

	Migration @ (methodology for tagging under development)	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	Reduction of Inequalities @ (methodology for marker and tagging under development)	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
	Covid-19	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
BUDGET INFORMATION				
12. Amounts concerned	Budget line(s) (article, item): BGUE-B2022-14.020132-C1-INTPA  Total estimated cost: EUR 7 000 000  Total amount of EU budget contribution EUR 7 000 000			
MANAGEMENT AND IMPLEMENTATION				
13. Type of financing	The Action will be implemented in: 1. <b>Direct management</b> through procurement. 2. <b>Indirect Management</b> with an entrusted entity			

## 1.2 Summary of the Action

Transparent and accountable governance, the rule of law and gender equality are core EU values, key elements of the EU's global strategy and essential for a democratic, thriving and peaceful society. Poor governance is PNG's main obstacle to translate its immense natural wealth into sustainable development outcomes and to achieve its national development objectives. By reinforcing the EU's existing governance support in PNG and in line with MIP Priority Area 3 "Transparent and Accountable Governance", this action will contribute to the Overall Objective of improved management of public resources, better service delivery and reduced poverty, through (a) improved public financial management (PFM) (pillar 1) and (b) enhanced integrity, transparency and accountability (ITA) systems and practices (pillar 2), at national and pilot subnational levels. Through support to mandated institutions based on existing policies, involving multi-stakeholder platforms and enhanced use of digital tools, the action will anchor institutional capacities, policy enforcement and increased demand for transparency and accountability by the population in the anti-corruption space.

Building on PNG's PFM diagnostic and analysis (PEFA) and policy instruments (PFM reform roadmaps), and aligned with ongoing external support by various development partners in coordination with the EU, pillar 1 of the action focuses on strengthening PNG's public sector audit function. Pillar 2 focuses on integrity, transparency and accountability (ITA) mechanisms and practices, embedded in PNG's policies to enhance the fight against corruption, notably the creation of the Independent Commission Against Corruption (ICAC), the whistle-blower legislation and the adoption of the National Anti-Corruption Plan of Action (NACPA) 2020-25. PNG is signatory to the UN Convention Against Corruption and was evaluated in May 2022 for the Second Round of the Implementation Review cycle. The EU is the PNG's lead partner in promoting ITA, notably through the 11<sup>th</sup> EDF EU-PNG Partnership for Good Governance Budget Support. The implementation of reforms resulted in an improvement of PNG's ranking in the Transparency International Corruption Perception score in 2021 from 142 to 128, but much more needs to be done to ensure that PNG's wealth is translated into inclusive development outcomes for all. Sustaining PNG's current anti-corruption drive against deeply entrenched vested interests requires continued efforts. Issues related to governance in the environmental sector will be taken into account.

While focussing mostly on supporting mandated state institutions, the action will also provide critical and targeted complementary support to the bottom up demand side of integrity and accountability, and will contribute to the progressive achievement of SDG Goal 16: "promoting peaceful and inclusive societies for sustainable development and providing access to justice for all and build effective, accountable and inclusive institutions at all levels", and SDG 5 "Gender Equality", and to the implementation of the UN Convention Against Corruption, notably Chapter 2. Complementarities exist with the other actions of AAP 2022, notably under priority area 1. The action