

	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>