

Programme for Consolidating Economic Governance and Public Finance Management systems in the PALOP-TL (Pro PALOP-TL SAI (Phase II))

November 2018

DESCRIPTION OF THE ACTION



ANNEX I TO DELEGATION AGREEMENT N°

DESCRIPTION OF THE ACTION

Title of the action	Programme for Consolidating Economic Governance and Public Finance Management systems in the PALOP-TL (Pro PALOP-TL SAI (Phase II) CRIS number: FED/2016/039-765 financed under the European Development Fund
Location of the action	PALOP-TL (Angola, Cabo Verde, Guinea Bissau, Timor-Leste, Mozambique, São Tomé e Príncipe) The action shall be primarily carried out at the following location: PALOP-TL countries
Budget of the action	Total estimated cost: USD 9,919,856 Total amount of 11 th EDF contribution: USD 8,313,000 This action is co-financed by: - United Nations Development Programme (UNDP) for an amount of USD 106,555.64.

Summary

The **Programme for Consolidating Economic Governance and Public Finance Management Systems (PFMS) in the PALOP-TL (Pro PALOP-TL SAI – Phase II)** covers the second priority area of the 11th EDF PALOP-TL Multi-Annual Indicative Plan (MIP) “*Governance capacity Development*”. The project intends to **improve economic governance in the PALOP-TL**, with the specific objective to **improve the performance of PALOP-TL countries on Public Finance accountability, effectiveness and transparency**. Because of the common historical, administrative and cultural heritage between the six PALOP-TL countries, supporting their south-south and triangular cooperation allowed the EU to pursue objectives in these areas and to reach out to non-conventional partners in development cooperation, such as Brazil.

The proposed project aims to expand and consolidate Pro PALOP-TL SAI’s initiatives and successes of South-South and Triangular¹ Cooperation by supporting capacity development, further develop regional dialogue and deliver technical assistance in the above referred domain. Within this scope, it is proposed to focus the intervention on three domains for consolidating PFMS, where cooperation among PALOP-TL/EU is already underway and showed positive impacts, as well a regional added value, to obtain the following expected results:

1. The executives' capacities to ensure fiscal and budget transparency in the PALOP-TL are improved.
2. The supreme audit institutions and other relevant external control institutions' capacities to ensure external audit/control over PFMS in the PALOP-TL are enhanced.
3. The capacities of Parliaments and CSO to ensure effective legislative oversight and social monitoring of PFMS in the PALOP-TL are strengthened.

The project will develop a Facility to support and broker initiatives for capacity development, south-south and triangular cooperation, exchanges of experiences and "peer2peer" learning, with the expectation to foster institutional-based, process-based and human resources-based change and transformational dynamics. The project's beneficiaries were identified through the relevant 10th EDF programmes (PALOP-TL RIP and NIPs), as well as by means of a thorough mapping, analysis and diagnostic carried out along the implementation of the Pro PALOP-TL SAI between 2014 and 2017², complemented by an ad-hoc mapping consultation process in the 6 countries in 2016-2017. Given its successful experience in implementing the Pro PALOP-TL SAI, as well as in developing/providing institutional capacity development tools and processes, it is proposed to renew the partnership with the United Nations Development Programme (UNDP), via its indirect management of the action.

¹ The UN's working definition for triangular cooperation is "Southern driven partnerships between two or more developing countries, supported by a developed country or multilateral organisations".

² Information regarding all actions carried out within the framework of the Pro PALOP-TL SAI can be found at the website (<http://www.propaloptl-sai.org/index.php/en/>), AGORA Portal (<https://www.agora-parl.org/palop>), YouTube Channel (https://www.youtube.com/channel/UCqQShed9k1_1tQqqduF_tcg) and Facebook page (<https://www.facebook.com/propalop.tl>).

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SECTION I – BACKGROUND & GENERAL DESCRIPTION

1.1.BACKGROUND

In the past decade, the Portuguese-speaking countries of Angola, Cabo Verde, Guinea-Bissau, Mozambique, Sao Tome and Principe, and Timor-Leste have experienced significant progress in economic governance. Recent public finance management reforms are the main reason for this success.

However, weaknesses, including inadequate institutional capacity, skills and human resources, continue to hamper their public administration systems. This situation has undermined effective public finance management, budgetary oversight and control of public resources, which has significant adverse impacts on other governance and development sectors.

In order to support the above referred countries addressing such challenges, the European Union, UNDP and the National Authorizing Officers for the European Development Fund (NAO EDF) in the PALOP³ and Timor-Leste partner to deliver the Project for Strengthening technical and functional skills of Supreme Audit Institutions, National Parliaments and Civil Society for the control of public finances in the PALOP and Timor-Leste (Pro PALOP-TL SAI)⁴.

The Pro PALOP-TL SAI project was fully funded by the European Union to promote economic governance in ACP Portuguese Speaking Countries (5 PALOP countries and Timor-Leste) and strengthened the technical and functional competencies of the Supreme Audit Institutions, Parliaments, and Civil Society in the field of public financial management.

The project enabled the capacity-building of beneficiary institutions, the development of skills, know-how and knowledge of oversight stakeholders. Therefore, the project had a real impact on people's lives, and the overall framework of public finance management and budget oversight in PALOP and Timor-Leste. The project's implementation started in January 2014 and came to an end in December 2017.

The following are examples on concrete and lasting outcome-level changes to PFM systems or oversight practice that Pro PALOP-TL SAI outputs have contributed critically to achieve:

These were the Pro PALOP-TL SAI outputs aiming to enhance capacities of Ministries of Finances (MoF) staff on PFM and to support timely publication of comprehensive expenditure reports along the fiscal year:

- 1,109 staff of ministries of finances in Angola, Cabo Verde, Guinea Bissau, Mozambique, Sao Tome and Principe were trained on budget transparency and PFM.
- 290 staff of ministries of finances in Cabo Verde, Guinea Bissau, Mozambique, and Sao Tome and Principe involved in information & sensitization campaigns on budget transparency and PFM.
- 133 government officials in Angola, Cabo Verde, Guinea Bissau, Mozambique and Sao Tome and Principe were trained on Gender responsive budgeting. Government of Cabo Verde has managed to develop and integrate a gender markers 4-level scale into 2018 state budget, while MoF staff in Angola, Guinea Bissau, Mozambique, Sao Tome and Principe were familiarized and trained in gender responsive budgeting methodology.

These outputs have contributed to the following changes at outcome level:

³ African Countries with Portuguese Official Language – Angola, Cabo Verde, Guinea Bissau, Mozambique, Sao Tome and Principe.

⁴ <https://www.agora-parl.org/pro-palop-tl-sai>.

- ✓ in Angola, the new executive's agenda is focused on promoting transparency of public accounts;
- ✓ in Cabo Verde, the 2018 state budget law includes a chapter on gender responsive budgeting with more than 90% of the projects already marked with a specific gender marker and the gender markers scale is adopted as the methodology to mainstream gender in the state budgets;
- ✓ in Guinea Bissau, quarter expenditure reports are now presented in town-hall meetings organized by the MoF resulting in the timely publication in two languages of such reports;
- ✓ in Mozambique, the tool to mark gender allocations in the state budget can now be operationalized by the MoF and the Standard Operating Procedures (SOP) to ensure the follow up of SAI recommendations by the inspectorate general of finances are now widely shared in the central and local deconcentrated units.

These were the Pro PALOP-TL SAI outputs aiming to enhance capacities of Supreme Audit Institutions to carry out audits (financial conformity and performance audits) and produce the audit report in a timely manner, with independence, comprehensiveness wide scope and accessible to the public:

- 812 judges, auditors and officials from SAI in Angola, Cabo Verde, Guinea Bissau, Mozambique, Sao Tome and Principe, and Timor-Leste were trained in different external audit domains to ensure efficient external control on PFMS.
- 244 judges, auditors and officials from SAI and other external control institutions information & sensitization campaigns carried out by SAI on external control/audit of PFMS matters.

These outputs have contributed to the following changes at outcome level:

- ✓ in Angola, the credibility of the SAI has strongly increased and many auditors are now applying for the position of judges;
- ✓ in Cabo Verde, the SAI legal framework was reviewed to ensure alignment with the ISSAI and INTOSAI requirements and Cabo Verde SAI, for the first time ever, engaged in an autonomous SAI performance measurement framework exercise and was selected to carry out peer review/audit of the African Union because, among others, it has auditors that are technically compliant with the requirements to carry out these audits on IPSAS-based systems;
- ✓ in Guinea Bissau, for the first time ever, Guinea Bissau SAI was able to produce the audit report for 2009-10 fiscal years and standardize SOP for public administrators on how to present public accounts;
- ✓ in Mozambique, SAI was able to carry out the first SAI performance measurement framework exercise in a fully autonomous way, SAI has now the capacity to decentralize its human resources premises to cover regional hubs, and one of SAI directors was selected to be the president of audit committee SADC;
- ✓ in Sao Tome and Principe, SAI has published and widely socialized its strategic plan and the SOP for the presentation of public accounts, consolidate its institutional development with the opening of the new HQ.

These were the Pro PALOP-TL SAI outputs aiming to level-up capacities of Parliaments to ensure strong legislative budget oversight and legislative openness, but also to enhance CSO capacities to monitor public expenditures and to participate in budgetary processes and simplify budget and expenditure information to make it available to the public:

1,151 MPs, parliamentary staff and members of the civil society in Angola, Cabo Verde, Guinea Bissau, Mozambique, Sao Tome and Principe, and Timor-Leste were trained and accredited in social monitoring of PFMS and analysis/simplification of budget information.

777 persons in Angola, Cabo Verde, Guinea Bissau, Mozambique, Sao Tome and Principe, and Timor-Leste were involved in information & sensitization campaigns carried out by parliaments and CSO on legislative oversight and social monitoring of PFMS.

450 MPs, parliamentary staff & CSO in Angola, Cabo Verde, Guinea Bissau, Mozambique, Sao Tome and Principe, and Timor-Leste were familiarized and trained on Gender responsive budgeting, as well as in a standard approach to legislative oversight of public expenditure allocated to gender equality.

These outputs have contributed to the following changes at outcome level:

- ✓ in Angola, in February 2018, for the first time ever, Parliament approves the state budget resolution with requirement to include a gender marker's scale into the state budget documents, parliament adopts openness towards the public as one of the main axes of the new legislature, and a CSO platform analysis on the executive's budget proposal allocations to children's' protection was brokered by parliament and resulted in the amendment of the executive's proposal;
- ✓ in Cabo Verde, Parliament and the executive agreed on an legislative initiative ratifying the Open Government Partnership and the legislative openness initiative, parliament adopts a specific legislative openness action plan, and CSO establish a forum for social monitoring of PFM for the first time ever;
- ✓ in Guinea Bissau, for the first time ever, Parliament produced a "comics" handbook on parliamentary ethics in Creole language that had also a mobile exposition of the handbook in panels that was presented in all regions and, for the first time ever, MPs from budget and other relevant committees carry out cross-party oversight field visits targeting sources of public revenue and not only the sources of public expenditure, and for the first time ever a CSO platform has produced a budget survey based on IBP methodology assessing MoF, SAI and Parliament;
- ✓ in Mozambique, parliament has started to establish its first-ever independent legislative cabinet for budget and expenditure analysis in line with best practices and CSO developed a blended training programme based on Pro PALOP-TL eLearning courses on PFMS;
- ✓ in Sao Tome and Principe, parliament committees and plenary are now able to work more efficiently due to ICT upgrade of voting and recording systems, and for the first time ever the CSO Open Budget Survey has the active participation and acknowledgement of the MoF;
- ✓ in Timor-Leste (parliament committees are now able to work more efficiently due to ICT upgrade of recording systems.

These were the Pro PALOP-TL SAI outputs aiming to foster joint-learning, peer2peer exchanges of experiences for capacity development, communities of practices to share best practices and foster development and strategic agendas in the domain of PMF:

3,450 persons from the PALOP-TL countries, among them SAI judges and auditors, MPs, parliamentary staff and members of the civil society, trained through eLearning courses and face2face initiatives using south-south and triangular cooperation, "peer2peer" learning, exchanges of experiences and good practices to develop skills, tools and methods and strengthen external audit, legislative budget oversight and social monitoring of PFMS and simplification of budget information, using community of practices face2face gatherings and Pro PALOP-TL SAI/AGORA eLearning courses in Portuguese Language and customized to PALOP-TL countries' contexts.

These outputs have contributed to the following changes at outcome level that are verifiable empirically:

- ✓ OISC|CPLP (regional organization of SAI for the Community of Portuguese Speaking Countries) has identified as its main course of action for the strategic plan 2017-21 to contribute for the realization of the 2030 sustainable development agenda through cooperative audits in the domains of protection of the environment and gender equality;
- ✓ PALOP-TL parliaments have established a community of practice of legislative budget committees to discuss parliamentary oversight of budget documents and accounts along budget cycles;
- ✓ OSC Pro PALOP-TL SAI that have benefited from the project's Grants to develop and deliver social monitoring of PFM are now organized in a community of practices.

These changes represent an opportunity to build on, scale up and push for more progress in promoting good economic governance and transparency in PFMS of the PALOP and Timor-Leste.

Notwithstanding these important achievements in promoting external control of PFMS and fiscal transparency in the PALOP and Timor-Leste, substantial challenges remain to be addressed. As the president of SAI Portugal put it during the project's final board: *strengthening the external control of public expenditures and consolidating the PFM ecosystems in any country, much more in a region or set of countries, is a long-term endeavour*. The balance between gains and losses cannot be measured in the short-run and tackling the challenges and obstacles hampering the systems' stakeholders and core actors needs to reflect this reality.

According to the *International Budget Partnership's* Open Budget Survey (OBS) results⁵, the social and external control over the management of public expenditure, as well as the capacity for public participation in budgetary processes and budget transparency, continue to represent a challenge for the efficient management of public finances in the PALOP-TL. The December 2017 update of the OBS on budget transparency did not register major improvements in Angola⁶, Mozambique, São Tomé e Príncipe and Timor-Leste. Available *PEFA measurements*⁷ are outdated for most of the covered countries, except for Cabo Verde with its latest public version from 2016 and Mozambique (2015 - carried out with the new methodology), but data seem to confirm persistence of challenges to ensure efficient external audit and the legislative scrutiny of the external audit reports. Meanwhile disclosure and timeliness of fiscal information, as well as

⁵ Guinea Bissau and Cabo Verde are not covered – see Annex 4 for more detailed information. Source:

<http://www.internationalbudget.org/opening-budgets/open-budget-initiative/open-budget-survey/>

⁶ <https://www.internationalbudget.org/opening-budgets/open-budget-initiative/open-budget-survey/country-info/?country=ao>.

⁷ Find more detailed information in Annex 4. Source: <https://pefa.org/assessments/listing>.

comprehensiveness of the fiscal information included in the expenditure reports, vary substantially between the measured countries. Data gathered through field support actions of the Pro PALOP-TL SAI⁸ also seem to back the perception that legislative scrutiny of the annual budget law has consistently improved in the PALOP-TL countries measured. However, in January 2018, among all PALOP-TL countries, the Open Government Partnership⁹ has only recorded the formal adherence of the government of Cabo Verde to the Open Government Partnership and principles (Member), without any other relevant steps having been made by this executive. Regardless of the existence of ad-hoc initiatives promoting the openness of the legislature to the public, none of the PALOP-TL countries have an Open Government Action Plan, nor an Open Parliament Action Plan formally submitted to the partnership which supports the assessments of limited parliamentary openness in these countries¹⁰.

The fundamental challenge to building sustainable and functional PFM systems in PALOP-TL countries is demonstrated by the referred assessments above. The general weakness in PFM is exacerbated by a limited scrutiny of service delivery, investments, and financial management systems by oversight institutions. Institutions such as the Supreme Audit Institutions (SAIs), Parliaments (in particular, Parliamentary budget committees) and the civil society organisations continue to face considerable constraints to ensure PFM external control, legislative budget oversight and tools for social monitoring of public expenditures due to their limited capacity although some positive examples can be highlighted (ex. the budget committee in Cape Verde, the NGO Platform "Budget Monitoring Forum" in Mozambique), which can be used as resources and inspiration for other countries in the region. Furthermore, insufficient data on PFM, transparency/accountability and corruption adds to the complexity of PFM related affairs in most of these countries. Efforts through projects/activities in this field, at national and regional level, continue to be a valuable contribution in addressing such issues.

Against this background, the EU and NAO EDF services agreed to dedicate a funding window under the 11th EDF MIP in support of the PALOP and Timor-Leste that would address capacity development challenges regarding economic governance. After an initial identification process very carefully designed and carried out, involving pointed and high-quality desk-review, thorough lessons learnt and capacity assessment exercises, but also inclusive consultations of potential stakeholders and beneficiaries, these services decided that the “*Developing the Capacity for Governance*” pillar of the PALOP-TL 11th EDF MIP should be allocated to the present “**Programme for Consolidating Economic Governance and Public Finance Management Systems (PFMS) in the PALOP-TL**” – a scale up and phase II of the Pro PALOP-TL SAI intervention logic based on lessons learnt and developed capacities.

1.2.DESCRPTION

The PALOP – Portuguese speaking African Countries (Angola, Cabo Verde, Guinea-Bissau, Mozambique and São Tomé e Príncipe) – formally began their South-South bilateral cooperation in the 1970s after their independence. Timor-Leste joined the Group in 2007 and the acronym PALOP-TL was adopted. Irrespective of its geographic discontinuity, the PALOP-TL constitute a cohesive community that shares common institutional practices and cultures, legal frameworks, a common language, history and a longstanding tradition of south-south and bilateral cooperation. The PALOP-TL Multiannual Indicative Programme for the period 2014-2020, with a budget of 30 million euros, was signed in São Tomé and Príncipe on 30 April 2015 under the

⁸ Source: Project final report.

⁹ OGP is a multilateral initiative that aims to secure concrete commitments from governments to promote transparency, empower citizens, fight corruption, and harness new technologies to strengthen governance.

¹⁰ Find more detailed information in Annex 4. Source: <https://www.opengovpartnership.org/participants>.

auspices of the 11th European Development Fund (EDF) and intends to continue previous efforts for good governance. Hence, since 1990, €118.1 million of the European Development Fund were allocated to projects promoting governance, Human and Institutional capacity development in support to the PALOP-TL.

1.2.1. Economic and social situation in the PALOP-TL countries

The PALOP-TL have different characteristics in terms of demography, GDP per capita and human development. According to the Statistics Agency of the United Nations¹¹, the total PALOP-TL population will reach 63.3 million in 2017¹². In terms of GDP per capita, Angola¹³ is classified as a medium-high income country while Cabo Verde¹⁴, São Tomé e Príncipe¹⁵ and Timor-Leste¹⁶ as medium-low income and Guinea-Bissau¹⁷ and Mozambique¹⁸ as low-income countries¹⁹. Cabo Verde, São Tomé e Príncipe and Timor-Leste are countries with average levels of human development while Angola, Guinea-Bissau and Mozambique are ranked as low human development countries²⁰. Cabo Verde, Guinea-Bissau and São Tomé e Príncipe are Small Island Developing States (SIDS²¹) with special development challenges.

The representation of women in parliament in Cabo Verde, Sao Tome and Principe and Guinea Bissau remains considerably low (below the 23.8% Sub Saharan average), while there have been advances in Mozambique, Angola and Timor-Leste (above 38.2%)²². In 2016²³, there were no details as regards youth (individuals aged under 30) in the parliaments of Angola and Guinea Bissau and, in the remainder of beneficiary countries, this rate stood at 0.0% with no MPs under this age in Cabo Verde, Mozambique, Sao Tome and Principe and Timor-Leste.

According to the World Bank Governance Indicators over the period 2010-2017²⁴, except for Cabo Verde, all the other PALOP and Timor-Leste have poor performance on the governance dimension measuring the impact level of change expected to result from the implementation of the “Programme for Consolidating Economic Governance and Public Finance Management Systems (PFMS) in the PALOP-TL – Pro PALOP-TL SAI (Phase II)”.

Between 2010 and 2017, with regards to the WBI for **Control of Corruption**²⁵, Cabo Verde²⁶ and Sao Tome and Principe²⁷ were clearly above the 50 highest ranked countries in the world,

¹¹ <http://data.un.org/en/index.html>.

¹² Population (000, 2017) projected estimate (medium fertility variant): Angola – 29,784; Guinea Bissau: 1,861; Mozambique: 29,669; Sao Tome and Principe: 212.8; Timor-Leste: 1,296.

¹³ \$4,714 in 2015. Source: <http://data.un.org/en/index.html>.

¹⁴ \$3,080.2 in 2015. Source: <http://data.un.org/en/index.html>.

¹⁵ \$1,752.8 in 2015. Source: <http://data.un.org/en/index.html>.

¹⁶ \$2425.4 in 2015. Source: <http://data.un.org/en/index.html>.

¹⁷ \$530 in 2015. Source: <http://data.un.org/en/index.html>.

¹⁸ \$529.2 in 2015. Source: <http://data.un.org/en/index.html>.

¹⁹ World Bank Open Data 2016. Source: <https://data.worldbank.org/>.

²⁰ Human Development Report 2016. Source: http://hdr.undp.org/sites/default/files/2016_human_development_report.pdf.

²¹ <https://sustainabledevelopment.un.org/topics/sids>

²² <http://www.ipu.org/wmn-e/classif.htm>

²³ <https://beta.ipu.org/our-work/youth/data-youth-participation>

²⁴ Source: <http://info.worldbank.org/governance/WGI/#reports>.

²⁵ **Control of corruption** is the WB governance indicator that “captures perceptions of the extent to which public power is exercised for private gain, including both petty and grand forms of corruption, as well as “capture” of the state by elites and private interests”.

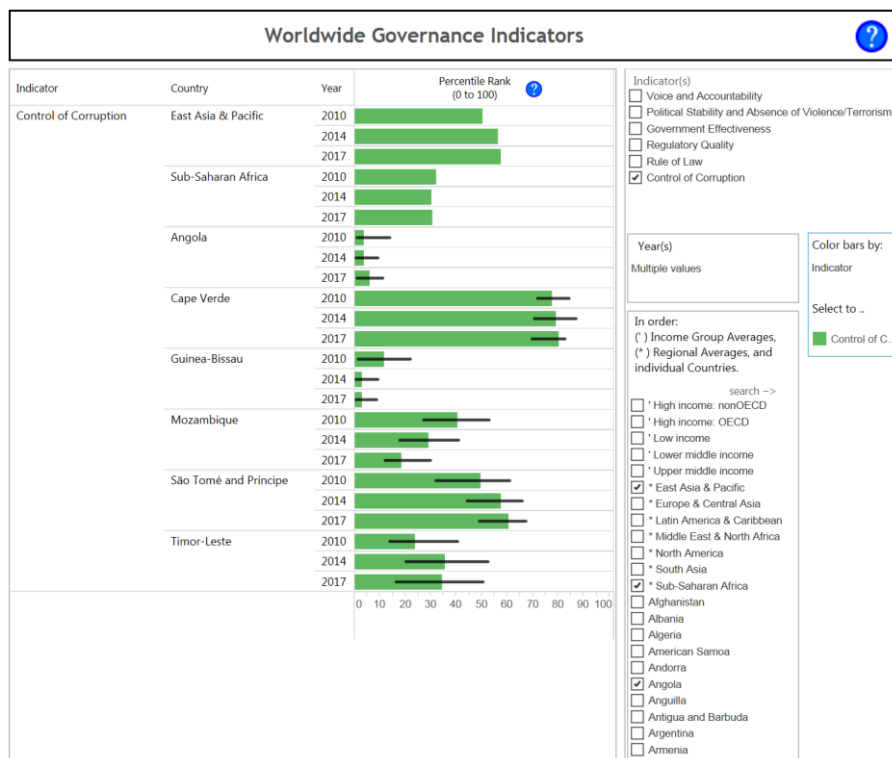
²⁶ Percentile rank in 2010: 78; percentile rank in 2014: 79; percentile rank in 2017: 80. Source:

Kaufmann, Daniel and Kraay, Aart and Mastruzzi, Massimo, The Worldwide Governance Indicators: Methodology and Analytical Issues (September 2010). World Bank Policy Research Working Paper No. 5430. Available at SSRN: <https://ssrn.com/abstract=1682130>.

²⁷ Percentile rank 55. Source: <idem>.

while Angola²⁸, Guinea Bissau²⁹, Mozambique³⁰ were ranked below the 20 lowest ranked. Timor-Leste³¹ was ranked slightly higher, among the 35 lowest ranked countries in this dimension. In this dimension, Cabo Verde was ranked far above both East Asia & Pacific³² and Sub-Saharan Africa³³ regions, while Sao Tome and Principe was quite above its region average. All other PALOP and Timor-Leste were ranked extremely below their respective regions' average. Considering that this indicator captures perceptions of the extent to which public power is exercised for private gain, including all forms of corruption and the "capture" of the state by elites and private interests, it is paramount that PALOP-TL citizens improve their perceptions of the ability of their state institutions to deliver in these dimensions.

The Figure 1 below illustrates the ranking of each country against the regional averages for all three dimensions of governance measuring the Action's intended impact and change.



Source: Kaufmann D., A. Kraay, and M. Mastruzzi (2010). *The Worldwide Governance Indicators: Methodology and Analytical Issues*. The Worldwide Governance Indicators are available at: www.govindicators.org
 Note: The Worldwide Governance Indicators (WGI) are a research dataset summarizing the views on the quality of governance provided by a large number of enterprise, citizen and expert survey respondents in industrial and developing countries. These data are gathered from a number of survey institutes, think tanks, non-governmental organizations, international organizations, and private sector firms. The WGI do not reflect the official views of the World Bank, its Executive Directors, or the countries they represent. The WGI are not used by the World Bank Group to allocate resources.

1.2.2. Sector context & Stakeholders' analysis

Sector and national policy documents highlight a series of persisting challenges and priorities within the area of economic governance in the PALOP-TL.

In **Angola**, the “Joint Way Forward³⁴” sets out “peace and security” and “good governance and human rights” as two of the eight areas of common interest. The EDF’s 2014-20 NIP³⁵ has identified work with civil society within its sectors, allowing support to civil society to participate

²⁸ Percentile rank 06. Source: <http://info.worldbank.org/governance/WGI/#reports>.

²⁹ Percentile rank 04. Source: [idem](#).

³⁰ Percentile rank 18. Source: [idem](#).

³¹ Percentile rank 35. Source: [idem](#).

³² Percentile rank 56. Source: [idem](#).

³³ Percentile rank 31. Source: [idem](#).

³⁴ “Caminho Conjunto Angola-União Europeia”

³⁵ https://ec.europa.eu/europeaid/sites/devco/files/nip-angola-edf11-amended-2016_en.pdf.

in the formulation and implementation of public policies and budget cycles. With regards to national public policy, members of the new Executive branch resulting from 2017 general elections set out macroeconomic stabilisation and economic growth as the main intermediary objectives to achieve sustainable development in the main policy and strategy documents (government program 2017-22, national development plan 2018-22 and the program for macroeconomic stabilisation 2018-22).

In **Cabo Verde**, the EDF 2014-2020 NIP³⁶ focuses on the control of public finances considering that “public financial management is well developed, regardless of persistent shortfalls that are being addressed through ambitious reforms carried out by the Executive”. The 2014-2020 NIP has identified “the promotion of good governance” through the strengthening of efficiency of the administration and ensuring “equality among genders” and “reform of public finances management” among its pillars. The National Plan for Sustainable Development 2017-21 identifies the credibility and sustainability of public finances as a pressing need to tackle the level and limits of the public debt, reliance on external aid, major development challenges and financing for development needs. According to the Plan, public finance reform will be pursued, among others, through improving the quality of public expenditure, efficiency and effectiveness in the management of public affairs.

In **Guinea-Bissau**, the EDF 2014-2020 NIP establishes the “consolidation of democratic governance” as one of the three fundamental sectors, and it sets the promotion of reforms aiming at the strengthening of governance (including through the reestablishment of the PFMS, budget transparency and financial reporting) as main objective for the country. These priorities require better and more efficient control of the public finances.

In **Mozambique**, the EDF 2014-2020 NIP³⁷ selected “good governance and development” as a priority domain of intervention, devoting to it roughly half of the NIP envelope. It also foresees support to civil society through the PAANE II programme (Support to Non- State Actors - 22 M EUR) more specifically support of civil society monitoring of the national budget and public expenditure. The Government’s 2016-19 strategic plan for public finances³⁸ aims, among others, to ensure greater efficiency in public expenditure (in-year and end-year expenditure reports included), while the Government's 2015-35 National Development Strategy recognises that peace, stability and democracy are a pre-requisite for achieving its objectives.

In **São Tomé e Príncipe**, the 2017-2020 European Union Roadmap towards the engagement of civil society³⁹ establishes the target of a greater participation of civil society in promoting political governance. In the case of **Timor-Leste**, the Government's 2011-2030 Strategic Development Plan⁴⁰ identifies good governance and a professional, capable and responsive public sector as essential for the delivery of government services and the implementation of the Strategic Development Plan. The plan selects transparency and accountability among key principles to achieve good governance, accountability for results, grievance mechanism systems for citizens, and the proper use of public money in Timor-Leste. The EU's 2014-2020 NIP⁴¹ supports this strategy with a strong focus on public finances.

According to the aforementioned documents, the PALOP-TL identify the good management of public finances as one of their priority areas for the promotion of good governance. All the PALOP-TL will see their parliaments re-elected between 2017 and 2021. Furthermore, all these

³⁶ Source: https://ec.europa.eu/europeaid/national-indicative-programme-cape-verde-2014-2020_en

³⁷ https://ec.europa.eu/europeaid/national-indicative-programme-2014-2020-mozambique_en.

³⁸ www.mef.gov.mz/index.php/documentos/1178--165/file?force_download=1

³⁹ Source: https://eeas.europa.eu/headquarters/headquarters-homepage/11719/feuille-de-route-de-lue-pour-lengagement-avec-la-societe-civile-2014-2017-sao-tome-et-principe_en.

⁴⁰ http://timor-leste.gov.tl/wp-content/uploads/2012/02/Strategic-Development-Plan_EN.pdf.

⁴¹ https://ec.europa.eu/europeaid/sites/devco/files/nip-edf11-timor-leste-2014-2020_en.pdf.

countries are engaged in translating the targets set by **SDG 5, 10, 16 and 17** into their national public policies.

The new “European Consensus on Development - Our World, our Dignity, our Future⁴²” and the “Agenda for change⁴³”, strive to contribute to democratic governance, gender equality and opportunities for young people, guided by the principles of democracy, rule of law, equality and solidarity. The 2030 Agenda clearly refers to governance, particularly within the scope of **Sustainable Development Goals 16** (“Promote peaceful and inclusive societies for sustainable development, provide access to justice for all and build effective, accountable and inclusive institutions at all levels”) and **5** (“Achieve gender equality and empower all women and girls”), **SDG 10** (Reducing inequality inside countries and between them) and **17** (Revitalize the global partnership for sustainable development).

According to the *International Budget Partnership’s* Open Budget Survey (OBS) results⁴⁴, the **social and external control over the management of public expenditure**, as well as the capacity for **public participation in budgetary processes and budget transparency**, continue to represent a challenge for the efficient management of public finances in the PALOP-TL. The December 2017 OBS on budget transparency did not register major improvements in Angola⁴⁵, Mozambique⁴⁶, São Tomé e Príncipe⁴⁷ and Timor-Leste⁴⁸.

In fact, according to IBP senior research fellow, Paolo de Renzio⁴⁹, the “*Open Budget Survey 2017 recorded a global decline in average budget transparency scores for the first time since the survey’s inception*” and this decline was “*more pronounced than in sub-Saharan Africa, in which 15 countries saw their Open Budget Index⁵⁰ (OBI) scores drop by more than five points*”. In the case of the PALOP and Timor-Leste (Cabo Verde and Guinea Bissau are not among covered countries), Mozambique is the only country among the group with “limited information available” while Angola, Sao Tome and Principe and Timor-Leste are among countries with “minimal information available”.

The author attributes most of this backslide to “*a reversal of previous practices, as a significant number of previously published budget documents were either not published, published late, or not posted on government websites*”. Lack of institutionalization of budget transparency practices came out as a potential cause for this reversal in the trend, bringing forward the need for governments to anchor the publication of budget documents into standard public finance procedures and regulations that would result in institutionalizing transparency through, for example, laws and regulations, would make budget information accessible to citizens in a more regular and predictable manner.

Available *PEFA measurements*⁵¹ are outdated for most of the covered countries, except for Cabo Verde with its latest public version from 2016 and Mozambique (2015 - carried out with the new methodology), but data seem to confirm persistence of challenges to ensure efficient **external audit** and the **legislative scrutiny of the external audit reports**. Meanwhile **disclosure and timeliness of fiscal information**, as well as **comprehensiveness of the fiscal information included in the expenditure reports**, vary substantially between the measured countries. Data

⁴² https://ec.europa.eu/europeaid/proposal-new-european-consensus-development_en.

⁴³ .

⁴⁴ Guinea Bissau and Cabo Verde are not covered – see Annex 4 for more detailed information. Source:

<http://www.internationalbudget.org/opening-budgets/open-budget-initiative/open-budget-survey/>

⁴⁵ 25/100. Source: <https://www.internationalbudget.org/opening-budgets/open-budget-initiative/open-budget-survey/country-info/?country=ao>.

⁴⁶ 41/100. Source: <https://www.internationalbudget.org/open-budget-survey/results-by-country/country-info/?country=mz>.

⁴⁷ 31/100. Source: <https://www.internationalbudget.org/open-budget-survey/results-by-country/country-info/?country=st>.

⁴⁸ 40/100. Source: <https://www.internationalbudget.org/open-budget-survey/results-by-country/country-info/?country=tl>.

⁴⁹ <https://www.internationalbudget.org/2018/04/volatility-and-the-africa-budget-transparency-puzzle/>.

⁵⁰ <https://www.internationalbudget.org/open-budget-survey/open-budget-index-rankings/>.

⁵¹ Find more detailed information in Annex 4. Source: <https://pefa.org/assessments/listing>.

also seem to back the perception that **legislative scrutiny of the annual budget law** has consistently improved in the PALOP-TL countries measured.

However, in January 2018, among all PALOP-TL countries, the **Open Government Partnership**⁵² has only recorded the formal adherence of the government of Cabo Verde to the Open Government Partnership and principles (Member), without any other relevant steps having been made by this executive. Regardless of the existence of ad-hoc initiatives promoting the openness of the legislature to the public, none of the PALOP-TL countries have an **Open Government Action Plan**, nor an **Open Parliament Action Plan** formally submitted to the partnership which supports the assessments of low parliamentary openness in these countries⁵³.

Stronger PFMS can lead to improved delivery of public services and effectiveness of public investment. A well-functioning PFM system is critical for most PALOP-TL countries due to the dominance of the public sector in their economies. The PALOP⁵⁴ have public expenditure ratios exceeding 30% of the GDP, while Timor-Leste⁵⁵ have 50% percent (IMF World Economic Outlook, 2016).

The **stakeholder analysis** builds on an ad-hoc mapping and on previous sector analyses, in particular, the Pro PALOP-TL SAI⁵⁶ stakeholders' analysis in the domain of external jurisdictional/technical control and legislative oversight⁵⁷, and social monitoring⁵⁸ of public finances, including budgetary transparency that remains valid for this Action. The analysis is based on independent reports, mainly the Open Budget Survey, the most recent country PEFA exercises, and the Global Parliamentary Report 2017 on "Parliamentary oversight and Parliament's power to hold government to account"⁵⁹, used as baselines and further complemented with direct discussions with stakeholders, and with evidence from the support given between 2014 and 2016.

The groups below were identified in more detail through an ad-hoc mapping of stakeholders (Jan-Apr 2017), which established a list of 124 entities, grouped by component of the Action, including public institutes and private institutions of public interest ("not for profit"), CSOs, women's and gender equality (and young people) interest groups, Supreme Audit Institutions (SAIs), National Parliaments, Ministries of Finance, national/ regional/ transnational entities/platforms gathering CSO, SAI and /or Parliament /Parliamentary Entities of the Community of Portuguese Speaking Countries (CPLP)⁶⁰ and PALOP-TL. The mapping also comprises 23 academic and higher education institutions of the PALOP-TL, Brazil and Portugal that were consulted during the identification of this Action.

The Action intends to work with rights holders represented by civil society and duty bearers in the three branches of government who are willing and able to support its objectives. Given that public financial management has implications for the entire population, public and private institutions of any given country, **the general target group of the Action are citizens and**

⁵² OGP is a multilateral initiative that aims to secure concrete commitments from governments to promote transparency, empower citizens, fight corruption, and harness new technologies to strengthen governance.

⁵³ Find more detailed information in Annex 4. Source: <https://www.opengovpartnership.org/participants>.

⁵⁴ http://www.imf.org/external/pubs/ft/weo/2017/02/weodata/weorept.aspx?sy=2015&ey=2022&scsm=1&ssd=1&sort=country&ds=.&br=1&pr1.x=43&pr1.y=13&c=614%2C624%2C688%2C716%2C654&s=GGX_NGDP&grp=0&a=.

⁵⁵ http://www.imf.org/external/pubs/ft/weo/2017/02/weodata/weorept.aspx?sy=2015&ey=2022&scsm=1&ssd=1&sort=country&ds=.&br=1&pr1.x=22&pr1.y=18&c=537&s=GGX_NGDP&grp=0&a=.

⁵⁶ Implemented by UNDP from December 2013 to December 2017, financed by the EU, under the 10th EDF.

⁵⁷ <https://www.agora-parl.org/pro-palop-tl-sai/angola>.

⁵⁸ <https://www.agora-parl.org/pro-palop-tl-sai/context-cso>.

⁵⁹ http://www.undp.org/content/undp/en/home/librarypage/democratic-governance/parliamentary_development/global-parliamentary-report-2017.html.

⁶⁰ The CPLP includes all PALOP-TL countries, Brazil and Portugal.

residents of the PALOP-TL countries in their capacity as **rights holders** vis-à-vis the **Executive, Legislative and Judiciary branches of government as duty bearers.**

1) Executive stakeholders: Ministries of Finances - Budget transparency

The **Ministries of Finances** of Angola, Cabo Verde, Mozambique, São Tomé e Príncipe, and Timor-Leste have all taken steps to implement a programmatic approach for their state budgets, results-based budgeting/planning and gender responsive budgets. They are at different stages of implementation, but all need to strengthen their respective capacities in this domain.

In Cabo Verde, Guinea Bissau, Mozambique, São Tomé and Príncipe, and Timor-Leste the Ministry of Finances have been systematically ensuring the timely publicity of expenditures' end-year and in-year (quarterly) reports – none has been preparing the mid-term report on expenditures. All these countries would benefit substantially from more comprehensiveness and timeliness in these reports, as well as more publicity and accessibility to the wider public.

2) Judiciary stakeholders: Supreme Audit Institutions (SAI) - External jurisdictional/technical control of PFMS

All PALOP-TL countries have now a legal framework that enables external jurisdictional/technical control of public finances to carry out the different types of audits (concomitant, financial, performance, ex-ante and ex-post) with clear benefits to the timeliness of the **Supreme Audit Institutions (SAI)** conclusions and decisions. Some of these countries, namely Angola, Mozambique and Guinea Bissau would benefit from more independence of the **Heads of the SAI** with regards to the executive, in addition Mozambique and Timor-Leste would benefit from institutional autonomy of the SAI (opposite to their current situation of Administrative Court and “Tribunal de Recurso” respectively).

In addition, the legal frameworks of all PALOP-TL countries allow for external audit to be carried out in line with the international standards (IPSAS, ISA and ISSAI)⁶¹ covering revenue forecasting and collection, major public works, public procurement, private-public partnerships, state patrimony, state-owned enterprise sector, among others. It is paramount to continue to foster and develop these SAI capacities in order to be able to fulfil their legal responsibilities and attributions.

Cabo Verde, Guinea Bissau and São Tomé e Príncipe have recently developed standard operating procedures (SOP) for verifications and “in loco” certification missions to be included in the manual for audits and for the audit report. These SAI need to continue to train their respective staff and auditors to use effectively these SOP to face new challenges linked with the new legal framework on external control of PF in Cabo Verde, and the persistent legal, institutional and HR weaknesses in Guinea Bissau and São Tomé e Príncipe. In Mozambique, the Ministry of Finances developed an IT system to ensure follow-up of the SAI audit recommendations by its internal audit unit (Inspectorate General of Finances). The other PALOP-TL countries would benefit substantially from similar systems. All PALOP-TL SAI have accrediting auditors in SAI-PMF (SAI Performance Measurement framework) with the ability of carrying out capacity assessment and strategic planning exercises autonomously. This was done within the framework of the partnership between the previous Pro PALOP-TL SAI and the OISC|CPLP. Mozambique and Cabo Verde have undergone a SAI-PMF exercise successfully. The final report was elaborated and used for internal purposes; however they were not published nor shared with Parliament or Partners. Based on this experience, more auditors need to be trained and more exercises need to be conducted within the SAI PALOP-TL II to ensure regular auto- and "peer2peer" evaluations.

⁶¹ IPSAS – International public-sector accounting standards; ISA – international standards on auditing; ISSAI – international standards of supreme audit institutions.

All PALOP-TL are developing mechanisms to further involve the public in their agenda through websites, public information sessions and institutional audio-visual programmes (radio programme in Guinea Bissau). Angola has been evolving from an institutional information approach towards a results-based and accountability approach – with its “transparency” TV programme focusing more in the SAI decisions and judgements regarding public managers and institutions’ accounts, within the legal framework. This should be the trend in all other PALOP-TL countries and much more is needed to involve the public in the work and agenda of the SAI in the PALOP-TL.

3) Legislative stakeholders: Parliaments - Legislative budget oversight of PFMS

Parliaments in Angola, Cabo Verde, Mozambique, São Tomé e Príncipe and Timor-Leste have benefitted from coaching and targeted training to staff and MPs from “**budget committees**” to develop methods, tools and skills to ensure effective scrutiny and oversight of revenue collection, public expenditures and accounts. Most of these parliaments have expressed their interest in institutionalizing independent parliamentary budget analysis structures and there is an established PALOP-TL community of practices of legislative “Budget committees” that has been very dynamic in the past 3 years. Standardized methods for training and carrying out legislative budget oversight that fits to all PALOP-TL legal and institutional contexts were developed by the Pro PALOP-TL SAI and applied successfully in Cabo Verde and in the PALOP-TL community of practice of legislative “Budget” committees. The Budget Committees need to be fostered and consolidated, since PALOP-TL parliaments, like most parliaments in the world, remain quite weak in facing the executive to ensure budget oversight and pursue “the power of the purse⁶²”.

Parliaments in Angola and Cabo Verde joined Timor-Leste in pushing forward with an agenda for legislative transparency. Parliaments need to lead the advocacy efforts through the planning and implementation of legislative transparency action plans ensuring that the executives of the other PALOP-TL join Cabo Verde in the Open Government Partnership and that a legislative transparency agenda and action plan is adopted in their own countries.

Parliaments need also to lead in the advocacy for more **gender responsive budgeting** in each of the PALOP-TL, among others through a systematized approach to legislative oversight of public expenditure allocated to gender equality. This was done successfully in Cabo Verde with Pro PALOP-TL SAI support and an in-depth comparative study and mapping was developed⁶³. This important baseline needs to be fostered and further developed in all other PALOP-TL countries.

4) Civil Society Stakeholders: Social Monitoring of PFMS

The PALOP-TL countries are dissimilar in terms of social monitoring of PFMS, irrespective of the incipient and weak engagement of the public in the budgetary processes in all those countries (see the Open Budget Surveys (OBS) for this dimension). Mozambique and Timor-Leste have a more active and more organized **civil society** that has been able to ensure some engagement and feedback from the executive and the legislative. In Angola, the capacity among CSOs varies substantially with very limited interactions with the executive in general terms. São Tomé e Príncipe, Cabo Verde and Guinea Bissau register incipient efforts in this domain, even if the first of these countries already has some CSOs active on the topic. Recently, a **community of practices for PALOP-TL CSOs** working on social monitoring of PFMS (many of them also part of the group of PALOP-TL CSO working with the International Budget Partnership (IBP))

⁶² The power of the purse is the ability of one group to manipulate and control the actions of another group by withholding funding, or putting stipulations on the use of funds. The power of the purse can be used positively (e.g. awarding extra funding to programs that reach certain benchmarks) or negatively (e.g. removing funding for a department or program, effectively eliminating it). The power of the purse is most often utilized by forces within a government that do not have direct executive power, but have control over budgets and taxation.

⁶³ <https://www.agora-parl.org/pro-palop-tl-sai/context>.

was fostered with Pro PALOP-TL SAI support on the basis of joined trainings, conferences for exchanges of experiences involving other stakeholders of the PFMS, training tools (e-Learnings adapted to classroom training). PALOP-TL CSOs need more capacity development in relevant domains of PF, but also need to consolidate this community of practices allowing for more south-south cooperation among the PALOP-TL countries.

1.2.3. Lessons learnt

The Action uses as main baseline the lessons learned and the experiences gained from the 10th EDF project Pro PALOP-TL SAI, as well as from the EU direct budget support programmes and relevant NIPs initiatives in the PALOP-TL countries. It will build upon the PALOP-TL SAI project's results.

Over 4,000 persons (SAI auditors, staff from the ministries of finance and inspectorate-general of finance, MPs and parliamentary staff, and members of civil society organisations) benefitted from training and capacity development initiatives in the fields of external control, legislative budget oversight, social monitoring of public expenditure and budgetary transparency through the Pro PALOP-TL SAI. A database has been established taking stock of websites, portals and the LMS (learning management system) platform in the Portuguese language dealing with these questions and also regional platforms (OISC|CPLP, CSO Lusophone networks that nurture fiscal/budgetary transparency, the Network of Women Parliamentarians within the context of the CPLP Parliamentary Assembly, among others) that can be expanded and capitalised upon.

According to two ROM missions⁶⁴ and one mid-term evaluation⁶⁵ commissioned to the **Pro PALOP-TL SAI**, the project had a positive, sustainable impact on the Public Finance Management systems in the PALOP-TL countries.

The latest ROM highlighted the following as gains from the project's intervention: (i) cohesive and dynamic PFM communities of practices gathering the Executive branches, parliaments (in particular budget committees and administrations), SAIs and CSOs started to gain ground and tackling important policy and governance matters; (ii) innovative capacity development tools and methods were systematized with strong national ownership; (iii) progress in external control of PFM and budget transparency was made; (iv) strong ownership of the intervention logic and goals, as well as confidence and buy-in from beneficiary institutions with regards to the project's products and management unit (set up by UNDP Cape Vert and with contact points in each UNDP PALOP-TL national offices) were achieved .

Pro PALOP-TL SAI achieved greater transparency in ministries of finance, courts of auditors and parliaments (in particular parliamentary budget committees) and public involvement in the budgetary process as mentioned in the projects' ROM (December 2017). In Angola, in Cabo Verde, in São Tomé e Príncipe, and in Guinea-Bissau, where these relations are still in a more incipient stage and are facing some challenges for various reasons, the project's intervention as a "broker", facilitator and promoter of access to knowledge and good practices was critical. On the other hand, all project evaluations concur in recognizing **the need to boost support to civil society and public engagement in budgetary processes** and to further support the executive (ministry of finance) in promoting fiscal and budget transparency. For reasons well documented, both domains were not sufficiently developed within the framework of the Pro PALOP-TL SAI.

The evaluations were also consistent in acknowledging the impact and fundamental role of south-south and triangular cooperation, exchanges of experiences and learning among peers, involving

⁶⁴ 1st ROM report was submitted on 20.11.2015 and the 2nd ROM draft presented in December 2017.

⁶⁵ The mid-term evaluation report was submitted to UNDP Cabo Verde on December 2016.

the beneficiary institutions and individuals, **as an instrument for capacity building and technical assistance**⁶⁶. The environment created by Pro PALOP-TL SAI based on capacity development, as well as discussion forums, delivered through "peer2peer" learning and exchanges of experiences was considered pivotal in achieving some critical national results and also for confidence building among the project's stakeholders. The referred evaluations considered that the methodology adopted, i.e. participatory elaboration of country annual work plans with regional activities, enabled the project to promptly respond positively and with flexibility, to the beneficiary demands in otherwise closed domains of governance.

The UNOSCC⁶⁷ also highlighted the innovative role of the Pro PALOP-TL SAI in its use of shared history processes, institutional practices, legal frameworks and cultural ties among these countries; its engagement with the beneficiary institutions in the development of the project, which resulted in their appropriation; creation and use of online platforms such as AGORA⁶⁸, OISC|CPLP⁶⁹ and LegisPALOP⁷⁰; capacity building via peer learning, expert advice and access to cutting edge information and knowledge.

In addition, lessons learnt of the following exchange and cooperation mechanisms were also analysed: the *UNDP Transfer of Knowledge Through Expatriate Nationals (TOKTEN)*, the European Commission's *Technical Assistance and Information Exchange Instrument (TAIEX)*, the *Trade Development Cooperation Agreement Facility* signed between the European Union and South Africa, the *EU-Brazil Support for Sectorial Dialogues* and the *United Nations Volunteer Program (UNV)*. These experiences demonstrate the advantages of using an approach / instrument/ facility based on South-South and Triangular Cooperation as an effective tool for developing capacities and providing technical assistance.

1.2.4. Complementarity, Synergy & Donor Coordination

The Action will act in coordination and synergy with national programmes (financed by the 10th and 11th EDF, and by other donors, as identified in the donor matrix – Annex 3) and with ongoing PALOP-TL regional programmes.

In particular, the Project for Support of the PALOP-TL Economic and Financial Management Training Institute (PAIGEF⁷¹), implemented by the Government of Angola and designed to improve institutional capacities and human resources in the management of public finances in the PALOP-TL, through high level training and the exchange of experiences among countries, will certainly be associated to the project, to maximise the current investment made in these facilities. The LegisPALOP⁷² database, now active also thanks to a no-cost cooperation

⁶⁶ As also recognised by the EU and the UN in various documents: the Joint Declaration of the VI Brazil-EU (Brasilia, 24.01.2013) summit, in the Charter of Brasilia(annex 5), in the Policy Brief 866 (March 2013) issued by the European Strategic Partnerships Observatory, and by the United Nations Office for South-South Cooperation (UNOSSC) http://www.unsouthsouth.org/library/publications/good_practices_in_SStC_for_sustainable_development.

⁶⁷ United Nations Office for South-South Cooperation

⁶⁸ AGORA(www.agora-parl.org) is a Global Portal for Parliamentary Development jointly implemented by UNDP, International IDEA, the World Bank Institute and the National Democratic Institute. AGORA also works closely with the European Union: the European Parliament's Office for the Promotion of Parliamentary Development is an official Partner to the AGORA project, and the European Commission has made several contributions to AGORA since its launch in 2010. Since its launch at the National Assembly in Paris on March 2, 2010, AGORA has become the leading portal for the parliamentary development community, connecting international organizations, parliamentary development experts and professionals, but also Members of Parliament (MPs), parliamentary staff, Non-Government Organizations (NGOs) and civil society organizations active in the field of parliamentary development.

⁶⁹ OISC/CPLP is the organization of Supreme Audit Institutions of the Community of Portuguese speaking countries. The organization was created in 1995 and is a member of INTOSAI since 2010 – more information @ <http://www.oiscsplp.org/>.

⁷⁰ <http://www.legis-palop.org/bd/Home.aspx/CreditosInternacionais>.

⁷¹ Financed by the EU under the 10th EDF and the Angolan national government

⁷² <http://www.legis-palop.org/bd/Home.aspx/CreditosInternacionais>.

agreement with the Pro PALOP-TL SAI, may serve as an example of the potential synergies to be established.

Furthermore, the beneficiary institutions in the PALOP-TL are members of the CPLP⁷³, and in their respective sub-regions, they are already members of platforms with a regional or sub-regional scope that promote partnerships and south-south and triangular cooperation across the three domains of the Action. More specifically the Action could build on, cooperate and support networks such as: the OISC|CPLP – the Organisation of Supreme Audit Institutions of the Community of Portuguese Speaking Countries; the CPLP Ombudsman network; the AP-CPLP – the CPLP Parliamentary Assembly and its networks of women MPs and parliamentary administrations; and the network of PALOP-TL/CPLP CSOs promoting social monitoring of public expenditure and fiscal openness in the beneficiary countries.

In complementarity, synergies will be promoted with ongoing or planned programmes of regional associations of ministries of finance, budget and planning (CABRI), SAI (AFROSAI, namely AFROSAI-E, CREFIAF and PASAI), Parliaments (IPU) and civil society (IBP).

During the project inception phase, detailed annual work plans will be developed for the full implementation period. These inclusive and bottom-up planning exercises will allow to promote effective synergies and avoid overlapping with bilateral actions and projects at country level.

During the implementation of the Action, at national level, coordination between the project's actions and projects/programmes carried out by the beneficiary countries and their development partners (in particular those involving or carried out by and in support of the beneficiary institutions) will be promoted within the framework of the Country Coordination Committees. These national project oversight management committees will be composed by representatives of the Project Executive (PALOP-TL UN-UNDP COs); the Senior Beneficiary (Ministries of Finances/Plan, Supreme Audit Institutions, Parliaments and Civil Society Organisations); the Senior Supplier (European Union Delegations, EDF National Authorizing Officers in each PALOP-TL). They will ensure donor coordination with country government and donors' programmes, including with EU programmes, especially when drafting and reviewing their annual work plans. The EU Delegations will be closely involved in this process.

To capitalize on the arrangements and relations already established by the Pro PALOP-TL SAI, it is proposed that the Action replicate and improve its same coordination mechanism: daily management ensured by the Project Management Unit; coordination and follow-up at the national level ensured by the Country Coordination Committee (see composition above) in each beneficiary country, supported by national UNDP offices, already established in each PALOP-TL countries and active in this field, and supranational oversight at the Project Steering Committee (see composition in Section III, point 3.1, page 48 of the current document) . This mechanism allows complementing and reinforcing efforts undertaken by different partners at national level, avoiding duplication of structures and of activities and overlapping in the implementation of the activities. The Annual Work Plans will be shared by UNDP in country with the respective donor coordination groups to ensure alignments and avoid overlaps. Beneficiary institutions will also plan and report the Pro PALOP-TL SAI activities and realizations in their institutional plans and reports. Project results and activities will be duly reported in the dialogue frameworks addressing PFM performance in countries with EU budget support⁷⁴ and through sector coordination mechanisms.

⁷³ *Comunidade dos Países de Língua Portuguesa* - Community of Portuguese Language Countries

⁷⁴ Cabo Verde: EU Budget Support under the 11th EDF – 2016-20 (50 million EUR), Luxembourg Budget Support for the period 2016-20 (40 million EUR), Portugal Budget Support for the period 2017-21 (2,5 million EUR). Guinea Bissau: Portugal Budget Support for the period 2015-20 (40 million EUR), AfDB Budget Support in 2017 (7,5 million USD). Sao Tome and

SECTION II – STRATEGY, INTERVENTION LOGIC & FORESEEN IMPACT

STRATEGY & INTERVENTION LOGIC

The 11th EDF PALOP-TL MIP indicates that *“a technical facility response mechanism and innovative solutions (...) will be based on demand and availability of specific expertise between a minimum of two countries and will promote South-South and North-South cooperation (...) deepening cooperation at various levels and/or speed, depending on specific interest existing on key policy areas between PALOP-TL countries”*.

This south-south triangular cooperation and "peer2peer" exchanges mechanism for capacity development and technical assistance have been tested and standardised between 2010 and 2017 in various 9th and 10th EDF PALOP-TL/EU projects (especially the UNDP-implemented Pro PALOP-TL PACE⁷⁵ and Pro PALOP-TL SAI). The Action intends to harness lessons learned from these initiatives and to consolidate them in a single Facility of South-South Cooperation for capacity building, technical assistance, south-south triangular cooperation. It also aims to facilitate the sharing of experiences and lessons learned between peers in the context of a Programme for Consolidating Economic Governance and Public Finance Management Ecosystems in the PALOP-TL (Pro PALOP-TL SAI – Phase II).

The Action concentrates on those priority areas where the grounds for PALOP-TL regional cooperation has already been set up by previous PALOP-TL/EU programmes with potential to contribute to more accountable and responsive institution.

Following recommendations resulting from inter-services consultations of the EC that were approved by PALOP-TL NAO EDF, it was decided to narrow the intervention's logic to one focus area, more specifically to enhance the ecosystems of PFMS and fiscal transparency in the PALOP-TL.

This decision came in a context where most of the beneficiary countries have opportunities, but are also facing challenges on fiscal transparency and the consolidation of their PMF ecosystems. The decision also happened in a moment where EU/UNDP partnership under the Pro PALOP-TL SAI⁷⁶ have merited critical leverage amongst the core state and non-state institutions responsible for the efficiency and transparency of the PMF systems in all PALOP-TL.

In this scenario, the Pro PALOP-TL SAI phase II aims to build from the Pro PALOP-TL SAI phase I baselines and achievements, referred in the background of the current document. Phase II will scale up the intervention logic by pushing the boundaries further in promoting more “effective, accountable and inclusive institutions at all levels” (SDG 16), building coalitions among the above referred stakeholders to achieve even more in terms of budget transparency (executive), external control (legislature and supreme audit institutions) and social monitoring (civil society) of public finances, public expenditure and accounts in the PALOP-TL.

The expected outcome benefit in coherence when redressed to mirror the Open Budget Index capturing the level of fiscal transparency, the PEFA assessments on PFMS efficiency and accessibility, all of the precedent contributing to accelerate at national level the SDG 16 targets to “promote and build effective, accountable and inclusive institutions at all levels”.

Principle: WB Budget Support in 2018 (4,3 million EUR). Timor-Leste: Development partners Budget Support in 2015 (235,5 million USD).

⁷⁵ Support to the 2009 - 2011 Electoral Cycles of the PALOP-TL.

⁷⁶ <https://www.agora-parl.org/pro-palop-tl-sai>.

2.1.1. Intervention logic, sustainability & exit strategy

The Action's logframe and results framework were crafted upon a Theory of Change (ToC – Annex 6) that lays out a working hypothesis that were successfully subjected to verification during and after implementation of the Pro PALOP-TL SAI phase I, as demonstrated in the background of the current document (supported by the project's results evaluations).

The ToC was developed through the traditional cycle approach: (1) analysis of the situation and context; (2) identification of the pre-conditions; (3) identification of the role of the related stakeholders; (4) elaboration of explicit assumptions and risks; (5) the validation of the ToC; (6) the narrative of the ToC that is set out in the current document.

The **analysis of the situation and context** was anchored in diagnosis and assessments made within the framework of the Pro PALOP-TL SAI phase I, EU bilateral direct budget support programmes and EDF NIPs in the PALOP-TL countries. In addition to the challenges identified and already referred along the present document, the thorough diagnosis carried out along 4 years of the Pro PALOP-TL SAI implementation (see final report), backed by PEFA reports and IBP exercises, confirmed:

(i) Improving but persistent deficits in institutional and individual capacity and independence of SAI and parliaments to ensure efficient external control of PFM. Both institutions also lack transparency over their own activities and show limited engagement with the wider public. A sub-optimal utilization of sector/specialized training facilities at regional level was noted.

(ii) Limited social monitoring/public participation in public finances.

(iii) Insufficient cooperation and communication channels between the different actors of the public finances cycle (Parliament, Courts of Audit, Ministries of Finance and CSOs), with poor exposure to international standards and practices (especially in remote or relatively isolated countries) and limited capacity to translate good practices in their local/national contexts.

The **pre-conditions** for a successful scale-up of the Pro PALOP-TL SAI intervention logic into a phase II were identified and are in place. In addition to the baselines described in the background of the present document, it is important to highlight that the latest Pro PALOP-TL SAI ROM⁷⁷ (14/12/2017) concluded that clear gains resulted from the project's intervention. The capacities of the relevant institutions and actors for PFMS in the PALOP-TL countries were developed in a sustainable manner (all four OECD-DAC indicators – efficiency, effectiveness, pertinence and sustainability – were fully met).

Progress made within the framework of the Pro PALOP-TL SAI Phase I set the perfect baselines for a thorough **stakeholders' analysis** identifying individual and institutional duty-bearers and their corresponding obligations that supports the Pro PALOP-TL SAI Phase II ToC framework and process. Using a human rights-based approach it was possible to identify *who* has to do something about the problems identified in the PALOP and Timor-Leste in the domain of fiscal transparency and budget transparency, including inequalities and discrimination affecting particularly women (this is also in line with the principle of “no one left behind”).

Clear **assumptions** were identified. In order to have the expected change and impact, clear assumptions were established.

⁷⁷ Result Oriented Monitoring exercise. (Internal monitoring exercise carried out in development cooperation projects).

If the intervention is expected to contribute for the strengthening of “accountability, effectiveness and transparency capacities and practices of Public Finance Management Actors in the PALOP-TL” (the outcome), the following assumptions must be made:

- There will be timely and effective utilisation of the deliverables by the beneficiaries.
- The implementation of the agreed reform plans and roadmaps progresses in line with the planned timeline.

If the intervention is expected to be directly responsible for (output 1) the improvement of the capacities of PALOP-TL executives to ensure fiscal and budget transparency; (output 2) the enhancement of the capacities SAI and other relevant external control institutions in the PALOP-TL to ensure external audit/control over PFMS; (output 3) the strengthening of the of PALOP-TL Parliaments and CSO to ensure effective legislative oversight and social monitoring of PFMS, the following assumptions must be made:

- Staff trained by the Action is participating in the respective reforms and able to apply their new skills and knowledge/results.
- Information systems and other physical systems established are supported with sufficient funding and maintenance personnel.
- The regulations allow enactment of the new gender responsive budgeting, oversight methodology, audit manuals and other new PFM external control and oversight products.

The main assumption is that the political climate in the PALOP-TL countries remain stable without serious security problems and that there is stability, continuity of policies and beneficiary institutions in the PALOP-TL.

Through previous interventions, the EU has already supported civil society participation in the monitoring of the budget and this is not seen as a source of risk in terms of the CSOs security or ability to perform that role without harassment from authorities. It is therefore assumed that the same climate of transparency will continue in the PALOP-TL countries. It is also assumed that the implementation of the Action will be performed with high-quality management and effectiveness in obtaining results.

The project’s strategy is fully aligned with UNDP strategic plan 2018-21 and was setup with the premise that “Development is increasingly complex” and requires “multiple pathways, with interlinkages, trade-offs & synergies”. Even though the project contributes to improve the beneficiary countries’ three development settings⁷⁸ identified in the UNDP 2018-21 SP, the project’s intervention logic and ToC focuses in promoting structural transformations in those countries to overcome “(...) structural challenges facing [those]countries, in an uncertain and rapidly evolving context with higher levels of risk, cutting across economic, social, environmental and governance issues”.

The project strategy will provide corporate responses to “integrated and complex issues” and “applicable across development contexts” in the six ACP Portuguese-speaking countries (see country contexts in the background); putting together “leverages partnerships” that are “transformative” and can bring “significant and quantifiable change”.

The project is aligned with the SP’s signature solutions aiming to “Strengthen effective, inclusive and accountable governance” and to “Strengthen gender equality and the empowerment of women & girls”.

⁷⁸ (1) Eradicate poverty; (2) Build Resilience; and (3) Structural transformations.

To achieve these strategic goals, the PMU will build its work on UNDP **Country Support Platforms**⁷⁹ through the organization’s network and technical capacity to support **integrated solutions to complex, interconnected development challenges** in the 2030 Agenda. This will allow for “differentiated offerings across [the] different [PALOP-TL] country contexts and in response to varying development challenges”, but also for “greater ability to scale and reconfigure where needed”. In complement to the above, the PMU will also recur to UNDP **Global Development Advisory and Implementation Services Platform**⁸⁰ to provide **world-class development advice** to the project’s executive and beneficiaries.

2.1.2. Risks management

The Action will be implemented by the United Nations Development Programme (UNDP).

In this context, UNDP will be responsible for the risks’ management. Subjected to UNDP’s Programme and Operations Policies and Procedures, UNDP has developed a risks’ log matrix (Annex 9) to ensure due monitoring and management. The following shall apply to the risks’ management:

1. UNDP as the Implementing Partner shall comply with the policies, procedures and practices of the United Nations Security Management System (UNSMS.)
2. UNDP agrees to undertake all reasonable efforts to ensure that none of the project funds are used to provide support to individuals or entities associated with terrorism and that the recipients of any amounts provided by UNDP hereunder do not appear on the list maintained by the Security Council Committee established pursuant to resolution 1267 (1999). This provision must be included in all sub-contracts or sub-agreements entered into under any UNDP Project Document related to this action.
3. Consistent with UNDP’s Programme and Operations Policies and Procedures, social and environmental sustainability will be enhanced through application of the UNDP Social and Environmental Standards (<http://www.undp.org/ses>) and related Accountability Mechanism (<http://www.undp.org/secu-srm>).
4. UNDP and all its implementing partners shall: (a) conduct project and programme-related activities in a manner consistent with the UNDP Social and Environmental Standards, (b) implement any management or mitigation plan prepared for the project or programme to comply with such standards, and (c) engage in a constructive and timely manner to address any concerns and complaints raised through the Accountability Mechanism. UNDP will seek to ensure that communities and other project stakeholders are informed of and have access to the Accountability Mechanism.

All signatories to UNDP Project Document related with this Action shall cooperate in good faith with any exercise to evaluate any programme or project-related commitments or compliance with the UNDP Social and Environmental Standards. This includes providing access to project sites, relevant personnel, information, and documentation.

⁷⁹ A new system-thinking approach resulting from UNDP’s ongoing reform that will assist countries to design and deliver integrated solutions to complex development problems that require multi-sectoral actions across economic, social and environmental issues and help design tailored country and context-specific solutions and innovative ways of financing. Country support platforms will rely on networked ways of working to support *integration* across sectors and by targeting investments to policies that can simultaneously advance a wide range of SDGs, support SDG *acceleration* efforts. They aim to bring together partners who would otherwise not connect with each other to jointly analyse problems as well as co-create and deploy solutions that would otherwise remain undiscovered.

⁸⁰ AGORA services and advice were provided through such services, now rebranded in line with the reform and new strategic plan.

Risks	Risk level (H/M/L)	Mitigating measures
Degradation of the political situation in some beneficiary countries impacting political stability.	M	Consolidating existing regional platforms and offsetting the delays in some countries by developing in other activities open to individual actors from affected countries.
Lack of governments' willingness to provide data on budgetary execution or other relevant data.	M	Dialogue bringing in sound analytical data on benefits of transparency on budgetary documents between the EU (other donor countries) and each PALOP-TL within direct budget support boards and working groups, peer pressure for budget transparency, especially in those countries that receive budget support from the EU.
Lack of capacity of beneficiaries to get involved, accompany and appropriate the results of activities of the project.	H	Strong component of technical assistant, to support drafting of annual work plans by the beneficiaries in a participatory way that allows effective responses to the demands and needs through efficient budget appropriations and planning both at national and multi-country levels. Ensure that the project's country coordination committees meet and follow-up the implementation of the activities at national level.
Government instability or change in its composition may alter political priorities.	L	The formulation phase and the project inception phase will allow reconfirming the alignment with the respective national priorities.
Varying levels of capacity between stakeholders from different countries participating in project activities.	H	A training needs assessment will be conducted to verify specific needs specific for new MPs and CSOs.
Assumptions		
The main assumption is that the political climate in the PALOP-TL countries remains stable without serious security problems and that there is stability, continuity of policies and beneficiary institutions in the PALOP-TL countries.		
Through previous interventions, the EU has already supported civil society participation in the monitoring of the budget and this is not seen as a source of risk in terms of the CSOs security or ability to perform that role without harassment from authorities. It is therefore assumed that the same climate of transparency will continue in the PALOP-TL countries.		

2.2.FORESEEN IMPACT

Notwithstanding the previous interventions (in particular Pro PALOP-TL SAI) gains and exceptional buy-in from the beneficiaries, evaluations converged in recognizing that it is paramount to ensure continuity and broadening the support provided to even out levels of institutional and human capacity achieved by the beneficiary institutions (starting from very different baselines), particularly but not exclusively with regards to the civil society organisations.

These persisting challenges at PFM outcome level, irrespectively of the achievements and outputs of specific interventions such as the Pro PALOP-TL SAI, are informed by the International Budget Partnership/Open Budget Survey, most recent country PEFA exercises⁸¹, the Mo Ibrahim Index for governance in Africa (IIAG 2017)⁸², the United Nations Economic Commission for Africa (UNECA) Report on Governance in Africa (AGRII)⁸³, the Global Parliamentary Report 2017 on “Parliamentary oversight and Parliament's power to hold government to account”⁸⁴, as well as by papers published by the World Bank Institute regarding budgetary legislative oversight. It was also confirmed by the consultations organised in the six PALOP-TL countries in 2016-2017.

The Action is therefore designed to respond to the interlinked 3 main challenges highlighted above, to strengthen PFMS in the PALOP-TL, by:

- (i) Building capacity of key PFM stakeholders within the Ministries of Finances-increasing the technical ability of staff to effectively ensure that the basic functions of a good PFM system are respected;
- (ii) Improving the public finance oversight roles of Parliaments, SAIs and Civil Society-enhancing the capacity of Public Accounts Committees in the Parliamentary system, SAIs and of CSOs to tackle constraints to effective engagement in the budget process at national levels;
- (iii) Enhancing policy dialogues and south-south cooperation in the area of PFM – at the regional and international level.

As shown in the background of this document, the capacities of the core state and non-state stakeholders of the PFM systems in the PALOP-TL were strengthened over the last decade, including through the intervention of the Pro PALOP-TL SAI (phase I - 2014-17). However, in the case of parliaments, most of the beneficiary countries have just renewed or are expected to soon renew their electoral cycles (Angola 2017, Cabo Verde 2016, Guinea Bissau 2018, Mozambique 2019, São Tomé e Príncipe 2018, and Timor-Leste 2017). In the case of Angola, Cabo Verde and Timor-Leste with high turnover rates of Members of Parliament, there is a strong need to continuously engage in the professional development of parliamentarians and the administrative staff of Parliaments (especially those that support the special parliament commissions) in both the budget discussions and the oversight and scrutiny of public expenditure⁸⁵.

⁸¹ See outcome baselines.

⁸² Idem.

⁸³ <https://www.unece.org/publications/african-governance-report-iv>.

⁸⁴ http://www.undp.org/content/undp/en/home/librarypage/democratic-governance/parliamentary_development/global-parliamentary-report-2017.html.

⁸⁵ Pro PALOP-TL SAI Archive – strategic plans of the referenced parliaments.

The Action will also promote greater engagement of Civil Society Organisations (CSOs) and overall public participation in ensuring more efficient checks & balances in the beneficiary countries' PFM systems. CSOs will, as a result, have improved their respective capacities to effectively participate in the debate over public expenditure allocated to implement sector policies and demand accountability to: (a) Parliaments in the task of scrutinising and approving the budget and monitoring its implementation; (b) the executive (via monitor public expenditure and implementation of public policy monitoring); (c) SAI regarding audit reports'

The intervention favours the exchange of expertise through virtual and in-country visits allowing strengthening the capacity of public administration and governance actors. The implementation of previous 10th EDF projects, namely Pro PALOP-TL PACE (Electoral cycle support in the PALOP-TL countries) and Pro PALOP-TL SAI (phase I) between 2010-2017 allowed to design, test, standardize and scale-up South-South and triangular cooperation at institutional level – from electoral management bodies to the relevant stakeholders of PFM systems in the PALOP-TL countries. They built upon the longstanding tradition of bilateral cooperation among these countries at state and institutional level.

These projects were able to systematically use these channels to maximise opportunities for "peer2peer", learning events, communities of practices promoting exchanges of experiences, access to databases, etc. A Facility will continue to develop these mechanisms and is meant to bring about sustainable and effective transformation of targeted individual and collective practices in public administration institutions and environment by:

- a) Serving as “broker” and resort to, whenever possible and accepted by the beneficiaries, other pre-existing mechanisms for south-south and triangular institutional cooperation (ex. platforms, bilateral or multilateral institutional agreements etc.), thus reinforcing and progressively consolidating these ties into working practices and networks for advice and support.
- b) Using peer learning and exchange for capacity building whenever adequate, feasible and desirable by the beneficiaries, as the main instrument for technical assistance. As demonstrated by previous PALOP-TL experiences, institutions are keener to trust, open up, seek assistance and retain information and working methods from fellow colleagues in similar environments. This peer learning and exchange will include good practices from non-PALOP-TL countries to expose PALOP-TL countries to other innovative ways of developing their institutions.
- c) Promoting exposure of beneficiaries to established patterns and good international practices and training with international recognition, thus overcoming the isolation some of the institutions may face (especially in more remote areas or in relatively isolated contexts).
- d) Identifying the specific needs where the project can respond with a regional added value in collaboration with concerned institutions, so to have a flexible tailor-made approach and concentrate the scarce resources on specific interventions in all of the 3 key areas, through the establishment of concerted annual work plans.
- e) Having a variable geometry approach, where countries opt-in and out of selected regional activities according to the needs of their concerned institutions. This will avoid the engagement of participants in irrelevant capacity building activities, and will also allow for a balance among countries, each one having the possibility to be "on the lead/trainer" for some actions, and "learner" for others – a balance that is expected to reinforce the countries' interest and ownership of regional cooperation.

During the 5-month Inception Phase, Annual Work Plans will be developed based on existing functional analysis of all the stakeholders as well as building upon the above-mentioned lessons learned (and baseline). These bottom-up designed work plans will define detailed actions through an inclusive process aimed at identifying capacity gaps against the actual mandate of each stakeholder.

This process builds on the experience of the Pro PALOP-TL SAI and allows for consultations with all stakeholders in the beneficiary countries for the development of very detailed AWP with baselines, targets and associated budget. This process will be consultative to avoid overlapping with other ongoing initiatives and to promote effective complementarity.

2.2.1. Foreseen impact, expected outcomes & outputs

The Action is relevant for the 2030 Agenda and contributes firstly towards progressively achieving SDG 16 (Promoting peaceful and inclusive societies for sustainable development, providing universal access to justice and building efficient, responsible and inclusive institutions across all levels). The Action also holds relevance to bringing about SDG 5 (Attaining gender equality and empowering all women and young females), SDG 10 (Reducing inequality inside countries and between them) and SDG 17 (Revitalize the global partnership for sustainable development).

The gender dimension in particular is included through Gender Responsive Budgets and ensuring that there is adequate representation of women in capacity development activities supported by the Action. In addition, all countries identified gender-based violence and inheritance rights as a major development challenges and the Action can contribute to addressing them through monitoring of the budget allocated for the implementation of policies related to SDG 5.

The **Overall Objective (OO)** of the Action is to **improve economic governance in the PALOP and Timor-Leste.**

The **Specific Objective (SO)** or outcome will allow that *accountability, effectiveness and transparency capacities and practices of Public Finance Management Actors in the PALOP-TL are strengthened.*

The outcome will be pursued through the operationalisation of a Facility, allowing for:

- (i) technical support, professional training, follow up and mentoring in a framework of peer-learning, promotion of sectorial dialogue and interinstitutional south-south and triangular cooperation among, in particular, PALOP-TL, CPLP members and also with other countries presenting good practices, with particular attention to PALOP-TL neighbours;
- (ii) quick impact support⁸⁶ in specific contexts and areas allowing for a "variable geometry" implementation able to provide effective corporate response to evolving and volatile contexts with desirable flexibility without jeopardizing the results and budget of the action;
- (iii) consolidation and enhanced use of a knowledge acquis, database and standardised practices on fiscal transparency in the PALOP-TL through studies, conferences, trainings and working groups using cross-fertilisation between professional practices and academic studies and research.

⁸⁶ Quick impact support is small scale, low cost projects planned and implemented within a short timeframe.

This Facility, in order to contribute to the outcome, will be directly responsible for the achievement of the three following **Expected Results (Outputs)**:

O1: The executives' capacities to ensure fiscal and budget transparency in the PALOP-TL are improved.

O2: The supreme audit institutions and other relevant external control institutions' capacities to ensure external audit/control over PFMS in the PALOP-TL are enhanced.

O3: The capacities of Parliaments and CSO to ensure effective legislative oversight and social monitoring of PFMS in the PALOP-TL are strengthened.

In complement to the above, in order to ensure the adequate and efficient implementation of the project, a managerial output needs to be considered.

2.2.2. Indicative general activities and implementation timetable

During the project's identification and formulation phase, an overall indicative action plan was drafted responding to the partner countries needs' assessments and their strategic plans and indications gathered during the consultations held by UNDP with representatives of the main beneficiaries and stakeholders. These plans will afterwards be shared with the donor communities in country.

The implementation period of the foreseen activities is 36 months, a three-year project's duration period, based on the assumption that the project start-up will have an inception phase with a duration that can go up to five months from the signature of the Delegation Agreement with UNDP. The inception phase allows for the inclusive design and approval of operational and budgeted annual work plans benefiting each country, identifying accurately the pivotal actors and triggers of a change dynamics supporting the project's sustainability strategy.

The inception phase will essentially allow for tailor-made responses on a case-to-case basis maintaining the approach and strategy of the project. This phase will also allow the project management to update the project's proposed Visibility & Communications Plan (see Annex 6) and refine the M&E plan initially agreed with the EU delegation and project's senior beneficiary, where required. All revisions to the V&C plan would be processed in line with article 11.5 of the GCs.

Under each output, the PMU will facilitate and promote a set of overarching activities involving the project's stakeholders in each beneficiary country or through transversal platforms, using the Facility referred along the current document, aiming to:

- (1) **train and develop skills and capacities** (training, technical assistance, peer support etc.), promoting synergies with existing national capacity building institutions, as well as bilateral or multilateral agreements and capacity building facilities;
- (2) **promote information dissemination and sensitization campaigns;**
- (3) **promote legal and institutional reforms;**
- (4) **carry out procurement and enhancement of ICT systems;**
- (5) **promote community of practices through a south-south and triangular facility** using "peer2peer" learning and exchanges of experiences, focusing on the exposure to and domestication of best practices, as triggers for change.

These 5 types of overarching activities will embody actions that will be customized according to national/institutional needs and strategic documents, in order to provide a local response to local needs, but also using global/regional means and channels.

During an inception phase, National Annual Work Plans will be developed in straight consultations with all identified beneficiaries to accommodate specific and customized actions, in order to provide an effective management response to identified and stated regional, national and institutional needs, targets set in strategic/action institutional plans. These plans will afterwards be shared with the donor communities in country. This bottom-up and inclusive operational planning exercise will also ensure close coordination with the EU Delegations, but also other donors' supported PFM programmes, in the respective countries.

These overarching activities build upon the existing baselines set by previous interventions, particularly the Pro PALOP-TL SAI Phase I (referred in the background of the present document) and relevant outputs resulting from IGEF activities and bilateral EU support within the framework of EDF NIPs and Direct Budget Support programmes.

In complement of these baselines, the challenges persisting that were identified through the context and stakeholders' analysis (based on international assessments and reports feeding the analysis) helped shaping the overarching activities and will guide the annual work plans' design under each of the following overarching activities. These annual work plans (AWPs) will be developed during the inception phase crafting customized activities' results and actions with the aim to ensure that the expected outputs are achieved, together with the targets and indicators.

O1: Activities 1 to 5 below will aim to **ensure that the executives of the PALOP and Timor-Leste** (in particular, Ministries of Finances and Plan) **develop skills and capacities for producing and publicizing the standard budget documents** in line with the international standards and have active and dynamic communities of practices involving the ministries of finance and other relevant stakeholders of the PFM systems in the PALOP and Timor-Leste.

- (1) **train and develop skills and capacities** (training, technical assistance, peer support etc.), promoting synergies with existing national capacity building institutions, as well as bilateral or multilateral agreements and capacity building facilities.

Academic post-graduation courses in Portuguese Language provided by internationally recognized universities focusing on PFM and customized to the PALOP-TL legal frameworks and institutional contexts; professional practice enhancement training events (face2face and/or eLearning courses) accrediting with professional credentials; peer tutorial support using south-south and triangular cooperation approach; study visits for exchanges of experiences; and targeted/highly specialized technical assistance through experts/individual contractors made available by the PMU, all of which targeting public finance management and budget transparency. Gender Responsive Budgeting will be among the focus areas for training and capacity development.

- (2) **promote information dissemination and sensitization campaigns.**

Information and sensitization campaigns addressed to the general public using audio-visual means, including TV and Radio programs, Twitter, Facebook, YouTube, Podcast, etc.; Town-hall meetings; Publication of newsletters, Publicity in newspapers and other type of sensitization initiatives using print media, etc., all of which focusing on budget transparency and accessibility of fiscal information, fight against corruption, participation of the public in the budget processes, etc. Gender Responsive Budgeting will be among the focus areas for these campaigns.

(3) promote legal and institutional reforms.

Peer tutorial support using south-south and triangular cooperation approach; targeted/highly specialized technical assistance through experts/individual contractors made available by the PMU; study visits for exchanges of experiences, all of which targeting legal and institutional reforms in the field of public finance management and budget transparency. Publication of Budget information, Gender Responsive Budgeting, and greater involvement of the public and other relevant actors of the PFM system in the budget process will be among the focus areas of these actions.

(4) carry out procurement and enhancement of ICT systems.

Peer tutorial support using south-south and triangular cooperation approach; targeted/highly specialized technical assistance through experts/individual contractors made available by the PMU; Procurement, including Hardware, software and IMS; and study visits for exchanges of experiences, all of which targeting the use of ICT to enhance efficiency in the management, production, disclosure and external control of budget information.

(5) promote community of practices through a south-south and triangular facility using "peer2peer" learning and exchanges of experiences, but also through the publication of relevant bibliography in Portuguese Language, focusing on the exposure to and domestication of best practices, as triggers for change.

Community of Practices (CoP) based in high-level working groups gathering representatives of MoF to address (a) PFMS, (b) budget transparency, and (c) Open Government Partnership adherence challenges and issues; Community of Practices based in Seminars of exchanges of experiences and Grand Conferences involving state (MoF, SAI and other independent external control institutions, Parliament) and non-state (civil society organisations and regional platforms) actors of the PFMS, all of which targeting PFMS, Budget transparency, Legislative Openness and Fiscal transparency, among other relevant issues in these domains.

The target institutions and beneficiaries in general will be ministries of finances and/or plan, including, but not limited to, inspectorate general of finances, units responsible for the consolidations and/or publication of budget/fiscal information, units responsible for carrying out and/or regulate state/public procurement.

O2: Activities 6 to 10 below will aim to ensure that the SAI and other relevant external control institutions of the PALOP and Timor-Leste develop skills and capacities for carrying out different types of audit exercises and produce audit reports in line with international standards.

(6) train and develop skills and capacities (training, technical assistance, peer support, training of trainers, etc. including of technical staff), promoting synergies with existing national capacity building institutions, as well as bilateral or multilateral agreements and capacity building facilities.

Academic post-graduation courses in Portuguese Language provided by internationally recognized universities focusing on PFM (in particular, external control of public expenditures and public audit) and customized to the PALOP-TL legal frameworks and institutional contexts; professional practice enhancement training events (face2face and/or eLearning courses) accrediting with professional credentials; peer tutorial support using south-south and triangular cooperation approach; study visits for exchanges of experiences; and targeted/highly specialized technical assistance through experts/individual contractors made available by the PMU, all of which targeting audit and external control of public expenditure, regulation of public procurement, and control of corruption. Audit and external control of public expenditure

allocated to promote Gender Equality will be among the focus areas for training and capacity development.

(7) promote information dissemination and sensitization campaigns.

Information and sensitization campaigns addressed to the general public using audio-visual means, including TV and Radio programs, Twitter, Facebook, YouTube, Podcast, etc.; Town-hall meetings; Newsletters, publications, mailing, newspapers, etc., all of which focusing on external control of public expenditure, fight against corruption, fiscal openness and more involvement of the public in the work of SAI and other relevant anti-corruption and external control institutions, etc. Audit and external control of Gender Equality, and greater involvement of the public in the work of SAI will be among the focus areas for these campaigns.

(8) promote legal and institutional reforms.

Peer tutorial support using south-south and triangular cooperation approach; targeted/highly specialized technical assistance through experts/individual contractors made available by the PMU; study visits for exchanges of experiences, all of which targeting legal and institutional reforms in the field of external control of public expenditure – particularly SAI laws, SAI strategic planning and Performance Measurement Framework (SAI-PMF) exercises. Independence of SAI and scope of the external control exerted by SAI, and public contribution to the agenda of SAI will be among the focus areas of these actions promoting legal and institutional reforms.

(9) carry out procurement and enhancement of ICT systems.

Peer tutorial support using south-south and triangular cooperation approach; targeted/highly specialized technical assistance through experts/individual contractors made available by the PMU; Procurement, including hardware, software and IMS; and study visits for exchanges of experiences, all of which targeting the use of ICT to support the work, as well as to promote the involvement of the public in the work of SAI and other external control independent institutions.

(10) promote community of practices through a south-south and triangular facility using "peer2peer" learning and exchanges of experiences, focusing on the exposure to and domestication of best practices, as triggers for change.

Technical and financial support to the institutional development and implementation of the strategic plan of the OISC|CPLP; Community of Practices (CoP) based in high-level working groups gathering representatives of SAI to address (a) external control of PFMS, and (b) SAI-PMF exercises; Community of Practices based in Seminars of exchanges of experiences and Grand Conferences involving state (MoF, other independent external control institutions, and Parliaments) and non-state (civil society organisations and regional platforms) actors of the PFMS; Publication of relevant bibliography in Portuguese Language, all of which targeting PFMS, Budget transparency, Legislative Openness and Fiscal transparency, among other relevant issues in these domains.

The target institutions and beneficiaries in general will be SAI (including its technical staff whenever possible) and other relevant external control independent institutions.

O3: Activities 11 to 15 described below will aim to ensure that the MPs, parliamentary staff and CSO members in the PALOP and Timor-Leste develop internal capacities for carrying out oversight initiatives and parliamentary openness, analyse and scrutinise budget and expenditure information, carry out PF's social monitoring and simplify public budget information in line with the international standards.

- (11) **train and develop skills and capacities** (training, technical assistance, peer support etc.), promoting synergies with existing national capacity building institutions, as well as bilateral or multilateral agreements and capacity building facilities.

Academic post-graduation courses in Portuguese Language provided by internationally recognized universities focusing on PFM (in particular, legislative budget oversight and fiscal transparency) and customized to the PALOP-TL legal frameworks and institutional contexts; professional practice enhancement training events (face2face and/or eLearning courses) accrediting with professional credentials; peer tutorial support using south-south and triangular cooperation approach; study visits for exchanges of experiences; and targeted/highly specialized technical assistance through experts/individual contractors made available by the PMU, all of which targeting parliamentary and CSO strengthening and legislative budget oversight, fiscal transparency, regulation of public procurement, and control of corruption. Legislative oversight and social monitoring of public expenditure allocated to promote Gender Equality will be among the focus areas for training and capacity development; Support a scholarship programme for training for CSO's that deal with issues of corruption and scrutiny of public expense through quotas among the post-graduation programmes and other type of professional training promoted by the action

- (12) **promote information dissemination and sensitization campaigns.**

Information and sensitization campaigns using audio-visual means, including TV and Radio programs, Twitter, Facebook, YouTube, Podcast, etc.; Town-hall meetings; Newsletters, publications, mailing, newspapers, etc., all of which focusing on legislative budget oversight, legislative openness and parliamentary codes of ethics and institutional reforms, social monitoring of public expenditure, simplification of budget information and involvement of the public in the budgetary processes, etc. Legislative oversight and social monitoring of public expenditure allocated to promote Gender Equality, and greater legislative and fiscal transparency will be among the focus areas for these campaigns; create a multicountry platform for CSOs for sharing of information and experiences.

- (13) **promote legal and institutional reforms.**

Peer tutorial support using south-south and triangular cooperation approach; targeted/highly specialized technical assistance through experts/individual contractors made available by the PMU; study visits for exchanges of experiences, all of which targeting legal and institutional reforms, including strategic planning exercises/updates, in the field of PFM. Parliament power and capacity to exerted “the power of the purse” and oversight (particularly budget oversight), but also legislative openness and the involvement of the public in the budgetary process will be among the focus areas of these actions promoting legal and institutional reforms.

- (14) **carry out procurement and enhancement of ICT systems.**

Peer tutorial support using south-south and triangular cooperation approach; targeted/highly specialized technical assistance through experts/individual contractors made available by the PMU; Procurement, including hardware, software for parliamentary and legislative Information Management System and CSO ICT platforms allowing to simplify budget and expenditure information⁸⁷; and study visits for exchanges of experiences, all of which targeting the use of ICT to support the legislative openness and fiscal transparency.

⁸⁷ Such as: <http://dapp.fgv.br/transparencia-orcamentaria/mosaico/> or <http://yourbudgit.com/>

- (15) **promote community of practices through a south-south and triangular facility** using "peer2peer" learning and exchanges of experiences, focusing on the exposure to and domestication of best practices, as triggers for change.

Technical and financial support to the institutional development and implementation of the strategic plan of the AP|CPLP (particular focus on the FP-CPLP, parliamentary administration CoP within the AP|CPLP); Community of Practices (CoP) based in high-level working groups gathering representatives of legislative budget committees, parliament administration and parliamentarians to address legislative budget oversight; Community of Practices (CoP) based in high-level working groups gathering representatives of civil society organisations, media and academia to address legislative openness, access to budget information and participation of the public in the budgetary processes; Community of Practices based in Seminars of exchanges of experiences and Grand Conferences involving state (MoF, SAI and other independent external control institutions) and non-state (Women and other relevant parliamentary Caucuses, civil society organisations and regional platforms) actors of the PFMS, all of which targeting PFMS, Budget transparency, Legislative Openness and Fiscal transparency, among other relevant issues in these domains.

The target institutions and beneficiaries in general will be Parliaments, (including Parliament administrative staff (especially those who support the special parliamentary commissions) Parliamentarians, AP|CPLP (including F-CPLP), CSOs, Media and High-Education institutions, among others.

Crosscutting activities promoting gender responsive budgeting, legislative oversight and social monitoring of public expenditures focusing on gender equality will be implemented under each output. External control/audit (mainly through collaborative/coordinated performance audits), SAI auditing, legislative oversight and social monitoring of public expenditures focusing on relevant national SDG targets the (including environment and climate change issues) may be implemented transversally. The latest resulting from discussions between Pro PALOP-TL SAI and OISC|CPLP in late 2017 that allowed to include such targets in the strategic plan of that regional organization. More recently, AFROSAI-E and GIZ Africa Programme have developed a framework for reporting on PFM environment in a country as a contribution to SDG 16.4, effective efficient and transparent institutions. The project will partner with these institutions under its programme with the OISC|CPLP to develop the **Public Financial Management Reporting Framework tool** aiming at empowering PALOP-TL SAIs to make a meaningful contribution towards the Sustainable Development Goals.

IMPLEMENTATION MODALITIES / PROJECT MANAGEMENT

Activities 16 to 19 described below will aim to ensure that **Daily Project Management (including the inception phase and Office Costs), Communications & Visibility, and Monitoring & Evaluation** are efficient and ensured efficiently and in a timely manner.

(16) Implementation of the communications & visibility plan

The Communication & Visibility plan is included in Annex VI to EU-UNDP agreement.

The implementation of the communication and visibility activities shall be the responsibility of UNDP, as the implementing organization, and shall be funded from the amounts allocated to the Action. All necessary measures will be taken to publicize the fact that the action has received funding from the EU in line with the applicable contractual framework.

The communication & visibility plan will have an integrity core budget and, in addition to this budget, each overarching activity will have a specific category of costs for “communication, visibility, audio-visual and print costs” allocated for the visibility of each action realized under the activity – to be used according to the nature of the action. The indicative actions to implement the communication & visibility plan funded through the core integrity budget are:

- ✚ (A16.1) Dissemination of project information – social networks (website/Facebook/Twitter/YouTube) & newsletters.
- ✚ (A16.2) Editing & Publication of project reports and relevant bibliography.
- ✚ (A16.3) Project archive & institutional memory.

A communications and visibility officer will be recruited by UNDP to support in the coordination and implementation of all communications and visibility actions.

(17) carry out the project’s inception phase to ensure the operationalization of the project’s strategy and intervention logic.

As referred previously, costed and calendarized AWP’s will be designed in an inclusive manner with a bottom-up approach, reflecting effective and real needs of the beneficiary. The exit strategy will be finalized during the inception phase, allowing for the update of the results framework/logframe (particularly the output-level baselines and indicators) on the basis of finds gathered during the formulation of the AWP’s – without impacting the approved overall budget.

The actions to be carried out during the inception phase are:

- (A17.1) Development of ToR and recruitment of the PMU and/or all relevant personnel;
- (A17.2) Preparation and agreement with all beneficiary countries stakeholders on the travel plan;
- (A17.3) Formulation and approval (by Country Coordination Committees) of country Multi-Year Work Plans covering the implementation period;
- (A17.4) Update of the project’s M&E plan and the exit strategy;
- (A17.5) Update and refinement of the project’s “Communications & Visibility”

(18) Project Management and Office Costs to ensure the implementation of daily activities, including project assurance and support, in all beneficiary countries.

These operational and managerial actions needed to deliver the Action include, but are not limited to:

- (A18.1) Ensure the project operational start-up;
- (A18.2) Setup of project's managerial and financial tools and guidelines;
- (A18.3) Daily project management activities;
- (A18.4) Provide country support and ensure the travel plan's implementation;
- (A18.5) Organisation of Project's steering committees (physically or virtually).

These activities will be delivered to ensure efficient project management, assurance quality and operations support. The specific human resources behind these activities that will be charged to the budget of the action and described in the below general activity (A18.6) for **Project Office Costs**, as specified under the specific eligibility regime which applies under PAGODA, i.e. project office costs regime.

The **project management unit** (project office) will be in Praia, Cabo Verde, and will include staff carrying out various forms of tasks including technical assistance, administration and management that are directly attributable to the implementation of the Action. It will comprise of full-time dedicated and part time specialized project staff. The latter will be charged to the budget of the action for the time spent directly attributable to the implementation of the Action. The PMU will consist of the following UNDP project staff:

- **Project Manager (PM):** oversees the project's all activities in all beneficiary countries (PALOP and Timor-Leste) and will devote 100% of his/her time to the project.
- **Senior National Advisor (SNA) on external control of PFMS and budget transparency:** provides expert advice and expert support to the PM regarding all the three outputs of the project, more in particular outputs 1 on budget transparency and output 2 on external control of PFMS by SAI, supports the PM following-up the implementation of the project in all beneficiary countries. He/she will devote 100% of his/her time to the project.
- **Project Administrative and Finance Associate (PAFA):** manages program-related administrative and financial management activities and supports the project implementation in all other beneficiary countries and will devote 100% of his/her time to the project.
- **Driver:** provides transportation services to project staff in Cabo Verde and will devote 100% of his/her time to this project.

In addition to the above core team of the PMU, the following experts and advisors will be recruited to support the PMU and provide expert support to the beneficiary institutions in the field:

- **Legislative oversight & openness specialist:** provides advice to the PM and expert support to parliaments in the domain of parliamentary strengthening and legislative oversight focusing on budget oversight, but also with regards to legislative openness, in all the beneficiary countries. He/she will devote 100% of his/her time to the project.
- **Communications & Visibility officer:** provides advice to the PM and expert support to integration of the communications and visibility requirements in all project's activities, contributing for the effective and efficient implementation of the Communications & Visibility Plan. He/she will devote 100% of his/her time to the project.
- **Monitoring & Evaluation officer:** provides advice to the PM and expert support to ensure the effective and efficient implementation (including reviewed and update) of the M&E Plan. He/she will devote 100% of his/her time to the project.

- **Gender expert:** a long-term agreement will be setup to recruit a consultant on **mainstreaming of gender in public expenditures**. The consultant will provide advice to the PM on the mainstreaming of gender in outputs 1, 2 and 3 and specific deliverables related with training of ministries of finance, SAI, parliaments and CSO to ensure oversight and monitoring of public expenditure with focus on gender. He/she will work on the basis of deliverables.

In implementing the project, several costs are envisaged for the functioning of the PMU, including:

- **Travel:** To secure the implementation, follow-up and monitoring of the project's activities in all beneficiary countries, travel related costs, including travel tickets and UNDP/ beneficiary's Daily Subsistence Allowance (DSA) are budgeted and covered, in line with the organisation's procedures and rates⁸⁸.
- **Transportation and Vehicle-Related Expenses:** Support to this activity requires maintenance and fuel costs to ensure safe, reliable transportation for Project Staff.
- **Project Office:** To efficiently implement activities, this project includes expenses related to office rent, office security, communication and internet, stationary and other office supplies, and office equipment maintenance.
- **Equipment and supplies:** The project foresees a cost for purchasing of IT equipment, including maintenance costs for the project-related staff.

Salaries and other remuneration costs of the following UNDP staff might be partially charged to the Action under the category of Project Office costs: (a) Heads of Governance Units (or equivalent) or Programme Officer/Governance Specialists in PALOP and Timor-Leste UNDP Country Offices; (b) Programme Associates/assistants working for the programme units of the PALOP and Timor-Leste UNDP Country Offices; General Services staff working for the operations units (travel clerks, procurement and finance officers) in the PALOP and Timor-Leste UNDP Country Offices.

These are UNDP staff in the beneficiary country offices used to carry out specific operational support tasks as required for the implementation of the activities and charged on a part-time basis for the time spent directly attributable to the implementation of the Action. These tasks include: (1) Processing and authorization of payments, disbursements and other financial transactions; (2) Recruitment of staff, project personnel, and consultants, (3) Procurement of services and equipment, and disposal/sale of equipment (3) Organization of training activities, conferences, and workshops, including fellowships (4) Travel authorizations, visa requests, ticketing, travel arrangements and ICT commons services; (5) Shipment, custom clearance, vehicle registration and accreditation; (6) ensuring follow-up and implementation of national AWP; (7) Facilitation of national board meetings.

(19) **Implementation of the monitoring & evaluation plan**

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, i.e. UNDP. To this aim, UNDP shall establish a permanent internal, technical and financial monitoring system for the action and elaborate regular progress reports and final reports in accordance with the standard reporting requirements set in Article 3 of Annex II of the PAGODA

The Programme Management Unit will document **the baseline situation** for each indicator of the project. The PMU will ensure that the Country Coordination Committees and the Steering

⁸⁸ <http://www.uy.undp.org/content/dam/uruguay/docs/adquisiciones/DSA/undp-uy-2018-02-DSA-FEBRERO.PDF>.

Committees are periodically informed and that the latest approves the monitoring and evaluation plan. The instruments that will be used in monitoring progress towards the outputs will include:

- Bi-annual Country Coordination Meetings and Annual Steering Committee meetings (either physically or virtually) to inform on project's implementation progress and approve mid-term evaluation results;
- Quarterly monitoring and follow-up missions carried out by the PMU to each beneficiary country;
- Corporate response and action plan to the project mid-term evaluation, which is a time-bound and independent exercise to measure results and management.

A monitoring plan (Appendix 7) will be updated and refined during the inception phase. The end-goal of the project monitoring is to learn lessons and incorporate these to the improvement of the current and/or future projects. All Project activities will be closely monitored by the PMU with the support of UNDP Country Offices in the PALOP and Timor-Leste.

Below are the indicative actions to ensure the implementation of the plan:

(A18.1) Country Coordination Meetings and Annual Steering Committee meetings.

(A18.2) Project monitoring and follow-up missions.

(A18.3) Project mid-term evaluation and final stakeholders' review/lessons learnt.

(A18.4) Project reporting.

An M&E officer will be recruited by UNDP to support the implementation of the M&E plan.

2.2.3. Cross-cutting issues

Gender Equality and rights-based approach

This action abides by the recommendations and targets of national and EU policies, including the EU's Toolkit on Mainstreaming Gender Equality in EC Development Cooperation, but also the promotion of gender equality and human rights across all its components such as the EU Gender Action Plans (GAP) and the CPLP Strategic Plan for Equality and Empowerment of Women.

Accordingly, the action will mainstream gender in all of its components strengthening capacities of PFM actors to advocate for and apply gender-sensitive budgeting approaches, and promoting external control, legislative oversight and social monitoring of public resources effectively allocated and efficiently implemented to promote national gender equality policies and targets. Concerning human rights and RBA (rights-based approach), the action will specifically target the strengthening of leadership and participation of women and youth in the PFM sector and its oversight. Furthermore, the action will apply a RBA focusing on enhancing participation of rights holders, particularly women and youth, and access to the decision-making process, transparency, accountability and access to information in the sector. Participation of female staff will be promoted for all the capacity building efforts.

Good Governance

The action will strengthen the PFM system and make roles, responsibilities, procedures and reporting more transparent. It will also strengthen SAIs, Parliaments and CSOs to demand accountability from government and improve transparency of public expenditure. This way, the project will contribute towards sustainability of the PFM reform efforts.

2.2.4. Communications & Visibility

The provisions of the Financial and Administrative Framework Agreement concluded between the European Union and UNDP shall apply. This is reflected in Article 8.2 of the PAGODA – General Conditions which states “[...] In the case of EU External Actions and CFSP such measures shall be carried out in accordance with the Communication and Visibility Manual published by the European Commission or with any other guidelines agreed between the European Commission and the Organisation.”

Accordingly, the Joint Action Plan on Visibility⁸⁹ and the Joint Visibility Guidelines for EC-UN Actions in the Field⁹⁰ agreed between the EU and the UN remain the prevailing frameworks to be followed by the UN system in delivering on the communications and visibility commitments in the EU-funded projects.

Thus, the communications and visibility activities of UNDP’s EU-funded projects are carried out in line with:

- ❖ General Conditions to PAGODA agreement;
- ❖ Financial and Administrative Framework Agreement⁹¹;
- ❖ Joint Action Plan on Visibility 2006⁹²;
- ❖ Joint Visibility Guidelines for EC-UN actions in the field⁹³;
- ❖ UNDP Brand Manual⁹⁴.

The implementation of the communications and visibility activities shall be the responsibility of UNDP, as the implementing organisation, and shall be funded from the amounts allocated to the Action. All necessary measures will be taken to publicize the fact that the action has received funding from the EU in line with the applicable contractual framework. The Communication and visibility Plan and activities will be elaborated in complementarity with and implemented in coordination with the dedicated team hired by the TCF/Support to the Coordination Programme (formulation ongoing) to implement a global visibility strategy for the whole of the PALOP-TL cooperation.

The Communications and Visibility (C&V) plan is included in Annex VI to EU-UNDP Delegation Agreement. During the project inception phase, eventual adjustments to the C&V plan (i.e. Annex VI to the EU-UNDP agreement) that may occur during the implementation of the action shall not entail any formal amendments to the agreement but could be agreed with the European Commission (EC) via exchange of letters as per article 11.5 of the GCs, unless the changes would go beyond the limitations set in article 11.3 of the General Conditions (GCs) in which case a formal amendment would be needed (see GCs in annex).

UNDP shall report on the implementation of the plan under the regular reporting requirements foreseen in the respective Delegation Agreement.

The project’s C&V plan’s main objective is the communication of the “positive results of the partnership” throughout visibility activities focusing on outputs and the impact of results. It will evolve throughout the project’s implementation and could include joint press releases, TV spot, joint presentations, photo opportunities and policy type publication in specialist press.

⁸⁹ <https://ec.europa.eu/europeaid/node/45483>.

⁹⁰ <https://ec.europa.eu/europeaid/node/45481>.

⁹¹ <https://ec.europa.eu/europeaid/node/45445>.

⁹² <https://ec.europa.eu/europeaid/node/45483>.

⁹³ <https://ec.europa.eu/europeaid/node/45481>.

⁹⁴ UNDP internal document.

In addition to action-based communication activities, whenever possible and practical, communication and visibility should be strategic, and build on broader sets of activities or programmes, focusing on activities which better lend themselves to attract the target audiences. This type of visibility should seek to promote the PALOP and Timor-Leste and EU-UN partnership.

It is the responsibility of UNDP to keep the EU Delegations fully informed of the planning and implementation of the appropriate milestones specific visibility and communication activities. UNDP will also coordinate with other UN agencies such as UNICEF and with the in-country donor coordination groups.

UNDP shall report on its visibility and communication actions, as well as the results of the overall action to the relevant monitoring committees.

UNDP shall coordinate all communication activities with EU Delegations as well as regional communication initiatives funded by the European Commission to the extent possible.

2.2.5. Results Framework

For purposes of coherence, bearing in mind that the Description of the Action (DoA) has no standard format and the implementing organization can suggest the format best fitting its means and objectives, rules and procedures, the logframe (Appendix 1) used in the identification and formulation documents, as well as in the EU-UNDP signed PAGODA, will feed into a results' framework – the two documents are conversant and UNDP will report against the logframe.

UNDP may also, in agreement with the EC, change the indicators and their related targets, baselines and sources of verification described in the DoA and in the logical framework if the change does not affect the main purpose of the Action.

When it is not possible to determine the outputs of an action at formulation stage, intermediary outcomes should be presented, and the outputs defined during inception of the overall project and its components.

The indicative results' framework matrix will evolve during the lifetime of the Action: new lines will be added in the result's framework for including the activities as well as new columns for intermediary targets (milestones) for the output and outcome indicators whenever it is relevant for monitoring and reporting purposes.

ANNEX I - DoA (OFFICIAL VERSION)

Intended Impact (Overall Objective) as stated in the Regional Programme Results and Resource Framework: Improve economic governance in the PALOP and Timor-Leste					
Impact (Overall Objective) indicators as stated in the Regional Results and Resources Framework, including baseline and targets: OO 1. World Bank Worldwide Governance Indicators OO 1.1. "Control of Corruption" in the PALOP-TL NB: the specific country values are detailed in the Appendix 4.					
Intended Outcome (Specific Objective) as stated in the Regional Programme Results and Resource Framework: The accountability, effectiveness and transparency capacities and practices of Public Finance Management actors in the PALOP-TL are strengthened.					
Outcome indicators as stated in the Regional Results and Resources Framework, including baseline and targets: SO 1. IBP Open Budget Index: SO 1.1. Transparency (Open Budget Index) SO 1.2. Public Participation SO 1.3. Budget Oversight SO 2: PEFA indicators: SO 2.1. Quality and timeliness of in-year budget reports (PI24) SO 2.2. Quality and timeliness of annual financial statements (PI25) SO 2.3. Scope, nature and follow-up of external audit (PI26) SO 2.4. Legislative scrutiny of the annual budget law (PI27) SO 2.5. Legislative scrutiny of external audit reports (PI28) NB: the specific country values are detailed in the Annex 4.					
Applicable Output(s) from the UNDP Strategic Plan: Accelerating structural transformations for sustainable development, especially through innovative solutions that have multiplier effects across the SDGs Signature solution 2: Strengthen effective, inclusive and accountable governance. Signature solution 6: Strengthen gender equality and the empowerment of women and girls.					
Project title and Atlas Project Number: Programme for Consolidating Economic Governance and Public Finance Management systems in the PALOP-TL (Pro PALOP-TL SAI – Phase II)					
EXPECTED OUTPUTS	OUTPUT INDICATORS	DATA SOURCE	BASELINE	TARGETS (by frequency of data collection)	DATA COLLECTION METHODS & RISKS
			2017	Target in 2021	
Output 1 <i>The executives' capacities to ensure fiscal and budget transparency in</i>	<i>1.1 # of staff of ministries of finances trained by the project on budget transparency and PFM (disaggregated by sex, by organisation of origin, by country), including through eLearnings, initiatives using south-south and triangular cooperation, "peer2peer" learning, exchanges of experiences and good practices</i>	<i>Pro PALOP-TL SAI Phase I</i>	ANG: 23; CV: 56; GB: 120; MOZ: 830; STP: 80; TL: 0; PALOP-TL: 0	ANG: 50; CV: 50; GB: 50; MOZ: 50; STP: 50; TL: 50; PALOP-TL: 300	Data collection methods/sources: <i>(1) Websites and other social networks of Pro PALOP-TL SAI; (2) Narrative reports on the progress of Pro PALOP-TL SAI; (3) Evaluation reports</i>

<i>the PALOP-TL are improved</i>	<i>1.2 # of staff of ministries of finances involved in information & sensitization campaigns on budget transparency and PFM (disaggregated by sex, by organisation of origin, by country).</i>	<i>Pro PALOP-TL SAI Phase I</i>	ANG: 0; CV: 0; GB: 244; MOZ: 0; STP: 46; TL: 0.	ANG: 120; CV: 20; GB: 50; MOZ: 120; STP: 20; TL: 20.	<i>on project results; (4) Websites and other social networks of beneficiary institutions in the PALOP and Timor-Leste; (5) Activity reports of project beneficiary institutions.</i> Risks: <i>Detailed in Annex 1, the Risk Log matrix.</i>
	<i>1.3 ICT PFMS procurement to MoF – including Hardware, software and IMS.</i>	<i>Pro PALOP-TL SAI Phase I</i>	ANG: 0; CV: 0; GB: 0; MOZ: 0; STP: 0; TL: 0.	ANG: 1; CV: 1; GB: 1; MOZ: 1; STP: 1; TL: 1.	
	<i>1.4 Available and functional community of practices in the domain of budget transparency involving government officials (from ministries of finances and/or planning).</i>	<i>Pro PALOP-TL SAI Phase I</i>	PALOP-TL: did not exist by 2017.	PALOP-TL: At least one community of practices of government officials is functional and dynamic.	
	<i>1.5 # of government officials trained by the project on Gender responsive budgeting (disaggregated by sex, by organisation of origin, by country)</i>	<i>Pro PALOP-TL SAI Phase I</i>	ANG: 4; CV: 120; GB: 2; MOZ: 4; STP: 3; TL: 0.	ANG: 30; CV: 30; GB: 30; MOZ: 30; STP: 30; TL: 30.	
	<i>1.6 Status of enactment of annual budget including gender-responsive budgeting</i>	<i>Pro PALOP-TL SAI Phase I</i>	ANG:0; CV: 1 (2018 budget); GB: 0; MOZ: 0 ; STP: 0; TL: 0	At least 4 PALOP-TL countries enacted state budgets including GRB.	
Output 2 <i>The supreme audit institutions and other relevant external control institutions capacities to ensure external audit/control capacity over PFMS in the PALOP-TL are enhanced</i>	<i>2.1 # of judges, auditors and officials from SAI and other external control institutions trained and accredited by the project on external control/audit of PFMS matters (disaggregated by sex, by organisation of origin, by country), including through eLearnings, initiatives using south-south and triangular cooperation, "peer2peer" learning, exchanges of experiences and good practices</i>	<i>Pro PALOP-TL SAI Phase I</i>	ANG: 60; CV: 174; GB: 226; MOZ: 26; STP: 60; TL: 7; PALOP-TL: 259	ANG: 120; CV: 100; GB: 150; MOZ: 100; TL: 150; PALOP-TL: 350.	<i>Data collection methods/sources: (1) Websites and other social networks of Pro PALOP-TL SAI; (2) Narrative reports on the progress of Pro PALOP-TL SAI; (3) Evaluation reports on project results; (4) Websites and other social networks of beneficiary institutions in the PALOP and Timor-Leste; (5) Activity reports of project beneficiary institutions.</i> Risks: <i>Detailed in Annex 1, the Risk Log matrix.</i>
	<i>2.2 # of judges, auditors and officials from SAI and other external control institutions who participate in awareness events carried out by SAI with the project's support on external control/audit of PFMS matters (disaggregated by sex, by organisation of origin, by country).</i>	<i>Pro PALOP-TL SAI Phase I</i>	ANG: 15; CV: 11; GB: 176; MOZ: 0; STP: 42; TL: 0.	ANG: 120; CV: 100; GB: 150; MOZ: 100; TL: 150	
	<i>2.3 ICT PFMS procurement to SAI – including hardware, software and IMS.</i>	<i>Pro PALOP-TL SAI Phase I</i>	ANG: 0; CV: 2; GB: 0; MOZ: 0; STP: 1; TL: 1	PALOP-TL: all have procurement to enhance their ICT systems	

	2.4 Available and functional community of practices in the domain of external control/audit of the public expenditures and accounts involving SAI judges, auditors and officials from SAI and other external control institutions	Pro PALOP-TL SAI Phase I	PALOP-TL: 1community of practices exists and meets at least once in a year.	PALOP-TL: At least 3 communities of practice exist, and each meets physically or virtually at least once a year.	
	2.5 # Collaborative performance audits carried out by two or more SAI in the PALOP and Timor-Leste focusing on Gender equality and environmental matters.	Pro PALOP-TL SAI Phase I	PALOP-TL: No collaborative performance audits carried out in any two SAI in the PALOP-TL.	PALOP-TL: At least four PALOP-TL SAI are engaged in one or more collaborative performance audits focusing on Gender.	
Output 3 The capacities of Parliamentary and CSO to ensure effective legislative oversight and social monitoring of PFMS in the PALOP-TL are strengthened.	3.1 # of MPs, parliamentary staff and members of the civil society trained and accredited by the project on PFM, legislative budget oversight, social monitoring of PFMS and simplification of budget information (disaggregated by sex, by organisation of origin, by country), including through eLearnings, initiatives using south-south and triangular cooperation, "peer2peer" learning, exchanges of experiences and good practices	Pro PALOP-TL SAI Phase I	ANG: 515; CV: 208; GB: 91; TP: 62; TL: 65; PALOP-TL: 3450	ANG: 300; CV: 150; GB: 150; MOZ: 300; TL: 150; PALOP-TL: 4000.	Data collection methods/sources: (1) Websites and other social networks of Pro PALOP-TL SAI; (2) Narrative reports on the progress of Pro PALOP-TL SAI; (3) Evaluation reports on project results; (4) Websites and other social networks of beneficiary institutions in the PALOP and Timor-Leste; (5) Activity reports of project beneficiary institutions. Risks: Detailed in Annex 1, the Risk Log matrix.
	3.2 # of persons that participate in awareness events carried out by parliaments and CSO with the project's support on legislative oversight and social monitoring of PFMS (disaggregated by sex, by organisation of origin, by country).	Pro PALOP-TL SAI Phase I	ANG: 0; CV: 352; GB: 65; MOZ: 35; STP: 115; TL: 210.	ANG: 500; CV: 300; GB: 350; MOZ: 500; TL: 350.	
	3.3 Procurement/upgrade of ICT systems for parliaments design to promote legislative openness and efficiency	Pro PALOP-TL SAI Phase I	ANG: 0; CV: 1; GB: 0; MOZ: 0; STP: 1; TL: 1.	PALOP-TL: All parliaments use ICT platforms for legislative openness.	
	3.4 Procurement of ICT systems design to simplify budget and expenditure information (CSO platforms)	Pro PALOP-TL SAI Phase I	PALOP-TL: 0.	PALOP-TL: at least one ICT system allowing to simplify budget and expenditure information from PALOP-TL countries is available and managed by CSOs.	
	3.5 # formal mechanisms for dialogue (formal meetings and/or open sessions) between Parliament, Supreme Audit Institutions – Ministries of Finances and the OSC held outside of regiment/legal requirements.	Pro PALOP-TL SAI Phase I	ANG: 0; CV: 0; GB: 0; MOZ: 0; STP: 0; TL: 0.	PALOP-TL: all use formal meetings and/or open sessions.	

	3.6 # of MPs, parliamentary staff & CSO trained by the project on Gender responsive budgeting (disaggregated by sex, by organisation of origin, by country)	Pro PALOP-TL SAI Phase I	ANG: 95; CV: 60; GB: 60; MOZ: 25; STP: 30; TL: 180.	ANG: 150; CV: 60; GB: 90; MOZ: 150; TL: 90.	
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ANNEX I - DoA (OFFICIAL VERSION)

SECTION III - IMPLEMENTATION

3.1.LOCATION, DURATION, GOVERNANCE & MANAGEMENT ARRANGEMENTS

With regards to the **location of the Action**, the activities will be implemented in the ACP Portuguese Speaking Countries (PALOP and Timor-Leste) – i.e. Angola, Cape Verde, Guinea Bissau, Mozambique, São Tomé e Príncipe and Timor-Leste. The project's management unit is going to be located in Cape Verde and will ensure direct follow-up on the daily implementation with Mozambique EDF National Authorizing Officer Cabinet and EU Delegation – considering that Mozambique is the country responsible for the coordination of the EU|PALOP-TL cooperation.

The **implementation period** specific to this Action is defined in the Special Conditions of the Delegation Agreement. The implementation period of this action, during which the activities will be carried out and the corresponding contracts and agreements implemented, is 36 months as specified in the Article 2 of the Special Conditions.

The action will be implemented in indirect management with the United Nations Development Programme (UNDP) whereby the European Union's contribution is going to be entrusted to UNDP through a Delegation Agreement compliant established under the overall frame of the Financial and Administrative Framework Agreement (FAFA).

This implementation of this action entails developing a Facility to support and broker initiatives for capacity development, south-south and triangular cooperation, exchanges of experiences and "peer2peer" learning, with the expectation to foster institutional-based, process-based and human resources-based change and transformational dynamics to obtain the 3 results.

This implementation is justified because various independent evaluations noted UNDP good capacity and track record throughout the implementation of the 10th EDF PALOP-TL SAI and PALOP-TL PACE⁹⁵ projects, upon which the current action aims to build upon. Through these projects UNDP established a sound knowledge of the context, an open access and fluid working relations with the targeted institutions – trust being an essential element for interventions on domains linked to governance -, all of which will ease contacts and allow a faster start-off of activities.

UNDP has a physical presence in all 6 PALOP-TL countries (that can be "activated" when needed), and all PALOP-TL are its members. For these reasons, this option has been indicated by the PALOP-TL as the preferred one during the last Ministerial Meeting in Praia (Dec 2016) and the last Steering Committee of the PALOP-TL SAI (February 2018).

To ensure the above and the delivery of all the foreseen activities in the six beneficiary-countries, UNDP will implement the project in accordance with its rules and procedures through Direct Implementing Modality (DIM). The following budget-implementation tasks will be ensured:

- ✓ Recruit the Programme management team and personnel needed to deliver the Action;
- ✓ Launch, award and manage contracts according to UNDP rules and procedures;
- ✓ Follow up the implementation procedures for the provision of services and supplies, overseeing the execution of the Programme, as member of the Steering Committee;
- ✓ Launch, award and follow up the implementation of Grants, according to UNDP rules and procedures and the Delegation Agreement Conditions;
- ✓ Establish partnership agreements (and other implementation tools allowed by its rules and regulations) with regional professional organisations, training institutions, etc, to be

⁹⁵ Programme of Support to the 2009 – 2011 electoral cycles of the PALOP-TL countries

identified during the inception phase of the programme, to run/host some of the activities supported by the Facility.

Among the potential organisations with effective regional partnerships and good results within the scope of the Pro PALOP-TL SAI and other interventions carried out under the cooperation PALOP-TL|EU, that could be used in the context of the current project are: IGEF (Angola), some of the countries' Lawyers' Bar Association, CPLP professional associations, the Judicial Training Centre (Maputo), the Centre for Creative Leadership/Leadership Beyond Boundaries Programme, the Getúlio Vargas Foundation (FGV) and LegisPALOP, the "Conselho nacional de justiça" in Brazil, the "Centro de Estudos Judiciários" (CEJ) in Portugal etc. UNDP will remain always accountable towards the EU in respect of the implementation of the action.

The **project organisational structure** is based in UNDP two-tiered project management structures conceived to ensure inclusiveness and ownership in the overall direction and policy of the project, alongside with oversight and daily management.

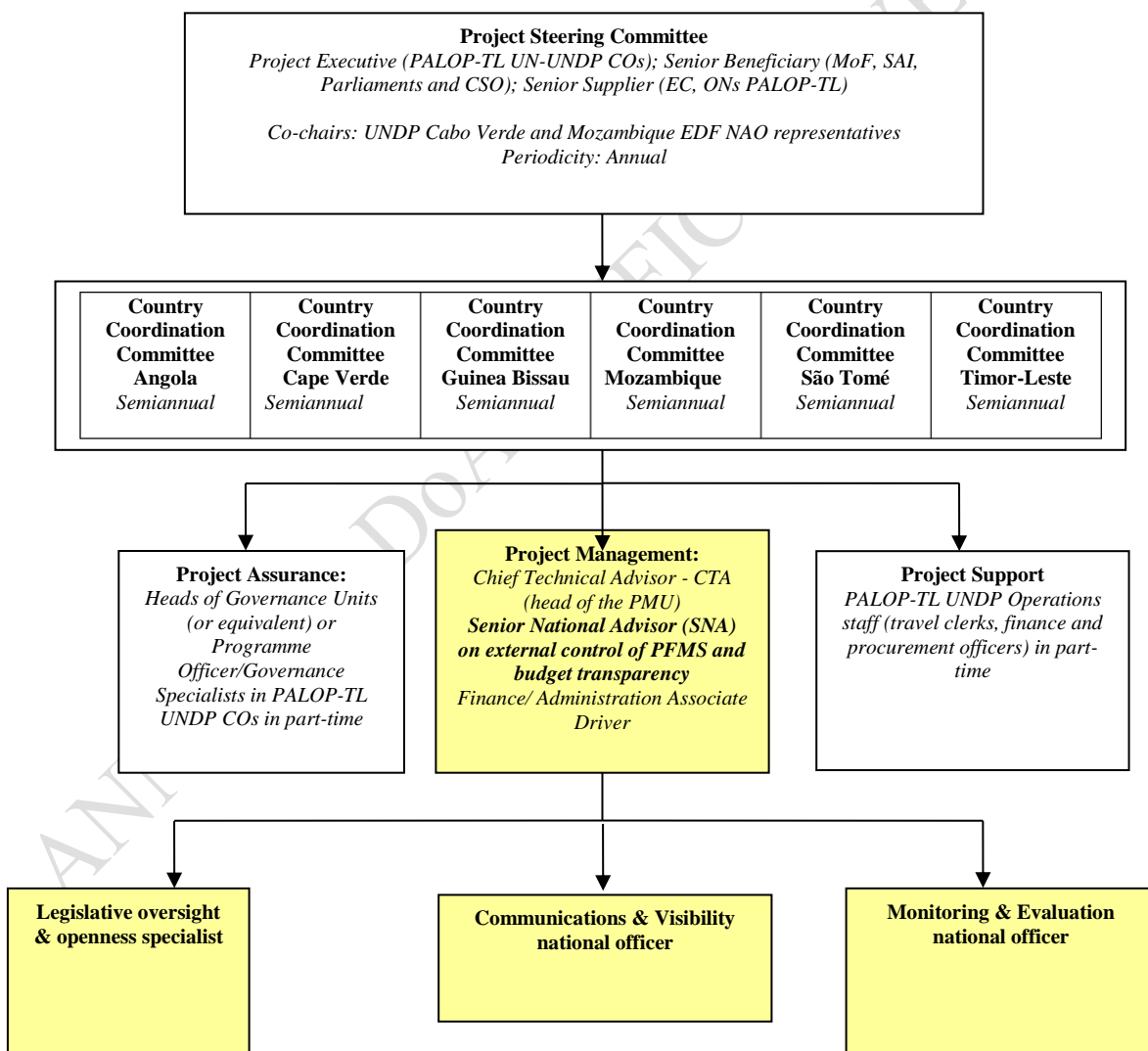
Country Coordination Committees and a PALOP/TL Steering Committee will ensure that the project remains on track, on time and within budget while delivering the foreseen results. A small and flexible Project Management Unit (PMU), composed of a team of recruited experts, will ensure day-to-day implementation and management of the project. The PMU will provide directly and made available through different instruments and mechanisms technical assistance and expert support. The PMU will also ensure project reporting to the Country Coordination Committees and Steering Committee, as well as to the project senior suppliers (European Union PALOP-TL Delegations and UNDP Country Offices), which will enhance donors' coordination. This organisational structure will have the following roles and responsibilities:

- A) A Country Coordination Committee** in each PALOP and Timor-Leste, co-chaired by UNDP Country Office and a representative of the National Authorizing Officer (NAO), comprising of the EU Delegation, Parliament (Specialized Committee on public finances), national SAI (Court of Audits), representatives of the Ministry of Finance and of CSOs involved in the project. Representatives of other programmes/donors with prominent activities in the sector can be invited to participate in the country coordination committees. This mechanism, facilitated by the UNDP Resident Representatives of the PALOP-TL, would meet as required and in any case no less than twice a year, to discuss the evolving local sector environment, share plans and activities, review progress in planning and implementation of the annual work plans, deliberate issues of common concern, negotiate agreed responses and analyse emerging needs and risks at a national level. This forum would be an important part of local coordination in each beneficiary country, with the emphasis on policy development, collaboration and information-sharing in line with the decisions of the project Steering Committee.
- B) A PALOP-TL Project Steering Committee** to ensure that the project remains on track, on time and within budget. The Steering Committee would meet annually and would be responsible for general oversight of project activities including financial oversight, and approval of funding allocations within the overall budget as recommended by the project's management unit. It should receive regular reports from the management unit, approve major activities and expenditures, reach consensus and take decisions in any change in the work plans affecting the project structure and strategy, carry out risk analysis and consider funding for emerging issues. It is facilitated by the project management unit (PMU), which would also provide secretariat services and liaise with the Steering Committee co-chairs (UNDP Cabo Verde and Mozambique EDF NAO representatives) in the preparation of agendas, notification to members, reports on the various projects' activities and provision of minutes. In addition to the project's executive (UNDP Country

Offices in all beneficiary countries) and supplier (EU Delegations and NAOs representatives), the Steering Committee includes representatives from the PALOP and Timor-Leste beneficiaries (Ministries of Finances, Supreme Audit Institutions and Parliament’s representatives, particularly Budget Committees), Civil Society Organisations (CSO). The Committee may meet annually, physically or virtually (using the recently installed PALOP-TL videoconferences facilities).

C) The **Programme Management Team**: a small, flexible, dedicated team that administers, manages and monitors day-to-day overall project’s activities. This team will be supported by the necessary expertise to be deployed in the other beneficiary countries. The staff would include experts in different specific domains of the project, and some members should be familiar with UNDP procedures on recruitment, procurement and project execution modalities. The team will have the following structure:

All the project office costs were referred above in the point 2.2.2. regarding the indicative general activities, under the activity 18.



SECTION IV - REPORTING, MONITORING AND EVALUATION

4.1. MONITORING & 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, i.e. UNDP. To this aim, UNDP shall establish a permanent internal, technical and financial monitoring system for the action and elaborate regular progress reports and final reports in accordance with the standard reporting requirements set in Article 3 of the Annex II to EU-UNDP agreement (General Conditions).

The Programme Management Unit will document the baseline situation for the outcomes and each indicator of the project. The PMU will ensure that the Country Coordination Committees and the Steering Committees are periodically informed and that the latest approves the monitoring and evaluation plan. The instruments that will be used in monitoring progress towards the outputs will include:

- bi-annual Country Coordination Meetings and Annual Steering Committee meetings (either physically or virtually) to inform on project's implementation progress and approve mid-term evaluation results;
- Quarterly monitoring and follow-up missions carried out by the PMU to each beneficiary country;
- Corporate response and action plan to the project mid-term evaluation, which is a time-bound and independent exercise to measure results and management.

A monitoring plan (Appendix 7) will be updated and refined during the inception phase. The end-goal of the project monitoring is to learn lessons and incorporate these to the improvement of the current and/or future projects. All Project activities will be closely monitored by the PMU with the support of UNDP Country Offices in the PALOP and Timor-Leste.

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).

The **project reporting** will provide an accurate account of implementation of the action, difficulties encountered, changes introduced, as well as the degree of achievement of its results (outputs), as measured by corresponding indicators, using as reference the Results framework/logframe matrix. After the project's inception phase, in light of the inclusive formulation and approval of the national annual work plans, the Results framework/logframe matrix will be reviewed in agreement with the Contracting authority to reflect the indicators and baselines resulting from this exercise.

The reports shall be laid out in such a way as to allow monitoring of the means envisaged and employed and of the budget details for the action. The project reporting will follow the standard requirements set in art. 3 of the general conditions of the Delegation agreement.:

- annual interim narrative and financial reports; and
- biannual interim narrative reports (brief state of play of the project)
- final project reports.
- Bi-monthly meeting via Videoconference on the state of play of the project between the PMU, the Mozambique NAO, the Mozambique EUD and Cabo Verde EUD.

○

The final report, narrative and financial, will cover the entire period of the action implementation. The provisions of the Financial and Administrative Framework Agreement (FAFA) between the European Union and the United Nations of 29 April 2003 and its addendum N°1 of 26 February 2014 shall apply.

4.2.EVALUATION & AUDIT

An evaluation plan (Annex 8) will be developed during the inception phase. The following evaluation exercises will be carried out within the implementation period of the project, according to UNDP rules and procedures:

- One project mid-term evaluation, which is a time-bound and independent exercise to measure results and management; and
- One final project's review/lessons learnt done with the involvement of the core project's stakeholders and beneficiaries with the aim to assess the project early impact against the mid-term evaluation and the results framework/logframe output indicators and targets.

Independent consultants recruited on specifically established terms of reference will carry out one mid-term external evaluation.

The Beneficiary Countries, the Commission and UNDP shall analyse the conclusions and recommendations of the mid-term evaluation and jointly decide on the follow-up action to be taken and any adjustments necessary, including, if indicated, the reorientation of the project.

UNDP shall inform the Beneficiary Countries in advance of the dates foreseen for the external missions. The Beneficiary Country concerned 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 EC might carry out its own mid-term and a final evaluation for this action or its components, via independent consultants contracted by the Commission. The mid-term evaluation will be carried out for problem solving, learning purposes, with respect to identifying progress in the project, analyse performance and formulate 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).

The Commission shall inform UNDP at least 1 month in advance of the dates foreseen for the evaluation missions. UNDP 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 shall be shared with the partner country and other key stakeholders. The UNDP and the Commission shall analyse the conclusions and recommendations of the evaluations and, where appropriate, in agreement with the beneficiary countries, jointly decide on the follow-up actions to be taken and any adjustments necessary, including, if indicated, the reorientation of the project.

Indicatively, two contracts for evaluation services shall be concluded. The mid-term evaluation foreseen during Q9 and the final evaluation foreseen during Q17.

Without prejudice to the obligations applicable to contracts concluded for the implementation of this action, the Commission may, on the basis of a risk assessment, contract independent expenditure verification assignment and carry it out in accordance with the Financial and

Administrative Framework Agreement in force between the European Union and the United Nations.

The project shall be subject to the internal and external auditing procedures laid down in the Financial Regulations, Rules and directives of UNDP.

Irrespective of the above, the provisions of the Financial and Administrative Framework Agreement (FAFA) between the European Union and the United Nations of 29 April 2003 and its addendum No1 of 26 February 2014 shall apply.

ANNEX I - DoA (OFFICIAL VERSION)

APPENDICES

Appendix 1 – Logical Framework

Appendix 2 – Indicative operational timetable

Appendix 3 – Donor Matrix

Appendix 4 – Impact & Outcomes' baselines

Appendix 5 – Charter of Brasilia

Appendix 6 – Theory of Change (ToC)

Appendix 7 – Monitoring Plan

Appendix 8 – Evaluation Plan

Appendix 9 – Risks Log

Appendix 10 – South-South and Triangular Cooperation Facility ToR

ANNEX I - DoA (OFFICIAL VERSION)