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**THIS ACTION IS FUNDED BY THE EUROPEAN UNION**

**ANNEX 1**

to the Commission Implementing Decision on the financing of the Annual Action Plan 2023 in favour of the Republic of Guinea-Bissau

**Action Document for “Promoting agriculture and fisheries value chains development in Guinea-Bissau”**

**ANNUAL PLAN**

This document constitutes the annual work programme within the meaning of Article 110(2) of the Financial Regulation, within the meaning of Article 23 of the NDICI-Global Europe Regulation.

**1 SYNOPSIS**

**1.1 Action Summary Table**

<b>1. Title CRIS/OPSYS business reference Basic Act</b>	Promoting agriculture and fisheries value chains development in Guinea-Bissau OPSYS number: ACT-62251 Financed under the Neighbourhood, Development and International Cooperation Instrument (NDICI-Global Europe)
<b>2. Team Europe Initiative</b>	No
<b>3. Zone benefiting from the action</b>	The action shall be carried out in Guinea-Bissau
<b>4. Programming document</b>	Multiannual Indicative Programme (MIP) 2021-2027 for the Republic of Guinea-Bissau <sup>1</sup>
<b>5. Link with relevant MIP(s) objectives / expected results</b>	The Action is aligned to the MIP priority 2 (Green and Inclusive Economy), notably for the promotion of sustainable agribusiness and fisheries. Expected results in the MIP are: i) Applied research in environmental, agronomic and fishery areas is operational, ii) Micro, small and medium enterprises (MSME) are sustainably operating across the value chains of agribusiness and fisheries and iii) Hygiene, sanitary and quality practices and standards are strengthened in the value chains of agribusiness and fisheries.
<b>PRIORITY AREAS AND SECTOR INFORMATION</b>	
<b>6. Priority Area(s), sectors</b>	To promote sustainable agribusiness and fisheries (DAC 310).
<b>7. Sustainable Development Goals (SDGs)</b>	Main SDG: 8 - Promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all Other significant SDGs and targets: 1 - End poverty in all its forms everywhere. Target 1.4 2 - End hunger, achieve food security and improved nutrition and promote sustainable agriculture. Targets 2.4 and 2.a 5 – Gender equality and women empowerment. Targets 5.5 and 5.a

<sup>1</sup> [https://international-partnerships.ec.europa.eu/system/files/2022-01/mip-2021-c2021-9363-guinea-bissau-annex\\_en.pdf](https://international-partnerships.ec.europa.eu/system/files/2022-01/mip-2021-c2021-9363-guinea-bissau-annex_en.pdf)

	8 - Sustained, inclusive and sustainable economic growth. Targets 8.3 and 8.6. 10 - Reduced inequalities. Targets 10.1 and 10.3. 13 - Take urgent action to combat climate change and its impact. Target 13.3 14 - Conserve and sustainably use the oceans, seas and marine resources for sustainable development. Targets 14.2, 14.4, 14.a and 14.b 15 - Protect, restore and promote sustainable use of terrestrial ecosystems, sustainably manage forests, combat desertification, and halt and reverse land degradation and halt biodiversity loss			
<b>8 a) DAC code(s)</b>	DAC 310 – Agriculture, Forestry, Fisheries – 60% DAC 250 – Business & Other services – 35% DAC 240 – Banking and Financial services – 5%			
<b>8 b) Main Delivery Channel</b>	1300 - Third Country Government (Delegated co-operation)			
<b>9. Targets</b>	<input type="checkbox"/> Migration <input checked="" type="checkbox"/> Climate <input checked="" type="checkbox"/> Social inclusion and Human Development <input checked="" type="checkbox"/> Gender <input type="checkbox"/> Biodiversity <input type="checkbox"/> Education <input type="checkbox"/> Human Rights, Democracy and Governance			
<b>10. Markers (from DAC form)</b>	<b>General policy objective @</b>	<b>Not targeted</b>	<b>Significant objective</b>	<b>Principal objective</b>
	Participation development/good governance	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	Aid to environment @	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
	Gender equality and women's and girl's empowerment	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
	Reproductive, maternal, new-born and child health	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	Disaster risk reduction @	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
	Inclusion of persons with disabilities @	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
	Nutrition @	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	<b>RIO Convention markers</b>	<b>Not targeted</b>	<b>Significant objective</b>	<b>Principal objective</b>
	Biological diversity @	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
	Combat desertification @	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	Climate change mitigation @	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
	Climate change adaptation @	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
<b>11. Internal markers and Tags</b>	<b>Policy objectives</b>	<b>Not targeted</b>	<b>Significant objective</b>	<b>Principal objective</b>
	Digitalisation @	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	digital connectivity	<input type="checkbox"/>	<input type="checkbox"/>	/
	digital governance	<input type="checkbox"/>	<input type="checkbox"/>	
	digital entrepreneurship	<input type="checkbox"/>	<input type="checkbox"/>	
	digital skills/literacy	<input type="checkbox"/>	<input type="checkbox"/>	
digital services	<input type="checkbox"/>	<input type="checkbox"/>		
Connectivity @	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	

	digital connectivity energy transport health education and research	YES <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>	NO <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>	
	Migration @	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	Reduction of inequalities @	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
	Covid-19	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<b>BUDGET INFORMATION</b>				
<b>12. Amounts concerned</b>	Budget line: 14.020120 Total estimated cost: EUR 21 000 000 Total amount of EU budget contribution EUR 21 000 000			
<b>MANAGEMENT AND IMPLEMENTATION</b>				
<b>13. Type of financing</b>	<b>Indirect management</b> with the entity to be selected in accordance with the criteria set out in section 4.4.1.			

## 1.2 Summary of the Action

In a context of political instability and institutional fragility, economic development potential of Guinea-Bissau is hindered by several multidimensional and interrelated challenges. Despite its richness in natural resources, the country's economy is highly dependent on subsistence agriculture, cashew nut exports and foreign assistance. The weak policy and regulatory framework is among the major factors in preventing private sector investment and growth because of its dispersion.

An unattractive business environment impedes the emergence of local initiatives which remain relegated to the informal economy. Access to finance is a major constraint, which limits MSMEs' capacity to expand and invest. Given the food security and food sovereignty challenges, it is critical to increase the added value of the cashew nuts value chain and diversify the economy through the promotion of other sustainable food value chains, notably of rice, tropical fruits and plants and fisheries. The weakness of the food value chains is structural, encompasses all levels and manifests itself in the absence of a vision and effective sector policies, the lack of structuring interventions, the fragility of public support bodies and the insufficient access to processing and marketing services. Climate change also has a strong effect on the viability and sustainability of value-chains.

Research is not sufficiently supported by the public sector limiting the development of MSMEs. The food safety quality assurance system in Guinea-Bissau is fragile and embryonic. The accreditation of a national laboratory for quality control and introduction of a regulatory framework for food safety system is therefore essential. Technical skills at the various segments of the food value chains are also lagging behind. Specific support for the creation/expansion of MSMEs, including through incubators, access to financing mechanisms and digitalisation opportunities, is also very much needed.

In this context, the action intends to promote sustainable economic growth and decent green and blue jobs creation, while paying attention to the climate change adaptation and mitigation challenges by: i) adopting circular economy principles, ii) alignment to the farm-to-fork strategy<sup>2</sup>, and iii) paying attention to biodiversity. The specific objectives, aim to: i) improve an enabling environment for the development of inclusive sustainable and resilient food value chains, ii) improve efficiency, climate resilience, inclusiveness and sustainability of selected agriculture and fisheries value chains, namely cashew nuts, fisheries, rice and a choice of tropical fruits and plants and iii)

<sup>2</sup> Farm to Fork Strategy, For a fair, healthy and environmentally-friendly food system, European Commission, [https://food.ec.europa.eu/system/files/2020-05/f2f\\_action-plan\\_2020\\_strategy-info\\_en.pdf](https://food.ec.europa.eu/system/files/2020-05/f2f_action-plan_2020_strategy-info_en.pdf).

improve competitiveness of entrepreneurs in the selected value chains of agriculture and fisheries. Issues such as the strengthening of the policy and regulatory framework conducive for investment, improving of food quality and safety systems and enhancing access to finance by MSMEs (especially those women-led) will be also addressed. This approach also contributes to food and nutrition security, considering the diversity of the products of the selected value chains and the expected women's income increase.

The action will focus on some specific value chains, with a view to identify and explore the potential of the different parts of each of them, in order to lay the foundations for future targeted investments where opportunities and relevance prove to be bigger. These value chains are in particular: cashew nuts (efficiency and sustainability), rice production (diversification and promotion of transformation), fisheries (safety and development of the value chain, including artisanal fisheries) and tropical products and sub-products (exploring the 'niche'). MSMEs will benefit from services provided by business incubators in the capital and in two regions to be identified to build viable development paths, complemented by networking activities for knowledge sharing and access to business opportunities at national, regional and international level. The action involves three main stakeholder groups as duty bearers: public actors, the private sector and the stakeholders involved in the improvement of the business and investment climate.

The action contributes to the Global Gateway, notably by accelerating the green transition, sustainable growth and decent job creation in the agri-food systems area. It is complementary and can potentially feed into the regional programme on "Regional Value Chains in Sub-Saharan Africa". The following DAC sectors defined by the OECD are involved: DAC 310 – 'Agriculture, forestry, fishing', DAC 250 – 'Business & Other services' and DAC 240 – 'Banking and financial services'. It will contribute to the achievement of SDG 8 – 'Promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all', SDG 1 – 'No poverty', SDG 2 – 'Zero hunger', SDG 10 – 'Reduced inequalities', SDG 13 – 'Fight against climate change', SDG 14 – 'Conserve and sustainably use the oceans, seas and marine resources' as well as SDG 5 'Gender equality and women's empowerment' in line with the Gender Action Plan III<sup>3</sup>.

## 2 RATIONALE

### 2.1 Context

Guinea-Bissau is one of the world's poorest and most fragile countries, marked by significant environmental vulnerabilities and exposed to risks related to climate change. An estimated population of about 1.9 million spreads over an area of 36,125 km<sup>2</sup>, mainly concentrated on the coast. The country comprises an archipelago, the Bijagos, of more than 88 islands, listed as a UNESCO Biosphere Reserve. The country's regional integration level is low. From the political point of view, since its independence in 1973-1974, Guinea-Bissau has experienced several major political crises and recurrent institutional instability. Following legislative elections held in June 2023 and won by the opposition party, the Parliament has been re-established after its dissolution by the President Sissoco in May 2022 as a reaction to a coup attempt on 1<sup>st</sup> February 2022. President Sissoco, currently the chairman of ECOWAS, has been deploying diplomatic outreach with a wide variety of countries on regional and Guinea-Bissau's priorities, including the fisheries sector.

Over the last years, Guinea-Bissau has experienced weak economic growth, however its economic outlook is positive, supported by the cashew sector. Real GDP growth has been negatively affected by lower-than-expected cashew exports, which slowed mainly due to logistical constraints. In 2023, the International Monetary Fund (IMF) Board has approved an Extended Credit Facility arrangement for Guinea-Bissau in the amount of USD 38 400 000.

The structure of the economy in the country is mainly based on agriculture, which accounts for more than 45% of GDP and employs 80% of the labour force, mainly women. Export is concentrated in unprocessed cashew nuts, which represents 90-98% of total export earnings. The poorly diversified economy makes the country highly vulnerable to global shocks and adverse climatic conditions. However Guinea-Bissau has a privileged geographical

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<sup>3</sup> Joint Communication to the European Parliament and the Council EU Gender Action Plan (GAP) III – An ambitious agenda for gender equality and women's empowerment in EU External Action - {SWD(2020) 284 final}. The EU Gender Action Plan (GAP III) was adopted by 24 Member States through the Presidency Council Conclusion on 16 December 2020.

location and the highest proportion of natural wealth per capita in West Africa, including agricultural land, fisheries with a rich coastline, forest, minerals, biodiversity and recently discovered oil and gas<sup>4</sup>.

Despite its potential, economic and social indicators of Guinea-Bissau are well below the average of sub-Saharan African countries. The position in the Human Development Index was 177/189 in 2021, marked by an extremely weak human capital and low access to basic services, contributing to exclusion and marginalisation. Inequalities remain high, with a Gini coefficient rate of 34.8, and affect particularly women: girls are much less likely to finish school than boys, and women have less opportunities in terms of employment and are much less likely to earn a wage than men, which limits their economic autonomy. The share of income among the poorest bottom 40% is substantially lower (5.77% in 2021)<sup>5</sup> than the rest of the population. The country has seen a strong increase in the urban population in recent years. Demographic dynamics reflect the lack of interest of young people in rural trades: although the agriculture and fishing sectors are the main job providers, this position could be reversed in the years to come.

The private sector development is limited: in 2020 the Doing Business Index ranked Guinea-Bissau 174th out of 190, showing there is still a long work to improve business environment, human resource's ability or the access to finance. Moreover, the large informal sector, the illegal logging and trafficking are aspects to be taken into consideration. The legal economy is based on cashews and fishing with a large number of small-scale operators. More than 90% of the population lives from activities directly dependent on the climate. Additionally, the lack of social protection mechanisms greatly accentuates the low resilience of the economic operators.

Weak infrastructure and limitations to meet international quality and sanitary standards that undermine market opportunities, unexploited potential of value addition for food products, low productivity mainly due to limited access to modern techniques and to phytosanitary threats, absence of opportunities to access credit for most of the economic operators and individuals (specially women), as well as a weak governance framework, make the economy of Guinea-Bissau – in particular in the agriculture and fisheries sectors – highly vulnerable to internal and external shocks. This vulnerability is particularly accentuated by the concentration in the production of one single commodity. Furthermore, serious environmental challenges revolve around forests and the management of coastal areas, biodiversity conservation and quality of water resources. This negatively affects the country's food security and food sovereignty.

In this complex context, where challenges are multidimensional and interrelated, business environment reforms with a special focus on agribusiness and fisheries seem the main sustainable and inclusive economic growth catalysers to create decent job opportunities and to ensure overall socio-macroeconomic stability. The national development plan 'Terra Ranka - Guinea-Bissau's Vision 2025' indicates the simplification of the business sector and the development of the private, as well as the development of agribusiness and fisheries opportunities, among the main growth drivers.

## 2.2 Problem Analysis

Short problem analysis:

In a context of political instability and institutional fragility, economic development potential of Guinea-Bissau is hindered by several challenges.

The **weak policy and regulatory framework** is among the major factors in preventing private sector investment and growth because of its dispersion. The length, costs and delays of procedures could be an impediment to discourage private sector: the country ranks 174/190 in the 2020 survey of the Doing Business Index. Despite a national development plan stressing the importance of reinforcing the global coherence of the various public policies aimed at implementing reforms, there is not a credible and relevant harmonised sectoral policy to facilitate business environment towards sectors with diversification potential, promotion of the MSME start-ups, sustainable growth and fresh investment. An unattractive business environment prevents the emergence of local initiatives which remain relegated to the **informal economy**. The informality of the economy, given the fact that it operates outside the regulatory framework, implies a risk of unfair competition and tax evasion, besides the lack of protection for workers. Informality hampers the State's ability to deliver public services and creates unfair

<sup>4</sup> <https://www.elibrary.imf.org/downloadpdf/journals/002/2022/196/002.2022.issue-196-en.pdf>

<sup>5</sup> <https://data.undp.org/inequality-bottom40/>.

competition. The absence of decent jobs and the lack of social protection has an impact on health, education, social stability and all these aspects are important factors of the investment business environment.

**Access to finance** is a major constraint, which limits MSMEs capacity to expand and invest. The financial sector is little developed and unable to mobilise sufficient medium and long-term resources aiming to finance needs of economic operators and individuals (specially women). There is not a regulatory environment for MSMEs finance (access, financing, payments and monitoring) that considers target-based lending, the nature of its jurisdiction or measures for productive sectors of the economy. Additionally, the inclusive finance policy does not seem to be considered through articulated policies, namely the fiscal policy, such as taxation, and other incentives that could expand inclusive growth and sustainability of the MSMEs. On the financial market there are no 'Financial Incentive Institutions', Microfinance Institutions or Development Banks. In Guinea-Bissau, six commercial banks are operating in the market but the core business activities, products and services are not aligned with agribusiness and fisheries small scale market segments. From the supply side there are not innovative products for the operator's business viability, linked to high risks, small accounts, rural areas, loan guarantees, cost-sharing in pilot phase, among others. Difficulties are faced in the relationships between traditional (banks and money transfer operators) and non-traditional (mobile money agents) financial service providers, in a context where the financial inclusion could be an important factor for sustainable development in Guinea-Bissau.

Relying on a traditional and informal production system concentrated in the production of raw cashew nuts, Guinea-Bissau faces food security and food sovereignty challenges, exacerbated by concerns on the management of forest and coastal areas, biodiversity conservation and quality of water resources. Increasing value added of the cashew nuts value chain and diversifying the economy through the promotion of other sustainable food value chains, notably rice, tropical fruits and plants and fisheries.

The **weakness of the food value chains is structural**, encompasses all levels and manifests itself in the absence of a vision and an effective green and blue policy, as well as in the lack of structuring interventions (roads, electricity, internet connectivity and hydro-agricultural repairs), in the fragility of public support bodies and in the insufficient access to processing and marketing services. Moreover, as underscored by the Terra Ranka, the National Communications to the UNFCCC and the Nationally Determined Contribution (NDC) submitted to the Paris Agreement in 2021, the country's heavy reliance on subsistence farming is critical. Because of this reliance, as well as widespread poverty, a largely coastal and flat geography, and very limited institutional capacities, Guinea-Bissau is thus one of the most vulnerable countries in the world to climate change<sup>6</sup>. The NDC and the National Action Plan for Adaptation to Climate Change (PANA) identify agriculture, water resources and coastal areas as the top priorities for adaptation. Guinea-Bissau thus require measures to build resilience to climate impacts in the agricultural and fisheries sectors, with the aim to safeguard development efforts, including by giving preference to natural agriculture and respect of biological recovery in fishing. The agriculture sector and the change in land use represent over a third of national Greenhouse Gas (GHG) Emissions, a significant part of which comes from illegal logging and expansion of cashew nut fields. The NDC bets on the forest and land use sector for 87% of GHG emissions to be avoided until 2030.

More specifically on the **cashew nuts** value chain, the sector is currently stagnant, with a concrete perspective of long-term degradation. The country moved in a few years from the 4th world cashew producer to the 8th, facing the rise of new producing countries such as Benin, Mali, Mozambique and Ghana. Indicators of this trend are the preponderance of raw cashew nut exports compared to processed kernels, declining of domestic cashew production due to lack of adequate management of cashew orchards, low capture of the potential added value of national cashew production due to low local processing rate, gaps on the supply side and processors regarding possible co-products for the consumer market, and high financial cost of credit operations in the country. Dependence on a limited number of buyers and middlemen can lead to price manipulation and volatility, lack of market information and limited negotiating power of small-scale farmers make engagement in direct trade and access higher-value markets difficult. Moreover, the absence of quality control systems and certifications hampers the ability to meet international standards and tap into premium markets. Climate change, notably erratic rainfall patterns, increased temperatures, and pest and disease outbreaks, can affect crop yields and quality, thus impacting productivity and stability of the cashew nut value chain. Farming and harvesting of the cashew nuts are done largely by women on land owned by their husbands or fathers during the peak cashew season of March to May. Women also work at peeling and sorting nuts. The nuts are sold by male farmers to a trader, exporter or processor (also male), or stored

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<sup>6</sup> 181<sup>st</sup> of 185 countries according to the Notre Dame Global Adaptation Initiative index: <https://gain.nd.edu/our-work/country-index/rankings/>

for later sale or exchange for family income and consumption items as decided by men. Therefore, economic empowerment of women, who represent over 80% of the work force in cashew nuts harvesting is essential.

As per **other tropical trees**, producing edible fruits such as mango, papaya and banana, or other parts of the plants to be used for medical and cosmetical purposes such as neem, the diversity of the species and the specificities of their value chains should be better examined and their potential assessed. For the edible most common fruits as mango, the known challenges are mainly at the level of the production, notably the quality of seeds and relevance of varieties, planning, techniques on the prevention and management of diseases and crop damages by animals, as well as the level of transformation and distribution given the challenges linked to their short term perishability. About the tropical plants for non-edible consumption, some have several possible uses for “niche” markets. Among them, the neem tree may give origin to an oil that is a natural pesticide extracted from the seeds with a simple and accessible pressing technology and is very much sought in the region. Pulp can be further processed at industrial level for clarified hydrophobic neem oil that is used in toothpaste, cosmetics, soaps, and pet shampoos. Seed harvest and cleaning is the key supply chain step and would favour low-cost-labour areas. In Guinea-Bissau neem trees are present in towns and villages, with no actual use but shadowing purposes. Given the complexity of the cluster of tropical products, better practical and scientific knowledge and then specific investments for the structuring of the value chains of selected products, are required.

On the **rice** value chain, there are three forms of rice production in Guinea-Bissau: 1. Cultivation of lowland rice. 2. Mangrove rice cultivation and 3. Cultivation of upland rice. The main challenges for the rice sector are: i) the low productivity of the main production systems due to inadequate production technologies, poor quality seeds and use of limited inputs, ii) inadequate agricultural infrastructure and equipment, iii) input cost that negatively affects the economic sustainability, v) inadequate and insufficient post-harvest equipment and technologies, iv) limited capacities of producers and other actors in the sector and vi) marketing issues. Lowland rice allows the use of an irrigation system and therefore to multiply the yields. Maximizing lowland rice production would require the promotion of an intensive production system in a progressive, inclusive and sustainable way, focusing on the implementation of sustainable hydraulic infrastructures and on the protection of watersheds to minimize the impact of sedimentation in irrigated areas. For mangrove rice cultivated in salty areas, particularly vulnerable to rising sea level caused by climate change, it is necessary to create conditions to seal off the access of salt water to the cultivation zones and to allow the draining of surplus rainwater in the rice paddies. All three rice cultures need quality seeds and appropriate technologies for threshing, processing and conditioning the rice, thus avoiding the losses that occur in this segment of the row. Agroecology approach may minimize external inputs, improve economic viability of rice production and increase resilience to shocks and adaptation to climate change. Aspects of storage and commercialization, as well as women empowerment to advance in the value chain with greater economic returns for women’s work (rice is farmed by both women and men), have also to be taken into account to address rice value chains criticalities.

On the **fisheries** value chain, despite the existing fish resources in the ocean, the country does not take full advantage of the multiplier effects that commercial fishing could have on its domestic economy. Fishing is an important source of economic activity for women who work cleaning and selling fish. Women also do some small fishing for shellfish. Women are at the bottom of the value chain. The governance of the sector is poor considering the labour productivity, basic infrastructure, training skills and processing units and there is a lack of capacity to collect and disseminate information and implement measures to sustainably manage resources. The limited financial resources and the fragile capacity of the Government for Monitoring, Control and Surveillance (MCS), despite the support of the Sustainable Fisheries Partnership Agreement (SFPA) with the EU since 2007, hinder its ability to make informed decisions about resource management and sustainable fishing practices. Insufficient stock assessments combined with poor control of waters and prevention of illegal, unreported and unregulated (IUU) fishing together with overfishing and the depleted stocks, are major problems because they contribute to the degradation of the resources and undermine the economic viability of the fisheries value chain. Furthermore, the fisheries sector generates a weak value added in the country due to the lack of industrial fishing, port and certification for export to the EU and other markets. Consequently, benefits are low because most of the catches are not landed, processed nor exported from Guinea Bissau. Although the fisheries sector is clearly underdeveloped and not optimized from a financial perspective, it still provides significant funds for the national budget of Guinea-Bissau, estimated at 50% of non-fiscal revenues and 13% of total government revenue, a big part of which comes from EU’s SFPA. The fisheries administration should improve the efficiency of its essential mandate directed at the creation of a regulatory framework and business environment favourable to the development of industrial fisheries, commercial artisanal fisheries and sub-sectors complementary to the fishing activities (fishing license

issuance process, vessel registration fees, export fees, taxes and bureaucratic processes, among others). Additionally, the fisheries management system is not transparent enough to facilitate business operators' information on fish resources. However data is crucial to allow companies to understand and predict trends, opportunities and market conditions. Construction of an industrial fishing port and certification for export to the EU have been identified by Guinea-Bissau's government as strategic priorities to transform and diversify the national economy.

The mentioned value chains, beside their specific challenges, face **systemic issues**. Due to the fragility of the institutions, there is a lack of **coordination** of national, regional and international institutions aiming at the complementarity of the agribusiness and fisheries value chains. **Research** is not sufficiently supported by the public sector and its potential to contribute to the scientifically informed development of MSMEs working in the food value chains is limited. The **food safety quality assurance system** in Guinea-Bissau is fragile and embryonic. The accreditation of a national laboratory for quality control and introduction of a regulatory framework for food safety system is therefore essential to enable export to high value international markets – such as the EU - and capture opportunities offered by regional integration frameworks, including the Africa Free Trade Area (AfCFTA). Compliance with high level requirements and products certification is particularly relevant for some value chains, as fisheries. Another major issue is related to **human capital**, in particular with regard to technical skills at the various segments of the food value chains and gender equality. Women farmers are especially disadvantaged since men control decisions over land and resources and allocate these first to their own work. There is a need to support women economic roles and labour productivity (areas of need: access to financing, extension services and training to improve production and sales, and provision of basic infrastructures to ease time burdens and increase efficiencies of market work and domestic work as well), which has a potential impact on food and nutrition security among others. Vocational training as well as high level expertise should address the specific needs of each product. Furthermore, although public bodies for the promotion of entrepreneurship exist, their operability remains very low today. However, support for the identification of business opportunities, **networking** for knowledge sharing and promotion, coaching and guidance form the early stages of the MSMEs, including through **incubators**, access to **financing mechanisms** and **digitalization opportunities**, is key for their viability and development.

**Identification of main stakeholders and corresponding institutional and/or organisational issues (mandates, potential roles, and capacities) to be covered by the action:**

The action involves three main stakeholder groups as duty bearers: 1) public actors providing the institutional framework and support to the development of the selected value chains (cashew, rice, tropical fruits and plants, fisheries), 2) the private sector involved in the development of the selected value chains, 3) the stakeholders involved in the improvement of the business and investment climate.

The key partners are the following.

***National stakeholders***

**- Public sector**

- *Ministry of Economy and Planning*, responsible of the Business Environment Strategy and action plan, as well as to coordinate the business environment inter-ministerial reforms (Energy, Transport, Public Administration) and its institutional working plans from the technical and political point of view.
- *Ministry of Finance*, responsible for macro-economics and public finance management through mobilization and allocation of public resources. It plays an important role in the coordination with the Ministry of Economy and BCEAO (Central Bank) for the formalization, tax regimes and incentives. Furthermore, it includes the Customs Directorate that has the responsibility of controlling the administrative conditions of origin and specifications of exported products (in the case of fisheries, sanitary certification, IUU catch certificate, exporter eligibility, among others).
- *Ministry of Agriculture and Rural Development*, to improve the strategic, budgetary and regulatory framework for the value chains of cashew nuts, tropical tree and rice.
- *Ministry of Fisheries* is directly involved in the implementation of the Sector Policy and the Strategy for the Fisheries Sector 2023-2027. The operational departments in charge of the sector comprise several General Directorates of Fisheries and autonomous services for the sector policy implementation.
- *Ministry of Trade* for the regulatory frameworks relevant for each value chain, *Ministry of health*, important for its role in the regulation of food safety, *Ministry of Environment and Biodiversity*, for the sustainability of

agriculture and fisheries practices and *Ministry of Women and Social Solidarity*, to promote women inclusion in economic development.

- *Central Bank of West African States (BCEAO)* is responsible to manage the monetary policy of the eight members of the Monetary Union and to promote financial inclusion.
- *Value chains promotion agencies*, such as the National Agency of cashew nuts.
- *Guinea-Bissau Investments* for the promotion of investments and major projects, to attract potential investors, contribute to the policy making, benchmark the region against the country and attract core investments promotion at the national, regional and international levels.
- *Agency for the promotion small and medium-sized companies*, under the Directorate-General for the Promotion of Private Investment, whose mission is to "contribute to the application of the Government's Economic Policy in terms of promoting private investment.
- *Centre for business formalisation*, called 'one-stop-shop service' for registration of newly created MSMEs.
- *Agency for the promotion of credit and savings activities*, Agency for *supervision of microfinance* activities.
- *National Institute of Agricultural Research (INPA)*, responsible for the provision of various technological innovations in the field of agriculture and forestry including on access to quality seeds.
- *Fisheries National Institute for Research and Oceanography (INIPO)*, and the *National Fisheries Laboratory*, both under the responsibility of the Ministry of Fisheries. INIPO is a technical and scientific entity which involves the scientific investigation of the fishery resources with a view to contributing to their sustainable exploitation, collecting, processing and disseminating statistical data, quality control of fishery products and the marine environment, as well as research on the cultivation of marine species.
- *Fisheries control agency (INFISCAP)*, an autonomous public body which is responsible for implementing sustainable surveillance systems, national control, inspection activities and promoting fisheries value chains.

#### - **Private sector**

- *MSMEs*, fishing/agriculture industry, cooperatives, organisation of producers, young and female entrepreneurs.
- *Chamber of Commerce*, to structure the interprofessional dialogue within the framework of the selected value chains.
- *Professional associations* for the promotion of the cashew nuts , rice/tropical fruits/fisheries value chains, and the promotion of decentralized financial systems and banks.
- *Training Centres, Academia* Researchers/Students.
- *Business incubators*, for training and mentorship to entrepreneurs. Some of them are: Urban Incubator Innovalab, focusing on digital innovation; Cide Incubator, with experience in the fisheries sector; Rural Incubator of Engim/CIFAP, focused on agri-entrepreneurs.

#### - **Civil society**

- *Non-Governmental Organisations*, that have an important role when involved in private sector development (incubation, trade, etc.) in agrobusiness and fisheries value-chains.
- *Local associations* (including youth and women organisations).
- *Consumer associations* and other public and community organizations responsible for promoting healthy and sustainable food consumption.
- *Diaspora*.

An Inter-ministerial Commission is in place, under the responsibility of the Ministry of Economy and Planning, to support, the Business Environment Reforms. It is composed by a vast number of public and private entities, namely the Ministry of Economy, Directorate General to Promote Private Investments, Centre for Private Companies Formalization, General Customs Directorate, General Directorate for Tourism, Directorate General for Commerce, Directorate General for Industry, Local Municipality of Bissau, General Directorate for Notary and Civil Registration; Chamber of Commerce; Industrial Association; Association of the Tourism Operators; Association of the Importers and Exporters of Guinea-Bissau; Association of the Processors of Cashew and Associations of Intermediaries of Guinea-Bissau.

#### ***International Bilateral and Multilateral partners***

The *World Bank* is supporting country economic development efforts for Rural Transport Project (including a blending with the EU for the strategic corridor which links Guinea-Bissau to Senegal), for West Africa Regional Communications Infrastructure Digital Project, Emergency Water and Electricity Services Upgrading Project,

addressing key-reforms and infrastructure investments to reinforce the business environment conditions and bases for economic diversification.

The *African Development Bank* has a vast number of projects covering agriculture, governance, social sectors and transport (including a strategic corridor between Guinea-Bissau and Guinea with the EU), contributing to job creation and economic resilience.

The *UN Development Programme* (UNDP) has been supporting the country through different angles namely the Blue Economy Strategy and the Financial Inclusion Strategy.

The *Food and Agriculture Organization* (FAO), has been working in the country in several topics, from cereal seed to agroforestry, food safety and fisheries.

The *International Fund for the Development of Agriculture* (IFAD), has provided Guinea-Bissau with technical support and loans to revitalize the rural economy, notably by supporting community development and micro-finance, focusing on developing infrastructure and increasing rice production.

Among the *resident EU Member States*, Portugal is active in the agriculture sector, while France and Spain don't have specific current intervention related to private sector and value chains development, but the commitment to relaunch the respective bilateral cooperation was announced at the beginning of 2023, in particular on agriculture (France) and fisheries (Spain). Belgium, via its development agency, is implementing an EU funded action on vocational training. Italy funds actions on inclusive business, professional training and rice production. The EIB is active with a blending for the rehabilitation of the strategic corridor relying Guinea-Bissau with Senegal (Safim-M'Pack), in partnership with the World Bank.

Third countries are present and active in the areas covered by the action, like China (infrastructure and fisheries in particular, and among the major cashew nuts importers), Turkey (infrastructure and energy), India (the main cashew nuts buyer), United States via USAID (on cashew nuts), as well as NGOs and private sector companies.

### 3 DESCRIPTION OF THE ACTION

#### 3.1 Objectives and Expected Outputs

The **Overall Objective** of this action is to promote sustainable economic growth and decent green and blue jobs creation.

The **Specifics Objectives** of this action are to

1. Improve an **enabling environment** for the development of inclusive sustainable and resilient food value chains.
2. **Improve efficiency, climate resilience, inclusiveness and sustainability** of selected agriculture and fisheries value chains, namely cashew nuts, fisheries, rice and a choice of tropical fruits and plants.
3. Improve **competitiveness of entrepreneurs** in the selected value chains of agriculture and fisheries.

The **Outputs** to be delivered by this action contributing to the corresponding Specific Objectives are as follows.

Outputs contributing to **Specific Objective 1:**

- 1.1 Enhanced capacity of government and key stakeholders for elaboration and implementation of policies, laws and strategies related to business environment and food quality and safety, conducive for sustainable development of the selected value chains.
- 1.2 Enhanced access to inclusive financing for MSMEs.

Outputs contributing to **Specific Objective 2:**

- 2.1 Improved capacity of stakeholders in cashew nuts, tropical fruit and plants, rice and fisheries value chains for their sustainable, climate change adapted and efficient and inclusive development and management.

2.2 Enhanced infrastructure and facilities along the selected value chains for the improvement of production, processing and distribution capacity and the development of added value.

Outputs contributing to **Specific Objective 3**:

3.1 Enhanced capacity of business incubators to foster and strengthen entrepreneurship in the selected value chains.

3.2 Enhanced access to business, partnership and networking opportunities among stakeholders of the selected value chains.

### 3.2 Indicative Activities

*Activities relating to Output 1.1 - Enhanced capacity of government and key stakeholders for elaboration and implementation of policies, laws and strategies related to business environment and food quality and safety, conducive for sustainable development of the selected value chains*

- Providing technical assistance to the inter-ministerial body in charge of the Business Environment Reforms, for the formulation of an economic policy and action plan, including for the harmonisation of the business ecosystem, and to facilitate a dialogue mechanism among stakeholders.
- Support to the relevant ministries for the improvement of the strategic and regulatory framework and enforcement mechanisms related to the cashew nuts, rice and fisheries value chains, based on diagnostics in the respective areas.
- Capacity building to the relevant stakeholders to improve business environment specific regulatory framework for MSMEs, notably on skills development, costs reduction, access to market information, investments promotion, innovation and entrepreneurship
- Capacity building on climate change adaptation practices in the agriculture sector, as well as capacity for disaster risk reduction and weather monitoring should be considered. Promising practices being tested in current EU-funded and other projects, for instance in the mangrove rice value chain, might be scaled up.
- Support to the competent authorities to improve the regulatory framework defining quality standards – notably on hygiene, safety, and labelling requirements including those adding value to organic and biologic production – and set up a traceability system for fish, fruits and vegetal origin products.
- Capacity building of the relevant stakeholders to implement the legal framework for the food safety system, including the inspection, monitoring and certification processes. A specific action plan for certification of fish products to the EU is currently under development and this action will contribute to its implementation. Providing equipment and material input to improve the operationalisation of the National Laboratory, to ensure that agribusiness and fisheries products meet the hygiene and sanitary standards.
- Awareness raising of national authorities, private sector, academia, civil society and development partners about the market food safety requirements.

*Activities relating to Output 1.2 - Enhanced access to inclusive financing for MSMEs*

- Elaboration of a situational analysis of the financial inclusion options for Guinea-Bissau's financial landscape, in coordination with the relevant ministries and stakeholders, including BCEAO. Subsequent institutional support for the transformation of the national financial system to promote inclusive financing for MSMEs operating in the food value chains, notably at microfinance level.
- Promotion of mechanisms for alternative access to credit and capital, including through funds to promote entrepreneurship, green and impact funds, among other.
- Gender sectoral analysis on financial literacy and access to finance. Training and awareness campaigns on financial literacy, including among youth, women and in rural areas, persons with disability, to ground knowledge among individuals and to support MSMEs for a better financial inclusion.

*Activities relating to Output 2.1 - Improved capacity of stakeholders in cashew nuts, tropical fruit and plants, rice and fisheries value chains for their sustainable, climate change adapted and efficient and inclusive development and management*

- **Cashew nuts**
- Detailed diagnostic on the cashew nuts value chain and a subsequent action plan, to identify the most strategic segments for investments and market orientation. Technical assistance to improve the quality of production, collection, transformation, distribution and marketing, better adapted to climate change challenges and environmental/biodiversity conditions.

- Launching a pilot programme to restore orchards at national level, including through “school fields” with the participation of producers organisations and the adoption of agroecology and climate-smart practices. Creation of model cashew plants nursery centres, in coordination with the relevant national authorities in charge of seeds quality assurance.
- ***Tropical fruit and plants***
- Diagnostic on a selection of tropical fruits and plants with economic potential and adapted to environmental and climate change conditions, and identification of niche products and respective value chains and market opportunities, as well as a subsequent action plan for the most promising ones.
- Launching an innovative pilot on research farms focused on technologies applied to selected edible and non-edible tropical products, to collect data and identify best practices to target market opportunities.
- Providing equipment and technical assistance to support initiatives for the development of the selected niche products at all levels of the respective value chains, with a special focus on innovation, digitalization, traceability, quality control and marketing, and capacity building of the stakeholders, with a focus on women and youth, including on their organisation and representation.
- ***Rice***
- Detailed diagnostic on the rice value chain, including the various production systems, and identification of the main challenges in terms of production, stock management, processing and marketing, as well as an action plan for their viable development.
- Launching a research initiative in the field of quality rice production, notably to guarantee the quality of lowland and mangrove rice seeds and the final product, with a special focus on the nutritional quality and on the impact of rice production on the ecosystem. Training of producers on improved technologies of production and quality seeds.
- ***Fisheries***
- Mapping of fisheries value chain with its different components and high potential species and identification of relevant actions for improving governance and management frameworks and strategic investments, with a special focus on the economic, environmental and social viability aspects (gender and human rights aspects included).
- Launching a research initiative, in complementarity with the SFPA, on the sustainable management and exploitation of fisheries resources, with a focus on data collection and analysis to inform decision-makers, to increase awareness, capacity and engagement of local communities.
- Providing equipment and technical support to initiatives for the sustainable development of artisanal fisheries, benefitting in particular youth and women, with a special focus on the organization of the value chain, complying with food safety standards, conservation, distribution and marketing and the adoption of circular economy principles.

*Activities relating to Output 2.2 Enhanced infrastructure and facilities along the selected value chains for the improvement of production, processing and distribution capacity and the development of added value*

- Construction or rehabilitation of infrastructure for transformation of cashew nuts products and sub-products with the adoption of circular economy principles and capacity building of the relevant stakeholders, including youth and women, notably on their organisation and representation among other.
- Construction or rehabilitation of infrastructure for mangrove and lowland production and processing. Equipment and technical assistance to support initiatives – in particular those involving women and youth - for the organisation and representation of the value chain actors, as well as for the development of rice products and sub-products, with a special focus on innovation, digitalization, traceability, quality control and marketing,
- Promote investments in infrastructure development to support the fisheries value chain, including the improvement of landing sites, cold chain, fish markets, processing facilities, and storage infrastructure, and training of relevant stakeholders on food safety, technologies of processing, conservation and marketing, and awareness raising on the sustainable management of the fisheries resources.

*Activities relating to Output 3.1 - Enhanced capacity of business incubators to foster and strengthen entrepreneurship in the selected value chains*

- Assessment of the institutional and organisational capacities of existing business incubators in the capital and in two regions, and elaboration of action plans for the implementation of quality services to MSMEs (especially those women-led).

- Support to consolidate the selected business incubators, for the development of innovative and sustainable business on agribusiness and fisheries.
- Launching specific programmes to support, through the business incubators, potential or existing MSMEs to develop sound business activities, including by the provision of pre-incubation, incubation and post-incubation services (with a socioeconomic gender and disability sensitive approach) and support for the adoption of circular economy principles.

*Activities relating to Output 3.2 - Enhanced access to business, partnership and networking opportunities among stakeholders of the selected value chains*

- Establishing thematic platforms and databases focusing in agribusiness and fisheries value-chains, in collaboration with private sector, key-organizations for specialized trainings, financial institutions, academia, associations, foundations, chambers of commerce, development partners, for business partnership networks.
- Promotion of private sector development initiatives, under a credible Guinea-Bissau brand, to mobilize partnerships, financing and knowledge sharing for the national sustainable development, private sector investments increase and inclusive decent job creation.
- Develop specific communication activities and events, such as Business Forums, inspiring initiatives, workshops, cultural events, to generate adequate knowledge and debate around the private sectors national priorities and opportunities, innovation, technology transfers, geo-referencing, markets researches, statistics for business decisions.

### 3.3 Mainstreaming

#### **Environmental Protection & Climate Change**

EU support to the food value chains in Guinea-Bissau is part of a broader approach for the transition towards sustainable, green and inclusive development, aligned with the country's updated Nationally Determined Contribution (NDC, October 2021) and with the National Action Plan for Adaptation to Climate Change (PANA, 2006) and broader vision of low-carbon and climate resilient socio-economic development, notably through the due integration of climate change mitigation and adaptation measures. Given the involvement of different processes, from production to distribution and consumption of food, agriculture and fisheries value chains potentially contribute to climate and are affected by it. The action foresees therefore that a sustainable approach is taken into account in particular in the land and water resources use, food production, processing, packaging, transportation and distribution, according to the principles of agroecology and circular economy. The action will contribute to the adaptation of agricultural production systems to climate change, for instance scaling up agro ecological practices already being supported by the EU, protecting mangrove rice production through the construction of dikes, restoration of mangroves, or sustaining existing early warning systems. Mangrove rice restoration and agroecological practices especially in the cashew value chain, might also contribute to mitigate GHG emissions. An EIA (Environment Impact Assessment) will be carried out.

**Outcomes of the EIA (Environmental Impact Assessment) screening:** the EIA screening classified the action as Category B (for which an EIA will be undertaken).

**Outcome of the CRA (Climate Risk Assessment) screening:** the CRA screening concluded that this action is at risk (climate risk will be addressed as part of an EIA).

#### **Gender equality and empowerment of women and girls**

As per the OECD Gender DAC codes identified in section 1.1, this action is labelled as G1. This implies that gender equality is a significant objective. Percentage of women/men involved in agricultural work is estimated at 55%. Women empowerment is a key strategy in the development of the food value chains selected by the action, in particular the mangrove rice, cashew nut and seafood. The action will have a gender equality angle in the implementation of the activities directly related to the improvement of the value chains from the production to the transformation, distribution and marketing phases. Gender equality will be also integrated in the support to entrepreneurship including through a credit system and functional capacity building that take into account the specificities of women. The intervention will also contribute to the implementation of the EU Gender Action Plan III, notably its key thematic priority "Addressing challenges and harnessing the opportunities offered by the green transition and the digital transformation".

## **Human Rights**

Access to decent income is one of the foundations of human rights. On the other hand, the economic sector - including agriculture and fishing - must respect and promote human rights. The action acts on the main determinants of poverty and integrates the principles of sustainability and "leaving no one behind", at the level of the regulatory framework, the value chains operation and the development of entrepreneurship. In particular, issues such as access to market and fair trade, mitigation of the environmental impact, gender equality and decent jobs right, are embedded in the action. The action will integrate the principles of the human rights based approach: applying all human rights for all, meaningful and inclusive participation and access to decision-making, non-discrimination and equality, accountability and rule of law for all, and transparency and access to information supported by disaggregated data.

## **Disability**

As per OECD Disability DAC codes identified in section 1.1, this action is labelled as D1, as it has a significant objective related to invalidity or handicap. The action will be implemented following an inclusive approach, taking into account the needs of different categories of people including the most vulnerable. In particular, in the activities related to the development of entrepreneurship and job creation in the various components of the value chains, increasing opportunities for persons living with a disability will be considered.

## **Reduction of inequalities**

Reduction of inequalities is targeted in this particular intervention, and the action has been labelled as an I-1 following the Inequality Marker Guidelines. The impact of the intervention on some targeted groups (youth, women, persons with disabilities, socioeconomically vulnerable groups) will be specifically measured during monitoring and evaluation, namely involving employment in the different processes of food value chains and access to credit. Guinea-Bissau's Gini Coefficient was last recorded in 2018, resulting in a total of 34.8 (where a Gini index of 0 represents perfect equality, while an index of 100 implies perfect inequality). Although there is no specific data, urban versus rural inequality is to be considered; the lack of infrastructure and access to basic services in the rural areas has an important impact on social and economic development. As explained in the CLIP for Guinea-Bissau, gender inequality is based on various social, cultural and institutional factors. For example there are clear differences in figures between women and men in employment, income, mortality, school drop-out and in the number of women occupying appointive and elective positions within the Government. Inequalities, including gender-based, are worsened by challenges such as limited resources, political instability, and governance issues.

## **Democracy**

The action will promote participatory approaches within value chains, by supporting the strengthening of public-private dialogue and stimulating the role of civil society organisations. Respect for democratic rules and rejection of all forms of exclusion are among the criteria for supporting beneficiaries and developing partnerships. The implementation of training and communication actions will allow members, and more generally citizens without discrimination of sex or age to be better informed about their rights, as well as their duties. The principle of accountability will guide all the interventions implemented by the action, based on a monitoring and evaluation system with shared responsibility.

## **Conflict sensitivity, peace and resilience**

The development of the private sector and in particular of VCs in agriculture and fisheries aim to improve resilience at several levels: i) the establishment of a policy and institutional capacity building enabling for investments conducive to sustainable and inclusive development will contribute to create opportunities for youth and women in particular; ii) unleashing the potential of country's natural resources, notably creating added value in agriculture and fisheries, will contribute to the diversification of the economy and reduce the dependence from one single unprocessed product that limits the capacity of the country to provide citizens with quality and equitable basic services; iii) the development of entrepreneurship, in particular among youth and women, will contribute to the empowerment of direct and indirect beneficiaries in the capital and in the regions of intervention, thus improving individual and community resilience.

### Disaster Risk Reduction

Prevention and management of disaster risks is a relevant component of the action, given the vulnerability of some of the selected value chains – such as cashew nuts, rice or tropical fruits and plants - to climate patterns, pathogens and crop pests and market fluctuations. The development of preparedness plans, the use of agroecological methods, investing in adapted infrastructure and technologies and contributing to a better access to credit for an improved management of the financial hazard, is likely to ensure the conservation of productive ecosystems, helping to mitigate the various risks.

### 3.4 Risks and Lessons Learnt

Category	Risks	Likelihood (High/ Medium/ Low)	Impact (High/ Medium/ Low)	Mitigating measures
<b>External environment</b>	1. Political and institutional instability	High	High	Structured policy dialogue with the Government and other key stakeholders – including private sector and civil society - on key reforms relating to the selected value chains. Since the conception of the action, the possibility to adapt its operational component – outcome 2 and 3 – on production, processing, distribution and marketing of products to the evolution of the context - is included.
	2. Effects of climate change	Medium	High	Promotion of sustainable practices and measures according to the National Adaptation Plan (NAP) following the country's NDC (Nationally Determined Contribution).
	3. Worsening of the economic crisis at international level, affecting the external demand for agricultural and fisheries products from Guinea-Bissau	High	High	Reorientation of sales towards national, regional and continental markets. Regular follow up of the market dynamics for the value chains selected by the action.
<b>Planning, processes &amp; systems</b>	4. Corruption or malpractice undermine partners confidence	Medium	Medium	A parallel programme of the EU on economic governance focusing on public financial management and anti-corruption.
	5. Limited access to capital for the development of businesses	Medium	High	Support the institutional and legal framework of the microfinance system. Possible blending mechanisms could facilitate the relationship between banking institutions and promoters to finance green investments and consolidate the supply of financial services.
<b>People &amp; organisation</b>	6. Insufficiently qualified human resources hinder the	High	High	Support entrepreneurship, including services that facilitate access of human resources involved in the value chains targeted by the action, to training

	development of business activities			opportunities. Links will be ensured between the action and another action funded by the EU on TVET.
	7. Resistance by farmers to adopt more modern practices and technologies that are better adapted to climate change	Low	Medium	Prioritization of demonstrative activities based on successful experiences, including exchange visits between farmers, as well as practices being developed based on the recognition of the importance of ancestral techniques, which in turn are progressively improved.
	8. Resistance of target groups in participating in the implementation of the action	Low	High	Intervention methodologies based on participatory mechanisms and prioritizing activities that can bring benefits in the short term and that can increase the level of confidence in the action.
<b>Legal &amp; regulatory</b>	9. Implementation of the project may require legal and regulatory changes in the target sector	Low	Medium	An initial diagnostic identifying gaps, bottlenecks and challenges for a policy and regulatory framework more conducive for investment in the selected value chains is strengthened. Availability of technical assistance to support the relevant authorities to address them.

#### **Lessons Learnt:**

The EU has carried out in the last years several projects on agriculture and some actions on fisheries. In particular, the EUR 44 000 000 integrated action “Ianda Guiné - Programme for Resilience and Economic Opportunities in Guinea-Bissau”<sup>7</sup> which aims at strengthening the resilience and increasing the socio-economic opportunities of the population of Guinea-Bissau, involves an important component to boost the mangrove rice value chain in four regions, focusing on the sustainable increase of production. This action was complemented by an applied research intervention, “DeSIRA: Mangrove, mangrove rice and mangrove people - sustainably improving rice production, ecosystems and livelihoods”<sup>8</sup>, which mobilises and integrates science and local knowledge in the mangrove rice farming system and in the management of mangrove's products and services, in response to threats emanating from climate change. Beside the rice, various actions held in recent years targeted other food productions, such as cashew nuts, forest honey and mango. In the same strand, additional projects related to the accessibility of rural areas to facilitate the commercialization of agricultural production and the sustainable intensification and modernisation of agricultural production through the strengthening of farmers' organizations. The prevailing approach of these actions is to contribute to improving the food and nutrition security of the most vulnerable, fighting poverty and strengthening their resilience<sup>9</sup>. The action also builds in the results of the RESET<sup>10</sup> programme, which aimed at strengthening the effectiveness of the technical and vocational education and training system in Guinea-Bissau.

While these various actions have contributed to improving inclusive growth and better nutrition and access to food, a number of weaknesses and bottlenecks have been identified. These are mainly at the level of limited ownership by national authorities, low level of human resources skills, insufficient coordination with the policy-making level, fragmentation of the economic development interventions, leading to a limited sustainability.

On fisheries, the Protocol to the SFPA in place from 2019 until 2024, focuses on contributing to the sustainable developed of the fisheries sector and blue economy of Guinea-Bissau, in particular, by strengthening administrative capacity to implement MCS measures, providing training opportunities, improving data collection and scientific analysis to assess fish stocks, and developing essential infrastructure for the sector (e.g. fisheries monitoring center and monitoring/surveillance equipment). The current implementing Protocol makes a financial contribution of EUR 11.6 million for access and EUR 4 million for sectoral support, on an annual basis. Its independent ex-post and ex-

<sup>7</sup> C(2018)239 of 22.1.2018.

<sup>8</sup> C(2018)8063 of 29.11.2018 – Annex 3.

<sup>9</sup> See project managed by PAM “Monitoring food and nutrition security and improve nutrition status of populations in Guinea-Bissau”.

<sup>10</sup> « Relance de l'enseignement et la formation professionnelle et technique pour l'emploi (RESET) en Guinée-Bissau ».

ante evaluation study in 2023 confirmed the relevance and overall efficiency of the implementing Protocol, with some areas for improvement. The evaluation study also emphasized the importance of the new national strategy for fisheries and aquaculture for the period 2023-2027, elaborated with the sectoral support of the Protocol, and how it should be used to guide and coordinate the interventions of the EU and other development partners.

Evaluations, ROM and TAIEX missions of rural development projects had recommended to reinforce the EU approach in these areas by supporting the private sector, notably strengthening the value chain of products with higher added value, the institutional and technical capacities of stakeholders and better integration of local business realities with a broader economic framework. This implies a shift of perspective, previously mainly focused on food and nutrition security, to a new approach, which intends to pave the way for the private sector development in agriculture and fisheries. The new approach takes into account the principles of sustainability and inclusiveness and aims at food and nutrition security given the variety of the products of the selected value chains, that have the potential to improve dietary diversity, increase women's income and opportunities for nutrition education. This requires granular diagnostics on the most promising value chains and impactful investments, including support to key-reforms conducive to inclusive economic development, applied research and data management, capacity building in line with the market needs, infrastructure, innovation and knowledge and business sharing. Inclusion and decent jobs creation are critical: active labour force in Guinea-Bissau is mainly women and youth, which are workforce, potential innovative producers and entrepreneurs in agriculture and fisheries. Their involvement in the action and their empowerment are therefore key for the success of any sustainable intervention aiming at economic growth in these areas.

### 3.5 The Intervention Logic

The underlying intervention logic for this action is that a combination of targeted investments in food value chains selected for their potential, and the improvement of the business environment conducive for their development, will contribute to a sustainable and inclusive economic growth and decent green and blue jobs creation in Guinea-Bissau. In particular:

*IF* support to the improvement of the institutional and legal framework of the business ecosystem, including on the issues of food control and certification and on inclusive access to finance is ensured; detailed diagnostics (gender and human rights analysis included) of the cashew nuts, rice, fisheries and a selection of tropical plants and fruits are performed in order to identify in a granular way the most promising value chains, as well as the segments in which specific interventions are necessary for their development, and key investments are made according to the analysis including with the support of applied research and in coordination with other initiatives strengthening human capital; services to emerging or existing MSMEs in the above value chains, in particular those involving women and youth, are developed to accompany them in setting up plans, reinforcing their capacities, accessing credit and training opportunities, building partnerships and networks to share knowledge and entering markets,

*AND* the assumptions related to the planned activities hold true,

*THEN* the capacity of government and key stakeholders for elaboration and implementation of policies, laws and strategies related to business environment and food quality and safety, as well as access to inclusive financing for MSMEs (especially those led by women), will be enhanced; capacity of stakeholders in cashew nuts, tropical fruit and plants, rice and fisheries value chains for their sustainable, climate change adapted and efficient and inclusive development and management will be improved and infrastructure to increase their added value will be reinforced; and capacity of business incubators to foster and strengthen entrepreneurship in the selected value chains, as well as access to business, partnership and networking opportunities among the stakeholders of the selected value chains, will be enhanced.

*IF* policy and regulatory framework conducive for investment, food quality assurance system and access to credit are improved; the selected value chains are developed; and business incubators and business and knowledge networks are enhanced,

*AND* Government and economic and financial stakeholders commitment in the relevant reforms and investments for the development of private sector and the selected agriculture and fisheries value chains are effective,

*THEN* an enabling environment for the development of inclusive sustainable food value chains will be improved; the cashew nuts, fisheries, rice and selected tropical fruits and plants value chains will be strengthened and entrepreneurship developed, *BECAUSE* lessons learnt from previous interventions showed that supporting the private sector, notably strengthening the value chain of products with higher added value, the institutional and technical capacities of stakeholders and better integration of local business realities with a broader economic framework, may be transformative.

*IF* an enabling environment for the development of sustainable food value chains is improved; the cashew nuts, fisheries, rice and selected tropical fruits and plants value chains are strengthened and entrepreneurship is developed,

*AND* political stability and willingness to implement reforms are ensured, effects of the climate change are managed according to the NAP and international markets are interested in Guinea-Bissau products,

*THEN* the action will contribute to the promotion of sustainable and inclusive economic growth and decent green and blue jobs creation, *BECAUSE* lessons learnt and capitalisation of previous experience confirm the necessity to pave the way for the private sector development in agriculture and fisheries, taking into account the principles of sustainability, and inclusiveness and aiming at food and nutrition security. Empowerment of youth and women in particular, and their participation in the labour market, are key in this approach.

### 3.6 Logical Framework Matrix

This indicative logframe constitutes the basis for the monitoring, reporting and evaluation of the intervention.

On the basis of this logframe matrix, a more detailed logframe (or several) may be developed at contracting stage. In case baselines and targets are not available for the action, they should be informed for each indicator at signature of the contract(s) linked to this AD, or in the first progress report at the latest. New columns may be added to set intermediary targets (milestones) for the Output and Outcome indicators whenever it is relevant.

- At inception, the first progress report should include the complete logframe (e.g. including baselines/targets).
- Progress reports should provide an updated logframe with current values for each indicator.
- The final report should enclose the logframe with baseline and final values for each indicator.

The indicative logical framework matrix may evolve during the lifetime of the action depending on the different implementation modalities of this action.

The activities, the expected Outputs and related indicators, targets and baselines included in the logframe matrix may be updated during the implementation of the action, no amendment being required to the Financing Decision.

Results	Results chain (e): Main expected results (maximum 10)	Indicators (e): (at least one indicator per expected result)	Baselines (values and years)	Targets (values and years)	Sources of data	Assumptions
<b>Impact</b>	Sustainable economic growth and decent green and blue jobs creation are promoted	<p>1 Average income of small-scale food producers, by sex, income level, area of residence, ethnicity, disability status, (GERF 1.1 SDG 2.3.2) **</p> <p>2 Unemployment rate, by sex, age and persons with disabilities, income level, area of residence (GERF 1.11 SDG 8.5.2)**</p> <p>3 % of women entrepreneurs in the agrarian and fisheries sectors (GAP III)</p>	<p>1 TBD in the inception phase (2023)</p> <p>2 TBD in the inception phase (2023)</p> <p>3 TBD in the inception phase (2023)</p>	<p>1 TBD in the inception phase (2027)</p> <p>2 TBD in the inception phase (2027)</p> <p>3 TBD in the inception phase (2027)</p>	<p>1 WB database</p> <p>2 WB database</p> <p>3 WB database</p>	<i>Not applicable</i>
<b>Outcome 1</b>	1. Enabling environment for the development of inclusive, sustainable and resilient food value chains is improved	<p>1.1 Number of countries supported by the EU to strengthen investment climate (GERF 2.16)**</p> <p>1.2 Number of policy, regulatory or legal reforms adopted to support women's employment and entrepreneurship (GAP III) by income level, area of residence, ethnicity, disability status</p>	<p>1.1 '0' in 2021</p> <p>1.2 TBD in the inception phase (2023)</p>	<p>1.1 1 in 2027</p> <p>1.2 TBD in the inception phase (2027)</p>	<p>1.1 Doing business Index or equivalent</p> <p>1.2 Women, Business and the Law (WB) or equivalent</p>	<p>Political stability and willingness to implement reforms.</p> <p>Effects of the climate change managed according to the NAP.</p>
<b>Outcome 2</b>	2. Efficiency, climate resilience, inclusiveness and sustainability of selected agriculture and fisheries value chains are improved	<p>2.1 Number of agrarian and fisheries sub-systems benefiting from institutional research-development and extension programmes*</p> <p>2.2 Number of new (formal or informal) MSMEs linked to new selected value chains,</p>	<p>2.1 '0' (2021)</p> <p>2.2 TBD in the inception phase (2023)</p>	<p>2.1 (2027) – cashew, rice, fisheries, tropical fruit or plant derivative</p> <p>2.2 TBD in the inception phase (2023)</p>	<p>2.1 -2.2 Baseline and endline studies conducted and budgeted by the EU-funded intervention</p> <p>Progress reports for the EU-funded intervention</p>	<p>International markets interested in Guinea-Bissau products</p>

		disaggregated by sector (cashew nuts/rice/fisheries/tropical fruits and plants) and sex of MSME owner/head				
<b>Outcome 3</b>	3. Competitiveness of entrepreneurs in selected agriculture and fisheries value chains is improved	<p>3.1 Number of green jobs supported by the EU (GERF 2.13)** disaggregated by sex, income level, area of residence, ethnicity, disability status</p> <p>3.2 Number of MSMEs operating in the selected value chains formalised, disaggregated by sex, area of residence, income level, disability status and age group of the owner, enterprise size</p>	<p>3.1 '0' (2021)</p> <p>3.2 TBD in the inception phase (2023)</p>	<p>3.1 (4000, 35% women)</p> <p>3.2 TBD in the inception phase (2027)</p>	<p>3.1 . Baseline and endline studies conducted and budgeted by the EU-funded intervention</p> <p>3.2 Progress reports for the EU-funded intervention</p>	
<b>Output 1 relating to Outcome 1</b>	1.1 Capacity of government and key stakeholders for elaboration and implementation of policies, laws and strategies related to business environment and food quality and safety, conducive for sustainable development of the selected value chains, is enhanced	<p>1.1.1 Number of processes related to partner country practices on trade, investment and business, which have been influenced by the EU intervention (GERF 2.15)**</p> <p>1.1.2 Number of health quality control systems, as well as of product certification and geographical indication systems developed with EU support*</p>	<p>1.1.1 '0' (2023)</p> <p>1.1.2 '0' (2021)</p>	<p>1.1.1 TBD in the inception phase (2027)</p> <p>1.1.2 '1' (2027)</p>	<p>1.1.1 Text of laws and regulations; Text of strategies and policy documents</p> <p>1.1.2 Competent laboratory reports</p> <p>Progress reports for the EU-funded intervention</p>	The various actors involved proceed with the respective actions and related investments are funded and set up
<b>Output 2 relating to Outcome 1</b>	1.2 Access to inclusive financing of MSMEs is enhanced	1.2.1 Number of beneficiaries with access to financial services with EU support: people (all financial services) (GERF 2.17b)**(disaggregated by sex, age and disability if any)	1.2.1 0 (2021)	1.2.1 2500 (2027)	1.2.1 Microfinance and alternative finance institution reports	Financial stakeholders interest in investments in MSMEs in the selected value chains continues and increases

						following the support to the inclusive finance provided by the EU-funded intervention
<b>Output 1</b> <b>relating to Outcome 2</b>	2.1 Capacity of stakeholders in cashew nuts, tropical fruit and plants, rice and fisheries value chains for their sustainable, climate change adapted and efficient and inclusive development and management, is improved	<p>2.1.1 Areas of agricultural ecosystems where sustainable management practices have been introduced with EU support (ha) (GERF 2.2)**</p> <p>2.1.2 Total value of goods and services produced within the cashew nuts, rice, tropical fruit and plants and fisheries value chains with EU support</p> <p>2.1.3 Number of paths for products of the selected value chains, adapted to environment and climate, developed with support of the EU-funded intervention</p> <p>2.1.4 Areas of terrestrial and freshwater ecosystems under sustainable management with EU support (km2) (GERF 2.9b)**</p> <p>2.1.5 Number of smallholders in the fisheries sector reached with EU-supported interventions aimed to increase their sustainable production and access to markets (GERF 2.1)** disaggregated by sex, age, income level, ethnicity, area of residence and disability if any</p>	<p>2.1.1 '0' (2023)</p> <p>2.1.2 '0' (2023)</p> <p>2.1.3 '0'e (2023)</p> <p>2.1.4 '0' (2023)</p> <p>2.1.5 '0' (2023)</p>	<p>2.1.1 TBD in the inception phase (2027)</p> <p>2.1.2 TBD in the inception phase (2027)</p> <p>2.1.2 TBD in the inception phase (2027)</p> <p>2.1.3 TBD in the inception phase (2027)</p> <p>2.1.4 TBD in the inception phase (2027)</p> <p>2.1.5 TBD in the inception phase (2027)</p>	<p>2.1.1 IBAP reports</p> <p>Progress reports for the EU-funded intervention</p> <p>2.1.2 World Bank survey</p> <p>2.1.2 Total value of goods and services produced within the cashew nuts, rice, tropical fruit and plants and fisheries value chains with EU Support</p> <p>2.1.3 Progress reports for the EU-funded intervention</p> <p>2.1.4 IBAP reports</p> <p>Progress reports for the EU-funded intervention</p> <p>2.1.5 Progress reports for the EU-funded intervention</p>	<p>Opportunities of access to credit for MSMEs are increased and diversified</p> <p>A national plan/strategy/actions of vocational training and research taking into account green jobs is launched and implemented</p> <p>Fish resources are well managed.</p> <p>Complementarity of the action with the Fisheries Agreement sectoral support</p>
<b>Output 2</b>		2.2.1 Construction completion rate of infrastructure or facilities related to the selected value chains, built,	2.2.1 '0' (2023)	2.2.1 100%Aof 1 infrastructure/facility per each of the 4	2.2.1 Reports from the subcontractors, infrastructure/equipment	Involvement and continuous support of key stakeholders

<b>relating to Outcome 2</b>	2.2 Enhanced infrastructure and facilities along the selected value chains for the improvement of production, processing and distribution capacity and the development of added value	set up or rehabilitated with the support of the EU-funded intervention		selected value chain (2027)	handover and inspection documents	in the infrastructure projects
<b>Output 1 relating to Outcome 3</b>	3.1 Capacity of business incubators to foster and strengthen entrepreneurship in the selected value chains is enhanced	3.1.1 Number of incubators accompanying innovation in agribusiness and fisheries*	3.1.1 '1' (2021)	3.1.1 '4' (2027)	3.1.1 Progress reports for the EU-funded intervention	
<b>Output 2 relating to Outcome 3</b>	3.2 Access to business, partnership and networking opportunities among stakeholders of the selected value chains is enhanced	3.2.1 Number of business linkages between MSMEs and potential entrepreneurs established at events organised with support of the EU-funded intervention	3.2.1 '0' (2023)	3.2.1 TBD in the inception phase (2027)	3.2.1 Baseline and endline survey conducted and budgeted by the EU-funded intervention  Progress reports for the EU-funded intervention	

\* Indicators from the programming document (MIP).

\*\* Indicators from the GEF.

## 4 IMPLEMENTATION ARRANGEMENTS

### 4.1 Financing Agreement

In order to implement this action, it is envisaged to conclude a financing agreement with the partner country.

### 4.2 Indicative Implementation Period

The indicative operational implementation period of this action, during which the activities described in section 3 will be carried out and the corresponding contracts and agreements implemented, is 60 months from the date of entry into force of the financing agreement.

Extensions of the implementation period may be agreed by the Commission's responsible authorising officer by amending this Financing Decision and the relevant contracts and agreements.

### 4.3 Implementation of the Budget Support Component - NA

### 4.4 Implementation Modalities

The Commission will ensure that the EU appropriate rules and procedures for providing financing to third parties are respected, including review procedures, where appropriate, and compliance of the action with EU restrictive measures.

#### 4.4.1 Indirect Management with an entrusted entity

This action may be implemented in indirect management with an entity, which will be selected by the Commission's services using the following criteria:

- Specific expertise in the areas of development of private sector, including institutional and operational support for reform processes to improve the business environment for MSMEs with a gender and human rights-based approach, the development of entrepreneurship and inclusive access to credit;
- Specific expertise in the structuring and development of food value chains, notably on agriculture and fisheries;
- Ability to set up multidisciplinary teams with the possible participation of expertise from the European administration;
- Specific experience in the sub-region and/or in Portuguese speaking countries.

The implementation by this entity entails the contribution to the three specific objectives of the action<sup>11</sup> as well as to all the related outputs mentioned in section 3.

#### 4.4.2 EFSD+ operations covered by budgetary guarantees

A part of this action may be implemented through budgetary guarantees under indirect management. The budgetary guarantees would fall within the priority area 2 of the MIP 2021-2027, 'Green and Inclusive Economy', notably to support private sector investments in Guinea-Bissau through the development of microfinance tools or long-term financing mechanisms.

This section 4.4.2 is included for information purposes only. A comprehensive action plan covering all EFSD+ budgetary guarantees and the financing decision for the entire annual commitment under the EFSD+ budget line are adopted separately.

<sup>11</sup> 1) Improve an enabling environment for the development of sustainable food value chains, 2) Strengthen the selected value chains of agriculture and fisheries, namely cashew nuts, fisheries, rice and a choice of tropical fruits and plants, 3) Develop entrepreneurship in the selected value chains of agriculture and fisheries.

4.4.3 Changes from indirect to direct management mode (and vice versa) due to exceptional circumstances (one alternative second option)

If negotiations with the above mentioned entrusted entity for indirect management fail for circumstances beyond the Commission’s control, the Commission’s services may use direct management as follows:

- **Procurement (direct management)**

Technical assistance will be used to achieve the outputs related to the Specific Objective 1 (Improve an enabling environment for the development of inclusive sustainable and resilient food value chains).

- **Grants (direct management)**

(a) Purpose:

The grant will be used to achieve the outputs related to the Specific Objective 2 (Improve efficiency, climate resilience, inclusiveness and sustainability of selected agriculture and fisheries value chains, namely cashew nuts, fisheries, rice and a choice of tropical fruits and plants) and 3 (Improve competitiveness of entrepreneurs in the selected value chains of agriculture and fisheries).

(b) Type of applicants targeted:

The circle of potential applicants for funding are legal entities, and according to their type, include the following: civil society organisations and non-governmental organisations.

4.5. Scope of geographical eligibility for procurement and grants

The geographical eligibility in terms of place of establishment for participating in procurement and grant award procedures and in terms of origin of supplies purchased as established in the basic act and set out in the relevant contractual documents shall apply subject to the following provisions.

The Commission’s authorising officer responsible may extend the geographical eligibility on the basis of urgency or of unavailability of services in the markets of the countries or territories concerned, or in other duly substantiated cases where application of the eligibility rules would make the realisation of this action impossible or exceedingly difficult (Article 28(10) NDICI-Global Europe Regulation).

4.6. Indicative Budget

<b>Indicative Budget components</b>	<b>EU contribution (amount in EUR)</b>
Indirect Management with an entrusted entity – cf. section 4.4.1	
<b>SO1:</b> Improve an enabling environment for the development of inclusive sustainable and resilient food value chains	4 000 000
<b>SO2:</b> Improve efficiency, climate resilience, inclusiveness and sustainability of selected agriculture and fisheries value chains, namely cashew nuts, fisheries, rice and a choice of tropical fruits and plants.	12 000 000
<b>SO3:</b> Improve competitiveness of entrepreneurs in the selected value chains of agriculture and fisheries	4 750 000
<b>Evaluation</b> – cf. section 5.2 <b>Audit</b> – cf. section 5.3	250 000
<b>Totals</b>	21 000 000

## 4.7 Organisational Set-up and Responsibilities

The governance system set up for governing the implementation of the action will be as follows:

- A Strategic Steering Committee, composed by the competent ministries, the EU, the implementing partners, as well as the relevant key stakeholders in the areas of agriculture, fisheries, finance, private sector, will be held once a year as part of the monitoring of the sectoral policy. The Steering Committee will verify that the commitments of partners are being respected and that the implementation of the programme is carried out effectively and efficiently.

- A technical monitoring committee, with the participation of all the actors involved in the implementation of the action – including organisations representing the most vulnerable beneficiaries - will meet preferably every quarter, to analyse the results of the programme's implementation and to evaluate the need for adjustments.

- A project implementation unit, responsible for the day-to-day management of the planned actions and for the organisation of working groups, workshops and events related to the actions. The EU will be invited to all important events and will be involved in the decisions taken in relation to the activities.

As part of its prerogative of budget implementation and to safeguard the financial interests of the Union, the Commission may participate in the above governance structures set up for governing the implementation of the action and may sign or enter into joint declarations or statements, for the purpose of enhancing the visibility of the EU and its contribution to this action and ensuring effective coordination.

## 5 PERFORMANCE MEASUREMENT

### 5.1 Monitoring and Reporting

The day-to-day technical and financial monitoring of the implementation of this action will be a continuous process, and part of the implementing partner's responsibilities. To this aim, the implementing partner shall establish a permanent internal, technical and financial monitoring system for the action and elaborate regular progress reports (not less than annual) and final reports. Every report shall provide an accurate account of implementation of the action, difficulties encountered, changes introduced, as well as the degree of achievement of its results (Outputs and direct Outcomes) as measured by corresponding indicators, using as reference the logframe matrix.

The Commission may undertake additional project monitoring visits both through its own staff and through independent consultants recruited directly by the Commission for independent monitoring reviews (or recruited by the responsible agent contracted by the Commission for implementing such reviews).

Monitoring and reporting will assess how the action takes into account the principle of gender equality, the human rights-based approach, including inclusion and diversity and the impact on rights of groups living in the most vulnerable situations. Monitoring and reporting will be based on indicators that are disaggregated by sex, age, disability and area (urban/rural), when applicable. The Distributional Impact Assessment tool (DIA) could be applied, as a data source whenever other sources (national, regional, local data) are not available to monitor whether expected outputs have, to a large extent, benefited the bottom poorest 40 % income or wealth, or socio-economically disadvantaged groups, households and individuals. The DIA can also be performed at the start of the implementation phase to a) locate where the most vulnerable live and target them geographically; b) identify main drivers of inequalities (e.g. reasons for not accessing some services) c) unveil intersectionalities (e.g. bottom 40 income who are women, children, etc.).

Roles and responsibilities for data collection, analysis and monitoring:

The implementing partner will be in charge of collecting and processing data and information in the sectors of intervention. Data and information to be produced will be indicated in the delegation agreement that will be signed within the framework of this decision. Given the need of collect data for several indicators, baseline and endline studies and survey will be conducted and budgeted by the implementing partner with the resources of this EU-funded intervention.

## 5.2 Evaluation

Having regard to the importance of the action, a mid-term and final evaluations will be carried out for this action or its components via independent consultants contracted by the Commission.

The mid-term evaluation will be carried out for problem solving and learning purposes, in particular to ensure the continuous relevance of the objectives of the action and its approach in relation to the context, as well as to assess the progress in the achievement of the expected outputs and identify any possible measure to improve the performance, with respect in particular to the specificity of each selected value chain.

The final evaluation will be carried out for accountability and learning purposes at various levels (including for policy revision), taking into account in particular the fact that of the action foresees to contribute to an institutional and regulatory environment more conducive for the further development of the selected value chains.

All evaluations will analyse how the action takes into consideration a human rights-based approach as well as how it contributes to gender equality and the empowerment of women. Expertise on human rights and gender equality will be provided by the evaluation teams. The evaluation plan (or component in the foreseen evaluation) should assess the distributional impact of activities undertaken on the bottom (poorest) 40 per cent or socio-economically disadvantaged individuals, households or groups. This can be done through the Distributional Impact Assessment tool (DIA).

The Commission shall inform the implementing partner at least 1 month in advance of the dates envisaged for the evaluation missions. The implementing partner shall collaborate efficiently and effectively with the evaluation experts, and inter alia provide them with all necessary information and documentation, as well as access to the project premises and activities.

The evaluation reports may be shared with the partners and other key stakeholders following the best practice of evaluation dissemination. The implementing partner and the Commission shall analyse the conclusions and recommendations of the evaluations and, where appropriate, apply the necessary adjustments.

Evaluation services may be contracted under a framework contract.

## 5.3 Audit and Verifications

Without prejudice to the obligations applicable to contracts concluded for the implementation of this action, the Commission may, on the basis of a risk assessment, contract independent audit or verification assignments for one or several contracts or agreements.

# 6 STRATEGIC COMMUNICATION AND PUBLIC DIPLOMACY

The 2021-2027 programming cycle will adopt a new approach to pooling, programming and deploying strategic communication and public diplomacy resources.

In line with the 2022 “[Communicating and Raising EU Visibility: Guidance for External Actions](#)”, it will remain a contractual obligation for all entities implementing EU-funded external actions to inform the relevant audiences of the Union’s support for their work by displaying the EU emblem and a short funding statement as appropriate on all communication materials related to the actions concerned. This obligation will continue to apply equally, regardless of whether the actions concerned are implemented by the Commission, partner countries, service providers, grant beneficiaries or entrusted or delegated entities such as UN agencies, international financial institutions and agencies of EU member states.

However, action documents for specific sector programmes are in principle no longer required to include a provision for communication and visibility actions promoting the programmes concerned. These resources will instead be consolidated in Cooperation Facilities established by support measure action documents, allowing Delegations to plan and execute multiannual strategic communication and public diplomacy actions with sufficient critical mass to be effective on a national scale.

## Appendix 1 REPORTING IN OPSYS

A Primary Intervention (project/programme) is a coherent set of activities and results structured in a logical framework aiming at delivering development change or progress. Identifying the level of the primary intervention will allow for:

Articulating Actions or Contracts according to an expected chain of results and therefore allowing them to ensure efficient monitoring and reporting of performance;

Differentiating these Actions or Contracts from those that do not produce direct reportable development results, defined as support entities (i.e. audits, evaluations);

Having a complete and exhaustive mapping of all results-bearing Actions and Contracts.

Primary Interventions are identified during the design of each action by the responsible service (Delegation or Headquarters operational Unit).

The level of the Primary Intervention chosen can be modified (directly in OPSYS) and the modification does not constitute an amendment of the action document.

The intervention level for the present Action identifies as:

<b>Option 1: Action level</b>		
<input checked="" type="checkbox"/>	Single action	Present action: all contracts in the present action