

	digital connectivity energy transport health education and research	YES <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>	NO <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>	
	Migration @	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	Reduction of inequalities @	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
	Covid-19	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
BUDGET INFORMATION				
12. Amounts concerned	Budget line: 14.020120 Total estimated cost: EUR 21 000 000 Total amount of EU budget contribution EUR 21 000 000			
MANAGEMENT AND IMPLEMENTATION				
13. Type of financing	Indirect management with the entity to be selected in accordance with the criteria set out in section 4.4.1.			

1.2 Summary of the Action

In a context of political instability and institutional fragility, economic development potential of Guinea-Bissau is hindered by several multidimensional and interrelated challenges. Despite its richness in natural resources, the country's economy is highly dependent on subsistence agriculture, cashew nut exports and foreign assistance. The weak policy and regulatory framework is among the major factors in preventing private sector investment and growth because of its dispersion.

An unattractive business environment impedes the emergence of local initiatives which remain relegated to the informal economy. Access to finance is a major constraint, which limits MSMEs' capacity to expand and invest. Given the food security and food sovereignty challenges, it is critical to increase the added value of the cashew nuts value chain and diversify the economy through the promotion of other sustainable food value chains, notably of rice, tropical fruits and plants and fisheries. The weakness of the food value chains is structural, encompasses all levels and manifests itself in the absence of a vision and effective sector policies, the lack of structuring interventions, the fragility of public support bodies and the insufficient access to processing and marketing services. Climate change also has a strong effect on the viability and sustainability of value-chains.

Research is not sufficiently supported by the public sector limiting the development of MSMEs. The food safety quality assurance system in Guinea-Bissau is fragile and embryonic. The accreditation of a national laboratory for quality control and introduction of a regulatory framework for food safety system is therefore essential. Technical skills at the various segments of the food value chains are also lagging behind. Specific support for the creation/expansion of MSMEs, including through incubators, access to financing mechanisms and digitalisation opportunities, is also very much needed.

In this context, the action intends to promote sustainable economic growth and decent green and blue jobs creation, while paying attention to the climate change adaptation and mitigation challenges by: i) adopting circular economy principles, ii) alignment to the farm-to-fork strategy², and iii) paying attention to biodiversity. The specific objectives, aim to: i) improve an enabling environment for the development of inclusive sustainable and resilient food value chains, ii) improve efficiency, climate resilience, inclusiveness and sustainability of selected agriculture and fisheries value chains, namely cashew nuts, fisheries, rice and a choice of tropical fruits and plants and iii)

² Farm to Fork Strategy, For a fair, healthy and environmentally-friendly food system, European Commission, https://food.ec.europa.eu/system/files/2020-05/f2f_action-plan_2020_strategy-info_en.pdf.