



Pro PALOP-TL SAI

Project for Strengthening technical and functional skills of Supreme Audit Institutions (SAIs), National Parliaments and Civil Society for the control of public finances in the PALOP and Timor-Leste (Pro PALOP-TL SAI, MPs, and CSO)

Project Document

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Project Title:	Project for Strengthening technical and functional skills of Supreme Audit Institutions (SAIs), National Parliaments and Civil Society for the control of public finances in the PALOP and Timor-Leste (Pro PALOP-TL SAI, MPs, and CSO)
UNDAF Outcome #2:	Public administrations and control institutions are more efficient and effective in planning, budgeting, implementation and M&E in line with international commitments.
Expected CP Outcome(s):	Public administrations and control institutions are more efficient and effective in planning, budgeting, implementation and M&E in line with international commitments.
Expected Output(s):	Output 1: SAIs' control and audit capacities over public finances in the PALOP and Timor-Leste are strengthened in a context of joint learning. Output 2: Parliaments and Civil Society oversight capacities over public finances are developed for an informed analysis in the PALOP and Timor-Leste in a context of joint learning.
Executing Entity:	UNDP
Implementing Agencies:	Ministry of External Affairs and Court of Auditors
Responsible Parties:	Court of Auditors, National Assembly (Parliament), Civil Society Organizations Platform, Media Association (AJOC)

Summary:

The project is fully funded by the European Union through the 10th EDF A envelope in support, among others, of Supreme Audit Institutions (SAI), Parliaments, Parliamentarians and Civil Society Organizations in Angola, Cape Verde, Guinea Bissau¹, Mozambique, São Tomé and Príncipe (PALOP Countries) and Timor-Leste.

The project will use training actions as a tool to enhance skills and credentials of stakeholders for controlling public finances while establishing eLearning platforms in Portuguese ensuring means of durable access to existing database and information in Portuguese. The project will also contribute to establishing a first time multi-country CSO PALOP-TL platform showcasing lessons and progress made by civil society organisations' within the PALOP/CPLP Open Budget Initiative. Other activities aiming to promote sustainability will complement and support the OSAI CPLP multi-country plan and promote cooperation with the Training Institute for Financial and Economic Management in Portuguese Language (IGEF), involving this institution in training and capacity building activities at transnational level (joint learning involving actors from all beneficiary countries).

Improved access to information (in terms of availability of information, quality of the information available) is a pre-condition for effective public oversight and therefore to achieve the project's key outputs. In the long run, the project impact will depend on the success of its exit strategy and sustainability of its actions and activities. It is critical that the project beneficiaries develop synergies and dynamics that will still be there after the end of the project. This will be best done through capacity development of human resources within national institutions. Such capacity development needs to target professional skills and enhancement/development of in-house training capacities in the field of external control of public accounts and finances, in particular CAs in the PALOP and Timor-Leste.

The overall objective is to promote economic governance in the PALOP and Timor-Leste (TL) strengthening technical and functional skills of SAIs, Parliaments, Parliamentarians and Civil Society (including media).

The specific objective is to improve the effectiveness of external political, judicial and civilian control of public

¹ Under current circumstances, in Guinea-Bissau basic conditions enabling a context suitable to the implementation of PALOP-TL cooperation programmes in the framework of the 10th EDF and to the attainment of their expected results are not fulfilled, due to the lack of a democratically elected President and Government.

As stated in the Dili Declaration, adopted by the NAO of PALOP-TL at their 9th meeting in Dili on 28 February 2013, Guinea-Bissau will not be in a position to benefit from PALOP-TL cooperation until Constitutional order will be restored and civil-military relations will comply with the precepts of democracy. Therefore, in accordance with the EU position, until a legitimate Government will be in place following appropriate legislative and presidential elections, the country shall not take advantage from any institutional support.

finances in the PALOP and TL for a more efficient use of public resources. SAIs play an important role to prevent mismanagement and corruption. Therefore, whenever possible, the project will also help strengthen the links between SAIs and other oversight agencies, in particular anti-corruption and procurement agencies.

This project will directly address good governance and democracy strengthening the accountability system with external and independent control of public finances standing as the specific objective. As part of the action, responding to the right of citizens to information, and cross cuttingly supporting the promotion of gender equity in public spending will yield transformational results to be sustained beyond the project life cycle (among others, training and sensitization activities on gender equality addressed to Parliaments and CSOs). UNDP will associate UN Women units at country office level in designing the AWP and training activities. ICT platforms and solutions will play a central role in this strategy and will be transversal to the action (among others, use of videoconference and IT tools). Environmental issues will be taken into consideration in specific activities when appropriate and consistent with partner countries' national strategies and priorities, such as the strengthening of oversight capacities in the natural resource extraction domain in Mozambique.

The project foresees two results directly contributing to the specific objective:

1. SAIs' control and audit capacities over public finances in the PALOP and TL are strengthened in a context of joint learning.

This result intends to build capacities through knowledge-sharing across SAIs, transfer tools and promote good practices among SAIs in the PALOP and TL to increase and improve their external and independent control on the management of public accounts and expenditures. In accordance with the project's multi-country intervention logic this strengthening process will be articulated fostering the south-south PALOP-TL cooperation, in the framework of existing cooperation initiatives within the CPLP and new peer learning and exchange of experiences.

2. Parliaments and Civil Society oversight capacities over public finances are developed for an informed analysis of public finances in the PALOP and TL in a context of joint learning.

This result aims at improving political and civilian control of government action and public finances to meet democratic principles complying with standards of publicity and credibility. The multi-country context of the PALOP and TL will promote the establishment of peer review mechanisms benefiting Parliaments and Civil Society Organisations in a context of comparative experience and enhanced access to information.

Programme Period:	2014-2016	Total Budget	€6,400,000
Key Result Area (Strategic Plan):	Democratic Governance	Allocated Resources:	
Atlas Award ID:	00078797	• Regular:	_____
Start Date:	February 2014	• Other:	_____
End Date:	December 2016	o Donor (EU)	€6,400,000
PAC Meeting date:	07 February 2014	• Unfunded budget:	_____
Management Arrangements:	Direct Execution	In-kind Contributions:	_____

Agreed by Implementing Partner

 Jorge Borges
 Minister
 Ministry of External Affairs, Cape Verde

Date: _____

Agreed by Executing Agent

 Ulrika Richardson-Golinski
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 UNDP, Cape Verde Country Office

Date: _____

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PRODOC (FINAL VERSION)

SECTION I

1. BACKGROUND

This project aims at promoting economic governance in the PALOP and TL strengthening technical and functional skills of Supreme Audit Institutions (SAIs), National Parliaments and Civil Society in the six beneficiary countries.

The project is formulated under the economic governance sub-area of the 2008-2013 10th EDF for the PALOP & TL, which allocates EUR 33.1 million to supporting governance initiative projects in PALOP & TL countries. This project is formulated on the basis a EU-UNDP partnership allocating 6.4 million Euros in support of Supreme Audit Institutions (SAI), Parliaments, Parliamentarians & Civil Society Organizations in the PALOP and Timor-Leste in the domain of external control of public expenditure and accounts.

The PALOP and Timor-Leste National Authorizing Officers (NAO) for the European Development Fund (EDF), in coordination with European Union services, initiated the procedures for the preparation of a Project to “strengthen Good Economic Governance and Private Sector Development in the PALOP and TL”. Following formulation missions to the 6 beneficiary countries in 2009 and a set of enquiries in the PALOP and TL in 2010, conducted by the NAO and EU Delegation in Cape Verde (project’s leading country) an agreement was reached on the suitability of concentrating the scope of the project’s intervention to ensure effective control, oversight and auditing of public finances and government action in the PALOP and TL.

Building from these baselines, EU Delegation in Cape Verde requested UNDP Country Office in that country to formulate a concept note and, subsequently, a project document aiming to enhance PALOP & Timor-Leste’s Public Finances external control capacities of SAI, Parliaments, elected Parliamentarians, and civil society organizations (including media). Against this background, UNDP Cape Verde carried out supplementary field missions to Cape Verde, Mozambique, São Tomé & Príncipe and Angola in May 2013 with the aim of gathering additional information to improve the countries needs’ assessment and updating the initial strategy through extensive consultations with main beneficiaries and stakeholders. These pre-formulation missions carried out by UNDP were able to confirm conformity between the project’s scope, objectives and activities with national strategic plans regarding the external control of public accounts and expenditure (Court of Auditors & Parliaments) – in particular in Cape Verde, Mozambique and São Tomé e Príncipe. During these meetings with CAs, Parliament commissions and administrations’ representatives and CSO representatives, the project was identified as an important input to the different national and institutional programmes/plans.

The project is consistent with PALOP partner countries’ national strategies for poverty reduction, TL national development plan and the 2008-2013 10th EDF for the PALOP & TL. These policies and strategies are adapted to the specificities and priorities of each country, but converge to promote good governance as an important support for development and economic growth. This is achieved, in particular, through the strengthening of capacities in (i) legislative and oversight functions of the State, (ii) the management system of public finances, including internal and external control, (iii) support services to Parliament and (iv) State’s accountability.

The multi-country intervention logic of this project aims to intensify the PALOP and Timor-Leste dialogue, drawing on the holistic approach to democratic governance. A special emphasis placed on joint, transversal, south-south and peer-to-peer capacity-building within the selected areas of economic governance, namely external control, audit and oversight capacities of the public finances.

The project RRF reflects the preliminary logical framework in Annex 1. It may be updated or adapted without an amendment to the agreement between UNDP and EU delegation, as long as these modifications do not change the objectives of the project (as foreseen by article 9.2 of the General Conditions - Annex 2 to the EU-UNDP agreement).

1.1. Economic and social context - country analysis

With a population of around 45 million inhabitants, the PALOP and TL, as a group they are among the least economically developed countries, with the exception of Cape Verde. Nevertheless, there is a clear pace of sustained development and progress in recent years, in particular the developments in Angola, Mozambique, and Timor-Leste. Despite this progress, some of the PALOP-TL countries continue to be among the world's poorest countries and most of PALOP-TL population is still living in extreme poverty.

The economic development in each country is briefly described briefly below, highlighting some of the issues considered pertinent to consider²:

In **Angola**, the slowdown in inflation and sustained robust pace of economic growth in the last decade have shaped recent macroeconomic developments. A substantial strengthening of the fiscal and external position has also become apparent, on account of the gradual recovery of oil revenues, among others.

Cape Verde is currently facing a difficult macroeconomic scenario with high fiscal and external deficits, a slowdown in growth and adverse external conditions. Economic growth slowed to 4.3% in 2012, down from five percent in 2011.

In **Guinea-Bissau** economic activity was strongly affected by the April 2012 military coup, which paralyzed the functioning of public institutions and affected the storage and export of cashews, the country's main export and leading economic sector.

In **Mozambique**, the economic growth – spurred on by political stability (until the 1st semester of 2012)³, steady macroeconomic management, reconstruction, and structural reforms – has been bolstered by a boom in large foreign investments in the burgeoning energy and natural resources sectors. However, its trajectory of growth has not been matched by a concomitant reduction in poverty.

São Tomé & Príncipe, the second smallest country in Africa, registered in 2012 a sustained decline in inflation and the strengthening of fiscal consolidation. A commendable pace of economic growth has also been maintained, estimated at 4.5% in 2012. Poverty remains rampant affecting more than 50% of the population (2010).

In **Timor-Leste** the domestic economy has been growing appreciably, in tandem with significant inflows of oil revenues, channelled to the Oil Fund. The comfortable fiscal position has enabled an ambitious public investment programme to be implemented. The economic developments are starting to contribute to poverty reduction and improved social outcomes.

The table below provides the main economic and social indicators⁴ as well as the Human Development Index (HDI) of 2013 provided by the UNDP ranking the PALOP & TL out of 187 countries with comparable data.

²Source: Economic developments in the PALOP and TL 2011-2012, *Banco de Portugal* and World Bank indicators.

³Recent conflict between government forces and RENAMO armed militia erupted in Mozambique and it is not clear the impact in stability indicators, political context and foreign investment.

⁴Source: World Bank. Data of 2011 apart from the literacy rate which makes reference to 2010.

COUNTRIES	ANGOLA	CAPE VERDE	GUINEA BISSAU	MOZAMBIQUE	SAO TOME & PRÍNCIPE	TIMOR-LESTE
Total area (km²)	1.246.700	4.033	36.125	799.380	1.001	15.007
Population	19,618,432	500,585	1,547,061	23,929,708	168,526	1,175,880
Population growth	2.6%	0.9%	2.1%	2.3%	1.9%	2.9%
Literacy rate	70%	84%	54%	56%	89%	58%
GDP	\$104.3 billion	\$1.901 billion	\$967.8 million	\$12.76 billion	\$248.3 million	\$1.054 billion
GDP Growth	3,9%	5.0%	5.6%	7,1%	4.9%	10.6%
HDI	0.508	0.586	0.364	0.327	0.525	0.576
HDI rank	148	132	176	185	144	134

Source: Economic developments in the PALOP and TL 2011-2012, *Banco de Portugal* and World Bank indicators

1.2. Sector context & Stakeholders' analysis

Cooperation between the PALOP countries, Timor-Leste and the EU is based on a non-geographic integration strategy resulting from a shared historical, political and administrative background influenced by the Portuguese colonial administration. The group of PALOP countries, comprising Angola, Cape Verde, Guinea Bissau, Mozambique and São Tomé e Príncipe and Timor-Leste share a similar system of governance (including similar systems of public administration, justice, public finance management, interlinked labour markets and social services), a strong linguistic and cultural identity and a long tradition of contacts and exchanges amongst themselves.

In the last decade, most of these partner countries have registered significant progress in terms of economic governance, largely due to a wide set of reforms introduced in their Public Finance Management (PFM) systems. However, the public administration remains generally characterized by various institutional deficiencies, including inadequate human resources and flawed organizational structures resulting in severe deficiencies which do not allow for an adequate external financial control.

The objective of promoting more effective control over the public finances, strengthening the institutional and civilian control mechanisms is achievable through a common approach assumed by the political leadership as an important policy option for cooperation. This approach is based in promoting south-south exchanges and peer learning opportunities to exchange experiences. Such approach benefits from the existence of a broad framework of references shared by the respective public administration, despite significant differences resulting from the specific realities of each country.

Since 1995, the Courts of Auditors of the PALOP countries, as members of the Supreme Audit Institutions Organization of CPLP, have been carrying out cooperation actions such as courses and joint studies, exchanging auditors for courses and internships and also exchanging technical publications. The project capacity development strategy and actions will be fully aligned with the CPLP's Supreme Audit Institutions Organization strategic plan for 2011-2016 and, whenever necessary, specific cooperation agreements will be set in order to further promote synergies and exchange of experiences.

The pre-formulation missions carried out by UNDP were able to identify the core beneficiaries of the project that could be organized in 3 groups: Courts of Auditors from the 6 partner

countries⁵, national parliaments of the 6 partner countries⁶ and CSOs in all 6 countries. The project foresees the participation of other actors and stakeholders in the implementation of activities such as Ministries of Justice, Ministries of Finance and possibly other institutions dealing with state reform in the 6 countries as well as International specialized NGOs (including media) to deliver capacity building programmes on budget control and policies.

Partnership and cooperation with other actors developing projects with complementarities and/or synergies is envisaged including: the CPLP Organization of SAIs (O-SAI CPLP) and the Training Institute for Financial and Economic Management of the PALOP – IGEF. Based upon its official status and its existing management capacities, UNDP will establish Grants with O-SAI CPLP (an autonomous and independent association of CPLP CAs/SAIs).

In case this association has insufficient management capacities, it will be considered as beneficiary of the project activities and the project will co-finance some of the actions foreseen in its action plans. With reference to IGEF, collaboration can only be foreseen once the institute is formally constituted and operational. In such case, which may happen at any time during project implementation, UNDP will establish a partnership with IGEF, either through Grants or letters of Agreements with National Government Institutions, depending on IGEF's final status. Alternatively, IGEF could also become a beneficiary of the project's actions targeting training and translations. These implementation arrangements are foreseen to be drafted and finalized during the inception phase on the basis of UNDP rules and procedures.

Currently, the situation in the areas of the project in the six partner countries is as follows:

1. Supreme Audit Institutions (SAIs): oversight and audit functions over public finances.

The Courts of Auditors (CA) of PALOP and TL are higher institutions of financial control with jurisdictional characteristics and their legal frameworks essentially based on the following texts: Constitution of the Republic; law establishing the competence, organization and functioning of the Court of Auditors and the status of its judges. CAs have been recently created and they are in a phase of consolidating the activities and methods to control public finances as well as the assessment of budgetary systems.

In **Angola**, the CA was established in 2001. Its legislative framework is adequate with possibilities of improvement to consider functional adjustments and new competences to control more comprehensively public accounts. Interaction with National Assembly's 5th Committee (in charge of economic and PFM issues) exists but with limited functional impact only. In terms of transparency and information availability to the general public there is room for improvement. The CA has developed an IT management system directly linked with the State's General Budget aiming at maximizing the efficiency to oversee public finances, a good practice which could possibly be adapted for use to the other countries, where appropriate.

In **Cape Verde**, the President of the Court is appointed by the President, upon proposal of the Council of Ministers. The Court has among its attributions to conduct annual reviews/audits of public accounts, which are transmitted to the National Assembly. The CA has in recent years significantly improved its control capacity over public finances. A strategy to increase its performance has been supported by a wide range of partners, including the EU through budget support, France, Portugal and UNDP. There are bilateral cooperation relations with CAs in Portugal and Brazil in the framework of the CPLP Organisation of SAIs. Moreover, the CA in Cape Verde has received requests from CAs in Guinea Bissau and Sao Tome & Principe for support and capacity building activities, which have not been followed up due to a lack of

⁵In Timor-Leste, the Court of Appeal performs the audit functions while the High Administrative, Tax and Audit Court is fully established. In Mozambique, the court is called Administrative Court.

⁶More specifically, parliamentary committees dealing with public finances.

resources. A strategic plan 2012-2015 is currently in place with annual operational plans to be established yearly. The 2013 operational plan foresees internal capacity building programmes and a risk-analysis based methodology. A foreseen review of the CA's legal framework aimed at increasing transparency, control and monitoring capacity as well as dissemination of public accounts. However, the proposed new law on the CA was automatically withdrawn from the Parliament at the end of the previous legislature as the law had not been approved in Parliament. Main deficiencies to carry out an efficient control over government action and public finances include: a limited audit scope following the legislation in place, limited effectiveness of internal audit due to staff and organizational shortcomings and need of CA's access to SIGOF (Government financial information management system).

In **Guinea-Bissau**, the functioning of public institutions was affected by the April 2012 military coup. The CA suffers from a severe lack of financial and material resources as well as a shortage of skilled staff which is an obstacle to effectively control public finances. The action plan for the public finances reform contemplates actions to improve oversight and transparency of PFM and particularly the functioning of the CA. The CA intended to gain visibility through awareness-raising activities for the civil society aimed at promoting civic participation to achieve greater transparency in the management of public affairs.

In **Mozambique**, the *Tribunal Administrativo* (TA) is vested with oversight and audit functions. It enjoys a reputation of being relatively independent. The TA reports directly to the National Assembly on budget execution, use of public funds and public administration, as required by the Constitution. The TA struggles to fulfill its mandate under severe capacity constraints. Strong efforts have been made to address this challenge through training and capacity building programmes with a particular focus, since 2002, on the field of audit and accounts analysis. The TA has adequate channels of communication with the general public. Public accounts, TA's Opinion and Audit Reports are made publicly available via the MF and TA websites. TA's decisions are published in the Official Journal, as legally foreseen. In 2009 the TA approved a communication plan, which foresees sanctions aimed at increasing the dissemination of TA's reports, opinions and judgments. The main identified challenges in the medium to long term are: (i) Revision of organisational (constitutional) position and set-up of TA; (ii) Broad strengthening of principles of transparency and public access to information; (iii) A fully functioning IT support system for procurement that imposes internal control and improves transparency. In 2011 a new multi-year Strategic Plan for TA was adopted.

In **São Tomé & Príncipe**, the CA was established in 2004 and strong efforts have been deployed to strengthen its oversight functions. The inability to produce regularly the State's public accounts was the most serious weakness identified in view of its implications for the external scrutiny and audit. However, the 2010 accounts have just been produced. External factors including the lack of a financial responsibility law and the powers of the National Assembly to restrict the CA's functions become an obstacle to the full independence of the CA and the appropriate performance of its audit functions. Bilateral agreements with CAs in Portugal and Brazil are in force to carry out training programmes in the framework of the CPLP Organization of SAIs. There are no legal provisions providing for the publication of information about the CA's appeals and their resolution. The CA's website is due to be operational shortly.

In **Timor-Leste** an independent High Administrative, Tax and Audit Court (HATAC), while required by the Constitution, is yet to be established resulting in a weak internal audit and effective control of public finances. However, until the HATAC will have been fully established, the Audit Chamber will be located in the Court of Appeal with responsibility to

control the public finances and jurisdiction over all services and State organisms⁷.

2. Parliaments: oversight capacities over public finances

The PALOP and TL national Parliaments are vested with legislative, oversight and political decision making powers. PALOP and TL public institutions and civil society provide a limited response to control of government action and public finances in the context of good economic governance. These limitations result, in particular, from the absence of updated information systems, appropriate monitoring and analysis mechanisms, as well as sufficient expertise and know-how.

In **Angola**, the *National Assembly* (NA) counts with 9 Committees, being the 5th Permanent Committee responsible for overseeing the government action in economic and PFM issues. Despite recent improvements in coordination with Ministries and other public entities this seems insufficient. Exchanges with the CA need also to be strengthened. In the framework of the CPLP, the NA has established cooperation agreements with some Parliaments; however, a systematic approach and desirable frequency in the implementation of these oversight activities are missing. Access to the budget is also limited.

In **Cape Verde**, the NA works through a permanent and seven specialized Committees. The second specialized Finance and Budget Committee is in charge to oversee PFM. Some deficiencies to perform efficiently include the lack of support staff, limited specialized technical expertise and weak technical interaction with the CA. Discussion on the convenience of two legal reforms have been in place for a long time now, namely the review of the budget framework law and the CA legal framework to update mandate and functions of the CA. A substantial investment has been made in the development of the ICT sector. There are E-governance tools at the Ministry of Finance such as SIGOF or SIMs (system for managing municipal authority) which are important for monitoring and managing financial data. However, these are not available to the Parliament. There are no technical interactions with other Parliaments in the PALOP-TL despite an expressed interest in Cape Verde to carry out peer reviews and extrapolate good practice to other Parliaments that have demonstrated an interest in the functioning of this institution in Cape Verde, as is the case for Mozambique.

In **Guinea Bissau**, the *Assembleia Nacional Popular* counts with nine permanent specialized Committees being the Committee on Economic, Financial, Planning, Trade and Industry affairs in charge of overseeing PFM and economic issues. However, there is a reduced ability of parliament to oversee governmental action and public expenditures mainly due to: shortage of skilled staff, limited use of IT management tools, despite the efforts in establishing SIGOF tools, weak institutional coordination and scarce technical interaction with the CA.

In **Mozambique**, the *Republic Assembly's* Strategic Plan 2013-2022 includes among its five strategic priorities the National Assembly's oversight function over government action. The Budget and Planning Committee, in charge of PFM issues, plays a central oversight role throughout the budget cycle. Major identified challenges include: insufficient interaction between the Republic's Assembly and the civil society, deficient transparency and accountability mechanisms in place, support and data systems still to be fully developed, weak institutional technical expertise and limited quality and comprehensiveness of the State's public accounts, which hamper compliance with IPSAS Standards.

In **São Tomé & Príncipe**, the NA counts with five Committees being the second Permanent Committee responsible for the oversight of public finances and economic affairs. However, the performance of this Committee is weak due to some severe constraints, including: the inability

⁷Lei N.º 9/2011 de 17 de Agosto. Orgânica da Câmara de Contas do Tribunal Superior Administrativo, Fiscal e de Contas.

of the Government to produce regularly the State's public accounts, the non-compliance with the budget cycle calendar, the untimely dissemination by the Government of budget execution reports and a lack of expertise within the Committee. The government has been testing recently with technical assistance from the IMF, an electronic system for the government's financial administration system (SAFE-e) which, for the first time, enabled the Government to present general accounts to the National Assembly and to the CA in 2013. The State's accountability is very limited. According to the SAFE law⁸, the report of the CA on the State's public accounts is the only obligation of the government vis-à-vis the National Assembly. Budget transparency was reinforced with the publication in the Ministry of Finance's website of finance drafts/laws and the quarterly implementation reports, including regular reporting on "pro-poor" spending with the integration of specific budget codes. However, budget execution and monitoring reports, based on the SAFINHO system were not published in the official journal as required in the SAFE law.

In **Timor-Leste**, Parliamentary committees suffer from a serious shortage of skilled staff, which hampers both legislative initiative and oversight capacity. The technical capacity of MPs is weak and the legal, economic or specific expertise is usually provided by few international advisors.

3. Civil Society: civilian control capacities over public finances

According to the Open Budget Index (OBI)⁹, in **Angola** and **São Tomé & Príncipe** there is minimal information provided to the public in budget documents during the year. Angola's score in 2012 (28 out 100), is the lowest in terms of State's budget transparency among the Portuguese speaking countries, closely behind Sao Tome & Principe with 29.

In **Angola**, the National Assembly and specialized committees introduced two years ago public consultations regarding the State's General Budget. Civil Society Organisations' (CSO) contributions in terms of State Budget's analysis and public accounts (such as those provided by ADRA: Action for Rural Development and Environment) are taken into consideration within the Parliament's process for budget approval. However, these are incipient and limited experiences due to the scarce dissemination and public discussion of the public accounts and non-availability of budget implementation reports. In São Tomé & Príncipe, as a result of the OBI exercise carried out in 2011, a participative methodology was tested with the pilot participation of some CSOs.

In **Cape Verde** there is little involvement of CSO in budget related policies. The government facilitates the discussion on the State's General Budget at the Council for Social Dialogue, where nongovernmental institutions invited to participate include trade unions, employers' associations, private actors, etc, whereas the Parliament has no available mechanisms to interact with civil society. In terms of transparency, the general public can access information through the CA and Ministry of Finance websites.

In **Guinea Bissau**, civil society is far from being involved in discussions on budgetary/PFM issues. The pre-condition for their involvement would be, however, to dispose of the necessary information, which is not fulfilled for the time being.

In **Mozambique**, CSOs are not strongly involved in technical PFM issues, but have been increasingly organized around budget analysis, procurement and corruption, and recently natural resources extraction. CSO's increased interaction on budget related policies has been fostered by the *Forum de Monitoria do OGE* (Monitoring Forum of the State's General Budget), a platform of around 30 CSOs (including: Fundação para o Desenvolvimento da

⁸2007 Law on the Government Financial Administration System,

⁹<http://internationalbudget.org/what-we-do/open-budget-survey/country-info/>

Comunidade (FDC), Centro de Aprendizagem e Capacitação da Sociedade Civil (CESC), Grupo Moçambicano da Divida (GMD) e do Centro da Integridade Pública (CIP), working on PFM issues with technical and financial support of UNICEF. As far as transparency is concerned, despite an increased online availability of documents, there are important areas where access to information remains difficult: TA specific audit reports, financial reporting of public enterprises, information on concessions and contracts in the natural resource extraction domain. Government has decided to prepare for 2013 a "citizen's budget" aimed at guaranteeing Budget Transparency.

In **Timor-Leste**, National Parliament interacts with civil society through public hearings, individual complaints and field visits. Plenary parliamentary budget debates are open with live radio and television coverage and CSOs are allowed to participate in Committee discussions. In 2013, the National Parliament established an "Ad hoc Committee to Collect and Analyse Proposed Consensus Amendments to the Proposed State Budget".

Overall, limitations can be summarized as follows:

- ✓ Insufficient technical expertise of parliaments and CA staff;
- ✓ Integrated Management Systems about public finances with gaps or non-existent in parliaments and in CAs¹⁰;
- ✓ Few technical interactions between the country parliament and the CA;
- ✓ Few technical exchanges between PALOP parliaments and Timor-Leste on these matters, as well as lack of technical exchange between the CAs of PALOP and Timor-Leste;
- ✓ Outdated web sites and/ or low interactivity;
- ✓ Insufficient mechanisms to guarantee public budget transparency and limited involvement of CSOs in PFM and budget policies.

Media do report in all countries on budgetary issues, although there are some unofficial restrictions in some of these. Access to relevant information for media is limited and there are some technical capacity constraints of journalists when it comes to analyzing the issues in detail.

1.3.Lessons learnt

The 2012 Evaluation of the EU - PALOP-TL Cooperation programme is a good learning source to take into consideration relevant conclusions and recommendations. Thus, the positive appreciation of the PALOP-TL cooperation will result in a high quality political dialogue to address sensitive political issues, such as transparency of budget and public accounts. Management challenges resulting from the geographical discontinuity will be addressed through an extensive use of ICT-supported procedures, while also relying on the UNDP offices present in each country as this has proven efficient in other similar programs.

Lessons learnt from previous projects point to two fundamental issues. The first one relates to the necessity of ensuring ownership of the proposed actions, particularly given the politically sensitive nature of both the theme and the beneficiary institutions. Based on this, direct discussions with the main beneficiaries took place with the support of UNDP country offices in the PALOP and Timor-Leste, entailing also a fact-finding mission organized in 4 of the 6 countries.

¹⁰Very variable situation depending on the country. In the case of Cape Verde, SIGOV is known as a "good practice"

The second issue relates to the project's sustainability. In this regards, the exit strategy of the project is based on two dimensions, both grounded in a system strengthening approach. One aims to ensure that adequate technical and functional capacities are built/enhanced within the institutions, and tools provided for further learning and peer to peer exchanges beyond the project's lifecycle; the other ensures that a large range of relevant stakeholders are involved and benefit from the project, thus supporting long term benefits to the system's transparency and control. This includes from SAIs, Parliament, elected parliamentarian and CSOs to internal control actors and other existing PALOP institutions. Indeed, the project will use training actions as a tool to enhance skills and credentials of stakeholders while establishing eLearning platforms in Portuguese ensuring means of durable access to database and information in Portuguese.

The project will also contribute to establishing a first time multi-country CSO PALOP-TL platform showcasing lessons and progress made by civil society organisations' within the PALOP/CPLP Open Budget Initiative. Other activities aiming to promote the project's sustainability will complement and support the O-SAI CPLP multi-country action plan and promote cooperation with IGEF, involving this institution in training and capacity building activities at transnational level. Institutional sustainability will be thus ensured through training of auditors that will become trainers and be able to train other auditors, Parliament staff and MPs, as well as CSO/Media actors. These are HR that will constitute pools for the constitution of a roster within the O-SAI CPLP framework – also feeding into IGEF actions and scope of work. Additionally, institutional sustainability of relevant CSO/NGO will be ensured through supporting the setup of the multi-country CSO platform using lessons and progress made by civil society organisations' meetings and *fora* within PALOP/CPLP Open Budget Initiative.

Financial sustainability is ensured by avoiding the creation of project management temporary units/structures in all beneficiary countries and putting the emphasis in developing capacities within SAI and Parliament Commissions/Administration staff (national level), and within existing O-SAI CPLP and the multi-country CSO platform working with the Open Budget Initiative. UNDP implementation allows the management to implement the project's actions and carry out operations independently of their size and complexity in all different beneficiary countries simultaneously. Hence, important funds are released allowing covering operational and activity costs targeting these institutions capacities. Procurement of goods, ICT and equipment will be done in line with procurement rules and procedures of UNDP, based on principles of good value for money and using international competition accordingly.

The property of durable assets procured by the project will be disposed in line with the provisions of the General Conditions –Annex 2 of the EU-UNDP Contribution Agreement. ICT (hardware and software) procured target essentially required programmes for transparency and efficiency in financial management and expenditure audit/oversight. These and additional actions are further detailed in Section IV.

1.4.Complementary actions

There are a number of ongoing initiatives aimed at supporting public finance management in many of the beneficiary countries of the present action, supported by a variety of partners.

In **Timor-Leste**, there is an ongoing project funded under the 10th EDF to support the establishment of the SAI, with technical support from the SAI in Portugal through a Delegation Agreement with IPAD (now CICL). An ongoing project of €2M to Support to the justice sector attempts to ensure wider dissemination of issues on the newly established court of auditors to civil society. A project proposal to Support to PFM Reform is under discussion.

In **Mozambique**, there is a €9M EDF funded project to *support the rule of law and public accountability* targeting the Assembly, the Supreme Court and the Prosecution Service; a €7 M *programme for public financial management reform* benefiting the Administrative Court – in its capacity of Supreme Auditing Authority.

In **Sao Tomé & Príncipe**, the EU has been providing technical assistance to enable the Ministry of Finance to produce the general accounts.

Additionally, **UNDP** is providing support to Parliaments to enhance oversight and legislative capacities of specialized commissions, MPs and staff particularly in the fields of Public Expenditure, State Budget and Government Policies. Cape Verde (€0.1M)¹¹, Mozambique¹² (0.1 MEUR), and Timor-Leste (EU funded – €4M)¹³ are the main beneficiaries of such support.

In **Cape Verde and São Tomé e Príncipe**, robust support to Supreme Audit Institutions (CAs) has been provided through the EU and other partners' financial support. In the **PALOP countries and TL** a project under formulation from the 10th EDF aims to provide support for the *establishment of the Training Institute for Financial and Economic Management in Portuguese Language (IGEF)*. The proposed project could represent a timely opportunity to channel some of the training activities foreseen in this new action, provided that IGEF is fully operational by the time the present project starts.

Indeed, while IGEF aims at strengthening human and institutional capacities in broad PFM issues addressing a broad range of stakeholders, from governments to the private sector, the present project aims at reinforcing the PFM system itself, focusing on the external and civilian control of public finances and government action by all relevant actors, from SAIs to Parliaments and Civil Society. Some of the training components of this approach could be partially carried out by the IGEF.

On the other hand, the present project will feed the Legal Database of the PALOP (<http://www.legis-palop.org/>), developed within the *Project for the Support of the Development of the PALOP's Legal Systems*, financed by the 9th EDF. In the field of e-governance (e-gov) the project will liaise with the forthcoming *PALOP-TL project to improve the quality and proximity of public services* when implementing activities directly linked to ICT based information systems and tools. Finally, the project will be able to benefit from the working groups' methodology and regional approach of the *Global Programme for Parliamentary Strengthening* (AGORA – GPPS: <http://www.agora-parl.org/>) managed by UNDP, which will allow for sensitive issues to be discussed at the PALOP & TL multi-country level fostering democratic reforms.

The project's objectives, expected results, activities and targets are complementary to the project for strengthening the Rule of Law in the PALOP-TL, an 8.4 MEURO project implemented in partnership with Camoes for a 4-year period. In fact, the RoL PALOP-TL project aims to consolidate the Rule of Law tackling corruption, money laundry and organized crime with considerable focus on strengthening coercive capacities among relevant PALOP-TL

¹¹ Ending in 2012, this project provides around 80,000 US\$ direct support to strengthen 7 specialized commissions, including Finance and Budget commission, through capacity development and peer learning/experience exchanges.

¹² 2012-2015 project in support to planning and Budget specialized commission – 55,000 US\$; technical support to specialized commissions – 25,000 US\$; Support to specialized commission on legal issues (anti-corruption) – 25,000 US\$.

¹³ 2012-2015 project funded by EU up to 4 million EUR and implemented by UNDP. Among other things it aims with 0.5 Mio EUR at strengthening the democratic foundations of oversight, accountability and transparency through targeted capacity development interventions in the National Parliament. This includes improved oversight mechanisms and capacities; (3) strengthened in-house capacities for budget analysis.

institutions, promote legal reforms tackling organized crime activities and corruption, training and information to MPs and senior public officials.

There are no risks of overlapping or duplications between the two projects, since even though some beneficiary institutions may be the same (Parliament, CSO, CA and eventually MoF) they are involved with completely different scopes and using different units and HR. This low risk of overlap is extensive to ICT and other equipment to be procured due to the reasons referred above and the type of ICT procured in each project. Finally, the proposed project, as discussed with all stakeholders in the beneficiary countries, is expected to have a complementary approach to existing initiatives, building on a multi-country PALOP-TL dimension. This emphasizes the building and consolidation of competencies and networks via **peer learning, exchange of experiences and south-south cooperation among the PALOP-TL institutions**, thus moving away from a more classical systematic recourse to outside expertise. The internal resources to be consolidated and used in this regard are also in support to the project's sustainability strategy.

1.5. Donor coordination

The project is a good example of coordination and harmonization, in accordance with the Paris and Accra principles on aid effectiveness, because:

- a. it is based on the specific needs of the beneficiaries and results from consultations with relevant actors;
- b. it entails a strong coordination between the actors by means of a three-level coordinating mechanism (daily management assured by the Project Management Unit, follow-up at the national level within the Country Coordination Committee for each PALOP and TL and supranational supervision at the Project Steering Committee). Such mechanism ensures that throughout the year the resources for the implementation of the project's actions will be adequately allocated to finance harmonized activities at national and multi-country levels, according to the above mentioned multinational strategy;
- c. it aims to support the development of the capacities of national institutions and civil society and provide support in the framework of national strategies of partner countries, their institutions and procedures;
- d. it intends to complement and reinforce efforts undertaken by different partners, avoiding duplication by streamlining the implemented activities. National Project's stakeholders, including CSO and Media representatives, will meet semiannually in Country Coordination Committees.

The Project Steering Committee will meet once per year. Donor coordination will be closely linked in each country with national coordination structures and there will be an attempt made to avoid duplication of structures. Project results and activities will be duly reported in the dialogue frameworks addressing PFM performance in countries with EU budget support and through sector coordination mechanisms, such as the existing coordination group with the CA in Cape Verde where EU, UNDP, France and Portugal participate. Additionally, whenever justified, the project will ensure coordination and synergies with other international actors (such as the WB and UNODC) working on this subject in one or more of the selected countries.

SECTION II

2. PROJECT'S OBJECTIVES, EXPECTED RESULTS, FORESEEN ACTIVITIES AND STRATEGY

2.1.Objectives

The **overall objective** is to promote economic governance in the PALOP and TL strengthening technical and functional skills of SAIs, Parliaments and Civil Society.

The **specific objective** is to improve the effective external political, judicial and civilian control of public finances in the PALOP and TL for a more efficient and effective use of public resources.

The project will directly address good governance and democracy strengthening the accountability system with external and independent control of public finances standing as the specific objective. As part of the project, responding to the right of citizens to information, and cross cuttingly supporting the promotion of gender equity in public spending will yield transformational results to be sustained beyond the project life cycle (i.e training and sensitization activities on gender equality, in particular towards gender markers in public expenditure, addressed to Parliaments and CSOs). UNDP will associate UN Women units at country office level in designing the AWP and training activities. ICT platforms and solutions will play a central role in this strategy and will be transversal to the action (i.e use of videoconference and IT tools). Environmental issues will be taken into consideration in specific activities when appropriate and consistent with partner countries' national strategies and priorities, such as the strengthening of oversight capacities in the natural resource extraction domain in Mozambique.

2.2.Expected results

The project foresees two results directly contributing to the specific objective:

RESULT 1:

SAIs' control and audit capacities over public finances in the PALOP and TL are strengthened in a context of joint learning.

This result intends to transfer capacities, tools and practices to SAIs in the PALOP and TL to increase and improve their external and independent control on the financial and public management. In accordance with the project's multi-country intervention logic this strengthening process will be articulated fostering the south-south PALOP-TL cooperation, in the framework of existing cooperation initiatives within the CPLP and new peer learning and exchange of experiences.

RESULT 2:

Parliaments and Civil Society oversight capacities over public finances are developed for an informed analysis in the PALOP and TL in a context of joint learning.

This result aims at improving political and civilian control of government action and public finances to meet democratic principles complying with standards of publicity and credibility. The multi-country context of the PALOP and TL will enable the establishment of peer review mechanisms benefiting Parliaments and Civil Society Organisations in a context of comparative experience and enhanced access to information.

2.3. Activities and implementation timetable

The strategy defined by the project takes into account the different contexts of the six beneficiary countries and the multi-country PALOP and TL cooperation intervention logic. The strategy will seek to improve political, judicial and civilian control and oversight of government action and public accounts through actions benefiting SAIs, Parliaments and CSOs.

The action plan includes multi-country activities fostering the south-south PALOP-TL cooperation (face-to-face and eLearning training, workshops, study trips and peer learning initiatives) and national activities aimed at addressing specificities of each beneficiary country (training, organizational changes, drafting of manuals, capacity development, etc.).

During the project's formulation process an indicative action plan was drafted responding to the beneficiary countries needs' assessment and indications of main beneficiaries and stakeholders, consulted during the field missions carried out by UNDP in May 2013.

The implementation of foreseen activities during the three-year project's duration period will be articulated on the basis of annual work plans. Project start-up will have an initial phase of a maximum of four months from the signature of the Contribution Agreement with UNDP. In this inception phase annual work plans will be developed in a participatory manner and approved for each country, identifying accurately the pivotal countries and triggers of a change dynamics supporting the project's sustainability strategy.

The inception phase will essentially allow tailor-made responses on a case-to-case basis maintaining the overall approach of the project and the programme – having more dynamic and developed countries in the project's domain as champions in promoting change. The inception phase will also allow the project management to finalize the risks' analysis, setup the project's M&E plan and agree with the EU delegation and project's senior beneficiary on the project's visibility plan. The project's exit strategy will be finalized during the inception phase, revised in the beginning of the second year and updated in the beginning of the last year.

The activities to be carried out during the inception phase (period not exceeding 4 months) are:

- (A1) Preparation and agreement with all beneficiary countries stakeholders on the travel plan;
- (A2) Formulation and approval (by Country Coordination Committees) of Annual Work Plans for 3 years in all beneficiary countries;
- (A3) Revision/update of the project's exit strategy;
- (A4) Formulation approval of the project's visibility plan;
- (A5) Formulation/update of project's M&E plan.

Additionally, daily project management activities are foreseen in order to support implementation in all beneficiary countries. These are operational actions considered eligible and are not the organisation's general management costs. The management actions include, but are not limited to:

- (A1) Project operational start-up, development of ToR and recruitment of the PMU;
- (A2) Setup of project's managerial and financial tools and guidelines;
- (A3) Daily project management activities;
- (A4) Implementation follow-up missions to beneficiary countries;

- (A5) Organisation of Project's steering committees;
- (A6) Coordination and delivery of inception phase. The inception phase will be carried out together with the project management activities and within the same budget provisions.

R1: SAIs' control and audit capacities over public finances in the PALOP and TL are strengthened in a context of joint learning.

SAI's capacity development will be delivered through expertise and high level advice in different domains as well as improvement of information management systems. In addition to in-country interventions, adjusted to partner institutions' needs (see country fiches in annex) multi-country initiatives are foreseen to strengthen ongoing supranational cooperation structures, such as the CPLP Organization of SAIs, and create new peer learning and exchange of experiences. The overarching activities aimed at achieving this result are the following:

- ✚ A.1) Training on management and auditing of public finances;
- ✚ A.2) Technical Assistance for Design, programming and budget planning;
- ✚ A.3) Procurement of equipment and technical assistance for the integration of accounting and information systems in public finances management and auditing – see *Results and Resources Framework* for further details on the nature of equipments to be procured;
- ✚ A.4) Technical assistance to strengthen accountability – standardization of financial reporting standards;
- ✚ A.5) Training, workshops and study trips to exchange experiences and good practice on control of public finances in the PALOP and TL between:
 - A.5.1) SAI and Parliament of each country;
 - A.5.2) SAIs and civil society of each country;
 - A.5.3) PALOP-TL SAIs;
- ✚ A.6) Lessons learnt exercises – M&E of project results.

R2. Parliaments and Civil Society oversight capacities over public finances are developed for an informed analysis in the PALOP and TL in a context of joint learning.

Parliaments' capacity development will be delivered through expertise and high level advice in different domains, including: institutional frameworks' reforms (focus on State General Budget and CA laws), fiscal and budgetary transparency issues, budgets and accounts auditing and monitoring systems, public spending oversight, budget control and policies, among others. Equally, CSOs in all the partner countries will benefit from specialized training in the field of budget control and policies. Grants for local CSOs in each PALOP country and TL will be awarded to implement in-country actions through an international integrated Grants' programme.

A gender oriented approach will be mainstreamed in activities implemented both with Parliaments and CSOs. At the multi-country level of the PALOP countries and TL peer learning initiatives and exchange of experiences and good practice are foreseen. As a result of the project a Forum for the exchange of CSOs good practice on tracking public expenditure and reporting results in the PALOP and TL will be created. The overarching activities aimed at achieving this result are the following:

- ✚ A.7) Capacity development and methodology assistance to support legal and institutional frameworks' reforms with particular focus on the review of laws regarding the State General Budget and CA;
- ✚ A.8) Advocacy and information campaigns on public finance management systems legal reforms, including the promotion of budgetary transparency – fiscal and budgetary information available to the public;
- ✚ A.9) Technical assistance to reinforce budgets and accounts auditing and monitoring systems for the analysis and review of public finances documents and draft laws;
- ✚ A.10) Technical assistance and advice to national parliaments on public spending oversight;
- ✚ A.11) Training, workshops and study trips to exchange experiences and good practice on control of public finances in the PALOP and TL:
 - A.11.1) Established mechanisms at Parliaments of each country;
 - A.11.2) Parliaments and civil society of each country;
- ✚ A.12) International Grants' programme for the training of civil society organizations and possibly journalists in the field of budget control and policies.

2.4. Project sustainability and exit strategy

The 2012 Evaluation of the EU - PALOP-TL Cooperation programme is a good learning source to take into consideration relevant conclusions and recommendations. Thus, the positive appreciation of the PALOP-TL cooperation will result in a high quality political dialogue to address sensitive political issues, such as transparency of budget and public accounts. The management challenges resulting from the geographical discontinuity will be faced through an extensive use of ICT-supported procedures, while also relying on the offices present in each country as this has proven efficient in other similar programs.

Lessons learnt from previous actions point to two fundamental questions as follows: One relates to the necessity of ensuring ownership of the proposed actions, particularly given the politically sensitive nature of both the theme and the beneficiary institutions. Based on this, direct discussions with the main beneficiaries took place through the UNDP network of offices in the countries, entailing also a formulation mission organized in 4 of the 6 countries. The second question relates to the sustainability of the project. In this regards, the exit strategy of the project is based on two dimensions, both grounded in a system strengthening approach.

One aims to ensure that adequate technical and functional capacities are built/enhanced within the institutions, and tools provided for further learning and peer to peer exchanges beyond the project's lifecycle; the other ensures that a large range of relevant stakeholders are involved and benefit from the project, thus supporting long term benefits to the system's transparency and control. This includes from SAIs, Parliament, elected parliamentarian and CSOs to internal control actors and other existing PALOP institutions. Indeed, the project will use training actions as a tool to enhance skills and credentials of stakeholders while establishing eLearning platforms in Portuguese ensuring means of durable access to database and information in Portuguese.

The project will also contribute to establishing a first time multi-country CSO PALOP-TL platform showcasing lessons and progress made by civil society organisations' within the PALOP/CPLP Open Budget Initiative. Other activities aiming to promote sustainability will complement and support the OSAI CPLP multi-country plan and promote cooperation with

IGEF, involving this institution in training and capacity building activities at transnational level.

The project's effectiveness will be enhanced through **linkages** (dialogue and interaction) **between the three groups of beneficiaries (Courts of Auditors, national parliaments and CSOs)**. Some of SAI's structural problems (lack of independence and absence of legal provisions for the publication of the reports, etc.) could be discussed with the MPs committees engaged in the project.

NGOs have proven very difficult in the area of public finance oversight, because of the type of specialization that it requires and the lack of tools to provide citizens with easy access to information. This issue will be further emphasize in the project by **further reinforcing activities targeting CSOs**.

The project impact will depend in the long run from the success of its exit strategy and sustainability of its actions and activities. It is critical that the project beneficiary develop synergies and dynamics that will still be there after the end of the project. This will be best done through capacity development of human resources within national institutions. Such capacity development needs to target professional skills and enhancement/development of in-house training capacities in the field of external control of public accounts and finances, in particular CAs in the PALOP and Timor-Leste.

On the other hand, it is of paramount importance that the project is able use these HR in training activities targeting other institutions (Parliament – staff and MPs –, CSO and Media), but also carried out by other important PALOP/CPLP institutions with the mandate and profile to provide training and other relevant capacity development activities. In such cases, once the implementing and delivery capacities are in place, the project will establish grants (with not-for-profit NGOs/CSO) or letters of agreements with state institutions to associate these institutions in its transnational capacity development and training programme component. This would be the case of the CPLP Organisation of SAI (O-SAI CPLP) in the short term and, in longer term, the case of the IGF.

Project's sustainability will be complemented through its support to civil society in a multi-country platform (in addition to national actions). This will be achieved through the establishment of a multi-country PALOP-TL CSO platform using lessons and progress made by civil society organisations' meetings and *fora* within PALOP/CPLP Open Budget Initiative.

Finally, project will establish eLearning platforms (online and via CDs) in Portuguese Language through collaboration with AGORA/GPPS (<http://www.agora-parl.org/node/1679>) and ensure means of durable access to database and information in Portuguese Language through collaboration with the Legal Database of the PALOP (<http://www.legis-palop.org/>) and AGORA/GPPS.

Against this background, the project will have an exit strategy build on its sustainability approach that will:

1. Use training actions as a tool to enhance professionalization providing internationally recognized training credentials to PALOP-TL auditors working for these countries CAs. These auditors will become trainers and be able to train other auditors, Parliament staff and MPs, as well as CSO/Media actors. They will be also used in the transnational trainings to be delivered in collaboration with IGF and O-SAI CPLP.
2. Target parliament administration staff in support of MPs special commissions. Training, including ToT, will privilege administration staff in support of relevant MPs' special commissions as a way to keep training skills in-house.

3. Establish a first time multi-country CSO platform using lessons and progress made by civil society organisations' meetings and *fora* within PALOP/CPLP Open Budget Initiative. A comprehensive Grants' programme will be established aiming to strengthen CSO dealing with corruption matters and civil oversight of public expenditures in the beneficiary countries. This will be done through high level training activities involving these CSO/NGOs and international recognized specialized institutions (not-for-profit). Additionally, the Grant and these training actions will allow establishing the PALOP-TL CSO platform referred above where many sensitive matters and discussions will be held with more impact, considering the constraints sometimes face at national level.
4. Support the implementation of the O-SAI CPLP multi-country plan, with particular focus on developing a network of auditors trainers of auditors (synergy with point i). This plan foresees training activities and south-south exchanges among CPLP SAI, using capacities of some in profit of needs of others. The plan is annually updated and could be supported by the project with more focus on developing a network of auditors trainers of auditors within the O-SAI CPLP.
5. Provide trainings and other relevant activities foreseen at transnational level through cooperation arrangements with IGF, involving this institution in training and translation (proof reading) activities. Once IGF is operational, and this can happen at any stage of the project implementation, the institution will be fully involved in trainings designed to be delivered at transnational level (trainings targeting all beneficiary countries SAI, Parliament and CSO/Media staff). IGF will not be involved in delivering national trainings, identified during formulation missions. IGF will also be requested to support translation of important material from AGORA and other relevant literature in the project domain. This will be done via proof reading mainly.
6. Establish eLearning platforms (online and via CDs) in Portuguese Language through collaboration with AGORA/GPPS (<http://www.agora-parl.org/node/1679>) – in synergy with previous point.
7. Promote permanent durable access to database and information in Portuguese Language through collaboration with the Legal Database of the PALOP (<http://www.legis-palop.org/>) and AGORA/GPPS – in synergy with point v) and vi).

As referred above, institutional sustainability will be thus ensured through training of auditors that will become trainers and be able to train other auditors, Parliament staff and MPs, as well as CSO/Media actors. These are HR that will constitute pools for the constitution of a roster within the O-SAI CPLP framework – also feeding into IGEF actions and scope of work. Additionally, institutional sustainability of relevant CSO/NGO will be ensured through supporting the setup of the multi-country CSO platform using lessons and progress made by civil society organisations' meetings and *fora* within PALOP/CPLP Open Budget Initiative.

Financial sustainability is ensured by avoiding the creation of project management temporary units/structures in all beneficiary countries and putting the emphasis in developing capacities within SAI and Parliament Commissions/Administration staff (national level), and within existing O-SAI CPLP and the multi-country CSO platform working with the Open Budget Initiative.

Joint implementation with UNDP allows the management to implement the project's actions and carry out operations independently of their size and complexity in all different beneficiary countries simultaneously. Hence, important funds are released allowing covering operational and activity costs targeting these institutions capacities. Procurement of goods, ICT and equipment will be done in line with procurement rules and procedures of UNDP, based on

principles of good value for money and using international competition accordingly. The property of durable assets procured by the project will be transferred after closure of the project, in agreement with the European Union. ICT (hardware and software) procured target essentially required programmes for transparency and efficiency in financial management and expenditure audit/oversight.

It is expected that all these actions will be build on lessons and existing capacities (human and institutional) in hub countries, Cape Verde and Mozambique, with recognized progress in the different project domains. The sustainability and exit strategy will be finalized during the inception phase and approved by the project stakeholders. In the second implementing year, this strategy will be reviewed and updated in the third implementing year on the basis of lessons learned exercises and the M&E deliverables.

2.5.Risks

Risk	Level	Mitigating measure
Lack of willingness from Governments to make available data on budget execution	Medium to high	Political dialogue with PALOP countries and TL and peer pressure on budget transparency especially in countries that receive EU budget support
Lack of willingness from Parliaments to engage in project's implementation	Medium	Annual Work Plans to be jointly drafted with beneficiaries' addressing their needs
Potential politicization of civil society	Medium	Independent and specialized international non-profit organisation to keep CSOs focused on planned tasks and activities
Weak technical capacities of beneficiaries to discuss PFM issues	Medium	Capacity building targeted activities
Political interference hampering project's implementation	Medium	Assurance of a high quality political dialogue with PALOP countries and TL as well as peer pressure
Potential negative impact of the geographic discontinuity	Medium	Sound management and coordination structure to oversee project implementation at national and multi-country level
'External influences' over Legislative (political parties, ministries of finance, international financial institutions, and private sector) dilute the CSO incentives for independent scrutiny of the executive, hamper usefulness of information provided by civil society, and dilutes the full potential of legislative oversight.	Medium	This potential risk was considered in the design of the project. The Grant activities and deliverables, in particular the constitution of a forum/platform at international level (PALOP and Timor-Leste, in synergy with CPLP SAI organization) and related actions, is a mechanism and response to such risks. The project target is to enhance these actors capacities to fulfil their role effectively, not necessarily to enhance government capacities to deliver in those fields.

NB: A Risk Log will be developed during the inception phase and included in Annex to the present Project Document.

2.6.Cross-cutting issues

This action will directly address good governance and democracy, strengthening the accountability system with external and independent control of public finances standing as the specific objective. As part of the action, responding to the right of citizens to information, and supporting the promotion of gender equity in public spending will yield transformational results to be sustained beyond the project life cycle (i.e training and sensitization activities on gender equality addressed to Parliaments and CSOs).

UNDP will associate UN Women units at country office level in designing the AWP and training activities. ICT platforms and solutions will play a central role in this strategy and will be transversal to the action (i.e use of videoconference and IT tools). Environmental issues will

be taken into consideration in specific activities when appropriate and consistent with partner countries' national strategies and priorities, such as the strengthening of oversight capacities in the natural resource extraction domain in Mozambique.

2.7. Communication & Visibility

The management of the project will take into account the visibility and communication requirements set out in the General Conditions, Article 6. The Joint Guidelines on Visibility for EC-UN Actions in the Field offer additional guidance on practical aspects. During the project initial phase, a communication and visibility plan for project communication activities will be discussed and agreed between UNDP and EU.

In the preparation of a Contribution Agreement both the UNDP and the EC should agree on the appropriate financial allocation to be included for the budget. UNDP shall report on the implementation of the plan under the regular reporting requirements foreseen in the respective Contribution Agreement.

The Joint Action Plan on Visibility 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. UNDP will ensure that any internal required political clearance regarding public statements related to election matters is sought.

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.

SECTION III

3. IMPLEMENTATION

3.1.Location

The project 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, leading country for the project.

3.2.Duration

The implementation period specific to this project is defined in the Special Conditions of the Contribution Agreement between the EC and UNDP.

3.3.Organisational set-up and responsibilities

This Project is going to be implemented through the joint management modality whereby the European Union's contribution is going to be entrusted to UNDP through a Standard Contribution Agreement compliant established under the overall frame of the Financial and Administrative Framework Agreement (FAFA).

The project implementation will follow UNDP implementation modalities and good practices on other known EC-UNDP Joint Projects and Programmes – e.g. Project in Support of 2010-12 Electoral Cycles in the PALOP and Timor-Leste.

Since the project will be implemented by UNDP, all contractual arrangements and re-funding mechanisms will be undertaken in accordance with the applicable rules and procedures adopted by UNDP. Considering this, Grants (if implementing and administration capacity of CPLP SAI exists) to CPLP SAI is a potential option, but CPLP (not a member of this organization and this organization not being part of CPLP) would be a partner in the project.

The O-SAI CPLP (Organization of Supreme Audit Institutions of CPLP) is an autonomous and independent association created by SAI in CPLP in order to foster development and institution strengthening of its members through technical, scientific and cultural cooperation in the domain of control and oversight of the use of public resources.

This organization provides an excellent multi-country (transnational) platform of south-south exchanges, but is structured to work on the basis of general assembly and plenary regular meetings, therefore does not have the aim, structure or capacity to be an implementing partner/party. Nevertheless, this association could become a very good beneficiary for project regional activities under Component 1, more specifically the actions foreseen under activity 5. O-SAI CPLP would be one of the project's beneficiary through support provided to the activities foreseen in its annual action plans (using also PALOP-TL auditors as HR). This would be done with the project funding, operational and administrative support.

UNDP would be in position to establish Grants also with IGEF, on the basis of the institute legal status once it is formally established. If the institute will be not-for-profit organization, UNDP will establish Grants and if the Institute will be a government institution, UNDP could establish letters of agreement with government institutions. The Grants and respective budgets would have to be approved by the project steering committee.

Considering the above, cooperation with IGEF would be materialized through Grants established by UNDP to IGEF. The Grants would be allocated on the basis of a project and

budget proposal, according to UNDP rules and procedures. This cooperation can only be established once IGEF is operational.

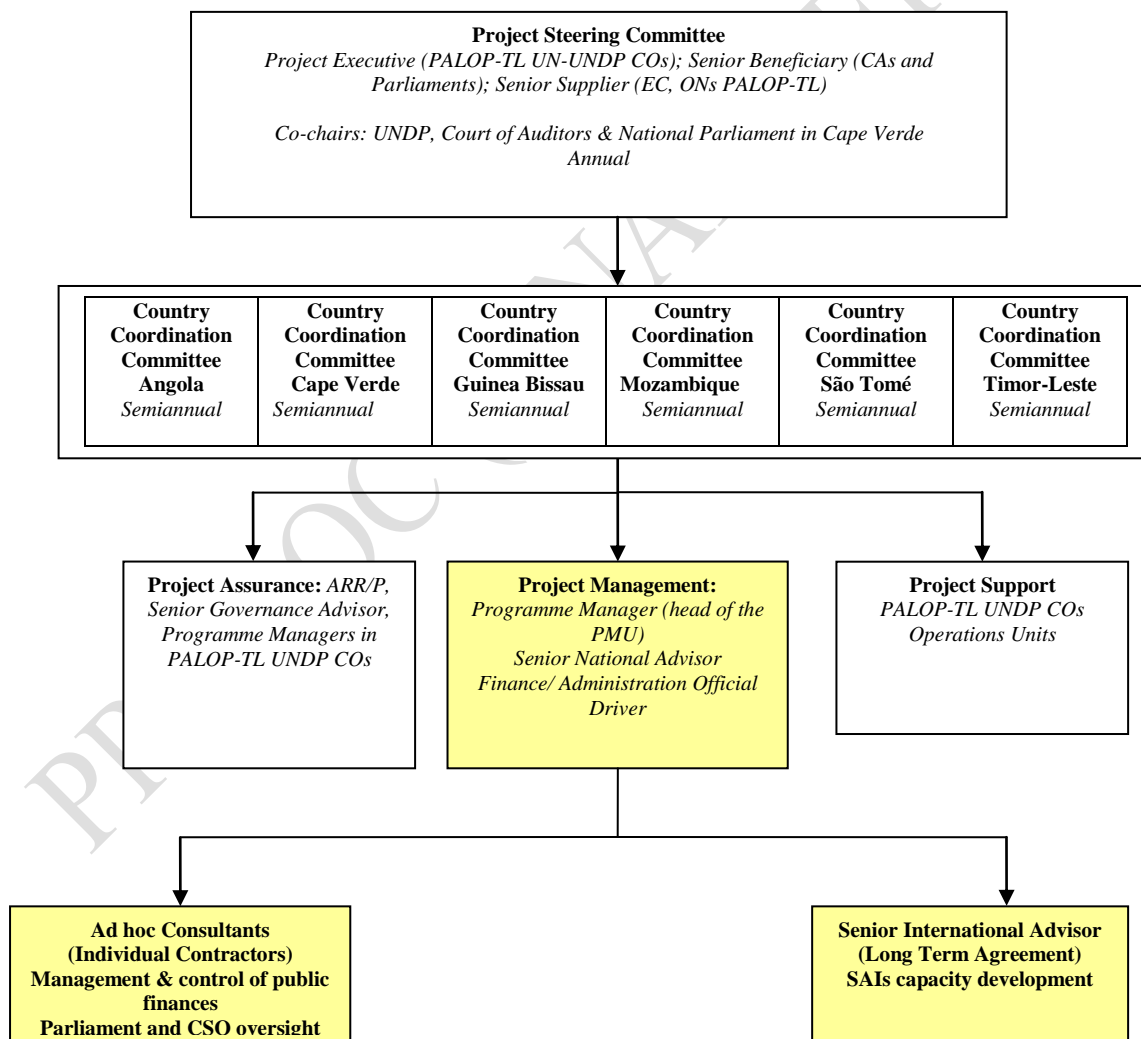
Additionally, cooperation with O-SAI CPLP would be materialized through Grants established by UNDP to O-SAI CPLP through Grants (if administration and implementing capacities exist and OISC-CPLP) with direct operation support from UNDP and the project, or via project support as beneficiary of the project activities. In this case, even though OISC-CPLP would be providing training there would not be transfer of funds from UNDP/project to OISC-CPLP.

The Project will be implemented with a two-tiered management structure to oversee and validate the overall direction and policy of the project: Country Coordination Committees and a PALOP/TL Steering Committee to ensure the project remains on track, on time and within budget. A Project Management Unit, composed of a team of recruited experts will ensure day-to-day implementation of the project at the technical level and reporting to the Country Coordination Committees and Steering Committee, which will enhance donors' coordination. The basic two management bodies and two coordination mechanisms will be as follows:

- A) **A Country Coordination Committee for each PALOP and TL**, which includes the EDF National Authorizing Officer for the Cooperation with the EC (NAO), EU Delegation, Parliament (Specialized Committee on public finances), CSOs participating in the project can be invited to participate in the country coordination committees. This mechanism, facilitated by the UNDP Resident Representatives of the PALOP and TL, would meet as required (semiannual) to discuss the evolving local political environment, share plans and activities, deliberate issues of common concern, negotiate agreed responses and analyze emerging needs and risks at a national level. This high-level forum would be an important part of local coordination in each beneficiary country, with the emphasis on high-level policy development, collaboration and information-sharing in line with the decisions of the project steering committee.
- B) A specific policy and decision making mechanism, the committee created to manage the policy level would be called the **Project Steering Committee**. The Steering Committee would meet annually and is responsible for general oversight of activities within the project including financial oversight, and approval of funding allocations within the overall budget as recommended by the project management unit (PMU). It should receive regular reports from the management team, approve major activities and expenditures, reach consensus and take decisions in any change in the work plans affecting the project structure and strategy, carryout risk analysis and consider funding for emerging issues. It is facilitated by the project management team (PMU), which would also provide secretariat services and liaise with the Steering Committee chair in the preparation of agendas, notification to members, reports on the various project's activities and provision of minutes. The Steering Committee includes representatives from the PALOP & TL's UNDP Country Offices (as the Project's Executive representatives – UNDP Cape Verde being the project's executive); CAs, and Parliament's representatives (Specialized Committee on public finances) – as the project's senior beneficiaries representatives (Cape Verde CA and national Assembly being the Senior Beneficiary); EU Delegations and NAOs support offices (as the Project's Senior Supplier representatives – EU delegation in Cape Verde being the Senior Supplier). The Steering Committee is co-chaired by UNDP Cape Verde, Cape Verde Court of Auditors and Cape Verde Parliament (National Assembly).
- C) The **Project Management Unit (PMU)** will be a small, flexible, dedicated team that administers, manages and monitors day-to-day overall project's activities. Based in Praia, Cape Verde, this team will be supported by the necessary expertise to be

deployed in the other beneficiary countries. The staff would include experts in the 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 be led by a Programme Manager supported by a Senior Advisor and should include a dedicated finance and administration officer to record, process, disburse and report income and expenditures on a regular basis. The Finance Officer will work closely with the UNDP Country Office finance professionals. The management team will be located in the lead country (Cape Verde) and will be working closely with Cape Verde’s SAI, Parliament and CSO (participating in the project) in the daily management of the project.

Project Support will be provided by UNDP Country Offices in Cape Verde (lead unit), other PALOP countries and TL. UNDP Country Offices in all beneficiary countries, through their locally based Programme Officer/Governance Specialists, will support the day-to-day operational work. The Project Assurance in terms of substantive support should be provided through an Assistant Resident Representative, Governance Unit/Advisor or equivalent in the different UNDP Country Offices.



3.4. Budget

The total project cost is estimated at EUR 6,400,000 million, financed from the 10th EDF in the framework of the revised ACP-EU Partnership Agreement. The budget is provided in Annex 3 to the present EU-UNDP Contribution Agreement.

Categories	EU Contribution (EUR)
R1: SAIs' control and audit capacities over public finances in the PALOP and TL are strengthened in a context of joint learning.	2,573,933
R2. Parliaments and Civil Society oversight capacities over public finances are developed for an informed analysis in the PALOP and TL in a context of joint learning.	1,987,784
Communication and visibility	181,006
Programme Management	1,238,585
Indirect Costs (7%)	418,692
TOTAL ACTION (financed from the 10th EDF)	6,400,000

The budget headings will be considered at the level of the budget activities, in line with Article 9.2 of the General Conditions of the Contribution Agreement to be signed with UNDP. As indicated in Figure 1 below, the budget is allocated to two main components, the first aggregating activities in support of SAI in all PALOP and Timor-Leste and the second those in support of parliaments and civil society in the same countries.

Additionally, funds were allocated to operational and technical support to be provided to all beneficiary countries by the PMU (with UNDP Country Offices' support in the beneficiary countries in place of 6 PMU – one per beneficiary country). Funds were also allocated specifically to visibility plan capturing all visibility actions in the 6 beneficiary countries and in the project social media.

40% of the budget was allocated to the activities under Component 1 to strengthen SAI, while 31% of the budget was allocated to Component 2 in support of MPs, parliaments and CSO/media in the PALOP and Timor-Leste. Programme management activities received 19% of the budget and visibility 3% (on top of the formal budget, visibility actions will benefit from additional funds allocated to the activities).

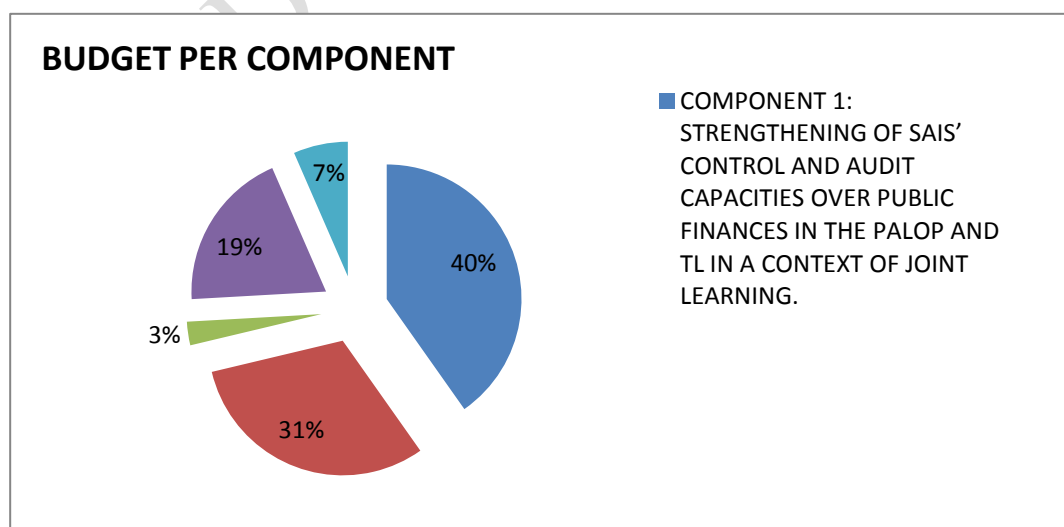


Fig.1: Budget per component

The budget was designed in order to provide necessary funding to specific country needs and, simultaneously, to promote synergies and exchanges among the different project actors in the 6 beneficiary countries. This approach allows the programme management to tailor assistance to the specific institutional needs of more than 18 different institutions in 6 different countries and, capitalizing from the huge potential of the existing know-how and experience in these institutions, foster exchanges and peer learning opportunities among the project actors. To achieve this, 54% of the budget was allocated to the activities targeting specific country needs, while 39% was allocated to foster south-south exchanges between the project’s actors – see Fig. 2 below.

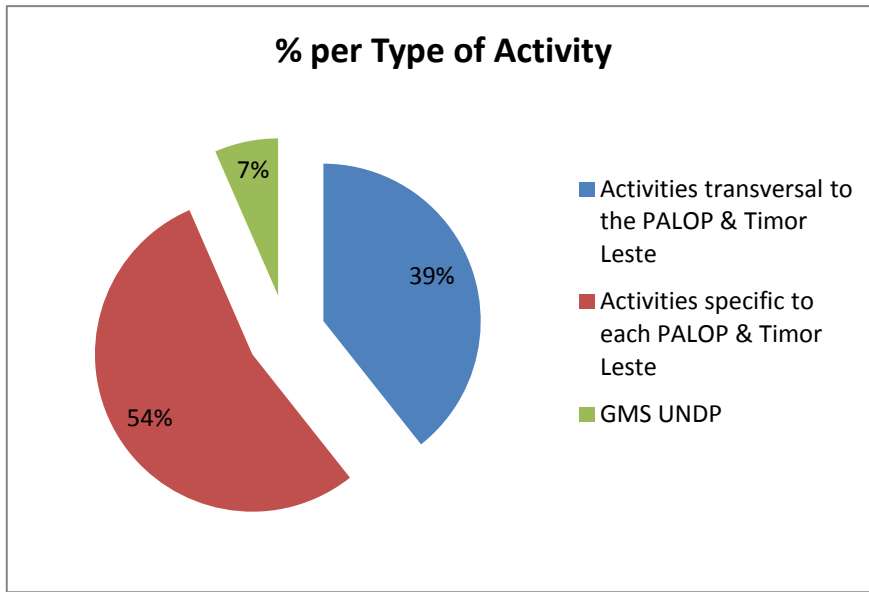


Fig.2: Budget per scope of the activity

Finally, the budget was designed in order to enable the PM to provide technical assistance to all beneficiaries without jeopardizing the strategy of the project to foster and enhance exchanges between the beneficiary institutions and actors. To achieve this, enough resources were allocated to technical assistance, expertise and programme management. Additionally, considerable amount of funds were allocated to procurement of software and hardware in order to enhance external control and audit capacities – see figure 3 below.

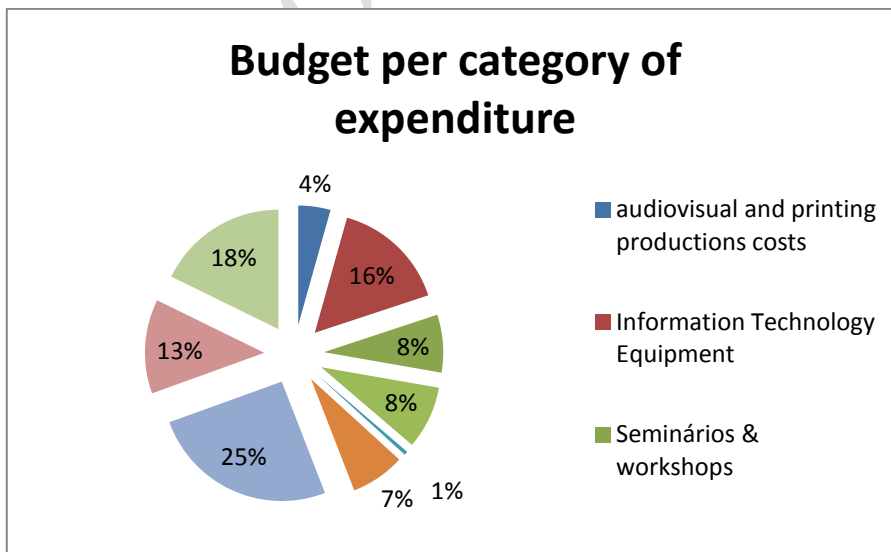


Fig. 3: Budget per category of expenditure

SECTION IV

4. PROJECT RESULTS & RESOURCES FRAMEWORK

Intended Outcome as stated in the Country Programme Results and Resource Framework:

Cape Verde: Outcome #2 – Public administrations and control institutions are more efficient and effective in planning, budgeting, implementation and M&E in line with international commitments; dialogue and civic participation are guaranteed, particularly for youth and women. (UNDAF Output 2.1.3.: External control of public expenditures by Court of Auditors and Parliament is strengthened within the framework of the national public finances programme's support).

Angola: Outcome #2 – Citizen expectations for voice, development, the rule of law and accountability are met by stronger systems of democratic governance.

Guinea Bissau: Outcome #2 – Public institutions with institutional framework, modern management tools and working methods in place to ensure equitable access to public services at national and local level

Mozambique: : Outcome #6: Strengthened Democratic Systems and Processes Guarantee Equity, Rule of Law, and Human Rights at all levels. **Outcome #7:** People in Mozambique Participate in Shaping and Monitoring a Transparent and Equitable National Development Agenda.

São Tomé e Príncipe: Outcome #22 – National institutions, centrally and at regional level, follow rules and principles on public affairs good governance in order to consolidate rule of law.

Timor-Leste: Outcome #1: State institutions strengthened through interventions aimed at improving institutional capacity in planning, efficiency, accountability and transparency.

Outcome indicators as stated in the Country Programme Results and Resources Framework, including baseline and targets:

Cape Verde: Rate of citizens satisfied with public services; improvement of public finances management ratings by Budget Support Group evaluations: Public Expenditure and Financial Accountability (PEFA) monitoring indicators. **Baselines:** C+ (PEFA rating), 36% of national public accounts judged by the CA, 0% of MPs trained in budget analysis and assessment techniques. **Targets:** B (PEFA rating), 100% of special Parliament commissions and 50% of elected MPs trained in budget analysis and assessment techniques.

Angola: Improved service delivery and accountability. **Baselines:** to be completed during inception phase. **Targets:** to be completed during inception phase.

Guinea Bissau: Proportion of institutions structured accordingly with international standards. **Baselines:** to be completed during inception phase. **Targets:** to be completed during inception phase.

Mozambique: Indicator 6. 1: % of districts with electoral civic education; **Baseline:** 4% **Target:** 23%. **Indicator 6. 2:** % of State budget for provinces and districts; **Baseline:** 24% for provinces and 5.2% for districts; **Target:** 29% for provinces and 6% for districts. **Indicator 6. 3:** # of international instruments ratified and operationalized; **Baseline:** 8; **Target:** 12.

Indicator 6. 4: # of government surveys disaggregated and publicly available; **Baseline:** 1; **Target:** 6.

Indicator 7.1 : # of local councils as per established standards; **Baseline:** 7 districts; **Target:** 50 districts. **Indicator 7.2:** # of development observatories (DOs) with CSO unified statement; **Baseline:** 1; **Target:** 11. **Indicator 7.3** % of laws with civil society participation; **Baseline:** To be established; **Target:** N/A. **Indicator 7.4:** Fight against corruption strengthened through justice sector (number of processes); **Baseline:** Proceedings instituted: 623; Charged: 178; Abstained/achieved: 102; tried 43. **Target:** according to National PRSP document. **Indicator 7.5:** % of women in political and government positions; **Baseline:** Parliament 39.2%; Ministers 28.5%; Deputy Ministers 19%; Governors 27.2%; Ministerial PS 24%; Provincial PS 45.5%; District Administrators 20.3%; Heads of Administrative Posts 11%; Provincial directors 20.7%. **Target:** 50%.

São Tomé e Príncipe: % of state budget addressing RoL. **Baselines:** 0% in 2010. **Targets:** 15% by 2016.

Timor-Leste: Indicators: 1.1.1. Introduction of legal and operational management policies and no. of training for staff. 1.1.2. Relevant policies and legislation approved. 1.1.3. Methodology and tools for strategic planning approved. 1.1.4. % of Ministries utilising planning tools, including capacity development action plans. **Baselines:** Outdated Organic Laws and absence of operational systems. State institutions reliant on international technical assistance. Lack of clear policy and guidelines for identifying and addressing capacity development needs.

2014-17 Strategic Plan Outcomes:

Outcome 2: Citizen expectations for voice, development, the rule of law and accountability are met by stronger systems of democratic governance

Indicators: Number of countries with open access to data on government budgets, expenditures and public procurement

2014-17 Strategic Plan Outputs:

Output 2.2. Institutions and systems enabled to address awareness, prevention and enforcement of anti-corruption measures across sectors and stakeholders

Indicators: Number of countries with public access to information on contracting and revenues related to extractive industries and use of natural resources; Number of proposals adopted to mitigate sector specific corruption risks (e.g. extractive industries, and public procurement in the health and other sectors);

Project Overall Objective:

Promote economic governance in the PALOP and TL strengthening technical and functional skills of SAIs, Parliaments and Civil Society.

Baselines: In 2011, PALOP and Timor-Leste were below Sub-Saharan Africa with regards to control of corruption WGI (31.9% against 32.5% respectively). Africa Region measured in the same period 50% for this index, while Cape Verde, Sao Tome & Principe and Mozambique were measured with 74.4%, 43.1% and 41.7% respectively (higher values imply better performances).

In 2012, PALOP average for the IIAG accountability was 43.1 points against 43.3 points for Africa average. Cape Verde was the 2nd best rated in Africa with 81.7 points, followed by RDSTP and Mozambique with 47.6 points and 43.5 points respectively.

Notwithstanding outstanding progress registered in Angola and Mozambique for Open Budget Indexation, all measured PALOP and Timor-Leste were poorly rated in 2012 below 47 (Cape Verde and Guinea Bissau data is not available).

Indicators: Indicators' indexes on *Accountability, Transparency and Control of Corruption*; Indicators' index on *Budget Management*; *Open Budget Index (OBI)* scores (for those countries participating in the open budget initiative).

Targets: (1) by the end of the project, control of corruption WGI in the PALOP-TL is levelled with the average in Africa region (and not less than 50%); (2) by the end of the project, all PALOP reach Africa average for IIAG accountability; (3) by the end of the project, PALOP and Timor-Leste are rated within 40 and 60 points for OBI; (4) by the end of the project, all beneficiary countries improve their rates with relations to the baselines in the start of the project (2013), in particular with relation to control of corruption WGI, IIAG accountability, and Open Budget Index.

Project Outcome (Specific Objective):

Improve the effective external political, judicial and civilian control of public finances in the PALOP and TL for a more efficient use of public resources.

Baselines:

Between 2008 and 2011, all PALOP and Timor-Leste were scored below C⁺ with regards to all PEFA indicators relevant to the project – PI24 to PI28. Guinea Bissau and RDSTP were scored D for all PEFA indicators relevant to the project (lower classification existing), while Cape Verde and Timor-Leste presented scores between D⁺ and C⁺, depending on the indicator. Mozambique was better rated with C⁺ in all indicators.

Indicators:

Availability, frequency and regularity of the following documents in the PALOP and Timor-Leste: (1) Pre-Budget Statement; (2) Executive's Budget Proposal; (3) Enacted Budget; (4) Budgets' Execution in-year reports; (5) Budgets' execution mid-year review; (6) Budgets' execution year-end report. PEFA indicators: Quality and timeliness of in-year budget reports (PI24)/Quality and timeliness of annual financial statements (PI25)/ Scope, nature and follow-up of external audit (PI26)/ Legislative scrutiny of the annual budget law (PI27)/ Legislative scrutiny of external audit reports (PI28).

Targets:

(1) by the end of the project, improve PALOP-TL average for PEFA indicators relevant to the project to C⁺; (2) by the end of the project, documents 1 to 6 referred above are timely available; (3) by the end of the project, all beneficiary countries SAIs will be in conformity with international standards as set by INTOSAI.

Partnership Strategy

There are a number of ongoing initiatives aimed at supporting public finance management in many of the beneficiary countries of the present action, supported by a variety of partners. In **Timor-Leste**, there is an ongoing project funded under the 10th EDF to *support the establishment of the SAI*, with technical support from the SAI in Portugal through a Delegation Agreement with IPAD (now CICL). An ongoing project to *Support the justice sector* attempts to ensure wider dissemination of issues on the newly established court of auditors to civil society. A project proposal to *Support to PFM Reform* is under discussion. In **Mozambique**, there is an EDF funded project to *support the rule of law and public accountability* targeting the Assembly, the Supreme Court and the Prosecution Service, a *programme for public financial management reform* benefiting the Administrative Court – in its capacity of Supreme Auditing Authority. In **Sao Tomé & Príncipe**, the EU has been providing technical assistance to enable the Ministry of Finance to produce the general accounts. Additionally, UNDP is providing support to Parliaments to enhance oversight and legislative capacities of specialized commissions, MPs and staff particularly in the fields of Public Expenditure, State Budget and Government Policies. Cape Verde, Mozambique, and Timor-Leste (EU funded) are the main beneficiaries of such support. In Cape Verde and São Tomé e Príncipe, robust support to Supreme Audit Courts has been provided with partners’ financial support. In the **PALOP and Timor-Leste** a project under formulation from the 10th EDF aims to work on *Support for the establishment of the Training Institute for Financial and Economic Management in Portuguese Language (IGEF)*. The proposed project could represent a timely opportunity to channel some of the training activities foreseen in this new action, provided that IGEF is fully operational by the time the present project starts. Indeed, while IGEF aims at supporting human and institutional capacities in broad PFM issues addressing a broad range of stakeholders, from governments to the private sector, the present action aims at reinforcing the PFM system itself, focusing on the external and civilian control of public finances and government action by all relevant actors, from SAIs to Parliaments and Civil Society. Some of the training components of this approach could be partially carried out by the IGEF. On the other hand, the present action will feed the Legal Database of the PALOP (<http://www.legis-palop.org/>), developed within the *Project for the Support of the Development of the PALOP’s Legal Systems*, financed by the 9th EDF. In the field of e-governance the project will liaise with the forthcoming *PALOP-TL project to improve the quality and proximity of public services* when implementing activities directly linked to ICT based information systems and tools. Finally, the project will be able to benefit from the working groups’ methodology and regional approach of the *Global Programme for Parliamentary Strengthening (AGORA – GPPS: <http://www.agora-parl.org/>)* managed by UNDP, which will allow for sensitive issues to be discussed at the PALOP & TL multi-country level fostering democratic reforms. The project’s objectives, expected results, activities and targets are complementary to the project for strengthening the Rule of Law in the PALOP-TL, a project implemented in partnership with CICL for a 4-year period. In fact, the RoL PALOP-TL project aims to consolidate the Rule of Law tackling corruption, money laundry and organized crime with considerable focus on strengthening coercive capacities among relevant PALOP-TL institutions, promote legal reforms tackling organized crime activities and corruption, training and information to MPs and senior public officials. There are no risks of overlapping or duplications between the two projects, since even though some beneficiary institutions may be the same (Parliament, CSO, CA and eventually MoF) they are involved with completely different scopes and using different units and HR. This low risk of overlap is extensive to ICT and other equipment to be procured due to the reasons referred above and the type of ICT procured in each project. Finally, the project, as discussed with all stakeholders in the beneficiary countries, is expected to have a complementary approach to existing initiatives, building on a multi-country PALOP-TL dimension, emphasizing the construction and consolidation of competencies and networks via **peer learning, exchange of experiences and south-south cooperation among the PALOP-TL institutions**, thus moving away from a more classical systematic recourse to outside expertise. The internal resources to be consolidated and used in this regard are also in support to the sustainability of project results.

Project title and ID (ATLAS Award ID):

INTENDED OUTPUTS	OUTPUT TARGETS FOR (YEARS)	INDICATIVE ACTIVITIES	RESPONSIBLE PARTIES	INPUTS
<p><i>Specify each output that is planned to help achieve the outcome. For each output, include a baseline with associated indicators and targets to facilitate monitoring of change over time. Each output shall ultimately become a Project ID in Atlas.</i></p>	<p><i>Use this column for more complex projects where an output takes more than one year to produce.</i></p> <p>Targets: (1) by the end of the project, Angola, Guinea Bissau, Sao</p>	<p><i>List activity results and associated actions needed to produce each output or annual output targets. Each activity result shall ultimately become an Activity ID in Atlas.</i></p> <p>1 Activity Result: Training workshops and seminars develop capacities of PALOP-</p>	<p><i>Specify parties that have been engaged by the executing entity to carry out these activities</i></p> <p>PALOP-TL UNDP COs PALOP-TL SAIs</p>	<p><i>Specify the nature and total costs of the UNDP inputs needed to produce each output.</i></p> <p>254,724 EUR 300 working days (average)</p>

<p>Output 1 SAIs' control and audit capacities over public finances in the PALOP and TL are strengthened in a context of joint learning.</p> <p>Baselines: Between 2006 and 2012, most of the PALOP and Timor-Leste had considerable improvements in the field of presentation, classification/categorization of expenditures (interest payments of the debt, among them), and identification of revenue sources, including at Programme-level data, in the Executive's Budget Proposal or supporting budget documentation – now in line with international standards. By 2012, in-Year Reports on actual expenditure started covering most if not all expenditures (organized by administrative unit, economic classification, and/or function), comparing actual year-to-date expenditures (all expenditures) with either the original estimate for that period (based on the enacted budget), covering the actual revenue collections of all sources of revenue. Notwithstanding this remarkable progress, moving PALOP and Timor-Leste measured countries from the group of countries presenting scant or no information to the one presenting minimal information, some domains still need critical improvement, namely: there is lack of information on the impact of different macroeconomic</p>	<p>Tome e Principe and Timor-Leste will have some to significant information on public expenditures, via executive budgets (and budget documents), mid-Year and final-Year reports, and audit reports; (2) by the end of the project, Cape Verde and Mozambique will be among countries with extensive information on public expenditures, via the instruments referred above; (3) by the end of the project, no beneficiary country will have absence of information on public expenditures, via the instruments referred above; (4) by the end of the project, at least 360 persons (staff of SAI, CSO and media staff) will be trained on external control of public accounts, audit issues and relevant public finances oversight; (5) by the end of the project, at least 30 auditors from PALOP and Timor-Leste SAI will be trained as trainers in external control and audit issues; (6) by the end of the project, O-SAI CPLP will use in all training activities PALOP and Timor-Leste SAI auditors (professional trainers).</p>	<p><i>TL SAIs' staff and judges (and other relevant stakeholders) in management and auditing of public finances</i></p> <ul style="list-style-type: none"> ▪ Action 1.1: Recruit expertise and provide TA ▪ Action 1.2: Organize training workshops & seminars <p>2 Activity Result: <i>Technical Assistance to PALOP-TL SAIs' staff & Judges enhance technical capacities for budget Design, programming and planning</i></p> <ul style="list-style-type: none"> ▪ Action 2.1: Recruit expertise and provide TA ▪ Action 2.2: Organize and promote inclusive planning exercises ▪ Action 2.3: Organize advocacy, information & sensitization campaigns <p>3 Activity Result: <i>Procurement of</i></p>	<p><i>PALOP-TL UNDP COs</i> <i>PALOP-TL SAIs</i></p> <p><i>PALOP-TL UNDP COs</i></p>	<p>528 Euro per day - no per diem included)/ Up to 6 air tickets (average of 2 tickets per year - 1,320 Euro per ticket)/ Outdoors/ flyers/ consumables/ Senior International Advisor on SAI's capacity development to provide advice and TA to actors in the countries (average 750 Euro per working day)</p> <p>260,550 EUR 300 working days (average 528 Euro per day - no per diem included)/ Up to 6 air tickets (average of 2 tickets per year - 1,320 Euro per ticket)/ Up to 3 local workshops (3-5 days)/90 Participants (30 participants per workshop at and average of 267 Euro per participant - travel is not included)/ Outdoors/ flyers/ consumables/media advertisements. Senior International Advisor on SAI's capacity development to provide advice and TA to actors in the countries (average 750 Euro per working day)</p> <p>1,038,849 EUR</p>
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<p>assumptions and policy proposals on expenditures on the budgets; on transfers to public corporations for at least the budget year; on sources of donor assistance (both financial and in-kind); on links between proposed budget to government's stated policy goals for a multi-year period (for at least two years beyond the budget year); related to performance indicators for expenditure programs and achievable targets related to these indicators; on Pre-Budget Statement, Mid-Year reports, and Year-End Reports. Additionally, it is important to address shortfalls related to audits of public accounts/expenditures since final audited accounts are not completed within 24 months after the end of the fiscal year, or they are not released to the public. In Angola, Guinea Bissau, Sao Tome e Principe and Timor-Leste most expenditure have not been audited, the reports have not been released to the public or were released more than 24 months after the end of the fiscal year. In most of these countries, the SAI does not release to the public audits of extra-budgetary funds, or it does not audit such funds, or such a report was released more than 24 months after the end of the fiscal year; the executive does not report on steps it has taken to address audit findings; and legislators are not provided Audit Reports. The supreme audit institution and legislature in these countries do not release to the public a report that tracks actions taken by the executive to address audit</p>		<p><i>equipment and technical assistance enhance integration in accounting and information systems in public finances management and auditing</i></p> <ul style="list-style-type: none"> ▪ Action 3.1: TA to assess needs and develop adequate specifications ▪ Action 3.2: Procurement of ICT & Equipments <p>4 Activity Result: <i>Technical assistance to PALOP-TL SAI's strengthen accountability (including standardization of financial reporting</i></p>	<p><i>PALOP-TL SAI's</i></p> <p><i>PALOP-TL UNDP COs</i> <i>PALOP-TL SAI's</i></p>	<p>Up to 131 working days per year (average 528 Euro per day - no per diem included)/ Up to 12 tickets (average of 8 tickets in year 1 and 4 in year 3- 1,320 Euro per ticket)/ Hardware: computers and accessories/ Software: accounting, audit, financial reporting, other financial management IT tools, integrated communication and audit systems, others to be identified during inception phase/Equipment: internet connection support equipment, data show equipments, communication equipments, office material and consumables, others to be identified during inception phase)/average of 162,000 Euro per country (53,000 Euro per year per country)/ contractual services (Equip Specs) /Senior International Advisor on SAI's capacity development to provide advice and TA to actors in the countries (average 750 Euro per working day)</p> <p>651,666 EUR Up to 772 working days (average of 621.71 Euro per working day)/ Up to 68 Tickets (average 22 tickets</p>
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<p>recommendations. In all PALOP and Timor-Leste the Citizens Budget is not published.</p> <p>Indicators: No. of reported deviations or audits conducted annually by the Court of Auditors in the PALOP and Timor-Leste/ No. of SAIS' staff members in the PALOP and TL trained on relevant public finances oversight and audit issues/ No of SAIs auditors trained as trainers of external control auditors/ No. SAIS' staff members in the PALOP and TL participate in peer reviews activities/ % of PFM information systems use in SAIs increased and improved/ No. of timely accessible and objective reports elaborated by the Court of Auditors/ No. of timely accessible and objective reports elaborated by the Court of Auditors/ Availability, quality, access to updated information provided by SAIs websites and other social media mechanisms/ 1 cooperation agreement with the CPLP Organization of SAIs (O-SAI CPLP) established and available/ 1 cooperation agreement with IGEF established and available/ 1 manual on SAIs' procedures in the PALOP and TL elaborated/ 1 platform for exchange of good practice between SAIs in the PALOP and TL created/ Comprehensiveness of SAIs' audit reports/ No. of SAIs having strategic and operational work plans/ hardware and software procured, available and installed in the beneficiary countries' SAIs and relevant institutions</p>		<p><i>standards)</i></p> <ul style="list-style-type: none"> ▪ Action 4.1: TA & Advice in the domains of Accountability & transparency matters ▪ Action 4.2: TA & Advice in the domains of reporting and international M&E standards <p>5 Activity Result: <i>Training, workshops and study trips foster exchange experiences and good practices among PALOP-TL actors (SAIs, Parliaments and Parliamentarians, and CSO) on control of public finances in the PALOP and TL</i></p> <ul style="list-style-type: none"> ▪ Action 5.1: Trainings - Face-to-face and eLearning – and workshops ▪ Action 5.2: Study trips and peer learning initiatives - peer reviews ▪ Action 5.3: Translations & publications 	<p><i>PALOP-TL UNDP COs PALOP-TL SAIs</i></p>	<p>per year - estimate 1,320 Euro per ticket)/ Outdoors/ flyers/ consumables/media advertisements Senior International Advisor on SAI's capacity development to provide advice and TA to actors in the countries (average 750 Euro per working day)</p> <p>257,246 EUR Contractual Services - Companies (Training & Education) – LTA/ Up to 28 tickets (average 14 per year - estimate 1,320 Euro per ticket). Up to 25 tickets (average 8 per year - estimate 1,320 Euro per ticket)/ Up to 5 local workshops (3-5 days)/average 300 Participants (30 participants per workshop at an average of 267 Euro per participant - travel is not included). Contractual Services - LTA / Audiovisual & print (LTA) / Senior International Advisor on SAI's capacity development to provide advice and TA to actors in the countries (average 750 Euro per working day)</p> <p>110,898 EUR Up to 24 tickets (average 8</p>
		<p>6 Activity Result: <i>Lessons Learnt</i></p>	<p><i>UNDP CV</i></p>	

		<p><i>exercises - M&E of project results</i></p> <ul style="list-style-type: none"> Action 6.1: M&E exercise according to UNDP rules & procedures 		per year - estimate 1,320 Euro per ticket)/ Contractual services/ Outdoors/ flyers/ consumables/media advertisements / Senior International Advisor on SAI's capacity development to provide advice and TA to actors in the countries (average 750 Euro per working day)
<p>Output 2 Parliaments and Civil Society oversight capacities over public finances are developed for an informed analysis in the PALOP and TL in a context of joint learning.</p> <p>Baseline: The legislature in the PALOP and Timor-Leste do not release to the public a report tracking actions taken by the executive to address audit recommendations. In all PALOP and Timor-Leste the Citizens Budget is not published.</p> <p>Indicators: No. of hearings requested by the Parliaments in the PALOP and Timor-Leste/ No. of Parliaments' hearing sessions attended by the Court of Auditor in the PALOP-TL/ No. of reports requested by Parliament in relation to the execution of the budget/ No. of Parliaments' staff and MPs in the PALOP and TL trained on relevant public finances oversight issues/ No. of Parliaments' staff and MPs in the</p>	<p>Targets:</p> <p>(1) by the end of the project, Angola, Guinea Bissau, Sao Tome e Principe and Timor-Leste will have some to significant information on public expenditures, provided by legislative oversight and citizens' budget and reports;</p> <p>(2) by the end of the project, at least 1,600 persons (Parliaments administration and special commissions' staff, MPs, CSO/NGO/CBO personnel, media professionals) in the PALOP and Timor-Leste will be trained on relevant public finances oversight and external control of public accounts, audit issues;</p> <p>(3) by the end of the project, AGORA eLearning platform and most relevant handbooks will be available in Portuguese Language;</p> <p>(4) by the end of the project, all PALOP and Timor-Leste</p>	<p>7 Activity Result: <i>Capacities of parliaments, parliamentarians and other relevant actors are developed through targeted support to adopt adequate methodologies in legal and institutional frameworks' reforms with particular focus on the review of laws regarding the State General Budget and CA</i></p> <ul style="list-style-type: none"> Action 7.1: Seminars & Workshops - capacity development and methodology assistance to relevant Parliamentary committees Action 7.2: Advocacy & Sensitization campaigns with a particular focus on gender impact of budgets <p>8 Activity Result: <i>Advocacy and information campaigns lead to legal reforms on public finance management systems, including on budgetary transparency with more fiscal and budgetary information available to the</i></p>	<p><i>PALOP-TL UNDP COs</i> <i>PALOP-TL Parliaments & MPs</i> <i>PALOP-TL relevant CSO</i></p> <p><i>PALOP-TL UNDP COs</i> <i>PALOP-TL Parliaments & MPs</i> <i>PALOP-TL relevant CSO</i></p>	<p>494,112 EUR Up to 14 local workshops (3-5 days)/412 Participants (30 participants per workshop at an average of 267 Euro per participant - travel is not included)/ Up to 72 tickets (average 24 per year - estimate 1,320 Euro per ticket)/ Local per diem/ Outdoors/ flyers/ consumables / contractual services (equip specs)/ LTA / Expert in Parliament & CSO oversight of public expenditure and government policies to provide advice and TA to actors in the countries (average 528 Euro per working day)</p> <p>394,696 EUR Up to 24 tickets (average 12 per year - estimate 1,320 Euro per ticket)/ Up to 10 local workshops (3-5 days)/292 Participants</p>

<p>PALOP and TL participating in peer reviews activities/ No. of CSO's members participate in advocacy and information campaigns on budget transparency/ No. and quality of legal reforms carried out to enhance SAI's audit capacities and civil control of PFM/ 1 publication on public accountability mechanisms in the PALOP and TL issued/ 1 Forum for the exchange of CSOs good practice on tracking public expenditures and reporting results in the PALOP and TL created/ 7 signed grant agreements with NGOs (1 International and 6 with the PALOP and TL)/ Existence, timeliness and quality of parliamentary discussions regarding budget approval and execution/ No. of meetings, public hearing sessions and available reports from Parliamentary committees on public finances , accounts and expenditure in participating countries/ Increased media coverage on budgetary issues in participating countries, including articles on budget accountability and Court of Auditors reports and recommendations/ No. of CSO reports and analysis on State budgets, public accounts and expenditure reports/ No., frequency, availability and regularity of CSO monitoring instruments on SAIs recommendations' implementation levels (reports and analysis documents)/ No. of recommendations of CSO reports on budgetary documents taken into account by Parliament commissions' hearing and reports, and by SAIs'</p>	<p>relevant Parliament Special Commissions' support staff (advisors and experts) will be accredited in relevant eLearning on parliament oversight; (5) by the end of the project, one PALOP and Timor-Leste multi-country civil society platform will be constituted to address at national and international levels challenges and issues related with civil external control, corruption and transparency of governments and public officials in the PALOP and Timor-Leste; (6) by the end of the project, all PALOP and Timor-Leste will have civil society initiatives and trainings addressing external control of public accounts and expenditures.</p>	<p><i>public</i></p> <ul style="list-style-type: none"> ▪ Action 8.1: Training & peer learning seminars develop capacities of PALOP-TL parliaments and parliament staff, in particular Women, through regional networks and international nongovernmental specialized organizations <p>Action 8.2: Initiatives reinforce relations and synergies between Parliaments and CSO targeting control of public finances</p> <p>9 Activity Result: <i>MPs, Parliament Staff & specialized commissions capacities are strengthened for the analysis and review of public finances documents, draft laws and budgets through more efficient accounts auditing and monitoring systems</i></p> <ul style="list-style-type: none"> ▪ Action 9.1: Recruitment of expertise & TA ▪ Action 9.2: Trainings & workshops <p>10 Activity Result: <i>Technical assistance and expert advice provided to national parliaments on public spending oversight</i></p> <ul style="list-style-type: none"> ▪ Action 10.1: Recruitment of expertise & TA 	<p><i>PALOP-TL UNDP COs PALOP-TL Parliaments & MPs PALOP-TL relevant CSO</i></p> <p><i>UNDP CV</i></p>	<p>average (30 participants per workshop at average of 267 Euro per participant - travel is not included)/ Outdoors/ flyers/ consumables/media advertisements/ contractual services (equip specs)/ LTAs Expert in Parliament & CSO oversight of public expenditure and government policies to provide advice and TA to actors in the countries (average 528 Euro per working day)</p> <p>207,194 EUR Up to 47 tickets (average 16 per year - estimate 1,320 Euro per ticket)/ LTAs/ Outdoors/ flyers/ consumables/media advertisements / Expert in Parliament & CSO oversight of public expenditure and government policies to provide advice and TA to actors in the countries (average 528 Euro per working day)</p> <p>161,454 EUR Up to 152 working days (average of 50 working days per year at 898 Euro per working day - including per diem)/ Up to 19 tickets</p>
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<p>reports/recommendations/ Existence and effectiveness of instruments allowing participation of civil society state budget formulation/approval (existence of citizens' budget initiatives and public/community based consultation mechanisms/ frequency and regularity of these instruments/number of measures corrected or introduced as result of these initiatives)/ Existence and effectiveness of instruments allowing participation of civil society in parliament oversight of public finances, accounts and expenditure (role allocated to CSO and CBO in these hearing sessions/regularity and frequency of these public hearings/number of measures introduced as result of civil society contributions in such public hearing sessions).</p>		<ul style="list-style-type: none"> ▪ Action 10.2: Trainings & workshops <p>11 Activity Result: <i>Training, workshops and study trips foster exchange experiences and good practices among PALOP-TL actors on control of public finances and contribute to established mechanisms at Parliaments and civil society of each country</i></p> <ul style="list-style-type: none"> ▪ Action 5.1: Trainings - Face-to-face and eLearning – and workshops ▪ Action 5.2: Study trips and peer learning initiatives - peer reviews <p>Action 5.3: Translations & publications</p> <p>12 Activity Result: <i>Civil society organizations (including journalists) are trained in the field of budget control and policies</i></p> <ul style="list-style-type: none"> ▪ Action 12.1: GRANT establishment to benefit up to 7 CSO/NGO 	<p>UNDP CV</p> <p>UNDP CV</p>	<p>(average 6 per year - estimate 1,320 Euro per ticket)</p> <p>222,864 EUR Contractual Services - Companies (Training & Education) – LTA/ Up to 28 tickets (average 14 per year - estimate 1,320 Euro per ticket). Up to 25 tickets (average 8 per year - estimate 1,320 Euro per ticket)/ Up to 5 local workshops (3-5 days)/average 300 Participants (30 participants per workshop at an average of 267 Euro per participant - travel is not included) / Contractual Services - LTA / Audiovisual & print (LTA) / Expert in Parliament & CSO oversight of public expenditure and government policies to provide advice and TA to actors in the countries (average 528 Euro per working day)</p> <p>507,464 EUR 7 NGO (1 international specialized NGO and 6 national CSO) /6 grants Expert in Parliament & CSO oversight of public expenditure and government policies to provide advice</p>
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				and TA to actors in the countries (average 528 Euro per working day)
			VISIBILITY AND COMMUNICATION	181,006 EUR
			PROGRAMME MANAGEMENT	1,238,585 EUR
			<i>DIRECT COSTS</i>	5,981,308 EUR
			<i>INDERECT COSTS (7% OF TOTAL COSTS)</i>	418,692 EUR
			<i>TOTAL COSTS</i>	6,400,000 EUR

4.1. Annual Work Plans

An inception phase will be carried out immediately after the signature of the Contribution Agreement between UNDP and EU Delegation in Cape Verde. This phase comes in complement to the assessment missions UNDP carried out to beneficiary countries during the formulation phase and has the aim to customize and tailor the support to specific national needs that takes into accounts different stakeholders roles and needs in each beneficiary country.

The AWP's will be developed to cover the 3-years implementation period in each country. The plans will be developed through inclusive working sessions involving all project stakeholders and will be approved by the project national governance instruments in each country. A revision of the project document will allow the update this point and include the AWP's of each country for the 3-year implementation period. These plans will be approved in a yearly basis by the project steering committee.

SECTION V

5. MONITORING AND EVALUATION

In terms of monitoring and evaluation, the project will be subject to UNDP's current monitoring and evaluation procedures and reporting on progress will be done as established in the General Conditions of the EU-UNDP Contribution Agreement and in line with the FAFA.

Any monitoring and evaluation exercises by the EU as a donor will be undertaken in compliance with the provisions of the FAFA and the General Conditions. Such exercises will be planned ahead and carried out in a collaborative manner and funded by the EU outside the scope of the present Contribution Agreement.

5.1. Reporting

The reporting will be carried out as set by the Financial and Administrative Framework (FAFA), signed on 29 April 2003 between the EC and the United Nations and in accordance with the General Conditions / Annex 2 of the present EU-UNDP Contribution Agreement. In addition, due to complexity of and scope of the project, UNDP Country Office will specifically agreed with the EU Delegation to provide a narrative progress report every 6 months and has the necessary human / financial resources in order to deliver on this commitment. Any specific requirements shall be appropriately agreed by the SCA signatory parties.

5.2. Monitoring

The Programme Management Unit, the Country Coordination Committees and the Steering Committee, will help to document the baseline situation for the outcomes and each indicator of the project, and seek the Steering Committee's approval for an outcome and output monitoring strategy to assess progress periodically. Some of the methods that will be used in monitoring progress towards the outcomes include:

- Regular Steering Committee meetings, which are a useful way of ensuring good planning, follow-up and results focus;
- Mid-year narrative progress report;
- Annual Project Reports, which are a requirement of EC funded projects and rate output to outcome progress supporting decision making on policy issues;
- Monitoring and follow-up missions carried out by the PMU;
- Outcome or project evaluations, which are time-bound, independent exercises to measure results and management; and
- The mid-final term review.

The goal of all monitoring and evaluation exercises is to learn lessons and incorporate these to the improvement of the Programme. All Project activities will be closely monitored by the UNDP Country Offices of the PALOP-TL.

5.3. Evaluation

Independent consultants recruited on specifically established terms of reference will carry out external evaluations, as follows:

- Mid-term project results' evaluation mission – carried out according to UNDP rules and procedures;
- Final evaluation at the beginning of the closing phase – carried out according to UNDP rules and procedures;
- Evaluation ex-post – carried out with EU procedures, not covered by this Action (funds set aside by the EU for this purpose).

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. The reports of the other evaluation and monitoring missions will be provided to the Beneficiary Countries, in order to take into account any recommendations that may result from such missions.

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 monitoring and/or evaluation experts, and inter alia provide them with all necessary information and documentation, as well as access to the project premises and activities.

Although only required when mandated by partnership protocols, an evaluation of the Programme will be undertaken at the end of its period to learn lessons and apply these to possible follow-on assistance activities.

For the case of Guinea Bissau, the issues of lack of democratically elected governments committed to rule of law and budget transparency in Guinea Bissau will have to show significant improvements to enable the country to participate in the programme.

During project implementation the PMU will ensure Quality Management for Project Activity Results through the tables below. The inception phase will allow completing and refining the table using very accurate and field information.

Indicators/quality criteria will be further strengthened by moving from referring to activities (n. of trainings, n. of participants, etc.) to concrete achievements (what happened to the people trained? Were they able to put in practice what they have learnt? How?).

OUTPUT 1: SAIs' control and audit capacities over public finances in the PALOP and TL are strengthened in a context of joint learning.		
Activity Result 1 (Atlas Activity ID)	Mgt and Audit of Public finance Training	Start Date: 07.2014 End Date: 12.2016
Purpose	Capacity development of PALOP-TL SAI, Judges and relevant CS actors in the field of public finances management and auditing	
Description	Deliver training workshops and seminars aiming to develop capacities of PALOP-TL SAIs' staff and judges (and other relevant stakeholders) in management and auditing of public finances essentially through south-south exchanges and peer learning events	
Quality Criteria <i>how/with what indicators the quality of the activity result will be measured?</i>	Quality Method <i>Means of verification. what method will be used to determine if quality criteria has been met?</i>	Date of Assessment <i>When will the assessment of quality be performed?</i>
No. of SAIs' staff members in the PALOP and TL trained on relevant public finances oversight and audit issues	Elaboration of Project M&E reports Analysis of training evaluations from trainees, news clipping, project website	December 2014
No. of SAIs auditors trained as trainers of external control auditors		December 2015
Comprehensiveness of SAIs' audit reports		December 2016

No. SAIS' staff members in the PALOP and TL participate in peer reviews activities		
Activity Result 2 (Atlas Activity ID)		
TA budget design, programming & planning		Start Date: 07.2014 End Date: 12.2016
Purpose		Enhance PALOP-TL SAI staff & judges capacities in matters related with budgeting and planning
Description		Provide high level expertise, advice and technical assistance to PALOP-TL SAI staff & judges in the domain of budget design, programming and planning.
Quality Criteria <i>how/with what indicators the quality of the activity result will be measured?</i>		Quality Method <i>Means of verification. what method will be used to determine if quality criteria has been met?</i>
No. of experts and type of expertise recruited		Project reports and updates Project M&E reports Analysis of training evaluations from trainees, news clipping, project website
No. of seminars & workshops addressing inclusive planning & budgeting exercises		
No. of advocacy, information & sensitization campaigns		
		December 2014 December 2015 December 2016
Activity Result 3 (Atlas Activity ID)		
TA & Procurement of equipment and software		Start Date: 10.2014 End Date: 12.2016
Purpose		Enhance integration and synergies in accounting and information systems to improve public finances management and auditing
Description		Procurement of equipment and technical assistance aiming to enhance the integration in accounting and information systems in public finances management and auditing
Quality Criteria <i>how/with what indicators the quality of the activity result will be measured?</i>		Quality Method <i>Means of verification. what method will be used to determine if quality criteria has been met?</i>
No. of experts and type of expertise recruited		Project reports and updates Project M&E reports SAI reports Field visits
No. of procurement plans and specifications available		
% of PFM information systems use in SAIs increased and improved		
Hardware and software procured, available and installed in the beneficiary countries' SAIs and relevant institutions		
		December 2014 December 2015 December 2016
Activity Result 4 (Atlas Activity ID)		
TA on accountability & financial reporting standards		Start Date: 07.2014 End Date: 12.2016
Purpose		Strengthen accountability and improve standards for financial reporting
Description		Provide technical assistance to PALOP-TL SAIs' aiming to strengthen accountability and to improve standards of financial reporting standards
Quality Criteria <i>how/with what indicators the quality of the activity result will be measured?</i>		Quality Method <i>Means of verification. what method will be used to determine if quality criteria has been met?</i>
No. of experts recruited in the field of public finances and management accountability and financial reporting		Project reports and updates Project M&E reports SAI reports PEFA indicators
No. of timely accessible and objective reports		
		December 2014 December 2015 December 2016

elaborated by the Court of Auditors	OBI index Media reports	
No. of timely accessible and objective reports elaborated by the Court of Auditors		
Comprehensiveness of SAIs' audit reports		
Availability, quality, access to updated information provided by SAIs websites and other social media mechanisms		
No., frequency, availability and regularity of CSO monitoring instruments on SAIs recommendations' implementation levels (reports and analysis documents)		
Activity Result 5 (Atlas Activity ID)		
South-south exchanges & peer learning on control of public finances	Start Date: 07.2014 End Date: 12.2016	
Purpose	Promote south-south exchanges and peer learning to strengthen PALOP-TL SAI, Parliaments and parliamentarians and CSO capacities for the control of public finances	
Description	Promote south-south exchanges and peer learning in the field of external control of Public Finances through workshops and conferences targeting PALOP-TL SAI, Parliaments and parliamentarians and CSO	
Quality Criteria <i>how/with what indicators the quality of the activity result will be measured?</i>	Quality Method <i>Means of verification. what method will be used to determine if quality criteria has been met?</i>	Date of Assessment <i>When will the assessment of quality be performed?</i>
1 platform for exchange of good practice between SAIs in the PALOP and TL created	Project reports and updates Project M&E reports SAI reports PEFA indicators OBI index	December 2014 December 2015 December 2016
1 cooperation agreement with the CPLP Organization of SAIs (O-SAI CPLP) established and available		
1 cooperation agreement with IGEF established and available		
No. of timely accessible and objective reports elaborated by the Court of Auditors		
No. of timely accessible and objective reports elaborated by the Court of Auditors		
Comprehensiveness of SAIs' audit reports		
Availability, quality, access to updated information provided by SAIs websites and other social media mechanisms		
No. of items translated and/or published		
Activity Result 6 (Atlas Activity ID)		
M&E of project results	Start Date: 04.2015 End Date: 12.2016	
Purpose	Enhance ownership of beneficiaries through lessons learnt and M&E exercises (according to UNDP procedures)	
Description	Carry out lessons Learnt exercises and M&E of project results (according to UNDP procedures)	
Quality Criteria <i>how/with what indicators the quality of the activity result will be measured?</i>	Quality Method <i>Means of verification. what method will be used to determine if quality criteria has been met?</i>	Date of Assessment <i>When will the assessment of quality be performed?</i>
No. M&E exercises	Project reports and updates Project M&E reports SAI reports	December 2015 December 2016
M&E recommendations		

OUTPUT 2: Parliaments and Civil Society oversight capacities over public finances are developed for an informed analysis in the PALOP and TL in a context of joint learning.		
Activity Result 7 (Atlas Activity ID)	State General Budget and SAI legal & institutional reforms	Start Date: 10.2014 End Date: 12.2016
Purpose	Parliament Capacity development for State General Budget and SAI legal & institutional reforms	
Description	Capacities of parliaments, parliamentarians and other relevant actors are developed through targeted support to adopt adequate methodologies in legal and institutional frameworks' reforms with particular focus on the review of laws regarding the State General Budget and CA	
Quality Criteria <i>how/with what indicators the quality of the activity result will be measured?</i>	Quality Method <i>Means of verification. what method will be used to determine if quality criteria has been met?</i>	Date of Assessment <i>When will the assessment of quality be performed?</i>
No. of Seminars & Workshops involving Parliament staff and MPs	Elaboration of Project M&E reports Analysis of training evaluations from trainees, news clipping, project website Parliament commissions reports PEFA indicators OBI index	December 2014 December 2015 December 2016
No. of Parliaments' staff and MPs in the PALOP and TL participating in peer reviews activities		
No. and quality of legal reforms carried out to enhance SAI's audit capacities and civil control of PFM.		
Activity Result 8 (Atlas Activity ID)	Advocacy and information campaigns on Public Finance Management (PFM)	Start Date: 07.2014 End Date: 12.2016
Purpose	Enhance awareness of general public and promote legal reforms on public accounts and transparency matters	
Description	Advocacy and information campaigns lead to legal reforms on public finance management systems, including on budgetary transparency with more fiscal and budgetary information available to the public	
Quality Criteria <i>how/with what indicators the quality of the activity result will be measured?</i>	Quality Method <i>Means of verification. what method will be used to determine if quality criteria has been met?</i>	Date of Assessment <i>When will the assessment of quality be performed?</i>
No. of Advocacy & Sensitization campaigns	Project reports and updates Project M&E reports PEFA indicators OBI index Parliament commissions reports CSO reports	December 2014 December 2015 December 2016
No. of CSO reports and analysis on State budgets, public accounts and expenditure reports		
No. of CSO's members participate in advocacy and information campaigns on budget transparency		
No. of recommendations of CSO reports on budgetary documents taken into account by Parliament commissions' hearing and reports, and by SAIs' reports/recommendations		
Existence and effectiveness of instruments allowing participation of civil society state budget formulation/approval (existence of citizens' budget initiatives and public/community based consultation mechanisms/ frequency and regularity of these instruments/number of measures corrected or introduced as result of these initiatives)		
Increased media coverage on budgetary issues in participating countries, including articles on budget accountability and Court of Auditors reports and recommendations		
No. of reports requested by Parliament in relation		

to the execution of the budget		
Activity Result 9 (Atlas Activity ID)		
Training and TA on accounts auditing & monitoring systems		Start Date: 07.2014 End Date: 12.2016
Purpose	Strengthen capacities of MPs and Parliament Commissions aiming at more in-depth and consistent state budget, public accounts and PFM analysis and review	
Description	MPs, Parliament Staff & specialized commissions capacities are strengthened for the analysis and review of public finances documents, draft laws and budgets through more efficient accounts auditing and monitoring systems	
Quality Criteria <i>how/with what indicators the quality of the activity result will be measured?</i>	Quality Method <i>Means of verification. what method will be used to determine if quality criteria has been met?</i>	Date of Assessment <i>When will the assessment of quality be performed?</i>
No. of hearings requested by the Parliaments in the PALOP and Timor-Leste	Project reports and updates Project M&E reports PEFA indicators OBI index Parliament commissions reports CSO reports	December 2014 December 2015 December 2016
No. of Parliaments' hearing sessions attended by the Court of Auditor in the PALOP-TL		
No. of reports requested by Parliament in relation to the execution of the budget		
Activity Result 10 (Atlas Activity ID)		
TA & Expertise for MPs Public Spending oversight		Start Date: 07.2014 End Date: 12.2016
Purpose	Increase quality and frequency of Parliament Public Spending oversight	
Description	Technical assistance and expert advice provided to national parliaments on public spending oversight through training, peer learning and expert advice.	
Quality Criteria <i>how/with what indicators the quality of the activity result will be measured?</i>	Quality Method <i>Means of verification. what method will be used to determine if quality criteria has been met?</i>	Date of Assessment <i>When will the assessment of quality be performed?</i>
No. of meetings, public hearing sessions and available reports from Parliamentary committees on public finances, accounts and expenditure in participating countries	Project reports and updates Project M&E reports SAI reports PEFA indicators OBI index	December 2014 December 2015 December 2016
No. of hearings requested by the Parliaments in the PALOP and Timor-Leste		
No. of Parliaments' hearing sessions attended by the Court of Auditor in the PALOP-TL		
No. of reports requested by Parliament in relation to the execution of the budget		
No. of Parliaments' staff and MPs in the PALOP and TL trained on relevant public finances oversight issue		
No. of Parliaments' staff and MPs in the PALOP and TL participating in peer reviews activities		
Existence and effectiveness of instruments allowing participation of civil society in parliament oversight of public finances, accounts and expenditure (role allocated to CSO and CBO in these hearing sessions/regularity and frequency of these public hearings/number of measures introduced as result of civil society contributions in such public hearing sessions)		

Activity Result 11 (Atlas Activity ID)	MPs and CS south-south exchanges and peer learning on external control of Public Finances	Start Date: 07.2014 End Date: 12.2016
Purpose	Promote south-south exchanges and enhance external control capacities of MPs and CSO	
Description	Training, workshops and study trips foster exchange experiences and good practices among PALOP-TL actors on control of public finances and contribute to established mechanisms at Parliaments and civil society of each country	
Quality Criteria <i>how/with what indicators the quality of the activity result will be measured?</i>	Quality Method <i>Means of verification. what method will be used to determine if quality criteria has been met?</i>	Date of Assessment <i>When will the assessment of quality be performed?</i>
No. of trainings (face2face & eLearning) and workshops	Project reports and updates Project M&E reports SAI reports PEFA indicators OBI index	December 2014 December 2015 December 2016
No. of study trips and peer learning initiatives (peer reviews)		
No. of items translated and/or published		
1 publication on public accountability mechanisms in the PALOP and TL issued		
1 Forum for the exchange of CSOs good practice on tracking public expenditures and reporting results in the PALOP and TL created		
Activity Result 12 (Atlas Activity ID)	CSO External control GRANT programme	Start Date: 07.2014 End Date: 12.2016
Purpose	Enhance CSO external control capacities and participation on PFM matters in the beneficiary country	
Description	Setup and deliver a Grant Programme targeting Civil Society Organizations to promote training programmes and policies/good practices in the field of budget control	
Quality Criteria <i>how/with what indicators the quality of the activity result will be measured?</i>	Quality Method <i>Means of verification. what method will be used to determine if quality criteria has been met?</i>	Date of Assessment <i>When will the assessment of quality be performed?</i>
7 signed grant agreements with NGOs (1 International and 6 with the PALOP and TL)	Project reports and updates Project M&E reports SAI reports	December 2014 December 2015 December 2016
No. of trainings (face2face & eLearning) and workshops		
No. of study trips and peer learning initiatives (peer reviews)		

OUTPUT 3: Project Management		
Activity Result 13 (Atlas Activity ID)	Project Management & Administration	Start Date: 01.2014 End Date: 12.2016
Purpose	Ensure project setup, daily management and follow-up.	
Description	Project operational start-up, development of ToR & recruitment of the PMU. Setup of project's managerial and financial tools and guidelines. Daily project management activities, including follow-up missions to beneficiary countries, Organize Project's steering committees.	
Quality Criteria <i>how/with what indicators the quality of the activity result will be measured?</i>	Quality Method <i>Means of verification. what method will be used to determine if quality criteria has been met?</i>	Date of Assessment <i>When will the assessment of quality be performed?</i>
No. of staff and personal/individual contractors recruited and available	Project interim and follow-up report Project M&E reports Project follow-up reports	December 2014 December 2015 December 2016
Annual Steering Committees organized		

successfully	Project steering committee reports	
Quarterly Country Committees organized successfully in each beneficiary country		
Project website and other relevant social networks available and active		
Project reports submitted and approved in due time		
Project delivery above 80%		
No. of follow-up country missions		
Project support and project assurance mechanisms identified		
Project operational guidelines approved and updated yearly		
Project M&E exercises are conducted in line with UNDP procedures		

Activity Result 14 (Atlas Activity ID)	Project Inception Phase	Start Date: 01.2014 End Date: 12.2016
Purpose	Develop annual work plans in a participatory manner to be approved in each country allowing to identify accurately the pivotal countries and triggers of a change dynamics supporting the project's sustainability strategy.	
Description	Carry out activities under project inception phase, including Preparation and agreement with all beneficiary countries stakeholders on the travel plan; Further update of institutional assessments; Revision/update of the project's exit strategy; Formulation approval of the project's risk & visibility plan; Formulation of project's M&E plan.	
Quality Criteria <i>how/with what indicators the quality of the activity result will be measured?</i>	Quality Method <i>Means of verification. what method will be used to determine if quality criteria has been met?</i>	Date of Assessment <i>When will the assessment of quality be performed?</i>
No. of country missions	Project interim and follow-up report Project M&E reports Project follow-up reports Project steering committee reports	December 2014
AWPs 2014-2016 developed and approved		
PMU and experts ToR developed		
Country indicators, baselines and annual targets identified		
Project operational guidelines developed		
Risk log completed with country information and mitigating measures identified		
PMU mission plan developed and agreed with beneficiaries, project support and project supplier		

OUTPUT 4: Project Visibility Plan		
Activity Result 15 (Atlas Activity ID)	Project Visibility & Communication	Start Date: 01.2014 End Date: 12.2016
Purpose	Ensure visibility of EU external actions in line with the best practices within EU-UNDP visibility guidelines, as well as a good communication among the project stakeholders.	
Description	Setup the project visibility and communication plan and guidelines. Conceive and launch the project social networks (website and Facebook). Carry out all visibility actions in the different beneficiary countries. Put together the project institutional memory, clipping and updates.	
Quality Criteria <i>how/with what indicators the quality of the activity result will be measured?</i>	Quality Method <i>Means of verification. what method will be used to determine if quality criteria has been met?</i>	Date of Assessment <i>When will the assessment of quality be performed?</i>

Project visibility plan and guidelines developed and approved	Project interim and follow-up report	December 2014 December 2015 December 2016
No. of visibility items produced	Project M&E reports	
Perception of the project visibility by the stakeholders is positive	Project follow-up reports	
No. of visibility actions carried out	Field visits Queries and interviews Project steering committee reports	

PRODOC (FINAL VERSION)

SECTION VI

6. LEGAL CONTEXT

This project document shall be the instrument referred to as such in Article 1 of the SBAA between the Government of Cape Verde and UNDP, signed on 31 January 1976.

Consistent with the Article III of the Standard Basic Assistance Agreement, the responsibility for the safety and security of the executing agency and its personnel and property, and of UNDP's property in the executing agency's custody, rests with the executing agency.

The executing agency shall:

- a) put in place an appropriate security plan and maintain the security plan, taking into account the security situation in the country where the project is being carried;
- b) assume all risks and liabilities related to the executing agency's security, and the full implementation of the security plan.

UNDP reserves the right to verify whether such a plan is in place, and to suggest modifications to the plan when necessary. Failure to maintain and implement an appropriate security plan as required hereunder shall be deemed a breach of this agreement.

The executing agency agrees to undertake all reasonable efforts to ensure that none of the UNDP funds received pursuant to the Project Document 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). The list can be accessed via <http://www.un.org/Docs/sc/committees/1267/1267ListEng.htm>. This provision must be included in all sub-contracts or sub-agreements entered into under this Project Document.

ANNEXES

Annex 1 – Terms of Reference: TOR for key project personnel

Annex 2 – EU-UNDP Contract’s Logical Framework and Budget

Annex 3 – Indicative operational timetable

Annex 4 – Programme Justification Note

Annex 5 – Country Assessment Fiches

Annex 6 – Country Query Forms

Annex 7 – Risk Analysis

Annex 8 – Capacity Assessment Fiches

PRODOC (FINAL VERSION)



Pro PALOP-TL SAI