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

**ANNEX 3**

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 “Transparent and accountable economic governance”**

**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>	Transparent and accountable economic governance OPSYS number: ACT-62100 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 3 ‘Good governance and Stability’ Specific objective 3.3: To develop a transparent and accountable economic governance Result.3.3.1: Public financial management is significantly improved Result.3.3.2: Governance transparency and accountability is significantly improved
<b>PRIORITY AREAS AND SECTOR INFORMATION</b>	
<b>6. Priority Area(s), sectors</b>	Transparent and accountable economic governance
<b>7. Sustainable Development Goals (SDGs)</b>	Main SDG: 17 “Global partnership for sustainable development” Other significant SDGs and targets: SDG 5 “Gender Equality”, target 5.c SDG 10 “Inequalities” SDG 16 “Peace, justice and strong institutions”. Targets: 16.5 “Substantially reduce corruption and bribery in all their forms”, 16.6 “Develop effective, accountable and transparent institutions at all levels”

<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 a) DAC code(s)	15110 - Public sector policy and administrative management (20%) 15111 - Public finance management (PFM) (60%) 15113 - Anti-corruption organisations and institutions (20%)			
8 b) Main Delivery Channel	1300 - Third Country Government (Delegated co-operation)			
9. Targets	<input type="checkbox"/> Migration <input type="checkbox"/> Climate <input type="checkbox"/> Social inclusion and Human Development <input checked="" type="checkbox"/> Gender <input type="checkbox"/> Biodiversity <input type="checkbox"/> Education <input checked="" type="checkbox"/> Human Rights, Democracy and Governance			
10. Markers (from DAC form)	<b>General policy objective @</b>	<b>Not targeted</b>	<b>Significant objective</b>	<b>Principal objective</b>
	Participation development/good governance	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
	Aid to environment @	<input checked="" type="checkbox"/>	<input 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 checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	Inclusion of persons with disabilities @	<input checked="" type="checkbox"/>	<input 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 checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	Combat desertification @	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	Climate change mitigation @	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	Climate change adaptation @	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	11. Internal markers and Tags:	<b>Policy objectives</b>	<b>Not targeted</b>	<b>Significant objective</b>
Digitalisation @		<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
digital connectivity digital governance digital entrepreneurship digital skills/literacy digital services		YES <input checked="" type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>	NO <input type="checkbox"/> <input checked="" type="checkbox"/> <input checked="" type="checkbox"/> <input checked="" type="checkbox"/> <input checked="" type="checkbox"/>	/
Connectivity @		<input type="checkbox"/>	<input checked="" type="checkbox"/>	
		YES	NO	/

	digital connectivity	<input checked="" type="checkbox"/>	<input type="checkbox"/>	/
	energy	<input type="checkbox"/>	<input checked="" type="checkbox"/>	
	transport	<input type="checkbox"/>	<input checked="" type="checkbox"/>	
	health	<input type="checkbox"/>	<input checked="" type="checkbox"/>	
	education and research			
	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(s) (article, item): 14.020120 Total estimated cost: EUR 5 000 000 Total amount of EU budget contribution EUR 5 000 000			
<b>MANAGEMENT AND IMPLEMENTATION</b>				
<b>13. Type of financing</b>	<b>Indirect management</b> with the entity(ies) to be selected in accordance with the criteria set out in section 4.4.1			

## 1.2 Summary of the Action

Guinea-Bissau, one of the world's poorest and most fragile countries, has a population of about 1.9 million. The structure of the economy has barely changed in the last two decades and is almost entirely dependent on a single crop of cashew, which accounts for 90-98% of total export earnings. Agriculture accounts for more than 45% of GDP and employs 80% of the labour force, mainly women. The poorly diversified economy makes the country highly vulnerable to global shocks and adverse climatic conditions. According to the World Bank, real economic growth slowed to 3.5% in 2022, down from 6.4% in 2021<sup>2</sup>.

This Action is foreseen to promote public finance transparency and accountability in Guinea-Bissau, supporting the implementation of the necessary administrative reforms towards sound financial management of public resources, with a view to increased transparency, allowing effective monitoring of the administration, particularly in the management of public finances.

From this perspective, the Action will focus on two main domains: a) improve the effectiveness of public financial management systems, procedures, and capacities (Outcome 1) and b) strengthen the framework and conditions for participation, transparency, and oversight in financial governance and the fight against corruption (Outcome 2).

Activities contributing to Outcome 1 will focus on: i) supporting designing and implementing a Public Finance Master Plan ii) conducting a Public Expenditure and Financial Accountability (PEFA), as well as a supplementary framework for assessing gender responsive public financial management (GRPFM) and a Tax Administration Diagnostic Assessment Tool (TADAT), iii) providing technical assistance, training, and improving financial information systems, and iv) enhancing the systems and processes for expenditure execution, procurement, and internal control.

Relating to Outcome 2, activities will focus on: i) reinforcing financial transparency, ii) strengthening the oversight of Parliament, the Court of Auditors and participatory and inclusive civil society mechanisms on PFM, and iii) supporting the implementation of the National Strategy to Combat Corruption, increasing the effectiveness of institutions in preventing and combating corruption, completing the legal framework and institutional aspects of public financial management at the level of good international practices.

In order to implement this Action, it is envisaged to conclude a financing agreement with the Republic of Guinea-Bissau. The indicative operational implementation period of this Action is 60 months from the date of entry into

<sup>2</sup> <https://www.worldbank.org/en/country/guineabissau/overview>

force of the financing agreement. This Action may be implemented in indirect management with an entity which will be selected by the Commission's services.

This Action is aligned with Priority 2 "Good Governance and Stability" of the 2021-2027 Multiannual Indicative Programme of the European Union in Guinea-Bissau, which aims to develop a transparent and accountable economic governance. It also contributes to the Global Gateway, by promoting a safer environment for investment. The Action specifically refers to its result 3.3.1 "Public financial management is significantly improved" and result 3.3.2 "Governance transparency and accountability is significantly improved". Moreover, it contributes to the Sustainable Development Goals (SDGs), namely SDG16 (Peace, justice and strong institutions) and the SDG 17 (Global partnership for sustainable development).

## 2 RATIONALE

### 2.1 Context

Guinea-Bissau, one of the world's poorest and most fragile countries, has a population of about 1.9 million. The structure of the economy has barely changed in the last two decades and is almost entirely dependent on a single crop of cashew, which accounts for 90-98% of total export earnings. Agriculture accounts for more than 45% of GDP and employs 80% of the labour force, mainly women. The poorly diversified economy makes the country highly vulnerable to global shocks and adverse climatic conditions.

According to the World Bank, real economic growth slowed to 3.5% in 2022, down from 6.4% in 2021. This was driven by supply chain disruptions and reduced demand and economic activity, caused by pandemic containing measures and policies. Inflation increased to 7.8%, from 3.3% in 2021. The overall fiscal deficit fell marginally from 5.5% of GDP in 2021 to 5.2% in 2022. Tax revenue remained at 9.1%, equating to a wage-to-tax-revenue ratio of 65.3%. On the expenditure side, total Government spending decreased slightly from 24.5% of the GDP in 2021 to 23.3% in 2022 with public debt reaching 80.2% of the GDP. Irregular and illegal economic activity is not quantified but it can be assumed as a substantial part of the total economy of the country. In this context, the risk of money laundering, in particular related to trafficking and organized crime, is increased.

Real GDP growth is projected to reach 4.5% in 2023, as international demand for cashew recovers and exports rebound. Strong domestic production and export figures for cashew, and wage bill controls should help close the fiscal deficit to 4.2%. Debt is forecasted to fall to 78.1% of the GDP. Inflation is projected to fall to 5%.

In Guinea-Bissau, poverty and inequality remain widespread, with increasing rural-urban disparities and with human development indicators that remain amongst the lowest in the world.<sup>3</sup> According to the World Bank, in 2018 the poverty rate at national poverty lines was 47.7%.<sup>4</sup> In 2021, the Human Development Index (HDI) was 0.483, decreasing to 0.306 when adjusting for Inequality (Inequality-adjusted Human Development Index).<sup>5</sup> The Gini Index in 2018 was 34.8. Following the latest available data from the World Bank (2018) almost 59% of the population pertaining to the poorest 40 per cent lives in rural areas.<sup>67</sup>

The political instability in Guinea-Bissau has limited the development of the country's institutional capacity for good public financial management (PFM) and slowed down anti-corruption efforts. Current PFM systems do not ensure adequate expenditure management prioritization, control, accountability, and efficiency. In 2022, the country ranked 164/180 on the Corruption Perceptions Index (CPI) with a score of 21/100.

The overall situation in the country remains fragile, facing challenges linked to transnational organised crime in a context of porous borders, weak rule of law, persistent socio-economic vulnerability, and climate change-related issues. Covid-19 disrupted the already fragile economy and led to the deterioration of the fiscal situation, accentuating the gap to the average growth of the West African Economic and Monetary Union's GDP. In January

<sup>3</sup> World Bank (2023) In Guinea-Bissau, Economic Growth Depends on Strengthening Gender Equality and Education. Available at: <https://www.worldbank.org/en/country/guineabissau/publication/in-guinea-bissau-economic-growth-depends-on-strengthening-gender-equality-and-education>

<sup>4</sup> World Bank (2018) Guinea-Bissau Country Profile. Poverty and Inequality Platform. Available at: <https://pip.worldbank.org/country-profiles/GNB>

<sup>5</sup> UNDP (2021) Inequality-adjusted Human Development Index (IHDI) database. Available at: <https://hdr.undp.org/inequality-adjusted-human-development-index#/indicies/IHDI>

<sup>6</sup> World Bank (2018) Guinea-Bissau Country Profile. Poverty and Inequality Platform. Available at: <https://pip.worldbank.org/country-profiles/GNB>

<sup>7</sup> World Bank (2018) Guinea-Bissau Country Profile. Poverty and Inequality Platform. Available at: <https://pip.worldbank.org/country-profiles/GNB>

2023, Guinea-Bissau reached an agreement with the International Monetary Fund (IMF) for an Extended Credit Facility (ECF) of USD 38.4 million with a strong programme performance during its initial phase.

The political scene in Guinea-Bissau is fragmented. In May 2022, the President dissolved the country's Parliament and called for new legislative elections. A transitional Government of Presidential initiative was nominated with subsequent changes in an already weak Public Administration. In July 2022, President Sissoco was appointed Chairman of ECOWAS and is playing an active role in the management of regional issues. Since then, President Sissoco has been deploying an impressive diplomatic outreach, including his visit to the EU institutions and Member States, seeking new political and economic alliances.

The legislative elections took place on June 4 2023, and the results gave victory to the PAI - Terra Ranka opposition coalition led by the African Party for the Independence of Guinea and Cape Verde (PAIGC), which won 54 of the 102 parliament seats.

The EU and Guinea-Bissau are partners with common strategic interests at national and regional levels and the EU Delegation is supporting various development policies and programmes in the country, including the flagship Pro PALOP-TL programme since 2014, with a third phase beginning this year. The shared priorities on human development, green economy and good governance are reflected in the Multiannual Indicative Programme (MIP) 2021-2027 that is aligned with the Government's development strategy. In particular, the Annual Action Plan (AAP) 2023 aims at supporting sustainable socio-economic development, democratic and economic governance, and security to address critical factors of the country's fragility and to strengthen its stability.

In the absence of a clear national PFM strategy, the IMF programme constitutes a reference for both government agencies and the technical and financial partners which are supporting various initiatives in the PFM sector in Guinea-Bissau. Indeed the IMF ECF is accompanied by a comprehensive set of measures that encompass this Action's domain.

Recent and ongoing projects supported by the EU in the sector of PFM in the country include:

- The PATF (Programme d'Appui à la Transition Fiscale), financed by the EU under the 11th EDF, which is supporting the implementation of the VAT in Guinea-Bissau, a key domestic resources mobilization (DRM) measure to reduce the public deficit. The IMF also supports DRM improvement through technical assistance.
- Support the Ministry of Finance's information system (TCHINTCHOR) in macroeconomic forecasting, both technically and through training of its operators, with an AFRITAC consultant.
- Parliaments in Partnership (INTER PARES), an EU Global Project to Strengthen the Capacity of Parliaments, which has conducted peer-to-peer parliamentary strengthening activities in Guinea-Bissau, including the development and publication of guidelines for the functioning of the parliamentary commissions, contributing to strengthening participation in the legislative and political oversight process.

Further, EU engagement in PFM and in implementing the country's anti-corruption strategy should build on the lessons learnt from the projects mentioned above and the alignment with the other key projects in the sector, including the "Pro PALOP TL ISC" Phase III (currently in inception phase) and the Expertise France technical assistance focusing on capacities development in PFM to various public entities, including multiple directorates of the Ministry of Finance (MoF) and the General Inspectorate of Finance (IGF).

## 2.2 Problem Analysis

### **Short problem analysis:**

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

#### **1. Effectiveness of the PFM systems, procedures, and capacities**

a. The main problems listed in the 2013 PEFA Report persist, namely those related to the scope and transparency of the budget and its adequacy to the policies established in a multi-year perspective. Revenue collected, and expenses incurred by many public services, including autonomous bodies, are not accounted for and occur outside the control of the Directorate-General for Budget (DGO), the Directorate General for Contributions and Taxes (DGCI) and the Directorate-General for Treasury and Public Accounting (DGTCP).

- b. During the last 20 years the successive State General Budgets have revealed recurrent imbalances between resources and expenditures, leading to instability in the deficit and public debt.
- c. Given the need to reduce the current dependence on donor support it is imperative to revitalize and/or restructure the tax system to improve its effectiveness and efficiency. Despite an increase in tax revenues in recent years, the tax burden (tax revenues as a percentage of the GDP) remains low: in 2021, this ratio stood at 9.3% against the 14.2% West Africa Economic and Monetary Union (WAEMU) average and the 20% required by the WAEMU Convergence Criterion. However, as these issues are already being handled by the World Bank (WB) and the IMF, no related activities will be included in this Action.
- d. Concerning budget classification, a substantial share of expenditures is registered in “other current expenditure”, namely bonuses paid to public employees and purchases of goods and services that should be in compensations, and goods and services categories, respectively. Also unforeseen expenditures (up to 2% of total expenditure) should be budgeted, allocated to recipient budget lines during execution and reflected in execution reports.
- e. Although the financial management information system (SIGFiP) covers both budget (preparation and execution) and accounting, the respective interface is not functional. Also some financial operations (particularly externally financed operations and projects) are undertaken outside the system, undermining the control over spending, and creating reporting issues. Therefore, implementing an Action plan to address those issues would significantly improve reporting and transparency, reducing the opportunities for the misappropriation of public funds.
- f. State Property: despite the regulatory framework being clearly outdated no improvements were made in recent years; reinforcement of institutional capacity is therefore required. It is advisable to establish an intervention strategy and an Action plan consistent and coherent with the objectives and reform instruments in related domains, namely budget and public accounting.
- g. Despite some advances in DGTCF resulting from technical assistance financed by the EU and the FORCE/FMI programme, the Treasury and Public Accounting needs further reforms to comply with the WAEMU Directives. The main challenges are improved transparency and management of public funds through a more adequate organization of the collection and payment system and other Treasury operations, as well as the improvement of the instruments that support them in the budget execution process.
- h. The effectiveness of the General Inspectorate of Finance (IGF) is critically undermined by significant weaknesses, both institutional and operational (non-existent or inaccessible financial data, equipment, and interface with SIGFiP). A technical assistance programme was established with FORCE/Expertise France, covering capacity building in audit and internal control, building the capacity of the IGF in public finance; and the development of manuals. Yet additional technical assistance is needed and will be provided by this Action: support the reform of the legal framework of the IGF to ensure its administrative and financial autonomy and support for the development of the reference framework for IGF internal control and audit.
- i. The authorities have requested technical assistance to the IMF to strengthen fiscal oversight of the largest State Owned Enterprise (SOE), the utility company of Electricity and Water of Guinea-Bissau (EAGB), including the management, operations, and financial reporting, to secure its financial viability and limit fiscal risks. The Government prepared a follow-up report on recommendations from previous Audit Court reports on EAGB to strengthen its management and transparency. This Action will also support this assistance.

## **2. PFM transparency and public access to information**

- a. Public access to fiscal information is limited. The MoF’s website lacks updates on pertinent accounting documents and reports. The Court of Auditors website contains limited and outdated information.

No official transparency and inclusivity measure regarding the Government’s budget is in place in the country. Often only Government officials have access to the information relevant on Government activities, including budgeting. Moreover, citizens are often unable to acquire information on Government activities going on within their communities. This secrecy makes it harder to detect when corruption is afoot.

- b. The annual presentation of a Citizen’s Budget should be part of the budget transparency policy. The document should be written with the needs of the public in mind and use current language and should be linked to more detailed explanations so that it provides a simple access point for those who want more detailed information.

## **3. PFM external control**

Guinea-Bissau faces a general absence of effective oversight mechanisms over services responsible for public resources management, which affects economic governance and transparency.

a. Parliament (ANP): There is evidence that the Parliament has limited capacity to fully play its role in PFM. The new Parliament has just been elected and once installed, will need capacity building in PFM and anti-corruption. The ANP also needs support in implementing a guide for the functioning of parliamentary committees and in the development of guidelines for committees that work with the support of the INTER PARES programme. Additionally, the new Internal Control and Audit Office (GCAI) should be supported through the development of guidelines for its operation, and training of its staff.

b. Court of Auditors: The Court of Auditors (TC) has recently conducted several audits that highlighted fiscal risks arising from SOEs situation, but it has been less active in the assessment of the General Account of State. Despite that performance still lacks the required financial and administrative autonomy, therefore, amending the Organic Law 7/1992 that established the Court of Auditors towards granting more financial and administrative autonomy will be an important step. It also needs support for the dematerialization of their processes, which would speed up the prior inspection of acts and contracts. This Action will complement the PALOP-TL ISC staff training with an induction and continuous capacity building programme.

c. Civil society: PRO PALOP-TL ISC programme has pioneered the engagement of citizens to advocate for transparency regarding the budgeting process and to monitor Government budgeted projects within the country. The main objective in this new phase of knowledge and technology transfer is to ensure sustainability of the management and maintenance of its instrument on budget transparency and openness of data on Public Finances in the PALOP-TL at the end of the implementation of phase II of the project. This Action will complement the technical advice and capacity building provided by PRO PALOP-TL programme.

#### **4. Fight against corruption**

a. In Guinea-Bissau, the negative impact of transnational organized crime, in particular drug and human trafficking and related cross-cutting crimes, corruption, and money laundering, has been recognized at the highest level by the authorities and its combat has become a national priority. Thus, the UN decided to support national authorities to improve peacekeeping capacity, addressing the drivers of conflict that undermine social cohesion and can lead to violent conflict.

b. The National Strategy for Combating Corruption of Guinea-Bissau 2021-2030 established by the Government with the support of the UNDP establishes the general political framework and the priorities of legislative, institutional, and societal policy to be followed by the country, on good governance and the fight against corruption for the period between 2021 and 2030.

The Strategy has the following objectives: Promote a culture of integrity, transparency, and accountability, as well as modernize and improve services in Public Administration; promote public awareness of the corrosive nature and devastating consequences of corruption and install in them a culture of leadership and advocacy in preventing and combating corruption and a culture of “zero tolerance” to corruption; increase the effectiveness of institutions for preventing and combating corruption, completing the legal and institutional framework at the level of good international practices; promote awareness, commitment and political leadership in preventing and combating corruption and unwavering decision-making to implement concrete measures of “zero tolerance” to corruption, with a view to defending and safeguarding the public good.

c. The (general) corruption approaches will be used for political and administrative corruption; the corruption specifically related to PFM will need more technical measures indicated in chapter 3.2. Financial corruption in Guinea-Bissau is a serious problem and a mechanism politicians and civil servants use to misuse public resources. It is therefore necessary to improve fiscal operations transparency, predictability and control of budget execution, alignment of national strategies and policies and external controls of public spending. There are also significant weaknesses in public procurement that need to be addressed, namely a better management of public tenders and more consistency in the awarding of contracts.

d. The 2019 IMF governance technical assistance mission in Guinea-Bissau identified key governance vulnerabilities in the wage bill management. A proposal to enhance its transparency leveraging blockchain technology was one of the winning projects of the IMF Anti-Corruption Challenge in 2020 and there is scope for scaling-up that solution. With continued ownership of the authorities and the support of international partners, the



solution could be extended to the wage bill management of additional Ministries and other public institutions. It could also apply to multiple areas of PFM such as procurement and various public registries.

e. In Guinea Bissau, corruption, lack of accountability and institutional transparency not only affects economic development in terms of economic efficiency and growth, but also equitable distribution of resources across the population, increasing income inequalities, undermining the effectiveness of social welfare programmes and ultimately resulting in lower levels of human development. This, in turn, may undermine long-term sustainable development, economic growth and equality.<sup>8</sup>

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

The primary beneficiaries of this Action, most of them as duty bearers, are the following actors: Ministry of Finance, Ministry of Economy, Planning and Regional Integration (MEPIR), IGF, Court of Auditors, Parliament, and Civil Society Organisations (CSOs). In particular, coordination with the Ministry of Women, Family and Social Cohesion as well as the gender units/focal points in each of the sectoral ministries will be ensured.

**Ministry of Finance (MoF)**

The Ministry of Finance is the Government institution responsible for proposing, conducting, executing and evaluating the public finance policy, promoting the rational management of public financial resources and assets and the balance of public accounts. The MoF lacks institutional and individual capacity building in all areas of PFM and is the key stakeholder for implementing the budget system, the expenditure programming and execution, and will have an essential role in increasing public access to information on public finances.

**Ministry of Economy, Planning and Regional Integration (MEPIR)**

The MEPIR is the Government institution in charge of planning the national economic development, designing and coordinating policies to promote economic growth by diversifying the national economy and implementing regional integration policies. Introducing budget by programs will require close collaboration of MEPIR with the central Government, the MoF and the sectoral ministries.

**General Inspectorate of Finance (IGF)**

The IGF is the technical support service of the Ministry of Finance, whose fundamental mission is the internal control of the financial administration of the State and the specialized technical support to the Minister of Finance. As an internal control service for the State's financial administration, the IGF is mainly responsible for exercising control in the budgetary, financial and property areas, following the principles of legality, regularity and sound financial management. IGF needs support to reform its legal framework to ensure its administrative and financial autonomy, disconnecting it from the hierarchical structures of the MoF and developing its internal control and audit reference frameworks.

**Court of Auditors (TC)**

The Court of Auditors is the sovereign body entrusted with the external control of public finances in the areas of legality and regularity of revenue and public expenditure, the assessment of financial management and the implementation of responsibilities for financial infractions.

The TC needs more financial and administrative autonomy and institutional capacity for improving its procedures concerning judging the Accounts that the Law requires to be submitted to it, the issue of opinions on the General State Account, and the assessment of public financial management. The TC also needs to enhance staff capacity; the Action will complement the PALOP-TL ISC staff training with an induction and continuous capacity-building programme.

**Parliament**

The Parliament of Guinea-Bissau (NAP) is a unicameral parliament with 102 elected members. When it comes to PFM, the Parliament role is to oversight on the use of public resources. The Parliament's oversight role refers to its legislative duty to monitor public entities' financial planning, spending and accountability measures. The role of the committee in charge of the budget and finance is to ask questions, to scrutinize, to provide quality

<sup>8</sup> Transparency International (2014) The impact of corruption on growth and inequality. Available at: [https://www.transparency.org/files/content/corruptionqas/Impact\\_of\\_corruption\\_on\\_growth\\_and\\_inequality\\_2014.pdf](https://www.transparency.org/files/content/corruptionqas/Impact_of_corruption_on_growth_and_inequality_2014.pdf)



assurance of the process, and to ask what the priorities are. The ANP has benefited from the Parliaments in Partnership Programme (INTER PARES), an EU Global Project to Strengthen the Capacity of Parliaments. INTER PARES has helped ANP in preparing an Oversight Manual, which serves as a guide to the Functioning of Parliamentary Commissions, with the aim to inform and support the ANP members and staff on how to perform committee oversight and legislative functions to the full extent allowed within the country's constitutional and legal framework. With the dissolution of the ANP in May 2022 this guide could not be fully implemented. The new Parliament resulting from the elections of June 4, 2023 which will be installed in the coming weeks, will need capacity building initiatives, in particular for the newly elected parliamentarians to implement this guide and thus fully play their role of control of public finance management. The Parliament's Administrative Board have just created, with the support of Portugal at the end of May 2023, an Internal Control and Audit Cabinet (GCAI) and the members of this new cabinet have not yet been nominated. Further, assistance is needed to operationalize this cabinet in support of internal auditing efforts.

### **Civil Society Organisations (CSOs)**

The CSOs have the role to contribute to public expenditure management by providing a source of critical and independent information on the budget's impact on the poor and building budget literacy to facilitate debate. They can also synthesise and disseminate information on budget processes and provide training to citizen groups, the media and the legislature on budget processes.

In Guinea-Bissau, there is not an available list of CSOs interested in PFM. Two CSOs that have benefited from the PRO PALOP TL ISC programme including the National Network of Youth Associations (RENAJ) and the Women Political Platform (PPMGB). It will then be necessary at the inception of this Action to conduct an inclusive mapping of all CSOs (including those representing the rights of those people living in the most vulnerable situations) that are or may contribute to effective and transparent public finance management in Guinea-Bissau. Moreover, their capacity needs should be assessed and addressed with the programme's support.

The main international partners active in the PFM and anti-corruption areas are:

- EU, through the following programmes:

### **Regional PRO PALOP TL ISC**

UNDP is implementing the programme PRO PALOP-TL ISC which focuses the intervention on five main domains: Consolidating and strengthening PFM and domestic resource mobilisation capacities by the Ministries of Finance; improving external control and audit by Parliaments, Court of Auditors and other external control watchdogs; enhancing budget and policy monitoring by the Civil Society Organisation (CSOs) and increasing citizens' public participation; strengthening peer-to-peer international partnerships among national oversight institutions; and enhancing Gender-responsive Budgeting (GRB) practices and mainstreaming. This Action will complement the technical advice and capacity building provided by PRO PALOP-TL ISC programme.

### **INTER PARES**

Parliaments in Partnership (INTER PARES) programme, is an EU Global Project to Strengthen the Capacity of Parliaments, which has conducted peer-to-peer parliamentary strengthening activities in Guinea-Bissau. Key output of the initiative is the development and publication of a guide for the functioning of the parliamentary committees, contributing to strengthening participation in the legislative and political oversight process. Specifically, the Guide aims to improve the environment in which parliamentary oversight takes place, build the ANP's institutional capacity for oversight, reinforce political will among parliamentarians to carry out oversight activities, provide suggestions, templates, tools, and sample documents to support committees in their efforts to perform oversight and legislative scrutiny, increase the effectiveness of parliamentary oversight.

**TCHINTCHOR**, General Account of States preparation (Government) and appreciation (Court of Auditors). The EU is helping macroeconomic forecasting through supporting the related Ministry of Finance's information system (TCHINTCHOR) both technically and through training of its operators, with an AFRITAC consultant. It will likely resume its former support both to the preparation of the General Account of States by the Government and to its appreciation by the Court of Auditors.

### **PATF (Programme d'Appui à la Transition Fiscale)**

The EU has financed the Fiscal Transition Support Programme (PATF) in West Africa, under the 11th European Development Fund (EDF) for the benefit of the ECOWAS Commissions and the WAEMU. The PATF, which spans the period 2020-2023, covers the 15 ECOWAS Member States and Mauritania.

Through the PATF the EU supports the implementation of the two WAEMU and ECOWAS tax transition programmes following the implementation of the regional policies on liberalisation of trade (Customs Union, Common External Tariff).

The main objective of the programme is to support the implementation of Fiscal Transition Programmes in West Africa, following the implementation of regional trade liberalisation policies consolidated by the construction of the Customs Union, the application of the Common External Customs Tariff (CET) and the Economic Partnership Agreement (EPA).

Specific objectives include: Improve the management of domestic taxation and ensure better coordination of taxation in the ECOWAS and UEMOA space; strengthen the fight against fraud, tax evasion, illicit financial flows and corruption at the regional level; strengthen the coordination and institutional capacities of WAEMU, ECOWAS as well as Member States in order to facilitate the implementation, monitoring and evaluation of the new tax transition programme; strengthen the advocacy and analyses of Civil Society, the Private Sector and Universities and promote public debate on domestic taxation; provide specific expertise to Guinea-Bissau and Liberia to implement VAT according to the ECOWAS Directive; and in Nigeria for the harmonisation and management of VAT.

- **EU MS:**

**(a) Portugal:**

**IGF Portugal:** It supports IGF. Training in the elaboration of the work plan, contradictories, reports, and inspection notices (seminars in Lisbon); audits, inspections, and opinions (on-job training).

**(b) France:**

**FORCE/Expertise France:** Activities planned for 2023/2024:

**IGF:** Training in audit, internal control and public finance, development of field audit guides, development of the reference framework of standards and principles applicable to IGF missions.

**DGTCP:** (a) Internal control: Training on audit, internal control, management control, benchmark on existing internal control systems in accounting and financial administrations, workshop on accounting controls in terms of accounting quality, fiduciary and expenditure and revenue execution risk, note on the strategy for implementing internal control at the DGTCP. (b) Financial statements: Diagnosis of the existing situation, including the functionalities of the Accounting information system development of an Action plan and an accounting review process, and support for the operational implementation of the Actions.

**DGA:** Support for the revision and development of the new customs strategic plan, development of the draft training plan, development of the draft code of ethics, and development of the terms of reference for the mobile scanner.

**DGCI:** Develop a procedure manual on tax audit, training on tax audit, tax on added value (VAT), and data processing, strengthening of survey and research methodology, support in the development of a strategy sensitization of agents and taxpayers on the implementation of the VAT.

The stakeholders met by the mission have provided useful and important perspectives on the need to ensure transparency and participation of all stakeholders including beneficiaries. There is also a need to ensure strong monitoring, evaluation, and feedback of policy implementation for continuous improvement, and policy adjustment.

- **UNDP-Anti-corruption programme**

UNDP has a programme designed to address transparency/anti-corruption. The National Strategy for Combating Corruption in Guinea-Bissau 2021-2030 established by the Government with the support of the UNDP establishes the general political framework and the priorities of legislative, institutional, and societal policy to be followed by Guinea-Bissau, on good governance and the fight against corruption for the period 2021-2030.

- **World Bank**

The World Bank is implementing the second Public Sector Strengthening Project, aiming at improving oversight of fiscal and human resources as well as enhance the skills of public sector officials. The first component, strengthening oversight and management of fiscal resources supports the development of a treasury single account. The second component, strengthening human resources management (HRM) systems and practices will improve the information system for HRM, wage bill and pension management. The third component, strengthening capacities for core Government functions will enhance the capacity of civil servants so they can better facilitate the implementation of public policies and service delivery.

- **IMF**

The IMF Extended Credit Facility Arrangement is accompanied by a comprehensive set of measures that encompass this Action's domain, namely technical advice on domestic revenue mobilisation and on wage bill management. In the absence of a stable Government and a reliable public reform strategy, the IMF programme constitutes a reference for the donors' active in this area to articulate among themselves.

- **BCEAO**

The Action Plan for financing the economies of the West African Economic and Monetary Union (WAEMU), includes the establishment of a mechanism to support the financing of Small and Medium Enterprises and Small and Medium Industries. The Central Bank of West African States (BCEAO) is implementing this system. The establishment of such a mechanism appeared necessary in view of the weight of SMEs in the economy of the countries of the Union. Indeed, these represent more than 80% of the companies surveyed, having difficulty accessing financing, particularly medium and long-term loans. This Action will increase their contribution to the GDP and job creation.

- **AfDB**

AfDB is financing the "Public Administration Modernization Support Project (PAGAP)", covering the period 2022-2026 with the following specific objectives: strengthen public resource management, by improving public sector wage bill management, enhance public investment management, build public revenue mobilisation capacity through digitalisation, and build human resource capacity in the tax and customs administrations. It is also planning a "Public Administration and Finance Reform Programme – Phase I (Budget Support)".

## 3 DESCRIPTION OF THE ACTION

### 3.1 Objectives and Expected Outputs

**The Overall Objective (Impact)** of this Action is to promote public finance transparency and accountability in Guinea-Bissau.

**The Specific Objectives (SO Outcomes)** of this Action are:

1. To improve the effectiveness of public financial management systems, procedures, and capacities.
2. To strengthen the framework and conditions for participation, transparency, and oversight in financial governance and the fight against corruption.

**The Outputs** to be delivered by this Action contributing to the corresponding Specific Objectives are:

Contributing to Outcome 1 (SO1):

- 1.1 Enhanced capacity of public finance stakeholders in gender and environment responsive budget and strategic planning
- 1.2 Expenditure programming and budgeting systems and processes are strengthened while taking into gender and environment perspectives
- 1.3 Systems and processes for expenditure execution, procurement and internal control are enhanced.

Contributing to Outcome 2 (SO2):

- 2.1 Public and equal access to information on public finances is promoted.
- 2.2 Enhanced capacity of the Parliament, the Court of Auditors and civil society for oversight of public finance management.
- 2.3 Improved mechanisms for fighting against corruption

## 3.2 Indicative Activities

**Activities relating to Output 1.1: The Public Finance Management (PFM) strategy development is accompanied.**

- Providing technical assistance to i) review existing operational budgetary processes and identify process gaps and support the MoF developing a Public Finance Master Plan<sup>9</sup> and ii) conduct a PEFA assessment, to make a diagnosis of the PFM system and evaluate the impact of the PFM reforms, a GRPFM assessment, to measure gender responsive PFM and a TADAT assessment to identify the relative strengths and weaknesses in tax administration.

**Activities relating to Output 1.2: Expenditure programming and budgeting systems and processes are strengthened.**

- Providing technical assistance to i) prepare a new Public Finance Law to include budget and management of budgetary execution by programmes, including gender and environmental responsive budgeting dimensions, ii) review the methodology for allocating budget ceilings to allow the establishment of ceilings by programmes, update the budget execution procedures manual, enforcing the expenditure execution with an ex-ante financial control before payment and undertake a comprehensive inventory of extrabudgetary funds/units/operations and streamline them.
- Improve budget documentation, including through inclusion of forward year estimates, macroeconomic outlook, macro-fiscal targets and strategy, sector (including information on gender priorities and budget measures aimed at strengthening gender equality), and local development strategies, monitoring indicators and targets (including at least sex age disability and socioeconomic disaggregated data and gender specific indicators), new policy initiatives, savings measures, fiscal risks, commitments, guarantees and other contingent liabilities.
- Redesign the organization of the collection and payment system and other Treasury operations to improve transparency and management of public funds, support establishing an online agile system for ex-ante control in the procurement process within the Court of Auditors and conduct the diagnosis of the financial management information system SIGFiP.
- Providing equipment and other input to improve SIGFiP hardware, software, and communication infrastructure to enhance its functionalities, reporting and transparency.
- Training to i) reinforce operational capacities of managers and financial controllers in the field of procedures on budget execution, for compliance with the requirements of WAEMU Directives, supported by the updated budget execution manual and ii) strengthen operational capacities of the MoF and line Ministries for more effective and informed expenditure programming, budgeting processes (including on gender responsive budgeting) and new state property regulations.

<sup>9</sup> Seven axes: (1) Renovation of the budgetary and accounting frameworks of the State. (2) Strengthening and optimization of the mobilization of the internal resources of the State. (3) Strengthening of the management of State financial operations to ensure debt sustainability and control financial risks. (4) Modernization of the finance administration. (5) Strengthening and harmonization of control and audit procedures in the Ministry of Finance. (6) Integration of the public finance management information systems. (7) Capacity building and communication, to train a critical mass of executives capable of supporting public finance reforms and implementing them, making the reform more visible and reducing resistance to change.

**Activities relating to Output 1.3: Systems and processes for expenditure execution, procurement and internal control are enhanced.**

- Providing technical assistance to support i) monitoring the ceiling for the exceptional procedure expenditure category, ii) the evolution of financial control in the context of budget by programmes and more particularly the appropriation of budgetary sustainability, iii) the reform of the legal framework of the IGF to ensure its administrative and financial autonomy, disconnecting it from the hierarchical structures of the MoF, iv) the reference framework for IGF internal control and audit and the development and implementation of a dissemination strategy for the IGF internal control and audit reference framework.
- Providing the IGF with the necessary equipment to improve its control over public bodies. The following needs were assessed: 8 desktop computers, 17 laptops and 1 scanner.

**Activities relating to Output 2.1: Public and equal access to information on public finances is increased.**

- Providing technical assistance to support i) drafting the annual Citizen's Budget with focus on State Functions (Health, Education, Justice, Gender Equality, Inclusion and Human Rights) and modernizing the website of the Ministry of Finance (MoF) with very simple graphical displays on the base laws, Citizen's Budget, sector reports and plans.
- Enhancing awareness of main stakeholders and the public on budget related issues: (a) elaborate a communication and outreach strategy identifying target groups (with a particular attention to women and those people in more vulnerable situations and with less access to this kind of official information i.e. people living with disabilities or in rural areas), locations, and outreach methods; (b) organise annual outreach inclusive and participatory meetings with various stakeholders including CSOs, with the participation of local chiefs to learn about the needs and interests of all the population within their communities and the assistance they require to be programmed in the next budgeting cycle.

**Activities relating to Output 2.2: Oversight of public finance management by Parliament, the Court of Auditors and civil society is strengthened.**

- Providing technical assistance to i) support to the ANP's new internal control and audit office and the preparation of the ANP's internal control manual, ii) amend the Organic Law 7/1992 that established the Court of Auditors (TC) to grant more financial and administrative autonomy to this institution, iii) create and apply a specific career plan for Auditors, with requirements that honour meritocracy and schooling, based on gender-responsive, transparent, merit-based hiring and remuneration procedures, iv) continue EU support to TC on issuing informed decisions on general state accounts and v) conduct a cost-benefit analysis of dematerialization and digitalisation of Court of Auditors.
- Providing equipment and other inputs to support the dematerialization and digitization of TC documents to simplify processes and the development of TC integrated information system for prior inspection of acts, contracts, and management accounts.
- Training to i) reinforce the capacities of the ANP staff and permanent specialized commissions, namely the Commission on Public Finance, on aligned budgeting and programming, interpretation of the OGE, appreciation of CGA, new operating guide for the commissions, new audit and internal control function, information on the fight against corruption and the promotion of gender equality and women's empowerment, ii) continuous capacity building of TC staff, to complement the training already provided by PRO PALOP-TL, iii) strengthen capacities of least two CSOs (at least one representing women's rights and people in most vulnerable situations) on their assessment of Government's performance, budget interpretation, preparation and execution, information on the fight against corruption, always under the perspective that matters to citizens: State functions (Health, Education, Justice, Gender Equality and Human Rights, etc).
- Capacity building activities accessible to the population, specially to the most vulnerable, on how to understand PFM content.

**Activities relating to Output 2.3: The fight against corruption is enhanced.**

- Providing technical assistance to i) perform a country assessment on the main drivers of corruption and stakeholder analysis, especially with regards to PFM, ii) conduct a study on mapping revenues and

expenditures to identify corruption risks<sup>10</sup>, iii) carry out the feasibility study for the Public Service Innovation Centre, iv) support revising the legislation that regulates the financial administration regime of public bodies.

- Support anti-corruption mechanisms i) implementation and coordination of the national anti-corruption strategy including the Steering Committee, the establishment of the Taskforces on good governance and the fight against corruption, and an annual national Round Table of donors on the implementation of the anti-corruption strategy, ii) Working Group of General Inspectors on Investigating and Reporting Corrupt Practices and Mismanagement to review existing public administration legislation, civil service career legislation, codes of conduct, procedures for safely reporting, investigation and application of penalties for maladministration and acts or omissions in the context of corruption, iii) whistleblowing mechanism and whistle-blower protection provisions.
- Support i) strengthening the fiscal oversight of State-owned Enterprises (SOEs), specially EAGB, to reduce mismanagement of public finances and ii) the adoption and implementation of anti-corruption programmes in the public administration and in large and medium-sized companies.
- Training to reinforce operational capacities of i) NGOs across the country on anti-corruption leadership and advocacy (trainer of trainers programs) and ii) politicians, public officials, and NGOs, on the initiative: “Leaders of Tomorrow/Tomorrow’s Leaders”, involving a training programme on changing mindsets.

### 3.3 Mainstreaming

#### Environmental Protection & Climate Change

Environmental issues and “green” practices will be mainstreamed through environmental responsive budgeting practices (Output 1.2). The environmental contributions of budgetary items and policies will be identified and assessed with respect to specific performance indicators, with the objective of better aligning budgetary policies with environmental goals.

**Outcomes of the EIA (Environmental Impact Assessment) screening:** the EIA screening classified the Action as Category C (no need for further assessment). **Outcome of the CRA (Climate Risk Assessment) screening:** the CRA screening concluded that this Action is no or low risk (no need for further assessment).

#### 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 a gender perspective will be mainstreamed throughout the Action with a focus on consolidating the systematic implementation of the Gender-responsive Budget (GRB) methodology and to promote women’s participation in the public debate. The Action integrates gender into the budgetary process as a tool for accelerating the achievement of the SDG 5 of the 2030 Agenda for Sustainable Development commitments and improving governance, accountability, and transparency. The action contributes to the III EU Gender Action Plan, in particular to the objective 3 “Gender Responsive Budgeting is promoted “under the part I “EU institutional and strategic objectives and indicators”.

#### Human Rights

The Action will promote good governance through improving the transparency, external control, legislative oversight, and social monitoring/scrutiny of public resources effectively allocated and efficiently implemented to promote human rights national policies and targets. The Action will focus on enhancing active participation of rights holders, particularly women in all their diversity and those people living in vulnerable situations, and equal access to the decision-making process, transparency, accountability, and access to information in the PFM sector adapted, if necessary, to the needs of those people in a more vulnerable situation (i.e. persons living with a disability, illiterate people, etc.).

#### Disability

<sup>10</sup> (a) categorise mechanisms for collecting and disbursing public resources, and accountability instruments currently used, and their adequacy compared with international guidelines; (b) produce an exploratory map of public finances that will serve as an aid to the relevant political decision-making; (c) identify points of vulnerability on mismanagement of public finances.

As per OECD Disability DAC codes identified in section 1.1, this Action is labelled as D0 although the interests and needs of persons with disabilities will be taken into consideration throughout the Action.

### **Reduction of inequalities**

As per the Inequality Marker, this Action Document has been labelled as an I-1. The Action will contribute to the reduction of inequalities through sound public financial management, by means of fair, accountable and transparent public finance systems. The anti-corruption component of the Action will contribute to strengthen accountability regarding the use of public funds to reduce inequality. An effective and transparent PFM system can contribute significantly to reduce inequalities by promoting equitable resource allocation, targeted fiscal policies, improved service delivery, and enhanced accountability and oversight.

### **Democracy**

The Action aims to contribute to strengthening democracy and the rule of law through improving PFM governance and fighting corruption. It will strengthen the country's PFM systems and contribute to public participation in economic governance and transparency. It will also strengthen Parliament, IGF and CSOs to demand accountability from the Government and improve transparency of public expenditure and strengthen the democracy dynamics.

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

The Action will contribute to getting public finance management processes on track in ways that encompass sound public budgeting, execution, and accountability to support reconstruction and poverty reduction objectives that are vital to building a well-functioning state and producing a durable peace.

### **Disaster Risk Reduction**

The Action will support the country to strengthen post-Covid-19 recovery and resilience as well as the mitigation of the direct and indirect impacts of the Russia-Ukraine war on the availability and access to financial resources on regional and global markets. The implementation of a resilient PFM system and enhancing the fight against corruption will promote the rationalization of available and already limited resources to reinforce national response mechanisms and disaster resilience financing.

### **Other considerations if relevant**

The Action includes a significant digital governance component aimed at increasing PFM transparency and accountability: enhancement of the financial management information system SIGFiP, treasury management system, macroeconomic software for the simulation of macroeconomic impacts, state property, and integrated system of prior inspection of acts, contracts, and management accounts for the Court of Accounts.

## **3.4 Risks and Lessons Learnt**

<b>Category</b>	<b>Risks</b>	<b>Likelihood (High/ Medium/ Low)</b>	<b>Impact (High/ Medium/ Low)</b>	<b>Mitigating measures</b>
External (economic) environment	Risk 1 Change in senior positions within the Government due to political decisions creating instability in political support for reforms.	H	M	So far, the Government has underscored the need for reforms that may prove to be more progressive. Mitigation of the risk requires policy dialogue at the highest level.
	Risk 2 Government is not able to curb the fiscal imbalances between expenditures and revenues and new debt stock becomes unsustainable.	H	H	The Government is committed to fiscal consolidation, but it may not be willing to take the necessary measures. Mitigation of the risk requires policy dialogue at the highest level.



Internal processes	Risk 3 Lack of interest on part of the institutions in fulfilling Action objectives.	M	M	Designation of focal points within the ministries in charge of PFM and fight against corruption in the context of the formulation and implementation of this Action.
	Risk 4 Sustainability and reach of capacity building efforts that require the involvement of ministries.	M	M	The risk is mitigated by coordinating activities of external key stakeholders.
	Risk 5 Absorptive capacity (knowledge transfer) is inadequate and unsustainable.	M	M	Tailored activities aligned with national priorities. Coordination of assistance with other donor partners.
	Risk 6 Lack of capacity and/or institutional resistance to support a PFM reform that include a gender Budgeting component	M	M	A GRPFM Assessment will be conducted, and specific trainings and capacity building activities delivered. Women's rights organisations will be actively engaged.
People and organisations	Risk 7 Weak dialogue between CSOs and focal points within ministries.	M	M	Implement public awareness campaigns on PFM reform and anti-corruption strategies.
	Risk 8 Weak PFM transparency and accountability knowledge permeability in the society	M	M	Design capacity building activities together with CSOs directed to society

#### Lessons Learnt:

The analysis of the PFM sector, leads to the following considerations:

- The poorly diversified economy makes the country highly vulnerable to global shocks and adverse climatic conditions. According to the World Bank, poor cashew exports and high inflation slowed growth to 3.5 percent in 2022, causing the pace of poverty to increase. Salary overspending, energy costs and lower tax revenues limited fiscal consolidation as debt levels increased. Medium-term growth may improve as PFM reforms and infrastructure investments come online, but the outlook is subject to downside risks from continued inflationary pressures, shocks to the cashew sector, political instability, fiscal risks, and climatic shocks.
- Flexibility and adaptation to the beneficiaries' changing needs is key to foster political buy-in and ownership of the Action. This has proven to be crucial to ensure sustainability in interventions linked to economic governance.
- A participative process in the formulation of activities, results, indicators, and baselines, through Annual Work Plans contributes to tailored responses to the beneficiaries' needs and priorities, rooted on South-South and Triangular cooperation and peer-to-peer learning practices, including Conference of the Parties (UN CoP).
- The quality and efficiency of the EU policy dialogue can be increased, by receiving critical, timely insider information, networks, and connection to PFM institutions.
- Importance in continuing to work on enhancing peer-to-peer collaboration and network as it has proven to be successful in fostering difficult but critical transformation in institutions.
- Fostering closer coordination with national and regional EU-funded projects through formal and informal dialogue and exploring potential synergies is needed.

### 3.5 Intervention Logic

The underlying intervention logic for this Action is that:

i.	<p>If support to the design and implementation of a Public Financial Master Plan is provided together with a PEFA, GRPFM and TADAT assessments</p> <p>and the political will to reform PFM is maintained,</p> <p>then the Action may accompany the Government in the development of a vast programme of structuring public financial reforms (<b>output 1.1</b>)</p>
ii.	<p>If prepare a new public finance law to include budget and management of budgetary execution by programmes, update the budget execution procedures manual, organise budget documentation, improve SIGFiP hardware, software, and communication infrastructure are performed and capacity building of MoF and relevant stakeholders is ensured,</p> <p>and the beneficiaries – most of them as duty bearers - of this Action maintain their will to apply updated and more demanding guidelines on expenditure programming and gender responsive budgeting systems,</p> <p>then the expenditure programming and budgeting systems and processes are strengthened while taking into account a gender and environment responsive budget and strategic planning (<b>output 1.2</b>).</p>
iii.	<p>If support for the evolution of financial control in the context of budget by programmes, support the reform of the legal framework of the IGF to ensure its administrative and financial autonomy, support the development of the reference framework for IGF internal control and audit are performed and IGF is reinforced with the necessary hard- and software,</p> <p>and the beneficiaries – most of them as duty bearers - of this Action maintain the will to apply enhanced and more demanding systems for expenditure execution, procurement and internal control,</p> <p>then systems and processes for expenditure execution and internal control are enhanced (<b>output 1.3</b>).</p>
iv.	<p>If outputs 1.1, 1.2 and 1.3 are reached,</p> <p>and the Government through the MoF is working to improve its PFM systems and key partners continue supporting Guinea-Bissau in capacities development for effective PFM,</p> <p>then the effectiveness of public financial management systems, procedures, and capacities is improved (<b>outcome 1</b>),</p> <p>because a diagnosis of existing legal and operational budgetary processes has been conducted and specific measures were implemented targeting all phases of the budget cycle: budget preparation, budget authorization, budget execution and accountability.</p>
v.	<p>If a communication and awareness raising campaign is conducted and support drafting the annual Citizen's Budget is performed,</p> <p>and the Government demonstrate the will to improve availability and access to PFM related data and information to the public,</p> <p>then public access to information on public finances is promoted (<b>output 2.1</b>)</p>
vi.	<p>If support to the ANP's internal control and audit functions, review the legislation that established the Court of Auditors (TC) to grant more financial and administrative autonomy, create a specific career plan for auditors, conduct a cost-benefit analysis of dematerialization and digitalisation of TC, improve TC's information system are performed, and capacity building of TC, ANP and CSOs is ensured,</p> <p>and the beneficiaries of the Action demonstrate the will to deepen their expertise in order to properly monitor the State Budget, the General State Accounts, and the implementation of PFM reforms and have the necessary support from the Government to independently play their role,</p> <p>then the oversight in financial governance and in the fight against corruption, by Parliament, the Court of Auditors and civil society is strengthened (<b>output 2.2</b>).</p>
vii.	<p>If support the mechanism for the implementation of the national anti-corruption strategy and the establishment of a whistleblowing mechanism, conduct a study on mapping revenues and expenditures to identify corruption risks, support strengthening the fiscal oversight of EAGB, support the implementation of anti-corruption</p>

programmes in the public administration and in large and medium-sized companies are performed and capacity building of relevant stakeholders is ensured,

and the Government maintain its will to accelerate the fight against corruption and beneficiaries including CSOs maintain their interest and have the resources to increase their role in monitoring the PFM-related policies,

then the fight against corruption is enhanced (**output 2.3**)

viii. If outputs 2.1, 2.2 and 2.3 are reached,

and oversight institutions like the Parliament (ANP) and TC are operational during the period of the Action and the Government maintains its political will to promote recommended interventions by the national anti-corruption strategy,

then the framework and conditions for participation, transparency and oversight in financial governance and the fight against corruption is strengthened (**outcome 2**)

because all activities are carried out according to international standards and with the participation of the key PFM and anti-corruption stakeholders.

ix. If outcomes 1 and 2 are reached,

then the Action will contribute to the effectiveness, accountability, and transparency of the public financial management (**impact**).

### 3.6 Logical Framework Matrix

At action level, the indicative logframe should have a maximum of 10 expected results (Impact/Outcome(s)/Output(s)).

It 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.

PROJECT MODALITY (3 levels of results / indicators / Source of Data / Assumptions - no activities)

Results	Results chain (🔗): Main expected results (maximum 10)	Indicators (🔗): (at least one indicator per expected result)	Baselines (values and years)	Targets (values and years)	Sources of data	Assumptions
<b>Impact</b>	To promote public finance transparency and accountability in Guinea-Bissau	1. PEFA assessment scoring* 2. World Bank's accountability indicator 3. Budget reports 4. Information quality 5. Budget Transparency Index	1. 2022: PEFA assessment 2. 2021: 10.8 (2016) 3. Score: 33/100 4. Score: 33/100 5. 2022: 27/100	1. 2027: tbd 2. 2027: Increase by 20% 3. 2027: 68 (the average for PALOP Countries in 2022) 4. 2027: 63 (the average for PALOP Countries in 2022) 5. 2027: 51 (the average for PALOP Countries in 2022)	1. PEFA reports 2. World Bank report 3. PALOP-TL Civil Society Online Budget Platform 4. PALOP-TL Civil Society Online Budget Platform 5. PALOP-TL Civil Society Online Budget Platform	<i>Not applicable</i>

<b>Outcome 1</b>	To improve the effectiveness of public financial management systems, procedures and capacities.	1.1 PEFA assessment scoring 1.2 Ratio of Government tax revenue to GDP	1.1 2022: PEFA assessment 1.2 2021: 9.5%	1.1 2027: Increase by 20% 1.2 2027: Increase by 20%	1.1 PEFA reports, Finance Act and General State Accounts 1.2 WAEMU benchmarks and data and IMF data and reports	The Government through the MoF is working to improve its PFM systems.  Key partners continue (in the scope of their interventions), supporting Guinea-Bissau in capacities development for effective PFM.
<b>Outcome 2</b>	To strengthen the framework and conditions for participation, transparency, and oversight in financial governance and the fight against corruption	2.1 Level of incorporation of Organic, Economical and Functional information perspectives in the Finance Act (State Budget) 2.2 World Bank's accountability indicator	2.1 2021: Organic and Economical perspectives 2.2 2021: 10.8 (2016)	2.1 2027: Organic, Economical and Functional perspectives 2.2 2027: Increase by 20%	2.1. Finance Act and General State Accounts / WAEMU and/or domestic standards adopted for public accountability.	Oversight institutions like the Parliament (ANP), TC and IGF are operational during the period of the Action.  The Government maintains its political will to promote recommended interventions by the national anti-corruption strategy.
<b>Output 1 relating to Outcome 1</b>	1.1 Enhanced capacity of public finance stakeholders in gender and environment-responsive budget and strategic planning	1.1.1 Status of development of Public Finance Management Master Plan / Roadmap of reforms developed with EU support 1.1.2 Gender responsive public financial management (GRPFM) score indicators.	1.1.1 2022: No Master Plan / No Roadmap on PFM reforms 1.1.2 2023: Level of GRPFM / tbd at inception	1.1.1 2027: Existing Master Plan / Roadmap for PFM reforms 1.1.2 2027: Increase GRPFM score by 10 points (2 points every year)	1.1.1 MoF reports 1.1.2 PEFA assessment	The Government through the MoF maintains the political will to develop and implement a strategy or at least a roadmap or masterplan on the PFM reforms.

<b>Output 2 relating to Outcome 1</b>	1.2 Expenditure programming and budgeting systems and processes are strengthened While taking into account gender and environment perspectives	1.2.1 Status of development of Master plan / Roadmap for PFM reforms  1.2.2 Number of capacities development activities in strengthening expenditure programming and budgeting systems and processes.  1.2.3 Number of government staff trained by the EU-funded intervention with increased knowledge and/or skills in budgeting systems and processes, disaggregated by sex	1.2.1 2023: No Master plan / Roadmap 1.2.2 2023: 0 1.2.4 tbd at inception	1.2.1 2027: Existing Master plan / Roadmap 1.2.2 tbd at inception 1.2.4 tbd at inception	1.2.1 MoF reports 1.2.2 MoF pre- and post-training test reports 1.2.3 MoF reports 1.2.4 MoF reports on SIGFiP	Interest will of stakeholders on expenditure programming and budgeting systems.
<b>Output 3 relating to Outcome 1</b>	1.3 Systems and processes for expenditure execution, procurement and internal control are enhanced.	1.3.1 Number of Manuals of procedures for expenditure execution and financial control developed/updated with support of the EU-funded intervention  1.3.2 Status of development of Reference framework for the IGF internal control and audit.  1.3.3 Status of development of communication and dissemination strategy for the IGF control and audit reports.	1.3.1 2022: 0 number of manuals 1.3.2 2022: No Reference framework 1.3.3 2022: No communication and dissemination strategy.	1.3.1 2027: Number of Updated Manuals 1.3.2 2027: Reference framework developed. 1.3.3 2027: communication and dissemination strategy developed.	1.3.1 IGF Manuals/Reports 1.3.2 IGF Manuals/Reports 1.3.3 IGF Reports	The beneficiaries of this Action maintain the will to apply enhanced and more demanding systems for expenditure execution, procurement and internal control.
<b>Output 1 relating to Outcome 2</b>	2.1 Public and equal access to information on public finances is promoted	2.1.1 Number of annual Citizen's Budgets developed with support of the EU-funded intervention (2023-2027)  2.1.2 Status of development of a communication and outreach strategy	2.1.1 2022: 0 2.1.2 2022: No communication strategy 2.1.3 0	2.1.1 2027: 4 2.1.3 2027: Communication strategy developed. 2.1.3 tbd at inception	2.1.1 MoF Reports 2.1.2 MoF Reports 2.1.3 MoF Reports.	The beneficiaries of the Action demonstrate the will to improve availability and access to PFM related data and information to the public.

		2.1.3 Number of Annual outreach meetings with various stakeholders, with the participation of local chiefs				
<b>Output 2 relating to Outcome 2</b>	2.2 Enhanced capacity of the Parliament, the Court of Auditors and civil society for oversight of public finance management	<p>2.2.1 Number of Parliament, the Court of Auditors and civil society trained by the EU-funded intervention with increased knowledge and/or skills on aligned budgeting and programming, interpretation of the OGE and PFM reforms, disaggregated by sex and institution/organisation of participant</p> <p>2.2.2 Status of development of Parliament internal control manual</p> <p>2.2.3 Status of drafting of the Amendment to the Organic Law 7/1992 that established the Court of Auditors (TC) to grant more financial and administrative autonomy to this institution.</p> <p>2.2.4 Number of CSO representatives trained by the EU-funded intervention with increased knowledge and/or skills to assess the Government performance on budget preparation and execution and on PFM reforms (including women's rights organisations and those representing the rights of people in vulnerable situations), disaggregated by sex</p> <p>2.2.5 Number of capacity building activities delivered by National</p>	<p>2.2.1 0</p> <p>2.2.2 2022: No manual</p> <p>2.2.3 2023: No amendment</p> <p>2.2.4 0</p> <p>2.2.5 No data</p>	<p>2.2.1 tbd at inception</p> <p>2.2.2 2027: Internal control manual is developed.</p> <p>2.2.3 2027: Organic Law 7/1992 drafted.</p> <p>2.2.4 2027: tbd at inception</p> <p>2.2.5 No data</p>	<p>2.2.1 ANP Reports/Surveys</p> <p>2.2.2 ANP Reports/Surveys</p> <p>2.2.3 ANP Reports</p> <p>2.2.4 Pre- and post-training test reports</p> <p>2.2.5 M&amp;E reports</p>	<p>The beneficiaries of the Action demonstrate the will to deepen their expertise in order to properly monitor the State Budget, the General State Accounts, and the implementation of PFM reforms.</p> <p>The beneficiaries of this Action namely ANP, TC and CSOs have the necessary support from the Government to independently play their role.</p> <p>The beneficiaries of the capacity building activities have a better understanding of PFM.</p>



		institutions and CSOs to citizens on PFM by sex, age, income level, disability status, ethnicity, area of residence.				
<b>Output 3 relating to Outcome 2</b>	2.3 Improved mechanisms for fighting against corruption	<p>2.3.1 Number of amendments drafted with support of the EU-funded intervention on public administration legislation, civil service career legislation, codes of conduct, procedures for safely reporting, investigation and application of penalties for maladministration and acts or omissions in the context of corruption.</p> <p>Number of CSO representatives trained by the EU-funded intervention with increased knowledge and or skills on train the trainer on anti-corruption leadership and advocacy, disaggregated by sex</p> <p>Number of politicians, public officials, and CSO representatives trained by the EU-funded intervention with increased knowledge and/or skills on leadership skills, disaggregated by sex and type of institution/organisation</p>	tbd	tbd	Pre- and post-training test reports M&E reports	<p>The Government maintains its will to accelerate the fight against corruption and improve the country ranking on global corruption perceptions index.</p> <p>The beneficiaries of this Action including the national CSOs maintain their interest and have the resources to increase their role in monitoring the PFM-related policies.</p>

## 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

N.A.

### 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 area of Public Financial Management, including institutional and operational support for reform processes to improve public financial management systems, procedures and capacities.
- Specific expertise in the area of the fight against corruption, in particular on participation, transparency, and oversight in financial governance.
- 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 two specific objectives of the Action as well as to all the related outputs mentioned in section 3.

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

If negotiations with the entrusted entity for indirect management described in the section 4.4.1 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 the effectiveness of public financial management systems, procedures, and capacities) and 2 (Strengthen the framework and conditions for participation, transparency, and oversight in financial governance and the fight against corruption).

#### 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

Indicative Budget components	EU contribution in EUR
<b>Implementation modalities</b> – cf. section 4.4	
<b>SO1:</b> To improve the effectiveness of public financial management systems, procedures, and capacities	
Indirect management with an entrusted entity - cf. section 4.4.1	2 425 000
<b>SO2:</b> To strengthen the framework and conditions for participation, transparency, and oversight in financial governance and the fight against corruption	
Indirect management with an entrusted entity - cf. section 4.4.1	2 425 000
<b>Evaluation</b> – cf. section 5.2	150 000
<b>Audit</b> – cf. section 5.3	
<b>Totals</b>	5 000 000

#### 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 public finance management and anti-corruption, will be held once a year as part of the monitoring at policy level. 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. This group will work in synergy and coordination with the Sector group on PFM and Budget support set up in 2023 by the UN System Coordination, led by the IMF and the WB, with the participation of the EU.

- A technical monitoring committee, with the participation of all the actors involved in the implementation of the Action, 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.

All monitoring and reporting shall assess how the action is considering the principle of gender equality, human rights-based approach and rights of persons with disabilities including inclusion and diversity. When relevant, indicators shall be disaggregated at least by sex and age, and income level, area of residence, ethnicity and disability if possible.

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).

Roles and responsibilities for data collection, analysis and monitoring:

The implementing partner will have specific responsibilities for monitoring and reporting under this Action. Indicators will as much as possible be used to allow wide reporting. Indicator values will be measured at regional or on a country-by-country basis depending on the nature of the activities, including gender disaggregation. All monitoring and reporting shall assess how the Action is considering the human rights-based approach and gender equality.

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 a final evaluation may 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, with respect to the challenges and opportunities to achieve the planned outputs and outcomes. It will also help identify lessons learned and provide relevant strategic and operational recommendations for the second part of the project.

The final evaluation will be carried out for accountability and learning purposes at various levels (including for policy revision), considering the new political environment and the different reforms put in place by the Government in the sector of PFM and anti-corruption interventions. The final evaluation will make recommendations in support of the sustainability of the Action.

Evaluations shall also assess to what extent the action is taking into account the human rights-based approach as well as how it contributes to socioeconomic equality, gender equality and women's empowerment and disability inclusion. Expertise on human rights, disability and gender equality will be ensured in the evaluation teams.

The Commission shall inform the implementing partner at least 1 months 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.

All evaluations shall apply to the Organisation for Economic Co-operation and Development's (OECD) Development Assistance Committee (DAC) Framework. They should also mainstream human rights, gender equality and social inclusion and climate change.

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, based on 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:

1. Articulating Actions or contracts according to an expected chain of results and therefore allowing them to ensure efficient monitoring and reporting of performance;
2. Differentiating these Actions or contracts from those that do not produce direct reportable development results, defined as support entities (i.e. audits, evaluations);
3. 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:

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