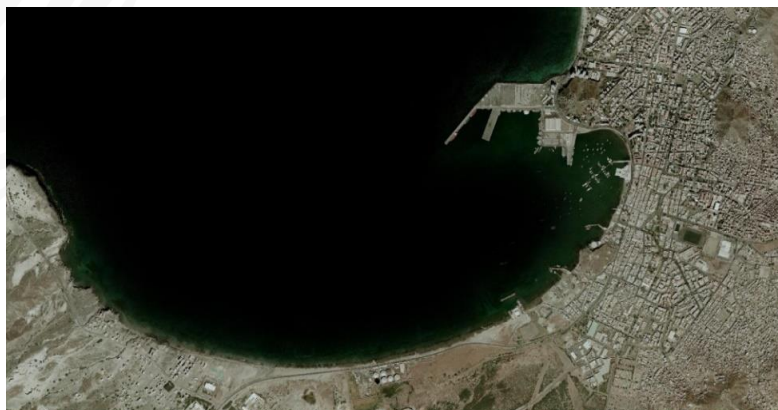
The modernization of the port of Sal-Rei aimed for the improving of the efficiency of the port operations and will respond to the specific logistical / operational requirements of the various types of roll-on / roll-off traffic, containers, fuels, fishing, passengers and others. The constructions included in this phase were the following:

- External protection: 1,050 m;
- Maneuver basin: 400m of diameter and 7m of draft;
- Dock: 160 m / 90 m;
- Roll-on Roll-off Ramp;
- Container park: 2.5 ha;
- Warehouse: 2.000sqm;
- Office/workshop area: 1,750 m²;

3.4 Port Grande

Located in the city of Mindelo, São Vicente Island, in a semicircular basin with two kilometers of radius, where the depths vary between 11 and 30 meters, the Port Grande offers excellent conditions for entry and shelter to any type of vessel.

Built in 1962 and modernized in 1997, the Port Grande is endowed with three "F" shaped piers, totaling 1.75 km of quay at depths between 3.5 and 12 meters.





It has a fishing pier with 240 meters long, at depths between 3 and 4.8 meters, and a 3 hectares embankment.

Without any type of limitation related to maritime access, the approach to Port Grande is made from the sea, in a channel between the islands of Santo Antão and São Vicente, until the entrance of the port, at depths between 11 and 30 meters.

The maneuvering and docking basin has about 1,500 meters in diameter and depths between 3.5 and 16 meters.

With its two Roll-on Roll-off ramps, a modern and large passenger terminal, Port Grande provides a good service to inter-island connections, and especially to the connection with Port Novo in Santo Antão island.

3.5 Port Novo

Located on the island of Santo Antão, Port Novo plays a stimulating and business promoter role and it ensures the only connection of the island of Santo Antão to the rest of the country. It ensures all the conditions so that in an uninterrupted and speedy shipping on cabotage traffic will shorten the distances between Santo Antão and the rest of the archipelago.



The Port, was built in 1962 and recently intervened for expansion and modernization, has three piers, two of them with Roll-on Roll-off ramps and a container terminal of two hectares.

After the modernization and expansion project, Port Novo has become a port with good conditions for the reception of cargo, containers and passengers and there was an improvement in the quality of service provided, as well as improvements in the operability and productivity of the port operation.

3.6 Port of Tarrafal

Located on the island of S. Nicolau, Tarrafal port is intended primarily for inter-island traffic. Receiving ships on a regular basis from different islands.

The Port of Tarrafal, along with the Port of the Ilha de Maio, has not yet received any expansion or modernization project. The port infrastructures were built in





1991 and has 137 meters quay length, a Roll-on Roll-off ramp and a covered warehouse with an area of 450m².

3.7 Port of Furna

The Port of Furna is situated on Brava Island, the southernmost island of Cape Verde, being unanimously considered as the most important infrastructure of the Island, once it represents the only platform to access the Brava Island.

The port is located in a small natural bay, west of the town of Furna, which fits perfectly into the local landscape.

Currently, the port has a pier with 30 meters in length, 10 meters in width and a depth of 5 meters. In addition to these characteristics, it is important to note that there is also a Roll-on Roll-off Ramp, removable and adjustable according to the tide, as a complement the existing 11 meters of ramp.



The port of Furna also includes a warehouse, which is used exclusively to store parcels from the United States of America.

There is no vertical loading equipment, which means that the loaded has to be rolled or that the ships have their own crane.

In order to respond to the new challenges facing the Island, Furna Port will undergo expansion and modernization works. The construction of a new 75-meter multipurpose pier, the expansion of the existing dock to 60 meters and its re-equipment is already expected, as well as two buildings (maritime and administrative gare) and the implementation of energy and lighting networks to support the quays. The consolidation of the cliff on the access road completes all the planned interventions.

3.8 Port of Vale dos Cavaleiros

The Port Vale dos Cavaleiros is situated on the Island of Fogo, is located in the northern part of the Island, in a place of open sea. The area occupied by the Port is surrounded by a rugged area. The access to the Port is done through a 4 km long road that connects it to the city of São Filipe.

Currently, Port has two piers, one with 110 meters long, 10 meters wide and 5 meters deep, while the other is 75





meters long, 10 meters wide and 5 meters deep.

In addition to these characteristics, it should be noted that the Port also has a Roll-on Roll-off Ramp, removable and adjustable according to the tide.

3.9 Port of Porto Inglês

Currently is the Port that serves the island of Maio is located in the village of Porto Ingles, on the southwest coast of the Island.

It consists of a pier bridge with 265 meters long, implanted perpendicularly to the coast line, and a 7,000 m² embankment, which is situated in the rooting of the quays. There is a cargo storage park and the port administrative services buildings.

The port of Porto Ingles has poor operational conditions due to the strong agitation that occurs at certain times of the year, since the pier (on stakes) is in the open sea. This fact causes ship-owners reluctance to operate in this infrastructure, and there are also reports of damage to the sides of the ships due to the high level of agitation that is felt sometimes.



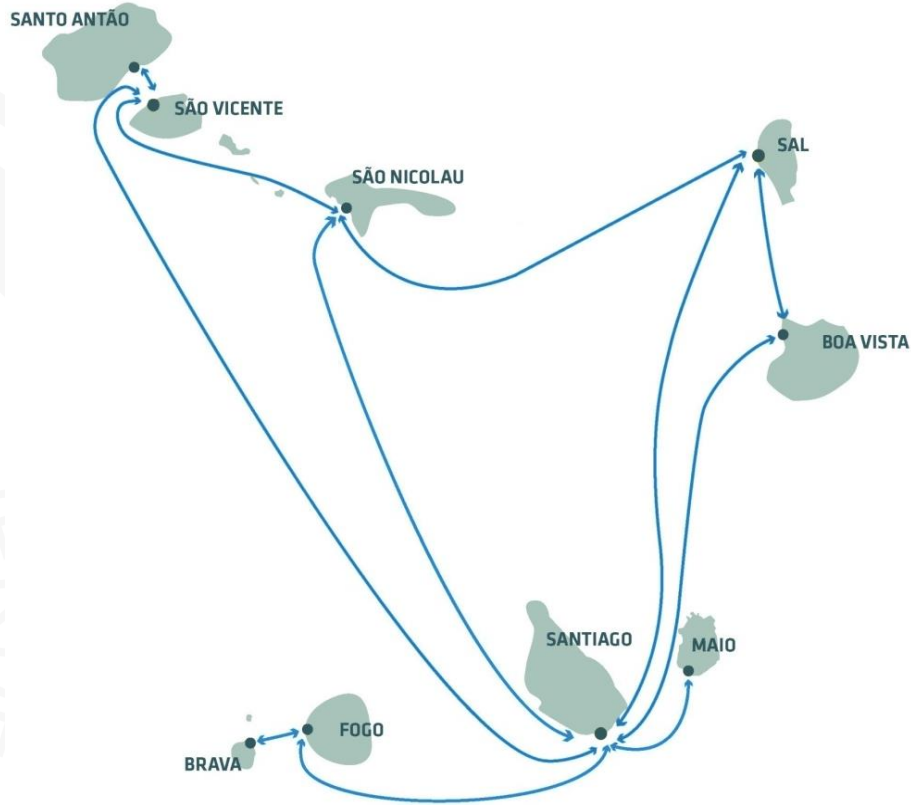
3.10 Summary of Cape Verde' Total Ports Capacity

DESIGNATION	Nº	UNIT
Docking	3.750	Meters
Container parking	46	Hectares
Port Silos	30.000	Tons
Covered Storage.	19.550	m ²
Discovered Storage	60.225	m ²
Berthing	3.000	Nº/year
Operations	1.000.000	Tons/year
Containers	55.000	TEUS/year



4. Supply

4.1 Supply's Diagram





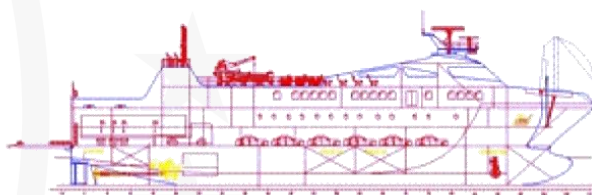
4.2 Minimum weekly supply lines and frequencies (Year 1)

Line	weekly frequencies
São Vicente – Santo Antão – São Vicente	21
São Vicente – São Nicolau – São Vicente	1
São Vicente – São Nicolau – Sal – Boa Vista – Sal - São Nicolau - São Vicente	2
São Vicente – Santiago – São Vicente	2
Brava – Fogo – Santiago – Fogo - Brava	5
Santiago – Fogo - Santiago	1
Santiago – Maio - Santiago	3
Santiago – Boa Vista – Sal – Boa Vista - Santiago	2
Santiago – São Nicolau - Santiago	1



4.3. Vessel Type

New Vessels	
Passengers, Vehicles and Rolling Freight Transport	
Passengers	300
speed (knot)	15
Crew	10
Length (meters)	60-70
Breadth	12-14
Propulsion (KW)	4000-6500
Type of Cargo	40-50 Vehicles 5-6 trunks (40pés)
Consumption	250 (liters/hour)





5. Legal Framework

- Legislative Decree 14/2010 - Cabo Verde Maritime Code;
- Decree Law 26/93 - Defines and regulates the access to the maritime transport industry;
- Decree Law 16-2015 - Bases for the Exploitation of inter islands Maritime Transport Public Service;
- Dec-Legislative 5-2007 - Approves the Cabo Verde Labor Code;
- Decree-Law 19-2016 – Ships Procedures for entry and exit Cabo Verde ports;
- Decree-Law 28-2016 - Updates Book IV of Cabo Verde Maritime Code;
- Decree-Law no. 15-2010 - Cabo Verde Ports Regulation;
- AMP Resolution 12-2013 - Approves the Cabo Verde Port Tariffs;
- Ordinance 16-2006 - Approves Inter Islands Maritime transport Tariffs;
- Ordinance 80-84 - Approves the Labor Regulation for Stevedoring Personnel;
- AMP Regulation 1-2015 - Passengers, Luggage and Cargo Transport Regulations;