EUROPEAN COMMISSION

STANDALONE PROJECT IDENTIFICATION FICHE (Guidelines to complete IF)

A – KEY DATA

1. CRIS number[1]	2009/21732
2. Title	Support to improvement in quality and proximity of Public Services of PALOP and Timor-Leste
3. Country (*or region*)	PALOP (Angola, Cape Verde, Guinea-Bissau, Mozambique and Sao Tome and Principe) and Timor-Leste.
4. Marker(s)	Communications
5. DAC code & sector	220 Communications
6. Total EU amount (*+ % of indicative programme*)	6,5 M€*(Angola 1,4; Cape Verde 0,2; Guinea-Bissau 0,6; Mozambique 3,7; Sao Tome and Principe 0,1; Timor-Leste 0,5. 0,8% of each IP).*
7. Programming Document	CSP/NIP of various PALOP countries (Cape Verde, Guinea Bissau, Angola, São Tomé $ Principe, Mozambique,) and *Timor-Leste*
8.Proposed Aid Modality	Centralized Indirect

B – PROVISIONAL TIMETABLE

1. Presentation of identification fiche at oQSG	12/12
2. Presentation of AF / TAPS at oQSG	06/13[2]
3. Launch of inter-service consultation	08/13
4. Presentation to MS Committee	09/13
5. Start date of project	03/14

Signed: (Head of Delegation or Head of Unit) **Date:**

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[1] The following data should be encoded in CRIS: CRIS project number, link with the focal sector of NIP/CSP, introduction of the relevant DAC codes, upload the identification fiche in CRIS. Please also ensure that the latest version is uploaded once approved.

[2] According to the Delegation in Mozambique it seems that in 2012 there are no funds available for the formulation phase.

[3] The key contributor is the person or organisation that has been instrumental in the identification process. This may be for example EC or Partner Government staff, other donor, non governmental organisation or a consultant.

I

1   Summary

The design of the project "Support to improvement in quality and proximity of Public Services of PALOP and Timor-Leste" falls under the Cooperation Initiative of African Countries of Portuguese as Official Language (PALOP) and Timor-Leste with the European Union, financed by funds from the 10th European Development Fund (EDF).

The choice of a cooperation project PALOP and Timor-Leste is justified by the strengthening of synergies in the promotion of South-South cooperation, based on a common linguistic identity and similarity of tradition and cooperation of the participant countries.

In June 2009, the European Union and the NAO of Cape Verde established that the implementation of the project would be performed by the Portuguese Cooperation Agency (Instituto de Cooperação e da Lingua, Instituto Camões - IC) through a delegation agreement in the form of indirect centralized management, taking into account the additional IC's financial contribution of EUR 1.3 million. The total funding sums up to EUR 7.8 million.

The project was validated by the NAOs and during the identification stage a preparatory study of feasibility was developed in contact with all cooperating partners, including missions in six countries, and common technical meetings between the PALOP, Timor-Leste and the European Union. The primary study outcome was the outline of the FIP, which was subsequently submitted by the Delegation of the European Union in Cape Verde to the Quality Support Group (QSG) of the European Commission. That FIP was not approved by QSP (March 2009).

Following a proposal from the NAO office in Cape Verde, in 2011 the focus of the project was narrowed down to the following: "**Support for the modernization of public administration through computerization of public services (e-governance)**". So a new identification phase started and a preparatory study was developed in contact with all cooperating partners, including on-site missions to three countries – Angola, Cape Verde and Sao Tome and Principe. The contact with Guinea-Bissau, Mozambique and Timor-Leste was established mainly through electronic correspondence and through conference calls. The on-site and overseas meetings happened over a period of 11 days between the months of June and July 2012. The meetings and contacts made during the preparatory study of feasibility were supported by the European Union, NAOs from PALOP/TL, IC and the Agency for Administrative Modernization - AMA (Portugal).

The expected results are: to strengthen key areas of technical management of all political and administrative levels of the participating countries; improvement of administrative transparency; improvement of Electronic Governance support; and promotion of direct cooperation between the participant countries. Thus, the project benefits are expected to go to citizens, public authorities, business organizations, civil society and institutions of the structure of the PALOP-TL.

2   Rationale

2.1   Sector context: Partner Government(s) policies and strategies

The cooperation strategy of the EU aims to eradicate poverty in the context of sustainable development. The project contributes to this and fits with the pillars of the EU strategy for Africa[5], as it supports the improvement of democratic governance and government efficiency in line with the principles of the Paris Declaration to aid effectiveness and harmonization of interventions.

Under the 10th EDF, the PALOP and Timor-Leste established their regional cooperation with the EU at a specific program that defines "Good Governance" as the focal area, aligned with the previous cooperation agreements of the PALOP countries. Underlying the program is the philosophy of integration based upon "strong shared cultural and linguistic identity, similar governance systems (including public administration, justice, public finances management and social services) as well as a long tradition of cooperation, contact and interexchange".

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[4] Please provide the references for all statistical data provided in the IF

[5] The pillars of the strategy for Africa set by the European Council in December 2005 are: (i) promoting peace, security and good governance as central requirements for sustainable development, (ii) support to regional integration, trade and interconnectivity to promote economic development and (iii) improved access to basic social services (health, education) and environmental protection to achieve the MDGs more rapidly.

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In this sense, the present project proposal of "Support to modernization of the public administration through computerization of public services (Electronic Governance)" converges with the politics and the program framework of the EU regarding the cooperation with the PALOP countries and Timor-Leste (PALOP/TL).

2.2 Problem Analysis

In the context of improvement of public services' automation, the citizens expect to receive services designed around their necessities. In the PALOP/TL countries, the subject of Electronic Governance (e-governance) should be understood as an engine to pull regional integration as a path to strengthen their national and regional institutions. Under the e-governance, the priority landmarks are: better access to the public sector information, a more active participation of citizens and businesses in the process of political decisions through new available technologies and improvement of ICT infrastructure. In some of the PALOP/TL countries, the theme of e-governance is dealt with partially and within specific areas only. These results in isolated and uncoordinated actions developed. The identification identifies and points out some causes for the diagnosed situation:

- Lack of understanding of e-governance as a development strategy to establish regional and national policies. In some countries, this lack of understanding of the potential of e-governance leads to a non-articulated and fragmented vision.

- Asymmetries between the PALOP/TL countries in terms of regulation, infrastructure, interoperability and levels of development and application of ICT. All these factors conspire against the development of common ventures such as horizontal cooperation programs, sharing of know-how, system integration, interoperability, and technology transference, among others. Some countries succeed in implementing e-governance tools, but aspects such as knowledge, infrastructure and employment of technological tools are not shared with other countries, although there is a potential to promote economic integration, development, social inclusion and fight against poverty and marginalization of the regions.

- Insufficient number of qualified personnel in ICT, especially in e-governance management. This results in deficient public administration and prevents PALOP/TL countries to respond adequately to the demand for accelerated growth and socio-economic development triggered by the globalized information society. In addition, the public administrations in PALOP/TL countries suffer from difficulties of retaining qualified personnel, since in many cases the private sector is able to provide better working conditions.

- Lack of coordination between the several national/sector policies hinders the alignment between the diversity of levels and sectors. That leads to duplication of interventions and inappropriate allocation and utilization of resources.

- Lack of capacity and willingness of the public sector to implement the ICTs as a way to improve knowledge and access to information and services to the citizens. Weaknesses can be observed especially in the following areas: quality and extension of online services, development of telecommunication infrastructure and qualification of human resources.

- Lack of public access to the Internet due to economic disparities, inconsistent government policies and data and telecommunication infrastructure.

- Lack of transparency in governmental activities and limited access to public sector information which has a direct impact on the identification of problems and in the perception of the level of corruption.

- Limited technical capacity for developing and integrating information systems.

2.3 Lessons learned

The option of a regional project is justified by the aggregated value of the synergy between the participant countries in terms of promotion of a south-south cooperation based on a linguistic identity, accumulated experiences, tradition of contact and partnership, and similar governance systems. Even if the regional PALOP/TL framework usually tends to have high management costs and weak coordination, a regional project potentially may have more impact than a national one. Particular attention must be paid to long-term sustainability of the project, especially regarding the transfer and appropriation on knowledge. Permanent investments in training and professional qualification of personnel are indispensable to achieve project feasibility in the medium and long term. In this sense, promotion of interexchange and joint training may be particularly useful.

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2.4 Complementary actions

Complementary actions is likely to be taken by the CPLP - Community of Portuguese Speaking Countries, with the goal of identifying adequate e-governance practices, to promote exchange of ICT political and regulatory entities, procedures and standards, interconnection and interoperability of networks and synergy with similar projects within international organizations such as UNDP - United Nations Development Programme, which has extensive experience in managing international projects, and the ITU - International Telecommunication Union. Complementarities between projects should be aimed for, including the possibility of additional resources. In this respect, trilateral cooperation with Brazil may be an option. The formulation phase will need to look more into this and ensure avoidance of duplication

2.5 Stakeholders analysis

The project is expected to intervene in technical strengthening of key areas of public management including the various political and administrative levels of the participating countries. Target groups that will benefit from the project are mainly the identified government institutions (Institutional Focal Points) in each of the countries: Angola: Centro Nacional das Tecnologias de Informação (CNTI); Sao Tome and Principe: Instituto de Inovação e Conhecimento em (INIC); Cape Verde: Núcleo Operacional da Sociedade de Informação (NOSi); Guinea-Bissau: Direção Coordenadora dos Serviços de Informática (DCSI)[6]; Mozambique: Instituto Nacional de Tecnologias de Informação e Comunicação (INTIC); Timor-Leste: Ministério da Administração Estatal e Ordenamento do Território.

All of the groups involved in the project may benefit from mutual sharing knowledge and experiences. The proposal is to strengthen regional cooperation by allowing the different institutions to address joint problems and solutions and learn from each other's experiences and capacities. It is expected that the technical departments of the participant countries will engage and support the project, since themes like digitalization of public services and e-governance are present in each national strategy and bilateral programs These institutions shall also provide ownership and by all beneficiaries and for ensure multiplier effects at inter-institutional level and at other national levels to all other beneficiaries (e.g. private sector).

A preliminary analysis reveals that those institutions count with institutional capacity and expertise to participate in the project with competence and could be responsible for long-term sustainability of the venture. The institutional and financial capacity of the countries' focal points will be checked more in depth during the formulation phase.

The local institutions will likely be also supported by the CPLP - Community of Portuguese Speaking Countries, as an institution. Other potential partners would be UNDP and ITU. During the formulation phase a more detailed diagnosis of the e-governance complementary initiatives on a country-basis will be undertaken, in order to avoid duplication with other donors' initiatives (e.g. the UNDP project in STP for computerised Registry and Notary).

2.6 Risks and assumptions

The project has the following assumptions:
The national governments involved in the project support the modernization of the public administration through digitalization of public services – e-governance – in the areas chosen as priority axis of intervention:

- Priorities identified by each participant country;
- Strengthening of national institutions in terms of infrastructure, personnel and the actual improvement of the public services and its proximity with the citizens;
- Development of strategic planning and management of government infrastructure to support public services;
- Improvements of electronic platforms of governance, such as support for data integration and systems;
- Implementation of integrated services to citizens and businesses;
- Definition of government policies and projects of digital inclusion, citizen participation and legislation.

Additional risks:

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[6] Due to recent developments, the effective availability of a focal institution in Guinea-Bissau is unknown. This element needs to be assessed once the circumstances for the participation of the country in the programme will allow.

- The geographical dispersion may be a constraint due to slow processes of communication and may result in loss of time, and potentially high travel costs. Risk must be accepted.
- Questions of political instability in some countries may lead to problems of management, participation and continuity of the project within the country or even within the PALOP countries. Risk must be accepted but Delegations work to minimize political risks.
- The fact that all the six beneficiary countries are at different stages of implementation and development of activities, processes and services of Electronic Governance. Risk must be accepted but can be countered by more individualized approach of variable geometry.
- Risk of ending up with six different national projects, with a weak global cohesion and coherence. Risk must be minimized by encouraging synergies, opportunities for economies of scale, having a common core of activities and strengthening overall coordination.
- Possibility of poor coordination among the partners and managers, including governmental structures. Project management structures will try to minimize the risk.
- Risk that the focal points do not take responsibility for the management and activities of the project. Risk to be accepted and if materializes, focal points may have to be reassigned.
- Technology gap between countries could impact the different levels of ownership in relation to the acquisition of new technologies. Risk must be accepted but can be countered by variable geometry approach.
- Risk of dispersion of funds due to high logistic costs (airline tickets, per diem and accommodation) that would easily lead to a lack of efficiency and effectiveness. Risk will be minimized by encouraging the use of ICT tools for communication.

Preconditions: The implementation of the project should be preceded by the realisation of the following preconditions:

- Appointment of Steering Committee and Technical Coordinating Committee; indication of National Focal Points; formalization of participation from other agencies / partners of the project.

3   Description

3.1   Objectives and expected results

OVERALL OBJECTIVE: *"To support the modernization of Local Central Government making it more effective and faster, closer to and more citizen-centred, and a facilitator of good governance".*

SPECIFIC OBJECTIVE: *"Support for the modernization of public administration through computerization of public services (e-governance)".*

Expected RESULTS:
Development of activities in areas defined as national and PALOP priorities in the context of Electronic Governance resulting in fostering cooperation among countries. Results improved government transparency, improved public services focused on civil societies, companies and, ultimately, improved services offered to citizens.

Component 1 - **National Priorities** - support the activities identified by the focal points of each country and defined by national ICT policy in relation to the theme of Electronic Governance.
Component 2 - **Transversal Cooperation among Countries** - support the activities of Electronic Governance common within the PALOP / TL as transfer of technology, know-how, legislation, infrastructure, training capacity building, and the promotion of South-South programme cooperation.

Activities
The following list of activities is indicative only and needs to be validated in the formulation phase and be checked against the budget:

| Component 1 – **National Priorities** | **Angola**
• Training and capacity building of technical staff in the domain of ICT and Audits;
• Data centre management;
• Consultancy for interoperability and integration of database and systems;
• Development of standards and procedures, regulations and internal processes in the |

	area of e-governance; • Information security – best practices.
	Cape Verde Support NOSi under the government project "Program Changing to Compete", with the following specific objectives in the area of e-governance: • Rationalization of Structures; • Simplification and Modernization of Public Administration; • Improvement of Business Environment.
	Guinea-Bissau • Support the Management of Government Information Network. • Integrated Information Systems. • Computerized Civil Registration.[7] • Issue and validation of the validity of the Identity Card and/or Voter's Card[8]. • Payment of traffic violations and vehicle licensing. • Government Electronic Data Network - implementation of national infrastructure and content production; interconnection between Ministries (implying the supply of relevant hardware and software).
	Mozambique • Establishment of Software Factory to support the Electronic Government of Mozambique; • Developing management systems for public services in health, transport, justice, social security and others. • Strategic Plan and Action Plan for Electronic Governance; support the Governmental Network Management / Government Portal / Ministries, Departments and public bodies; information services to citizens through SMS and mobile services.
	Sao Tome & Prince • Implementation of Government data network infrastructure; • Implementation of telecenters; • Support and improvement for computerised Registry and Notary • Regional Agreement for the acquisition of hardware and software (use licenses with Microsoft) with the aim of reducing the cost of products; • Awareness of managers of public administration in relation to Electronic Governance.
	Timor-Leste - Due to the recent electoral process, authorities contacted were unable to identify and define the activities for the project. Priorities will be identified and defined during the formulation phase.
Component – **Transversal Cooperation**	All countries have expressed the need for technical support and professional training. The following transversal activities were identified: 1. Interexchange and study visits and study visits, seminars and workshops; training "on the job". 2. Supporting the development and participation of certification programs and international standardization such as PMI, COBIT, ISO / IEC 20000, ITL, among others. 3. Vocational and technical training / ICT Governance / Strategic Management for IT technicians and workshops for executives of government; 4. Systematization of national and international best practices in managing technology infrastructure, including data centre management. 5. Information Security, auditing, business continuity plans and disaster recovery. 6. Regional Development Portal / Knowledgebase with best practices in Electronic Governance and ICT legislation. 7. Support the process of digital inclusion and citizen participation. Support, identifying and

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[7] Activities that might overlap with other initiatives and might require a far-reaching field presence.

[8] Idem.

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| | developing technical and regulatory policies, confidentiality and data protection. |
| | 8. Legal or Regulatory Auditing, adherence to local and international regulations. |

The project, within the available time and resources provided, should address some of the main themes that emerged in consultations with partners throughout the mission that can be retained as common to all countries. Most likely a concentration of activities may be necessary but each country should at least have one national activity and there should be at least three common PALOP/TL activities In relation to the element modernization and computerization of public services, there will be support of national institutions responsible for defining ICT strategies, management of e-governance and the provision of integrated public services (such as the "Casa do Cidadão", "Balcão Único, or the Citizen and Business Portal). In parallel, mechanisms of interconnection between different countries may be studied and supported to facilitate relations between Diasporas and their countries of origin.

There should be the inclusion of an "Inception phase" in order to define adequately the priority actions of the project that will be the basis for the validation of cost and budget. This inception phase should include the following:

- o Measures to ensure participation of appropriate internal (and timely) of national and international experts in these activities.
- o Preparation, approval and implementation of the deadlines as established in the Action Plan.

3.2   Strategic analysis

The proposed project seeks to strengthen the institutions mentioned from the point of view of training structures (organizational and media); people (technical, relational and management skills) and infrastructure (hardware) delivery in order to achieve performance improvement of public services and its proximity with citizens. The development of an information society in the context of Electronic Governance is a tool for social and economic integration of PALOP / TL. The strategy is to promote the cooperation and experiences of the horizontal block through a series of joint training activities, study and research and development to achieve a common platform based on the understanding and treatment of e-governance.

Other relevant points are the priorities identified by each country providing the capitalization of its multilateral dimension so that each country may benefit from existing experience of their counterparts in the areas concerned. Thus, the use of existing synergy between activities and national and regional actions would enhance more value; this added value is a fundamental part of the project strategy.

Among the various possibilities of actions already identified two main elements of activity have been identified: National Priority and Transversal Cooperation among Countries.

The project benefits from the institutional cooperation of Portugal, mainly through the actions of its technical partner, the Agency for Administrative Modernization – AMA. The Instituto Camões has offered to be a co-financer of the project and a strategic organizer within the planned activities. The theme of Electronic Governance is inserted in the policy management of information technology and communication of the six countries in area and government institutions already established. The areas of support and performance of Electronic Governance are key strategies of the governments of PALOP and Timor-Leste and defined the priority intervention (Strategies for Poverty Reduction and Economic Growth, National Infrastructure Plan, National Development Plans, Strategies Sectorial Policies and others). So across all countries, Electronic Governance is considered critical to supporting sustainable development.

The situations, needs and constraints within the group of six participating countries are different, but it was found throughout the mission that some convergent processes in support of Electronic Governance projects (mainly in the implementation of laws and setting-up of institutions) are underway in all countries and that there is political commitment.

Crosscutting issues

The impact on cross-cutting issues may be summarized as follows:

Governance: The impact is direct, because the objectives set and activities planned are expected to improve governance through enhanced transparency and reduced corruption. In addition, the project aims at enhancing capacity and speed of public services. Training of specialists in ICT is also a strategy to disseminate knowledge for the development of information society.

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Gender: The project does not seek a specific gender component. However, during the implementation phase of the project, it will be necessary to ensure equal opportunities in the selection of experts and beneficiaries. The conditions for gender equity should be encouraged even if gender will not be used "per se" as a parameter because the selection of experts should be based mainly on technical expertise.

Environmental Impact: The project will not have a major environmental impact; it should take in consideration the use of environmental friendly energy saving technologies and equipment through integrating these criteria in procurement decisions. The e-governance project may have an indirect positive environment impact by enabling people to avoid travel, thus reducing the overall carbon output).

3.3 Sustainability

There are good chances for creation of conditions for sustainability as the project objectives support training institutions and human resources development. . During the identification phase it was noted that national authorities have adequate technical know-how to carry out the planned activities[9] and thus assimilate and incorporate the gains offered by the project. In some cases, the project will support the completion of the infrastructure available to reduce asymmetries between countries and thus ensure the effective participation of six countries.

The use of compatible technologies and integrated solutions between institutions, work processes and proximity between administration and citizens may not necessarily require additional resources from complex and expensive systems.

Project management needs to ensure that the maintenance of the technological platform, of requirements, and upgrade hardware and software (system and applications) are made through formal agreements for long-term, creating the possibility of financial sustainability. Regarding institutional sustainability, the project supports the development of key institutions. However, participating countries will need to provide the financial means to keep these institutions alive. The project cannot guarantee this and therefore risks for sustainability will have to be accepted.

3.4 Method of implementation

The *Support to improvement in quality and proximity of Public Services* Project will be based in Cape Verde, from where the other participant countries will be coordinated.

Management Model: There are three options that could be used: **indirect centralized management joint management with an international organization and** trilateral cooperation with Brazil. In this sense, an indirect centralized management, a body entrusted with the cooperation of a Member State, (Instituto Camoes. IC) or the joint management with an international organization or Trilateral Cooperation with Brazil may represent appropriate solutions, provided that the following conditions are met: to create mechanisms to ensure local ownership; to have representation in all six countries; and to bring together sufficient expertise and technical and management skills to implement the project.

The indirect centralized management enables the application of coordinated procedures between regional activities and focal points through their local representatives. This model helps to mobilize the various technical skills in the country of origin and leverage co-financing (1.3 MIO EUR promised by Portugal). The model exploits synergies, since there are already mechanisms for cooperation and coordination in the bilateral contexts between the partners and beneficiaries of the project that can be strengthened. It may also have some advantages in terms of logistics, management, monitoring and operational decisions to be taken faster and more agile. However, this model runs the risk of loss of visibility by the -EU as the project could be seen as a bilateral one.

The IC meets the requirements for adoption of indirect centralized management model, because it has experience in managing projects of this nature. The IC under its previous form, IPAD, has performed delegated cooperation projects in Mozambique (1 project) and Timor-Leste (3 projects). The agency also had an active role of collaboration in the fields of Public Administration in PALOP/TL. Portuguese-speaking technical expertise may be facilitated as Portugal has experience in the fields of e-governance. Most importantly, IC has committed to contribute 1.3 MIO EUR to the project and has participated in the identification of this project.

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[9] In the special case of Guinea-Bissau, the possession by national authorities of adequate technical know-how appears at least partly to be unconfirmed.

The Delegation has also looked at trilateral cooperation with Brazil which has shown some interest and has relevant expertise but there is no full commitment yet. There would also be procedural issues in terms of trilateral cooperation. The IC and DUE Guinea-Bissau believe that trilateral cooperation with Brazil would neither be necessary nor represent a feasible approach for project implementation.

Implementation with an IO has not been further considered as it is felt that IOS do not have a comparative advantage in the field of ITC. The Delegation is also already pursuing the formulation of a programme with the UN and in terms of risk diversification it would not seem appropriate to work with them.

In view of the co financing and technical expertise of IC/AMA the Delegation favours the option that best fit the results of the project management and coordination typology suggested is the **centralized indirect**. It is therefore recommended the adoption of indirect centralized model as the preferred option and trilateral cooperation with Brazil as an alternative. This issue should however be discussed in the QSG.

A high-level coordination should be guaranteed by the NAO (directly and through its Offices / Services) of the six countries. Cape Verde will coordinate the Steering Committee.

The project will be managed by the Instituto Camoes. It needs to have a technical coordination team supported by a Chief Technical Advisor, an administrative assistant and a fund manager / accountant that should ideally be located with NOSI in Cape Verde. It is also necessary to have in each country, institutional focal points, with administrative and technical assets, that will liaise with national partners and other institutions involved in the project (Ministries, Directions, Autarchies and Local Authorities). This team will take on the role of permanent technical assistance and overall project coordination, monitor the implementation of activities, define action plans and ensure timely mobilization of technical assistance.

The **Technical Assistance**, should be planned both as short and long term.

Monitoring and Evaluation: a system based on new technologies prepared by a team of technical assistance in support of local and technical focal points is envisaged. This system should allow for the monitoring of administrative and technical criteria of pertinence, efficiency, effectiveness and sustainability and provide evidence for follow-up to the higher levels of supervision / coordination.

Communication and Visibility activities (internal and external) will be carried out by the project team and by the national focal points**:** The exchange of information and experience among beneficiaries would represent an important aspect, which could be fostered through a dedicated IT portal. The inception phase will ensure the formulation of the project Communication and Visibility Plan.

Budget:

The Action Plan will detail the allocation of resources by activities, by country, within the proposed time period of three years of the project. It also will consider other interventions, programs of other donors and the budget of the national institutions identified in this study. The assumption of this budget is that there would be cofinancing from Portugal, otherwise the budget would have to be reduced to 6.5 Mio EUR. The overall amount available could be indicatively allocated as follows:

Items	Value (x1.000€)
Services (studies and technical assistance)	1.200
Activities	3.000
Goods and supplies	2.000
Operating costs	700
Visibility	300
Reviews and audits	250
Contingency (roughly 5%)	350
Total	**7.800**

4   Next Steps

The major issue for the formulation phase is the current lack of funding as funds from the PALOP technical cooperation facility are nearly exhausted. Currently, the Delegation to Mozambique and Cape Verde are looking into this issue with HQ. It seems that funding will only be available in 2013. If the QSG decides to go for the option with IC, they should be associated to the formulation phase. During the formulation stage, to be completed sometime in 2013, some issues should be further developed and validated[10], in particular as follows:

Activity
Detailing of financial contributions from beneficiaries.
Defining and detailing the model and mechanisms for coordination and overall management of projects PALOP + TL / IC/ EU and its implications.
Checking the availability of partner institutions to undertake the role of institutional focal points and tasks. Defining technical focal points.
More detailed definition of strategy Communication & Visibility.
Inception phase-start the project and its Steering Committee meeting. Presentation activities already identified, including diagnosis and implementation methodology and their timescale.
Action Plan
Reviewing costs and budgeting of expenditure detailed in an organic and functional perspective.

5. Questions to be answered at the oQSG

- Discuss the issue of whether poverty reduction should be a focus of the project or no;

-Discuss on how best to combine national activities with PALOP activities in the framework of the project.

- Discuss implementation options;

- Discuss options for funding of the formulation phase;

- Discuss the issue of participation of Guinea-Bissau to the formulation phase regarding to the current political situation.

6. Documents to Submit to oQSG1

Does not apply.

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[10] The involvement of Guinea-Bissau in the planned validation activities might only take place once the circumstances will allow.