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Guinea-Bissau

Private Sector Support Programme: Assessment of the use of EU External Investment Plan (EIP); Agriculture Value Chains, SMEs Access to Finance, Energy, fisheries

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About the TPSD/E Facility

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Disclaimer

This report was drawn up by Yves Speeckaert, an expert deployed by the TPSD Facility at the request of the European Union Delegation in Guinea-Bissau. The contents of this publication do not necessarily reflect the official position or opinion of the European Commission. The European Commission, or any other person acting on behalf of the Commission, may not be held liable for the use which might be made of the information contained in this report.

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ACRONYMS AND ABBREVIATIONS – GUINEA-BISSAU

ACIS Association of Commerce, Industry and Services
ADB African Development Bank
ADRA Action for Rural and Environmental Development
ADS Associação para o desenvolvimento sustentavel
ADI Associação para o Desenvolvimento Integrado
ADPP Associação de Desenvolvimento Povo para o Povo Guine-B
AEP Associação Empresarios Portugueses
AFD French Development Agency
AFDB African Development Bank
AICEP Agencia Comercio Externo de Portugal
AIPO African Intellectual Property Organisation
AIFA/PALOP Associaçao de Investigadores e Formacao Orientada para a Açao nos Paises Africanos de Lingua Oficial portuguesa
AJEGB Associação de Apoio a Jovens da Guiné Bissau
AIBG Associação Industrial Guiné-Bissau
AIE Associação Importadores e Exportadore
AJOPCIF Associação de Jovens profissionais do CIFAP
AMPE Associação Pequenas e Medias Empresas
ANAPA Associação Nacional dos Armadores de Pesca Artesanal da Guine Bissau
ANAG Agência Nacional dos Agricultores Guineenses
ANAJOSA Associação Nacional Jovens Segurança Alimentar
ANCA Agencia Nacional do Caju
ANEP Associação Nacional das Empresas de Pesca
ANI_GB Agência Nacional dos Intermed iários (ANI-GB)
APEI Accelerated Program for Economic Integration
APIEX Agency of Private Investment and Export Promotion
APROMODAC Associação para a Promoçao e Formaçao Desenvolvimento das Acoes Comunitarias
ATMAN Assistência Técnica para a Melhoria do Ambiente de Negócios
AuM Assets under Management (for Investment Funds)
BA Banque Atlantique
BAD Banco Africano de Desenvolvimento
BAO Banco Africa Ocidental
BCEAO Banco Central dos Estados da África Ocidental
BIC – GB Business Inclusion Center
CCEAs EU Business Platforms initiative
CCGB Camara de Comercio de Guine Bissau
CCIAS Câmara de Comércio, Indústria, Agricultura e serviços
CEDEAO Comunidade Económica dos Estados da África Ocidental
CIFAP Bissau Centro de Instrução Formação Artesanal e Profissional
CCIAS Câmara de Comercio Industria Agricultura e Serviços
CNC Comissao Nacional do Caju
CPLP Plataforma de mulheres empresárias/ Federação Empresárias
CWAS Central Bank of West Africa States
DEVCO General Directorate for International Cooperation and Development
EBITDA Earning Before Interest, Taxes, Depreciation and Amortization
EBO European Business Organisation
EBOWWN European Business Organization Worldwide Network
EC European Commission
ECOWAS Regional Electricity Access Project

EDC	Enterprise Development Centre
EDF	European Development Fund
EFSD	European Fund for Sustainable Development
EIB	European Investment Bank
EIP	External Investment Plan
ENDE	National Development Strategy
EPA	Economic Partnership Agreements
EU	European Union
EUBG	EU Business Groups
EUCC	European Chamber of Commerce
EUD	European Union Delegation
EWESUP	Emergency Water And Electricity Services Upgrading Project
FAO	Organização das Nações Unidas para Agricultura e Alimentação
FPSAD	Framework Programme for the Support of Agricultural Diversification
FUNDEI	Foundation for Industrial Development/Fundação Guineense para o Desenvolvimento Empresarial Industrial
GDP	Gross Domestic Product
GNP	Gross National Product
GTNIP	Technical Group for the Negotiation and Implementation of Commercial Exch. Of SADC
IBAP	Institute of Biodiversity and Protected Areas
ICP	Industrial and Commercial Profit
ICT	Information and Communication Technologies
IDA	International Development Association
IFC	International Finance Company
IFI	International Finance Institutions
INPA	Instituto Nacional de Pesquisa Agraria
IP_OMVG	Interconnection project OMVG (regional project)
IPO	Initial Public offering
IPT	Instituto de Pesquisas Tecnologicas
JEDEL-GB	Jovens Empreendedores para o Desenvolvimento Local da Guiné Bissau
LDC	Less Developed Country
MASA	Ministry of Agriculture and Food Securities
MCA	Millennium Challenge Account
MCC	Millennium Challenge Corporation
MEF	Ministry of Economy and Finance
MFE	Microfinance Establishment
MFSP	Meso-finance Support Project
MIC	Ministry of Trade and Industry
MiT	Ministry of Tourism
MSME	Micro Small and Medium-Sized Enterprise
NAC	Nova Africa Center
NICT	New Information and Communication Technologies
NIP	National Indicative Programme
NPL	Non-Performing Loan Rate
OAPI	Organisaçao Africana de Propriedade Intelectual
OHADA	Organisation for the Harmonisation of Business Law in Africa
OIF	Organization Internationale de la Francophonie
PE	Private Equity
PPA	Power Purchasing Agreement
PPD	Public-Private Dialogue
PPP	Public Private Partnership
PROLER	Project to Promote Auctions for Renewable Energies
PRSPDA	Private Sector Rehabilitation & Agribusiness Development Project
PSDSP	Private Sector Development Support Programme
PSQUAO	Programme Systèmes Qualité Afrique de l'Ouest

RES	Renewable Energy Sources
RIP	Regional Indicative Programme
RTP	Rural transport project
SB4A	Sustainable Business for Africa
SE4All	Sustainable Energy for All
SME	Small and Medium-Sized Enterprises
SWAIMS	Support to West Africa Gulf of Guinea Integrated Maritime Security
TA	Tourism Association
TPSD/E	Trade and Private Sector Development and Engagement
UEMOA	União Econômica e Monetária do Oeste Africano
UNDP	United Nations Development Programme
VC	Venture Capital
WAPIS 3	West Africa Police Information System Phase 3
WARCIP	West Africa Regional Communications Infrastructure Project
WBG	World Bank Group

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EXECUTIVE SUMMARY - PRIVATE SECTOR SUPPORT

Background and Objectives

The EIP has been designed as an investment and Technical Assistance instrument to directly or indirectly support private sector growth and job creation in economically viable and sustainable industry, services and agricultural segments. This report aims at proposing a number of infrastructure related and also direct private sector support initiatives and opportunities for consideration under the EIP facility of the European Union in Guinea-Bissau (GB).

According to the Terms of Reference (ToR), the European Union's Delegation (EUD) seeks the services of the TPSD Facility to carry out field research on Pillar 1 of the EIP (operationalization of the EFSD guarantee and investment facilities) and Pillar 3 (mapping of local and European private sectors in key sectors to better understand the constraints faced by investors in Guinea-Bissau and the current investment climate under the EIP platform SB4A) to guide its implementation in Guinea-Bissau. As part of the constraints on the investment climate (following Conference call and output of the restitution meeting in Bissau on 06 June 2019), the Cooperation Unit asked specifically the consultant to preface the report and key findings with a thorough analysis of the "Doing Business in GB" and the legal, regulatory, political, and infrastructure constraints of the country.

The final outputs of the assignment will be an analytical report covering the following aspects:

1. **O1. Identify key features of the formal and informal private sector**
    a. O1.1 initiate a mapping of local private sectors (formal and informal) and European businesses, particularly in key sectors, as a first step in the implementation and facilitation of the structured dialogue in Guinea-Bissau, and assess their needs in terms of improvement of the business climate, access to finance and perception of future opportunities for the development of the private sector and certain sectors in particular (agriculture, horticulture, fishing, mining, tourism, etc.)
    b. O1.2 The mission will not carry out a complete mapping but will define the methodology as well as the type of database to be developed and its mode of management and exploitation. It will analyse the structuring of each sector in this perspective. This deliverable can be found in the Annex section.
2. **O2. Analyse Access to Finance to MSMEs**
    a. O2.1 identify the various actors and instruments (banking sector, international financial institutions, meso-finance, micro-credit, guarantee funds, investment funds, Business Angels networks, business incubators, etc.)
    b. O2.2 analyze the main obstacles to investment and access to private financing in Guinea-Bissau and establish a mapping of financing instruments as well as an analysis of the regulatory framework and the business environment. Evaluate what are the alternatives for access to debt and capital financing and PPP development opportunities with the public sector on more 'Capital Intensive' projects (mining, infrastructure, etc.)
3. **O3. Specify the conditions for the operationalization of the External Investment Plan (EIP/ PIE) in Guinea-Bissau.**
    a. O3.1 analyse the difficulties relating to the financing of investments by financial institutions.
    b. O3.2 Propose the most suitable means for the implementation of the EIP in Guinea-Bissau, develop a mapping of the potential use of the EFSD guarantee by the private sector on the basis of the information available in the Project Investment Proposals

(PIP) in the five EFSD investment components. This work will pay attention to the value chains and priority areas identified in the framework of the National Policy for Growth and Jobs and in the portfolio of development cooperation for Guinea-Bissau.

c. O3.3 evaluate the potential of EFSD Lending to MSMEs and Agriculture Business instruments for their implementation in Guinea-Bissau and study the conditions for implementing micro-credit through these instruments.

d. O3.4 Advise the delegation on the approach to attract relevant Independent Power Producers (IPPs) and develop a communication plan for this purpose.

4. **O4. Promote the SB4A process and assist in the establishment and implementation of a consolidated strategy for public-private dialogue in the framework of the EIP and the National Policy for Growth and Jobs.**

a. O4.1 Identify the actors that can serve as a catalyst for public-private dialogue in a platform by enabling selected institutions to establish a strategy and a work plan and contribute to its sustainability in this dialogue.

b. O4.2 Assess the relevance and implementation conditions of a euro-business forum (real or virtual platform), bringing together entrepreneurs and investors from the EU in Guinea-Bissau

c. O4.3 Share and integrate good practices in the implementation and management of SB4A (Investment Climate Analysis and Private Sector Dialogue with Government).

The EIP is based on three pillars: the European Fund for Sustainable Development (EFSD), technical assistance, and promoting an investment-friendly climate. Below are a set of 8 Propositions (or EIP Opportunities) for implementing (and using) the EIP allocation for Guinea-Bissau. The specific propositions for the use of EIP are all encapsulated into the highlighted Boxes (with text in italic), as related to infrastructure, meso-organisations (and access to finance for SMEs), agriculture and structured dialogue (which includes support to EU companies).

Modalities for implementing the External Investment Plan in Guinea-Bissau

The following are suggestions for implementing the EIP in Guinea-Bissau. We propose initiatives qualified as:

- Pillar I activities, alongside the blended finance approach, contributing to the funding of projects;
- Pillar II, providing Technical Assistance to such funding, or to initiatives related to the investment climate, as per below;
- Pillar III, supporting the improvement of the investment climate;

The proposals are thoroughly described in the report chapters 2, 3 and 4.

Identification of Infrastructure investment and TA opportunities (Pillars I & II)

EIP (Pillar 1) Renewable Energy Investment Opportunity 1 & 2: Grant for funding co-generation units based on Cashew biomass and guarantees on Solar Plants

Electricity is very expensive in Guinea-Bissau, reaching USD 0,45c per Kwh in Bissau and the universal energy coverage is one of the lowest in the West Africa region, at 17%. Electricity produced through the burning of cashew shell can be directly competitive with Diesel generation, granted that there are economies of scale and use of efficient co-generation plant technologies. The electricity produced through Raw Cashew Nut (RCN) shell can be done at a cost as low as 0,026 USD with 1

MW units and USD 25c with 2 MW units. The capital investment costs of a 1 MW co-generation plan are typical of renewable energy CAPEX at 0.87 M per 1 MW and USD 1.53M for a 1.7 MW plant.

The return on investment of such a co-generation unit is excellent with IRR (Internal Rate of Return) on investment at 19% for a 1MW unit and 25% on a larger 2 MW energy generation unit. In terms of sustainability, and social impact, it offers many benefits:

1. Sustainable use of a waste and potential waste hazard (cashew shells are highly flammable)
2. Generation of electricity both for cashew plant self-sufficiency and generating significant surplus for the local (and rural electrification) community; Real option for rural electrification in the cashew intensive rural areas and municipalities
3. Limited investment with high return on investment (19% IRR), amortised in three years
4. A whole Cashew nut processing and co-generation unit creates about 100-150 jobs per 1000 tons processed. It creates an employment anchor for the sub-region and also a logistics node for all the cashew nut producers around the plant.
5. Generation of off grid (or on grid) electricity at about 50% of the price of the current inefficient and polluting thermic plant in Bissau (US$0.25 per Kwh vs US$0.45 for EAGB distributed electricity).

EIP Pillar 1 Energy Infrastructure Investment 1: *(Private Sector Support/ Infrastructure EU): analyse the opportunity of providing EFSD guarantee (and/ or grant) on* ***project financing of 1 or 2 units of co-generation and production of rural electricity based on Cashew shell feedstock****, ranging from 0.5 to 1.5 MW per unit. Interface needs to be done with one bi-lateral donor (such as AFD or KfW) operating in the Western African region, as they will lead such project.*

EIP Pillar 1 Energy Infrastructure Investment 2:*: On the basis of the incoming feasibility study of ESMAP,* ***option for providing an EIP Guarantee on the structuring of one or several sub-projects related to the development of 50 MW of PV solar powered plant*** *in Guinea-Bissau – The EUD may coordinate with Mr Roger Coma Cunnil from the World Bank on output of the feasibility study and on what aspect of the Project Finance structuring the guarantee may be most useful (either Off take agreement, tariff subsidy, or financing of the transmission and distribution networks)*

Identification of Access to Finance for SMEs opportunities (Pillars I and II)

In our view this "Access to Finance Sweet spot" is the essence of the EIP approach, in that it provides strong additionality, job creation, and leads to the creation of new industries into a relatively stagnant private sector.

EIP MSME Finance Investment [6]Opportunity 1: funding business incubators

[6] **EIP Investment Windows:** To access the new EFSD Guarantee, the projects submitted by the DFIs must fall within one of the following five investment windows (Sustainable Agriculture, Sustainable Cities, Digitalisation, MSME Finance and Sustainable Energy). The two MSME Finance Investment propositions we make are potentially eligible (the Incubator proposition more as a Pillar II (Technical Assistance) than direct investment). It depends on whether the DFIs have an EFSD Guarantee selected programme that could encompass our proposed initiative. This has to be checked with the DFIs.

As we have seen other regions and countries of Africa developing successful ecosystems for identifying, incubating, developing and funding entrepreneurs, in countries such as Rwanda and Kenya, the mission tested the assumption that Guinea-Bissau, like most other African countries, has a growing population of "promising but frustrated entrepreneurs and innovators" which have business ideas, but lack both capacity building and access to finance, to bring these ideas into the market.

Even though the "Innovation ecosystem" of Guinea-Bissau is really small, reflecting the small size of the country and population and the lack of incentives to entrepreneurs in general, we still managed to meet up three business incubators, two "ecosystem" facilitators, and various agrobusiness companies who were involved with capacity building of local farmers and local agri-entrepreneurs in their respective regions (Frutas & Legumes, Grupo Arrey, and Sociedade Agro-Industrial de Corubal, among others).

Among the few ecosystem players, two have emerged as being really pro-active in supporting GB entrepreneurs upstream (capacity building, training, business plan review) and downstream (business plan launch, accelerator services, and seed money / early stage financing): Eureka/ Fintech Consulting and Innovalab.

We also interviewed four Commercial Banks (BAO, Orabank, Ecobank, and Banco da Uniao) as well as key responsible form the BCEAO, the Central Bank for the West African state, who are at the forefront of offering financing to bank and incentivizing them to offer Microcredit to MSMEs in GB, with various degree of success. Below we have two EIP proposals, fitting with the EIP Windows N2: Access to Finance for MSMEs.

***EIP MSME Finance Investment[7] Opportunity 1**: Use EIP Pillar II funding facility to help train (Technical Assistance) and truly develop at least **1 privately run business incubator in Guinea-Bissau**, in order to provide to GB entrepreneurs, a) a conduit through which they can develop their business, receive peer-to-peer and professional business coaching, and also lead to the initial equity funding of their business; and b) use the EIP Pillar II Technical Assistance facility to provide training of trainers and expert coaching for these Incubators and Accelerators – possibly through the **partnership with Europe's best run incubators** such as Portugal based Creative Hub of Beato[8], among others. The EFSD Guarantees (Pillar I) cannot be used directly in the case of Incubators. On the other hand Pillar II Technical Assistance can intervene here, along with other cross-IFI initiatives such as Boost Africa (EC/ EIB) and also potential West African extension of the " Regional Business Incubator Feasibility Support facility" for Eastern and Southern Africa[9].*

The Selection process for the Incubator should be done on a competitive basis (BI Business plan competition) but taking into consideration a) the track record and experience of the Incubator, b) the quality of the staff; and c) the quality of their deployment plan[10].

Total grant funding sought by this European initiative would be between EUR 500 000 to - 1 million. We would strongly suggest supporting preferably one good, well-structured incubator to become the Ecosystem reference and integrator in Bissau.

EIP MSME Finance Investment Opportunity 2: Support to the Microfinance Segment

[7] **EIP Investment Windows:** in the official definitions, there are five investment windows which cover Sustainable Agriculture, Sustainable Cities, Digitalisation, MSME Finance and Sustainable Energy. Thus this project could, if undertaken by an eligible DFI, come under the EFSD Guarantee allowing better terms.

[8] https://www.morningfuture.com/en/article/2017/10/20/incubator-hub-do-beato-startup-portugal-record/119/

[9] Feasibility Study on support to Business Incubators in Eastern and Southern Africa FWC SIEA 2018- LOT 2 : Infrastructure, sustainable growth and jobs, EuropeAid/138778/DH/SER/multi

[10] The Consultant of this study has conducted a feasibility study of Incubators and Accelerators in the Caribbean and also SADC countries in 2017-18-19 and would be willing to perform a due diligence on Bissau based BI, in order to qualify the use of EU EIP budget (or 11th EDF budget) as an extension of this TPSDE contract.

As part of the field work, the mission surveyed also the sector of microfinance in Guinea-Bissau.

The sector of microfinance in GB is not going well and is suffering both from undercapitalisation and also the bankruptcy and/ or end of licensing of the majority of the initial players (18 out of 24). The key statistics tell of a microfinance sector which is shrinking into paralysis and stagnation. In short, 12 of the 18 DFS (Decentralised Financial Systems/ Sistemas Financeiros Decentralisados) have had their licence revoked and terminated their activities. Over a one year period (from Q1 2018 to Q1 2019, the levels of DFS deposits has decreased by 49%, from 190M down to USD 97M, and the stock of credit have decreased by 52% - partially impacted by the sheer decrease in the number of DFS players, but also a very high ratio of default (as compared to nearby countries, such as Senegal, where microcredit is a flourishing business).

Hence there are a few ways to improve the microcredit in Guinea-Bissau in which the first and the third Pillar (III) of the EIP may be able to play a role. Firstly, the legal & regulatory framework of microfinance and funding to SMEs needs to be created (or strengthened). Currently, the oversight by the government is weak and there are no incentives for the Banks to lend to smallholders. The BCEAO does have a framework for this, but the key lays in providing capacity building, to train the banks and the DFS on how to professionally manage microcredit to small entrepreneurs. The UNDP is developing a capacity building scheme on how to manage the funds (microfinance is a very professional activity and needs professional skills). The BCEAO provides the technical / financial management skills.

However, there is a need to provide a fresh wave of capitalization to the DFS and also to the Banks who have shown willingness to enter into microfinance programs, such as the BAO and Orabank (under certain conditions). We are proposing that this could be a Pillar I intervention in GB, focused on providing access to finance to micro and small enterprises and small holders, including access to finance for farmers (i.e. conditions the financing to providing also support to the rural areas).

EIP MSME Finance Investment Opportunity 2 and 3: *tangible private sector support opportunity for the EIP Pillars I and II is : a) making a loan or a grant available to the BCEAO or directly to one or two partner banking institution in GB, in order to recapitalise the DFSs and increase the pool of capital available for lending; and b) make available TA (Pillar II) to the DFSs and the Bank on professionalising their microcredit activities, and decrease their level of default (possibly in partnership with UNDP).*

A market assessment (interview with the 6 DFSs) should probably be made as to ascertain the level of capital required. Also the cumulative experience of large IFIs such as the EIB and AFD, who have run microfinance scheme over many decades, would be essential to facilitate such TA.

Finally (iii) given the weaknesses of the legal and regulatory framework in GB, ***support a number of regulatory reforms (or Business Law creation) in Guinea-Bissau****, such as creation of a regulatory framework for Microcredit and also TA to support the implementation of the OHADA business law in the context of GB (Pillar III). See reference to the legal analysis in the initial chapter.*

Identification of Agricultural Value Chain Opportunities (Pillars I & II)

***EIP Sustainable Agricultural Value Chain Opportunity[11] Agri 1*: Cashew Nut**

[11] **EIP Investment Windows:** To access the new EFSD Guarantee, the projects submitted by the DFIs must fall within one of the following five investment windows (Sustainable Agriculture, Sustainable Cities, Digitalisation, MSME Finance and Sustainable Energy). The Sustainable Agriculture propositions we make are potentially eligible. It depends on whether the DFIs have an EFSD Guarantee selected programme that could encompass our proposed initiative. This has to be checked with the DFIs.

Provide grant and TA support that will improve the organisation, scalability, productivity and transformation of cashew nut in Guinea-Bissau:

a) contribute to rebuilding old and planting new cashew orchards, supporting private sector led initiatives to scale up smallholder nurseries and cashew production in organized cooperative plantations, particularly in the key provinces of *Bolama, Biombo, and Bie* (and other as per the TA/feasibility study),

b) support investments in cashew secondary processing and transformation, by grant financing (or providing guarantees on the debt financing) of 3 to 4 processing units chosen to create an anchor to valued added cashew nut production and export in key, strategic locations.

c) Linked to the Renewable energy sector, funding of 1-2 co-generation (Electricity and Steam) units, linked to larger transformation units, for rural electrification (on grid).

There are several bottleneck points and deficiencies in the cashew value chain in Guinea-Bissau today – the biggest of which is the fact that most cashew orchards are very old, with tall trees producing less that 3-4 kg of cashew nut by tree, as compared to 11 to up to 25 kg per tree in Ghana or India. This means that the cashew value chain needs to be invested and strongly financed (in CAPEX/ grant money) upstream, for the creation of new orchards, seed and seedling nurseries, and also improvement (R&D) on the varieties to renew the production base (progressively of course).

Much of the cashew nut industry is now focused on producing and exporting raw cashew nut (RCN), whose export activity is dominated by Indian and Vietnamese traders, and some European (Gomes & Gomes/ Grupo Arrey) processors and traders. The processing sector is now a short list of four real processors (see value chain graphic), but this segment has clearly the potential to be expanded throughout the country, by re-habilitating old, idle transformation units, and building new ones. Each processing unit does have a number of "value chain strengthening" benefits, among these:

- *Create cluster of agri-business activities in rural or semi-rural regions, providing significant and secure jobs (from 200 to 1000 employment per units) in rural areas*
- *Help organise cooperatives and farmers associations – to secure cashew production and storage; it helps formalise the CN sector;*
- *Stabilise the cashew nut pricing, through longer term, year-round purchasing plans and also working capital and farmers financing schemes (in the best case, even though RCN pricing is subject to strong fluctuation and also pressure from highest bidder exporters).*

EIP Sustainable Agricultural Value Chain Opportunity Agri 1[12]: *Provide grant and TA support that will* ***improve the agricultural practices, productivity and processing of cashew Nut in Guinea-Bissau:***

a) contribute to rebuilding new cashew orchards, supporting private sector led initiatives to scale up small holder nurseries and cashew production in organized cooperative plantations, particularly in the provinces and Bolama, Biombo, and Bie (this involves, investing in new trees cashew orchards/ provide technical assistance, fertilizers, seeds and pesticides,

b) support investments in cashew secondary processing, that is medium size CN processing units that are strategically distributed throughout the main CN production areas and

c) support investments in efficient supply chain storage, management and distribution, as well as "organic" labelling for GB CN. Guinea-Bissau Cashew Nut (CN) having one of the highest KOR (Kernel Output Ratio) of all African nuts, and being produced under 100% organic conditions, obtaining a "Bio" label for the processed cashew nut is not such a remote opportunity.

[12] **EIP Investment Windows:** in the official definitions, there are five investment windows which cover Sustainable Agriculture, Sustainable Cities, Digitalisation, MSME Finance and Sustainable Energy. Thus this project could, if undertaken by an eligible DFI, come under the EFSD Guarantee allowing better terms.

At the first level, EIP could ***support through grants and/or guarantees, the funding of 3 to 4 additional processing units in chosen areas*** *(object of a specific TA feasibility study), to anchor both production, farmers cooperatives, and also add further value to the CN product and exports.*

At a second phase, should we be able to support a number of key producers/ processors to obtain EU certification, another leg of the programme could work on branding GB labelled cashew products, leveraging the better traceability of Guinea-Bissau cashew nut to promote branded and differentiated cashew – this involves investing in the final "consumer product" processing and also ensuring certifications, including food safety and organic labelling, which could allow GB farmers product to reach premium markets and reap an additional 40% of economic value on the product.

In our view the First Phase of this Cashew Nut VC enhancement programme is the most feasible and attainable in the context of Guinea-Bissau.

The above EIP Agriculture support will need to be informed by a short TA feasibility study (leveraging on the extensive studies already done, including by SOFRECO (2017)[13] and also the three-year support programme of the World Bank ("Programa de Ligaçao/ Linkage programme, which included funding of storage areas/drying areas in several key CN producing areas (Cachuro, Mansoa, Jalidcunda, Barro).

This study should focus mostly on prioritising the region, municipalities that should benefit from a concerted "processing Unit-Cooperative creation-Support to Farmers" programme, in the view of strengthening the CN sector at the rural community level. Such a programme would anchor semi-industrial activity in rural areas, and created long standing employment for local population, including a majority of women. Linking this EIP proposition to the various Agricultural Guarantees programme, the following one may be the best match with such project:

EIP Sustainable Agricultural Value Chain Opportunity Agri 2: Fisheries

The second Value chain opportunity that we would like to recommend to the attention of DEVCO – as a potential EIP intervention area, is the support to be given in the Fisheries Value Chain in Guinea-Bissau.

Guinea-Bissau is a country by the sea with a surprisingly rich, large and diverse halieutic ecosystem, that is, up to now, largely under-exploited. The continental platform of 45,000 km² and the Exclusive Economic Zone of 105,000 km² represents a large reservoir of fish and shell species, which is still relatively intact, in spite or the growing pressure by largely Asian (Chinese, Korean) and Senegalese fishing boats. The potential, in tonnage, of the Fisheries in GB could be as high as 500-600,000 tons per year.

Suggested measures to support the Guineans Fisheries Value Chain

We believe that, alongside with Cashew segment, fisheries should also be considered for EIP support, particularly in Pillar III – as related to set up and finalise the laboratories related to certification of fish products and quality control.

EIP Sustainable Agricultural Value Chain Opportunity Agri 2.: ***Fisheries*** **(Access to Finance and Certification & Quality programmes**

The main suggested intervention (Pillar III – Business climate, and also Pilar II – Technical Assistance) is to create the institutional and physical conditions to have a state of the art, **EU compliant Laboratory for quality control and certification of the fish product and processing** – with the aim of getting EU Certification for export (to the EU).

[13] SOFRECO/ BOAD, Etude Diagnostic de la Filière de l'Anacarde en Guinea Bissau, Fev 2017

We know that this is complex budget, and that the 11th FED has a programme focusing on this (West Africa Quality System Programme -QSPSS) which provides support to the Ministry of Commerce in GB. However, in the case of the fisheries, getting either a dedicated certification lab, along with reliable cold storage for the fishes, are very much a short-term priority.

At a second level, and related to the "Access to Finance for MSMEs" the EUD should consider ways to **support and subsidy the access to working capital financing for the Artisanal fishermen** – as many times what they need is an initial help to repair their boat, buying new fishing nets, and have visibility for buying fuels and other needed supply for the next 1 or 2 fishing seasons.

EIP Pillar I, may put forward a grant support for fostering the sustainable development of Artisanal fishing, through a specific segment of microfinance, dedicated to the fisheries industry. This will both create jobs, and also make the fishing business more attractive to local MSMEs entrepreneurs.

Suggested measures to support the Eco-Tourism Value Chain in GB

Guinea-Bissau is a hidden gem in West Africa, in terms of nature, biodiversity and ethnic and cultural diversity. Particularly the ecosystem of the Bijagos, a set of 88 islands off the Atlantic Coast of GB, has a significant potential for Eco-tourism, if done in a well-managed and environmentally sustainable way.

In particular, Guinea-Bissau shelters the Bolama-Bijagós archipelago or various natural parks on the continent, which are all favorable sites for the development of ecotourism, tourism, sport fishing or cultural tourism. Destination Guinea-Bissau however is practically non-existent for the major tourist-emitting countries.

Several detrimental factors hinder the development of tourism in Guinea-Bissau – which include its insularity and lack of good transport means (from limited air transport and poor road network) but more simply a lack of Hotels and Tourism infrastructure, which is very much embryonic as compared as that of Senegal or Cape Verde. This in spite of the fact that GB is a relatively safe country with very low indices of criminality. Guinea-Bissau is also characterized by poor hospitality and transport infrastructure and a chronic shortage of basic infrastructure (especially electricity) that makes this destination expensive.

In our view, in spite of a mention in the Terra Ranka document, there is a real lack of articulated strategy for the development of sustainable tourism in Guinea-Bissau – notably outside of the Bijagos Islands (for instance the continent coastline, near Varela and Quinhamel, which has similar, if not better long terms conditions as that of Casamance in Senegal).

We believe that the tourism industry can actually be a good diversification industry, creating numerous jobs and activities in areas where there are none today, and providing a hard currency earnings for the country. GB is still harboring a well-preserved natural environment and ecosystems, the model of tourism should be more oriented as that of Costa Rica – with preservation areas covering 30-40% of the national territory and development of sustainable eco-tourism (and some zone of larger, mass tourism in the beach/coastal areas of the country, to increase a bit the volumes and repay the hotel infrastructures). This needs to be analyzed at the national level, to develop a coherent Tourism strategy for the country.

***EIP Sustainable Tourism Value Chain Opportunity N3.*: (Pillar II – Technical Assistance in developing a coherent, national and regional tourism strategy for GB**

Pillar II – Technical Assistance would be sought to contract a consultant specialised in the development of tourism in African countries, and particularly eco-tourism and coastal (beach front and lodges) tourism. **The aim would be to map out all the potential tourism development sites and zones and prioritise them.** The consultant could also propose mechanisms of financing of these short-listed tourism sites, such as PPP, or attracting world class lodge developers, should also be analysed. Ways to increase the attractiveness of Guinea-Bissau as an eco-tourism destination should also be part of the ToR of this study.

Responsible and sustainable eco-tourism can provide a very interesting source of revenue for the GoGB and develop a whole tourism cluster in the country, generating jobs and also lots of indirect jobs for the farmers/caterers and the many suppliers to hotels and restaurants. Tourism worldwide is responsible for > 9% of the world employment – If GB can capture 9% of additional employment (or even 5%), the main goals of the EIP facility would be attained: economic additionality, sustainability, job creation, and opportunity for economic diplomacy, as European may be able to take a leading role in developing this industry.

Identification of business climate and structured dialogue opportunities (Pillar III)

The first deliverable - *mapping of local private sectors (formal and informal) and European stakeholders, particularly in key sectors* - can be found in the Annex section (right after the Planning chart of the meeting, in Annex II and the suggested methodology below). We based our work first on secondary research of the Guinea-Bissau listing of companies and meso-organisation, and then we solicited the list realised by the Consultant ATMAN[14], which provided a relatively exhaustive list, but not organised by any criteria, and missing many of the telephone & contact details.

Given the large prevalence of four sectors in GB Private Sector – that is retail/ commerce, cashew nut trading and export, Hotel (Horeca) and Services – we opted for organising the Private Sector Database (PSD) by **Sectors**. We also provided a relatively exhaustive list of all the Meso-organisation, regrouping the Industry associations and the civil society organisations. In our view this is just the beginning of the work, as additional criteria such as: a) company turnover; b) number of employees, and c) years of existence, should be ideally added to the methodology, to complete the spreadsheet. But this is a separate project in itself, and fall outside of the scope of work of this project, which is mainly focused on EIP implementation.

In terms of private sector "mapping" methodology, in an ideal world, we should organise the EU and Guineese mapping of the private sector according to the following criteria:

Macroeconomic Mapping Methodology	**Microeconomic/ KPI Methodology[15]**
Analysis per Industrial or Agri-Sectors	Name and number of Enterprise per sector
Relative Weight/ % of each sector (GDP)	Description of main services/ products
Growth over the last 5 years (per sector)	Top line financials (revenue, profit, EBITDA)
Employment statistics per sector/ company	Number of employees per company
Trends: sectorial growth / Investments	Number of years in existence
	Cluster of enterprise in same sectors (#)
	Balance sheet capital
	Volume of Investments in the last 5 years
	Local (Guineense) vs Foreign Ownership

[14] In spite of the relatively good work of Atman , ad animating meetings, competition marathon and workshop related to the Economic Diplomacy of EU-GB business, our assessment is that the real output in terms of exhaustive lists of businesses, creation of a European Business Forum, and linking the EU business with Guineense opportunity, was rather meager and poor, especially for a 2 year long term programme. The listing provided (on which we relied on) was incomplete and patchy at best, and not organized by any criteria.

[15] The Micro-economic / Key Performance Indicators methodology is a suggestion made by the Consultant based in OECD Company registry and disclosure practices, particularly in Luxembourg – but we have doubts that this can be implemented, at such level of details (and disclosure) in Guinea Bissau. NB: Information was quite difficult to obtain on a per company basis, and would require a specific TA to do this.

EIP Pillar III – Sustainable Business for Africa (SB4A) & European Business Forum

In the context of the implementation of the EIP in Africa, DEVCO is developing the **Sustainable Business for Africa (SB4A) platform**, proposed as an overarching concept – as a building block of the third pillar of the EIP – and which consists of structured dialogues operating at country, sectoral and strategic levels. The SB4A platform aims at reinforcing and coordinating structured dialogue with the private sector undertaken by EU Delegations and HQ, to increase private investments in order to enhance developmental impact.

One of the tools to facilitate structured dialogue with the local private sector in partner countries via the EU Delegations is the **EU Chambers of Commerce (EUCCs)**.

The emergence of this large number of new EUCCs has come about as the result of intensive collaborative efforts by the EU Delegations, EU Member States diplomatic missions and the European business community in partner countries.

Guinea-Bissau, with only 2M inhabitant, a smaller geographical size and given its limited market, has a limited European business community. The EU Business and investors are dominated by the Portuguese who are present in both the Cashew nut, commerce and hotels, and a number of other European investors active in the agribusiness, tourism & hotels (French entrepreneurs in the Bijagos islands), shipping, and mining related equipment, etc. Hence up to now, and in spite of an initial pre-feasibility realised by consultancy Atman (Fernando Silva), there has been **no formal initiatives** to create or plan an EUCC or Group (EUBG).

A few European countries however have constituted bi-lateral chambers of commerce or organisations, with the most active being the Portuguese, with A.E.P. (Associação Empesários Portugueses) and also AICEP (Agencia de Comercio Externo de Portugal). A few other countries are being active through their Embassy or economic representation.

On the basis of the Bilateral Agreement between EU/ Guinea-Bissau, there is a mutual will to structure an European Business Club (EBC), which would represent the larger interest of the European businesses and investors. In our view the Technical Assistance, made by the Consultancy Atman, on Economic Diplomacy did not advance much the structuring and formalisation of the EBC. Hence please find below some suggestions and leads about ways that such EBC have been structured in other African Countries.

Based on the feedback of quite a few of the European businessman and women interviewed, we noticed that there is an interest of having a form of representation for the European interests (and business in general) in GB – and that this could be done either as a physical EBC organisation or possibly through a virtual forum, that would bring together EU interest and players. There is an interest for having a form of European organisation which can act as a Mediator and lobbying force vis a vis the Government of Guinea-Bissau and other entities. Some of the Business climate issues that were mentioned were:

- Improve the legal and regulatory framework for business (see legal analysis)
- Improve the Justice dept and efficiency
- Customs procedures and tariffs – which are often randomly implemented/ imposed
- Quality control and product certification (meeting EU criteria, where do we start…)
- VAT implementation and re-imbursement – lack of financial infrastructure
- Pricing of utilities and services; particularly energy – ways to reduce these costs

- Public procurement on Government contract – corruption issues/ access for EU companies/ tender based on quality and not only on pricing + tips…
- Reform of the Mining and Energy sectors (opportunities for EU investors)

EIP (Pillar III structured dialogue) Opportunity: *Given the relative lack of definition, goals and strategy of the current (or recent past) EBF/ EBC initiative, we believe that a more focused survey should be done with European Business and stakeholder to* ***validate the need for a stronger and more formalised EBF in Guinea-Bissau.*** *This could be done through either individual (or email based) survey, or through a workshop on the issue. This issue should be further discussed and developed through a structured dialogue between the EUD and the EU Businesses and also other European PSOs(such as the chamber of commerce or trade organisations of member states).*

If we conclude/ assume (as per the limited feedback from EU private sector players) that European companies would like to have one organisation as a mediator on behalf of the European companies and interest, we would like to propose as a Pillar III opportunity, grant support (Structured Dialogue) for formalising, providing SD resources (from other best practice of EUCCs in Africa) and giving initial support toward the creation of a ***EU-Guinea-Bissau Business Group****.*

The purpose of the EU-GB Business Group (EU-GB BF) would be to strengthen the bilateral liaison of European investors interested in investing in GB and interested African actors to export and do business in Europe (two way). In this context, it would be to encourage and foster bi-lateral trade and investment between the EU and Guinea-Bissau.

In addition, the potential objectives pursued by EUGB BF could be as follows:

a) Establish a more formal and regular dialogue between members and actors of the Private Sector; and particularly European investors and local companies;

b) Create a link / channel of structured dialogue with the Public Sector of the host countries of the Business Chambers. The Development Programs are being developed in close cooperation with the governments and private sector of each country;

c) At times (for example in Ethiopia) the EUCC, together with the EU Delegation, set up Technical Committee for proper solutions to improve the business environment faced by European (and other) companies; Coordination with the Investment Commissions (or Ministries) of the countries

d) Strengthen links with local business associations and establish networks of contacts and meetings between European and national associations;

1. BACKGROUND, OBJECTIVES AND BUSINESS CLIMATE

1.1. Justification of the assignment and key objectives and outputs

The EIP has been designed as an investment and technical assistance instrument to directly or indirectly support private sector growth and job creation in economically viable and sustainable industry, services and agricultural segments. This report aims at proposing a number of Access to finance, agriculture and agro-processing, tourism and energy infrastructure related support initiatives and opportunities for consideration under the Guinea-Bissau EIP facility.

The European Union (EU) considers the development of the private sector, trade and regional economic integration to be powerful levers with which to reduce poverty. Its strategy of engagement with the private sector aims to stimulate growth and investment, create jobs and generate tax receipts to finance public services.

In parallel, the EU's External Investment Plan (EIP), adopted in 2017, has as its main objectives to increase investments in partner countries in Africa and the neighbourhood countries, that contribute to inclusive growth, decent job creation and sustainable development whilst curbing the causes of irregular immigration to Europe. Implementation of the EIP in Guinea-Bissau, with structured support from the few International Finance Institutions (IFI) present in Guinea-Bissau, would enable the EU to follow its objectives of developing the private sector through the three pillars, namely the European Fund for Sustainable Development (EFSD), technical assistance (TA) and the promotion of a favourable investment climate (including the SB4A initiative and EU Business Forum).

Hence the justification of this assignment is to assess opportunities of EIP implementation in the main EIP Windows (focusing mainly on sustainable agriculture, and MSMEs Finance) as well as infrastructure, and propose EIP budget uses opportunities to the EUD in order to contribute to private sector development and longer-term job creation.

This report is divided into 5 chapters:

- Chapter 1 presents the **socio-economic and political situation of Guinea-Bissau** as well as the strategies of development of the Government (main axis of the "*TERRA RANKA*[16]" 2015-2025), as well as the strategies of the EU and the other stakeholders in terms of strengthening the private sector. It also contains an analysis of the main priorities in terms of **Business Climate improvement**. Particular emphasis will be on both the main constraints of GB due to chronic weakness in Political and Judiciary system, but also on the resilience of the private sector in creating sector related investments and projects.

- Chapter 2 describes proposals for implementing the EIP in Guinea-Bissau and assesses in particular the potential to use the EFSD guarantee facility, on the basis of the EIP investment windows. Focusing on three axis of interventions: a) **infrastructure related financing** (in the energy sector mainly) and b) on **strengthening the access to finance for SMEs** – through the existing eco-system of microfinance institutions and banks - and also reinforcing the management skills of entrepreneurs through incubators and accelerators and capacity building of the new generation of entrepreneurs in the country.

- Chapter 3 focuses on the **value chain opportunities** analysed during the assignment in Guinea-Bissau, and in particular the agricultural value chains of **cashew nut and the tropical fruits, as well as the fisheries segment** – which have been (or are being) supported by the 10th and 11th EDF and which can have an strong impact on both job creation and anchoring as well as export potential; Particular emphasis is on the diversification opportunities along the cashew nut value chain, from improving production technology and approaches to capturing more value added through the transformation of the Cashew nut, through regional transformation unit initiatives.

- Chapter 4 develops on the **structured dialogue opportunities** with the Government of Guinea-Bissau (GoA) and outlines options proposed for the creation (or not) of an EU Business Group in Guinea-Bissau (and option to evolve into a broader service **EU Chamber of Commerce**), whilst taking into consideration the need for its sustainability and integration of best practices in line with the Sustainable Business for Africa (SB4A) platform. A special report on best practices in SB4A is included in this report.

- Chapter 5 provides a set of conclusions and recommendations.

Objectives and expected results of this report[17]:

[16] « Terra Ranka, 2025, Plano Estrategico e Operacional, 2015

[17] Cf. Appendix 1 Terms of Reference, Mission of the EU TPSDE facility to support the EU Delegation to Guine Bissau.

The expected support is part of the new integrated approach of the European Union's External Investment Plan (EIP) and responds in particular to the implementation of its SB4A platform. This support will mainly be provided under Pillar 3 of the EIP, as indicated below, paying particular attention to Pillar 1 (EFSD Guarantee):

> *O1)* ***Pillar 1 (EFSD Guarantee):*** *Support the analysis of the operationalization of the Foreign Investment Plan (PIE) in Guinea-Bissau; The objective of the EIP is to support private investment through political dialogue in at-risk countries. Particular attention will be paid to using the guarantee component of the EIP in Guinea-Bissau, with the value chains identified in the Jobs & Growth Compact as a basis for analysis and proposals.*
>
> *O2****) Pillar 3 (Investment Climate):*** *Assist in the establishment and implementation of a consolidated strategy for public-private dialogue in the framework of the EIP and the National Policy for Growth and Jobs ; analysis of the current legal and regulatory framework and its weaknesses, with a view to improving the country's business climate; Provide initial and limited support to the sustainability strategy of a structured public-private dialogue and the link with the SB4A approach.*

Improving the business climate in Guinea-Bissau is a key element in promoting responsible and sustainable investments, contributing to the Sustainable Development Goals (SDGs). The mission should be able to identify key stakeholders and strategic economic sectors for the implementation of the third pillar of the EIP and the operationalization of the EIP in Guinea-Bissau.

The expected outputs assigned to the mission were the following: The final output of the assignment will be an analytical report covering the following aspects:

- RO1 Methodology for a mapping of the local private sector (formal and informal) and European as well as for the constitution and the exploitation of a database in this framework.
- RO2 Mapping actors and instruments for accessing MSMEs funding and critical analysis of Access to Finance in the context of GB.
- RO3.1 Mapping the use of the EFSD guarantee by the private sector on the basis of the Project Investment Proposals in the five EFSD investment windows.
- RO3.2 Procedure for the implementation of micro-credit lines through the EIP and particularly the Project Investment Proposals (PIPs) of Lending to MSMEs and Agriculture Business.
- RO4.1 Mapping stakeholders and potential catalysts for public-private dialogue
- RO4.2 Analysis of the conditions of support for the creation of a Euro-business group in Bissau;
- RO4.3 List of good practices for the implementation and management of SB4A (investment climate improvement and PP dialogue) in Guinea Bissau;

Following the mission's kick-off meeting with the EU Delegation, the following were also requested:

- Closer look at the feasibility of the EIP support in infrastructure and agriculture in the context of the particular political, macroeconomic, and business climate of Guinea-Bissau, i.e. assessing the risks as well as the opportunities of providing grant and guarantee support to GB related VC and infrastructure initiatives – we are addressing this point in the Section 1.2 of this report.
- Looking closely at opportunities related to Pillar III (Structured dialogue and Business climate). We agreed to add the following analysis to the scope of work: Structured Dialogue

Mechanisms: a) to analyse the options for setting up an EUCC/EUBG in Guinea-Bissau – and benchmark these against other African EUBG and EUCC experiences, as well as b) support to civil societies and business associations (Chapter IV will address this issue).

As part of this specific EIP Private Sector support programme, the challenge in GB is to:

a) analyse the particular challenges of Guinea-Bissau due to the relative paralysis of the executive and legislative public bodies and the low level of FDI and inward investment in the country. Current lagging infrastructure (vis-à-vis West African average) begs a concerted multi-donor approach that could strengthen and improve on specific and needed infrastructure projects (in the energy, water and/ or transport segment), whilst ensuring that the institutional delivery of these projects (PPPs or private sector led project) be (relatively) independent from Government interference; b) identify a few and specific value chains that can be partially or entirely supported by a specific PSD programme; c) and that does create a lasting effect on the agricultural or agro-processing sectors of the country and translating into sustainable job creation; and d) that supports value chains that are complementary to those already funded by other donor initiatives.

The mission proposes three specific workstreams to be analysed further:

*a) In the context of the EIP facility, grant and TA to be devoted to selected PPP or public infrastructure in the **energy and fisheries sectors**; and off grid or mini grid energy projects;*

*b) Pillars 1 and 2 support to strengthen the "**SMEs and Entrepreneurship" value chain** – through targeted support to new and viable microcredit initiatives, use of EIP Guarantee to SMEs lending programmes of banks, and also the creation/strengthening of two Incubator & Accelerator of enterprises;*

*c) and further analysis of targeted support to the following agricultural and agro-industry VCs: **Cashew nut and tropical fruits and inputs**, each having a strong export and certification potential (including Bio certification and also phyto-sanitary clearing for EU export) for the world market (and involvement of European companies and investors); we also looked at ways for EIP intervention in the growing **fisheries segment** in GB.*

*d) Moreover, as part of the support given to **civil society and business organisations**, (structured dialogue) we analyse the opportunity to create (or not) an **European Business organisation**, and particularly an EU Business Group being a source of useful and up to date information on opportunities for investing in Guinea-Bissau.*

1.2. Socio-economic and political context and impact on Private Sector Development

1.2.1. Economic outlook and trends for Guinea-Bissau

The economy of Guinea-Bissau is largely dependent on the commodity pricing and relative demand for cashew nut (locally known as Anacarde or "Caju") which is by far the largest agricultural and economic activity in the country. Other significant economic activities are fisheries, mining (with the start of the production of phosphate in Farim), and mainly retail and services.

Real GDP growth of Guinea-Bissau stabilized at an estimated 5.3% in 2018, slightly below the 5.9% in 2017[18], supported by robust agriculture (with 6.3% growth) and fisheries (with 8.3% growth). The country relies heavily on agriculture, especially rice and cashew nut production. Agriculture accounts for 45.3% of GDP, almost 85% of total employment, and more than 90% of exports. On the demand side, growth was driven by exports and private consumption.

The government has maintained a restrictive fiscal policy and improved revenues, so the budget deficit remained moderate at an estimated 2.5% of GDP in 2018. Total public debt declined to 49.2% of GDP in 2017 from 55.1% in 2014 through debt restructuring. Guinea Bissau is at a moderate risk of debt distress. Inflation was an estimated 2.0% in 2018, up from 1.4% in 2017, driven by high domestic demand and rising prices for rice and other essential food items.

The current account deficit deteriorated to 3.2% of GDP in 2018 from 0.6% in 2017, despite sharp increases in cashew nut export volume and international prices. About 90% of Guinea Bissau's exports are from cashew nut, while imports are dominated by machinery and construction materials (19%), fuel and refined products (18%), services (16%), and food and agricultural products (12%). Official reserves stood at $3.3 billion (or 4.6 months of imports) in 2018.

Real GDP is projected to grow by 5.1% in 2019 and 5.0% in 2020, supported by favourable cashew nut prices amid weaker harvests and by high public investment in energy, construction, and water supply. Overall, inflation is projected to be 2.2% in 2019 and 2.3% in 2020, below the 3% convergence criterion for the West African Economic and Monetary Union.

The current account deficit was an estimated 3.2% of GDP in 2018 and is projected to reach 2.3% in 2019 because of increased investment and a rising import bill of higher oil prices.

The economic outlook is highly uncertain due to political instability and volatile cashew prices, the main income source for more than two-thirds of households. Other headwinds include risks from banking instability, higher-than-expected oil prices, and heavy reliance on rain-fed agriculture that can be threatened by adverse weather.

Table N.1: World Bank – Country Profile – Guinea-Bissau; GDP Evolution 1990-2017[19]

Guiné Bissau - Country Profile - World Bank	1990	2000	2010	2017
Economy				
GDP (current US$) (billions)	0.24	0.37	0.85	1.35
GDP growth (annual %)	6.1	5.4	4.6	5.9
Inflation, GDP deflator (annual %)	30.2	80.9	3.0	5.9
Agriculture, forestry, and fishing, value added (% of GDP)	57	42	45	49
Industry (including construction), value added (% of GDP)	17	14	13	13
Exports of goods and services (% of GDP)	10	22	15	27
Imports of goods and services (% of GDP)	37	33	35	32
Gross capital formation (% of GDP)	30	12	11	11
Revenue, excluding grants (% of GDP)	..	..	..	..
Net lending (+) / net borrowing (-) (% of GDP)	..	..	..	..

From a strict GDP growth perspective, the economy of Guinea-Bissau sustained high level of growth since the 1990s and especially the 2000s, evolving from a USD370M economy to a USD 1.35 Billion economy, with level of GDP growth averaging at around 5% per year. The balance of payment and

[18] African Development Bank (AFD), Guinea-Bissau Economic Outlook, 2019, https://www.afdb.org/en/countries/west-africa/guinea-bissau/guinea-bissau-economic-outlook/

[19] World Bank Economic Outlook, 1990-2017 Guinea-Bissau, 2018 ; https://databank.worldbank.org/views/reports/reportwidget.aspx?Report_Name=CountryProfile&Id=b450fd57&tbar=y&dd=y&inf=n&zm=n&country=GNB

Export to Import structure has also evolved from strong deficit, with Import always representing 30+% of the GDP, whilst the export has shoot up from 10% to 27% of the GDP , thanks largely to the increase in Cashew nut raw exports to Asia and Europe, and a few other exports.

What is striking when what looks at this GDP evolution and Import/ Export structure, is that in spite of poor governance, very little foreign direct investment, Guinea-Bissau managed to dedicate over 25% of its economy to export, on a single commodity product. The country is known to have large potential in Minerals with knowns reserves of Phosphates (in the Farim region) of 90 Millions tons (an essential component of agricultural NPK fertiliser); and over 100M tons of Bauxite ,in the Boe region) and rare sands which can be used in the high tech industry. The current mining development of Phosphate in Farim, where the GB Mineral has sold its interests to the Canadian owned ITAFOS Group, which has started building up the mining exploitation infrastructure, with intended start of Phosphate production and export in 2020-21[20]. This one diversification in itself (of phosphate production) has the potential of doubling the exports of Guinea-Bissau and bring back the balance of payment to balance point, or even a slight surplus. Based on an interview with Caterpillar managing director, the USD200M investment in the phosphate is also bringing back to life the capital goods imports and investment and developing jobs locally and potentially at the Port of freight level.

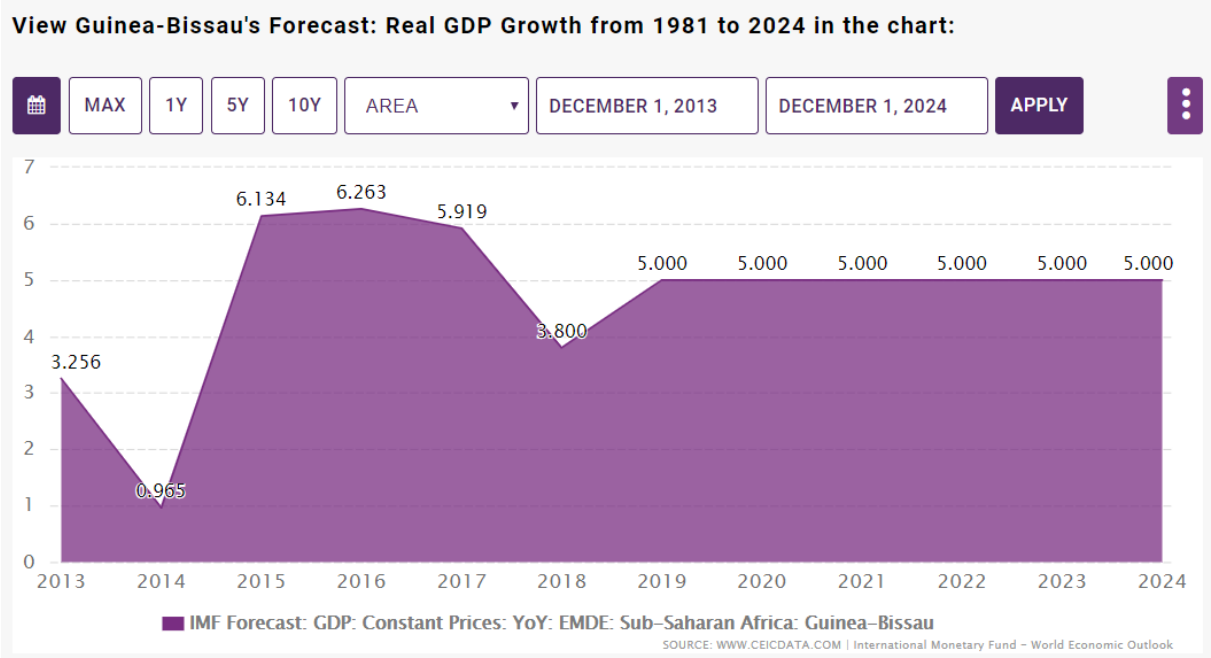
We believe that assisting the private sector in diversifying (really) the economy either across sectors (fisheries, mining, other agriculture crops) or intra-sector (horizontal diversification of the cashew nut industry, through processing, eco-bio labelling and GB branding) could have a positive impact on both the Economic structure and moreover on jobs and growth. In a USD1350M tiny economy, a CAPEX investment of 200M (or even USD5M) does have a large impact. This is one more reason to focus on the "Business climate" of Guinea-Bissau and ways to make this little-known country more attractive (and known) to the international investor community.

Table N. 2: Guinea-Bissau GDP Projections, CEIC 2019[21]

The GDP projections, albeit depending from many externalities factors (including political stability, and continuing FDI inflow into the economy and diversification of the investment), point to a continued GDP growth pattern at 5%. This level of growth however may not be sustainable with the current inefficiencies and infrastructure weaknesses of the country, chief among other is the poor coverage of electricity and the high price of energy for all players in the economy. The business climate, which is one of the poorest in West Africa will also play as a deterrent factor to further investment in the country.

[20] https://macauhub.com.mo/2018/09/10/pt-empresa-itafos-farim-inicia-exploracao-de-fosfatos-na-guine-bissau/ The Itafos group, whose shares are listed on the TSX Venture Exchange, a stock exchange based in Calgary, Canada, holds a portfolio of phosphate-based fertilizers in the United States, Brazil, Peru, in addition to the Farim project, recording a production of more than 1 million tons of natural phosphate per year. (macauhub)

[21] CEIC Data, 2019, https://www.ceicdata.com/en/indicator/guinea-bissau/forecast-real-gdp-growth



In spite of relatively low "Doing Business" rating, Guinea-Bissau had been able to attract relatively substantial sums of foreign investment since 2010, mainly led by Asian and particularly Chinese investors.

Table N. 3: Guinea-Bissau Foreign Direct Investment, UNCTAD, 2018[22]

Foreign Direct Investment	2015	2016	2017
FDI Inward Flow *(million USD)*	19	24	17
FDI Stock *(million USD)*	134.2	152.8	191.4
Number of Greenfield Investments**	1.0	2.0	0.0
FDI Inwards *(in % of GFCF****)*	16.0	15.0	n/a
FDI Stock *(in % of GDP)*	12.9	12.9	n/a

Source: UNCTAD - Latest available data

According to the UNCTAD World Investment Report 2018, FDI inflows decreased from USD 24 million to USD 17 million between 2016 and 2017. The FDI stock rose, from USD 63 million to USD 191 million between 2010 and 2017. In 2016, the stock of FDI represented 12,9% of the Guinea-Bissau's GDP.

The fishing sector attracts the majority of FDI. The priority of the new Government is to increase foreign investment in the agriculture and energy sectors, which are two key drivers of the economy. Chinese investment in Guinea-Bissau has been increasing since 2011. As such, a canning factory as well as a fish distribution network were developed with the support of the China International Fisheries Corporation (CONAPEMAC). Additionally, the Kaleba hydroelectric dam, funded by the China International Water & Electric Corp. for USD 536 million, entered into service in October 2015. Chinese companies are also investing in real estate as well as in bauxite. Other than China, the main investing countries are the United States (mining), Portugal (Trade) and India (cashew nut, agriculture).

In the 2019 Doing Business, Guinea-Bissau ranked 45th in Africa and 175th worldwide, which is in the lower 1/10th country pool. The country however gained one position both in Africa and in the

[22] https://unctad.org/Sections/dite_dir/docs/WIR2018/wir18_fs_gw_en.pdf

world compared to the 2018 rankings. Over the past few years, its government increased investments in agriculture and many other key sectors. Monetary mass growth and low interest rates helped attract investments. However, the business climate is still impaired by multiple barriers like corruption, poor infrastructures, high cost of energy and a weak judicial system. To tackle these, the government urgently needs to adopt new reforms to improve the business climate. Among these, a new law to regulate contract-related conflicts is considered a priority, and should be adopted at the Parliament level.

Offshore oil exploration offers an investment opportunity to foreign investors. In addition, the country has some untapped potential: large mining resources, fertile soils, the possibility of developing fishing and tourism. The State is aware of these advantages, especially in the timber sector, offshore oil and mines (phosphate, bauxite). The tourism sector is also being developed and receives few but increasing investments (notably in the Bijagos Islands).

Despite a return to political stability, there are still some chronic "Country Risk" weaknesses related to Guinea-Bissau – chief among these is the sense of "*Lawlessness*" and lack of a judicial and ethical backbone for the public sector. For instance, this institutional weakness (lack of public and customs enforcement capability) of the country has been used for years by a large number of Latin American drug traffickers who have set up their base there to ship drugs into the European market. The poor condition of infrastructure, a weak legal system, political instability and the high cost of energy are also hindrances to investment. Formally, the law treats foreign and domestic investment equally. Nevertheless, the judicial system remains vulnerable to political interference, and corruption is widespread. The overall regulatory framework is not conducive to starting businesses and discourages broad-based employment growth.

In the following section on Doing Business, we proceeded to a more detailed (SWOT and comparative) analysis of the legal and regulatory framework of GB, for all the laws and acts related to the business climate. In our view the progressive alignment with the OHADA African Business & legal framework is crucial to bring back credibility to Guinea-Bissau.

1.2.2. Impact of the Political instability on Governance and business climate

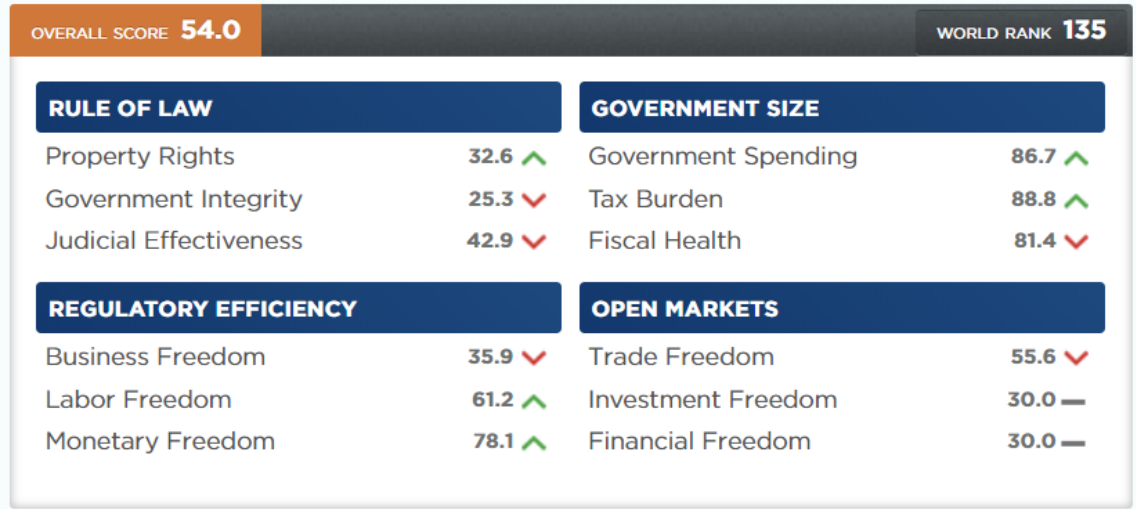
Guinea-Bissau has been marred by a continuous streak of political instability. The most recent one occurred in 2015, just a couple of months following the launch of the ambitious strategic and operational Plan for Guinea-Bissau 2015-2025, called Terra Ranka.

Conflict has wracked Guinea–Bissau almost continuously since independence from Portugal in 1974. José Mário Vaz was elected president in 2014. In 2015, he sparked a political crisis by firing Prime Minister Domingos Simões Pereira, the head of the ruling African Party for the Independence of Guinea and Cape Verde. Vaz also quickly dismissed several successor governments and by April 2018 had named Aristides Gomes to be the country's sixth prime minister within a three-year period.

Because the legal system is weak and painfully slow, protection of property rights is generally weak, and enforcement of contracts is difficult. The judiciary has little independence and is barely operational. Judges are poorly trained, inadequately and irregularly paid, and subject to corruption. Guinea–Bissau's status as a transit hub for cocaine trafficking from South America to Europe exacerbates its endemic corruption.

The opaque regulatory environment discourages entrepreneurial activity, virtually precluding any significant private-sector development. Much of the labor force is employed in the public sector or the informal economy. The IMF has criticized Guinea–Bissau's "indiscriminate" electricity subsidies and urged it to review its fuel pricing mechanism to ensure that international prices are fully passed through.

Table N 4: Heritage Foundation Economic Freedom Index, Guinea-Bissau 2019[23]



Guinea–Bissau's economic freedom score (according to the Heritage Foundation scorecard above) is 54.0, making its economy the 135th freest in the 2019 Index, which is a poor score. Its overall score has decreased by 2.9 points, with a sharp drop in scores for judicial effectiveness, business freedom, and trade freedom far exceeding a modest increase in the tax burden score. Guinea–Bissau is ranked 25th among 47 countries in the Sub-Saharan Africa region, and its overall score is below the regional and world averages.

Political stability has improved since the formation of the new government in April 2018, somewhat strengthening weak governance ahead of the 2019 presidential election. The main power brokers, including the military, will likely continue to reform management of public finances and tighten spending controls to sustain economic growth. Following the 2019 election, the stalemate between the enduring (and largely discredited) president and the elected party representative is again paralysing the country. Upon the two weeks period (as recent as early June 2019), much of the Public function and Ministries representatives were not working and not available. GB rumours of a Coup d'Etat by the military were floating, not exactly a very business and investment friendly environment.

On the market risk side, the large concentration of domestic currency debt (39.7% of GDP) could threaten the banking sector. Improved public financial management is thus key to avoiding crowding out private investment. The government is rationalizing public expenditure through a zero-program target (zero non-regularized expenditures, zero new arrears, and zero credit to the central government from commercial banks).

Sustaining strong and inclusive growth requires also addressing infrastructure gaps. Only 10% of the national road network is tarred, and the national energy access rate is about 14.7%. Health and education services remain dire, held back by political instability and weak governance. The country ranked 178 of 188 on the Human Development Index in 2016. Poverty affects more than 70% of the population. Income inequality, measured by the Gini index, was last estimated at 50.7, as women remain marginalized with constrained access to credit and professional training. Managing fragility and resolving political and institutional instability will lay a solid foundation for development[24].

[23] Heritage Economic Freedom Index, https://www.heritage.org/index/country/guineabissau

[24] https://www.afdb.org/en/countries/west-africa/guinea-bissau/guinea-bissau-economic-outlook

Through Interviews made with 4 of the 8 banks being present in Guinea-Bissau (Orabank, EcoBank, Banco da Uniao, and BAO), we quickly understood that access to credit for the vast majority of small and even medium size enterprise is simply not available. There are many reasons for this, but some are simply the application of prudent risk management from the part of the Bank executives. The Managing Director of Orabank, mentioned that the BCEAO had conditioned loans made to all commercial and retail banks of Guinea-Bissau (GB) to providing microcredit and loans to SMEs. Orabank had lended over 1.7 Billion CFA (2,6 MEUR) to MSMEs and has incurred a loss of CFA 1.2 Billion (1,8 MEUR) on these loan facilities. This is largely due to a) the size of the informal sector in GB and lack of any formal registration of many service and commercial companies; b) the lack of accountability and culture of "lending and reimbursement" in GB – SMEs owner just borrow the money and use it, with very little care about the duty of reimbursement; and c) most retail bank are not prepared or trained to microcredit. Microcredit, such as CNCAS in Senegal, which is largely profitable, does not really exists in GB, and is yet to be backed by a professional microcredit player. This is clearly an access to finance niche that needs to be set up in GB.

In conclusion, the political inertia and lack of public governance, the weak legal and regulatory framework and heavy administrative and institutional procedures, along with the lack of access to finance, makes the eco-system for private sector development still a challenging one. GB clearly does almost nothing to encourage foreign and local investment in the country, and the Terra Ranka remarkable plans and potential has been barely scratched and not implemented yet. The potential in many sectors, such as fisheries, agricultural diversification, tourism and mining is still there however. Through several Private Sector Interviews with companies such as Caterpillar, Grupo Arrey (Cashew nut processing), Frutas & Legumes (Mangoes lime, caju), Sociedade Agro-Industrial de Corubal (palm oil) , we understood that it is actually the Private Sector and savvy and resilient private investors who are the driving force of the few successful medium size (and profitable) businesses in Guinea-Bissau.

As the next section will show (Doing Business for Guinea-Bissau) much remains to be done to provide an optimum ecosystem for spurring private sector growth and investment. The mission's suggestion which will be developed in Chapter 2 is that the EU should support both current and incoming "Access to Finance" and "Capacity building" ecosystem actors through grant, guarantees and TA support, in addition to the on-going 10th and 11th EDF sector focus.

1.3.Government Development Plan and EU Actions on Development

1.3.1. Terra Ranka Strategic and Operational Development Plan 2015-2025

Guinea-Bissau has approved in March 2015 a coherent and well drafted Strategic and Operational development plan called Terra Rank (described below), which sets out the policies and strategies that should guide the country's economic direction. Given the political instability and lack of effective governance, the challenge lays in their effective implementation. The section below presents a summary of policy objectives from selected policy documents, focusing on those which may directly impact/influence on the EIP proposal. We also took into account the excellent inputs and suggestions from leaders from the Private Sector.

Terra Ranka : Guinea-Bissau 2025 Strategic and Operational Plan (2015-2025),

The Final Terra Ranka document II was published and adopted formally in March 2015, following a well thought of work by a Senegalese consultancy. It sets out the medium-term vision of the future of Guinea-Bissau, particularly in response to the aspiration of the 60% of the total population that are less than 25-year-old, and also a vision of economic and human development that is sustainable and with strong focus on natural asset preservation.

Terra Ranka translated this Vision for GB into 5 main Axes of interventions and 8 sectors for development. The Five main "reform chantiers" – which are still by and large at inception stage – are described below:

1. **Peace and governance**: the main axis of public reform are a) reform and modernization of the public administration; b) strengthen the defense, police and security apparatus, especially the military; c) reform of Justice and judicial processes and resources; d) macroeconomic management and a better management of public finances; e) Decentralization of the institution and strengthening of local development and meso-organizations – The goal being to attain better public governance with a public administration that could effectively plan, program and execute public policies;
2. **Infrastructure and urban development:** the goal is to equip the country with improved energy, utilities, roads and logistics infrastructures, as well as digital and urban utilities for improved services in the cities. The main segments covered by this axis are : a) Public transport, logistics and roads – including rehabilitation of the port and main highways of Bissau, both terrestrial and sea and fluvial transport; b) production of energy , transmission and distribution – up to 90MW through 2020 (not yet there) and also improvement of access to drinkable water e water treatment; c) Access to digital services and internet – as an engine of growth and private sector development; d) Better management and development of the GB territory, and urban development, with urban centers surrounded by Industrial parks or SEZ (Special Economic Zones); See our analysis of the development of the Energy sector in the Chapter II.
3. **Biodiversity and development of natural assets**: the goal is to turn GB in one of the leading African country in the active preservation of its Natural Capital. This goes through creating a legal corpus and also innovative financing to make a sustainable management of its parks and protected areas (ecosystems such as the Bijagos island) allowing for sustainable human and economic activities – among the enacted actions is the decision to increase the Protected areas from 13% to 26% of the total national territory – and strengthening IBAP as being the Biodiversity watchdog, like IBAMA in Brazil.
4. **Human development** ; four actions workstreams here: a) Education and creation of jobs, with the launch of a strategic education plan 2015-2025 (ask Donatella from the EU on level of implementation or not); b) health, with the implementation of a new system for control and monitoring of the diseases and improvement of the health care infrastructure and of drugs distribution; c) creation of a social security system through an insurance coverage for all citizen (this has not been done) and d) cultural renewal and investment into the promotion of sports, youth initiatives and cultural event. Much of these initiatives are inspired from the "Bolsa Familia" model in Brazil, where the Lula administration, launched a series of far reaching food security, social housing scheme, and medicare protection which made a strong impact on improving the lives of 25-30 million poor Brazilians.
5. **Development of the Private Sector (simplification of the rules and administration) and improving the business climate** – The objective pursued here is to create conditions for the true development of the private sector in GB, and incentivize investments in key sectors. Three programmes are being promoted here: a) develop and strengthen a legal and regulatory framework conducive to doing business; b) reform and improve on the business climate; c) design, plan and implement "integrated economic platform" through the development of a Special Economic Zone - multisector – in Bissau.

The Terra Ranka is actually an ambitious and coherent plan for the development of Guine Bissau – but more probably over the next 25 or 30 years. Based on the interviews made with various ministries (finance and economy, agriculture, mining - from an earlier mission), it is clear that there is a large discrepancy between the ambitions of Terra Ranka as a blueprint for development and the level of institutional and public administration readiness to implement it. The stalemate between the executive and legislative branch of the government has pretty much paralyzed the capacity to draft, review and approve the Laws supporting the reform agenda of Terra Ranka. In as such this political crisis has come at the worse moment, right after agreeing on the reform strategy.

However it would be wrong to say that nothing has been done at all since 2015, as for instance the country has implemented the Guichet Unique, simplifying greatly the process of creating and registering a new company. Also rural and agricultural development has been supported by a number of national strategies allowing for greater investment and support for the Cashew nut sector, and also rural entrepreneurship, through the stewardship of the PRSPDA (Private Sector Rehabilitation and Agribusiness Development) programme, jointly with the World Bank. Also the CMAN, the Inter-ministerial Commission in charge of improving Business Climate, does meet on a regular basis and works with the IFI community to identify areas for improvement (including on the basis of the annual "Doing Business" report of the WB).

In summary Terra Ranka will be still, for year to come, the overarching policy document which should guide the country's development over a period of 20-30 years. This policy is well aligned with global and regional policies, such as the United Nations Sustainable Development Goals, and also the Regional (West Africa) development strategy of such instance as ECOWAS, and Guinea-Bissau's own 2025 Agenda.

As a member of ECOWAS, Guinea-Bissau should have also participated to the Technical Working Group (TWG) comprising of focal points from Directorates of the Commission of the Economic Community of West African States (ECOWAS) recommended that regional and national strategies be developed in order to optimize the African Growth and Opportunity Act (AGOA, US initiative) with the aim of boosting the economy of the region through trade.

In a similar fashion, GB has been a recipient of the 11th EDF regional programme, described below in the EU development policies.

The EIP principles are fully consistent with TERRA RANKA as they promote private sector led initiatives in investment, including in sustainable agriculture and rural development, digitalisation, urban infrastructure and renewable energies (1rst Pillar of Investment and Guarantees) and improving business climate (corresponding to the 3rd Pillar of EIP).

It is important to note that implicit in the Axis of "**Private Sector Development**", the Bissau Guinean policy does include focus in areas representing major private sector and particularly SMEs' challenges, such as access to finance, entrepreneurship development, human capacity (to manage, to know how) and infrastructure. The EIP proposals in the present report intend to contribute in relaxing some of the current challenges, adding value, creating jobs and capacitating institutions and actors of development. The agri-business sector – both inter-sectorial and intra-sectorial diversification - naturally ranks number one in the priorities defined in the current Industrial Policy and Strategy (See the priority segment below).

The two most relevant interviews were done with respectively the Ministry of Agriculture and the Ministry of Economy and Finance (Both of which provided further details on a) the conditions and feasibility of implementing the TERRA RANKA and b) the priorities in terms of value chain development, particularly in the Agriculture sector.

1.3.2. The National Programme of Investment in Agriculture of GB

The National Programme of Investment in Agriculture (Programa Nacional de Investimento Agricultura[25], / Seguranca alimentar e nutricional - PNIA) led by the Ministry of Agriculture, jointly with the FAO differentiates between strategic crops for exports and food security/food crops. Crops for food security are cereals (particularly rice which is a staple food for Guineans), roots and tubers and legumes.

[25] https://macauhub.com.mo/pt/2013/09/05/portugues-guine-bissau-e-fao-relancam-programa-nacional-de-investimento-agricola/

The "*Programa Nacional de Investimento Agricultura (PNIA*), which was drafted in 2013 does include both the issue of climatic change and food security. It should be noted that Guinea-Bissau is one of the "lowland" country of Africa that is going to be the most affected by global warming and the future rise in the Ocean level, on the same level as Bangladesh.

According to Mr Nuno Carlos Tavares, from the Ministry of Agriculture, the PNIA-SA0 document was actualised in 2018. The segment priorities for development in GB are:

- Staple Cereals: Rice, Sorghum
- Horticulture: consumption vegetables (beans, tomatoes, onions, etc)
- Tubercules (potatoes, Cassava, sweet potatoes)
- Livestock: creation of short cycle livestock such as beef, goat, pork, chicken,
- Tropical fruits: Mangoes (on which the fight against fruit flies is top priority)
- Production of Cotton (in the region of Bafata, 10,000 tons/ year) - which is a regional crop.
- Fisheries and increasing the production of both sea and river fishes (separate segment)
- Strategic sector for Export: Cashew nut, tropical fruits, groundnut (peanuts), Sesame.

Clearly the top three priority of the Government of GB (in agriculture) are on strengthening and getting more value from the Cashew dominant value chain, diversifying the agricultural and halieutic segments and also reaching at least self-sufficiency in rice production for the national consumption.

The government of Guinea-Bissau and the Food and Agriculture Organization of the United Nations (FAO) have adopted a plan in 2013 to expand rice production in the country. Rice cereal represents 62% of the production of the class of products and 80% of the consumption of Guineans. The Ministry representative also stressed the importance of rice in the country's economy and balance of payment (currently importing 50% of the national needs) and also fisheries which is an excellent and readily available source of protein, contributing to food and nutrition safety.

Rice is present in the daily food ration of the population, which justifies its position in the initiative promoted by the president of the republic," Hand in the Mud ", in the Strategic and Operational Plan" Terra Ranka "and in the actions to be promoted by FAO. The focus is to combat food insecurity that involves ensuring production and access to rice.

As part of our field visit to horticulture, cashew nut and mangoes (tropical fruits) producers, which are some of the leading private agro-producers in GB, they pointed out to the following challenges facing agriculture in Guinea-Bissau, and five bottlenecks (synthesis of the key issues in agriculture) in particular:

1. **Bottleneck N1**: **quality of inputs, products of agriculture** & **lack of processing & storage**. Most of the agriculture in Guinea-Bissau is subsistence farming, that is informal and lacking quality input to produce quality and productive outputs. Hence a key bottleneck for subsistence farming is access to quality suppliers (foremost seeds and fertilisers). The FAO also points out for the need to establish a sustainable and market driven system for the production of quality seeds for the agri-sector. Strengthening family / small scale farmers, through better supply and financing in specific value chains is key; Cashew nut entrepreneurs pointed out to the **need to structure Cooperatives at the cashew farmers communities**, helping them to get access to quality seedlings, and better planting and management techniques, as well as financing. – this could be one of the intervention area of Pillar II (Technical Assistance);

1. **Bottleneck N2**: **Access to Finance – Working capital for farmers** (financing of next year inputs, fertilisers, diesel, seeds, etc) – to be repaid with proceeds of crops. This should be done for Cashew and Cotton (Bafata) farmers through commercial aggregators – but these credit organisation and systems are still very few and not supported by the local banks, and not supported by a national "Cooperative and rural financing programme"

2. **Bottleneck N3**: **Rural infrastructure** - Infrastructure, roads, logistics, transformation units for Cashew; Storage points, as the issues is upstream in the production organisation (including set up of nurseries for cashew, mangoes and other tropical fruits and produce) , the right conditioning of the products , down to the **industrial transformation and co-generation units (Cashew nut** shells are the perfect biomass for producing renewable electricity through co-generation); The structuring of Project finance for a X number of processing units could also become the focus of Pillar I intervention through guarantees, and funding of the working capital for the purchase of cashew nut (crucial for the success of such processing units). This typically would be private sector financed, but with the additionality of a number of guarantees on IFI loans or commercial loans for securing the financing.
3. **Bottleneck N4**: **Land re-allocation & Land registry** and reliability of the agricultural land concession system – there is no geo-referencing of the Lands in Guinea-Bissau and also no clear Land act and un-reliable land registry (antiquated Portuguese one). there is a need for a National land re-allocation strategy, seizing and re-distributing "non-productive lands" which are not being put to use and wasting valuable agricultural assets & creating the conditions for larger scale commercial farming, conditions for creating economies of scale and also more competitive agricultural supply market.
4. **Bottleneck N5**: **Laboratory backed Quality System and certification** for the whole of Guine Bissau's agricultural and fisheries production. Currently the Quality control is fragmented and being supervised inefficiently by three different Ministries. The result is that none of GB key exports are yet to be certified for export for the EU. Pillar II intervention – and coordination with the existing EU regional programme called "Programme Systeme Qualité de l'Afrique de l'Ouest (PSQAO); This would be a Pillar II opportunity (or through the 11th FED budget.)

On the basis of the above priorities, one can see that there are quite a few opportunities for applying EIP facilities in Guinea-Bissau – granted that most of these subsidies or technical assistance would benefit directly the private sector, and/ or make surgical improvement in the public administration of specific regulatory areas (such as the land registry or the quality control and certification). These areas are described in Chapter II and Chapter III.

In a nutshell the above suggests that the EU should select out a limited number of agricultural value chains, that will have the greatest impact in terms of job creation and value creation (cashew, fisheries), import substitution (rice), export potential (cashew, tropical fruits, peanut) and also for processing (cashew), and in some cases, export through certification of the end products.

1.3.3. Current EU Funded Private Sector Development Programmes

In congruence with the National and the Regional Indicative Programmes and the 10th and 11th EDF, several EU-funded support programmes are under way or soon to be implemented and shall contribute to the development of specific value chains, infrastructure and strategic sectors for job creation and economic activity in Guinea-Bissau, namely:

The Regional Indicative Programme (RIP) for West Africa is a programme funded by the European Union under the European Development Fund (EDF), the overall objective of which is to contribute to reducing poverty through supporting better growth and regional economic integration among countries of the region.

Through the current Regional Indicative Programme (2014-2020) under the 11th EDF, the EU has made available to the region, €1.15 billion, with priorities centred on regional integration. These priorities are:

- **Peace, security and regional stability**
- **Regional economic integration and support for trade and private sector**
- **Resilience, food and nutritional security and natural resources**

Two regional organisations – the **West African Economic and Monetary Union (UEMOA or WAEMU in English)**–and the **Economic Community of West Africa (ECOWAS**) , as well as Mauritania – have a mandate in the field of economic integration in West Africa and are therefore responsible for the implementation of the 11th EDF.

Modalities Summary of the EU 10th and 11th FED Programmes in Guinea-Bissau[26]

In our review of the Job and Growth Compact and the FED Programme, our comments are in italic and the actual programme description in normal letters.

As explained in the Job and Growth Compact the EU in GB is targeting on the one hand **food security and nutrition issues**, and the sectors in which it is likely to act as a catalyst to stimulate the change necessary for **growth and economic diversification** and employment.

In the framework of the 10th EDF, mention will be made in particular of the **EU-ACTIVA** projects (*Ações Coletivas e Territoriais Integralas para a Valorização da Agricultura)* and **AINDA** (*Ações Integradas em Nutrição and Desenvolvimento Agrícola*), which contribute to the opening up of rural areas by reinforcing agricultural sectors in different regions and supporting the development of technical capacities of farmers and agricultural associations.

The 11th EDF NIP focuses on 3 components: **Consolidation of Public Governance, Health and Sustainable Rural Development.** The latter focuses on food security and income-generating and employment activities in rural areas. The implementation of the NIP has been slowed down by the political crisis, and support for state consolidation has been reduced to accompanying institutional support for improving public financial management and support for the management of public finances and improvement of the business climate.

Technical assistance (TA) to improve the business climate was the subject of a new service contract at the beginning of 2018, with the aim of consolidating achievements since 2015, structuring the public-private dialogue and creating a Euro-business group as part of the implementation of European economic diplomacy. In this context, the TA will also contribute to the implementation of partnership platforms for vocational training (entrepreneurship), and the implementation of the European External Investment Plan which proves to be a particularly delicate challenge given the weaknesses the country in the eyes of investors and financial institutions.

We met and interviewed Mr. Fernando Silva, the TA selected to work on the Business climate, implement the Euro Business forum and contribute to entrepreneurship. Whilst there are no doubt that a significant number of vocational and professional trainings were delivered, and also through the "Thematic Café" and the "Competitiveness Marathon" that a significant number of potential entrepreneurs and business persons have been trained and updated on developmental tools. However, on two of the main deliverables of the TA work – the mapping of the Private Sector in GB and also the structuring of the Euro Business Forum, we have not seen any evidence of real progress, and that over a 3-year TA period.

As part of its support to strengthening Meso-organizations, the EUD has been concentrating its efforts on direct support to civil society, the strengthening of professional capacities, and the professional integration, particularly of young people and women in rural areas, directing support to private sector and community organizations that can take over.

This is the case of the 2017 AAP **Program for Resilience and Socio-Economic Opportunities (PRO-GB)**, of € 44.5 million currently in implementation phase, which allocates € 34 million to rural development (agriculture). sustainable development / value chains - water / energy services), with emphasis on the development of agricultural value chains, and in particular rice, to achieve inclusive growth and create jobs.

[26] Jobs and Growth Compact for Guinea Bissau (Supporting job creation and economic growth in Africa) 2018

This is also the case of the PAA 2018 for the **Revival of Technical Education and Vocational Training RESET** which targets capacity building and professional integration in the agri-food sector. The proposed actions, worth EUR 7 million, are in line with national priorities and will prioritize support for young women and the most vulnerable groups. It will be closely linked to the labor market , transactions upstream and downstream of agricultural activity, and the energy and electricity sector, in which investments at national and regional level are foreseen.

Vocational training is also targeted by the **OSC-AL thematic programs**, in particular a new project initiated in 2017 "**Farmer of the future**" which provides for the reinforcement and the economic sustainability of an agricultural training center on an innovative school-enterprise scheme (or school farm).

On the "Business Climate" and Regulatory side, the EU will also support the implementation of the **land-use law in Guinea-Bissau "N'Tene Terra**", in the start-up phase, through a contribution agreement with FAO, as part of the DCI- Food. This is most appropriate, as most private farmers and stakeholders have complained on the antiquated and inefficient land use regulation and practices in GB. *Alongside with improving the Quality control and certification procedures and regulations (and implementation) this reform of Land use would be a very significant progress*.

The revival of growth and economic competitiveness in the sense of balance of payments is really based on **support to the horticulture sector, particularly mango granted under the Regional Indicative Program (RIP),** and in particular the country component Guinea-Bissau of the West Africa Competitiveness Program (PCAO), currently in the preparation phase, which aims to improve the performance and growth of the "mango" sector through 2 pillars: 1) support producers and associations and co-operatives in the sector, and 2) support for the organization and structuring of the sector (quality, institutional capacity building, etc.). The success of this support depends on the dissemination of results to the entire horticultural sector.

One comment on the support to the mango sector. Whilst it is important to support the diversification of the economy away from the overwhelming cashew nut production and export sector, we believe that the potential of the Mango segment to diversify farmers income and create job is marginal at best. Through secondary research[27], and the review of an extensive report on the potential of Mango and Lime, we noticed that the whole mango sector employs only 750 people in GB and represents a mere 0,56% of the total agricultural output and value in Guinea-Bissau. In our view, the support first to the Intra-sectorial diversification of the very significant cashew nut sector, employing or affecting over 50% of the total farming population of GB, would be a more prevalent priority over the support of the Mango sector.

Other regional EU interventions in support of regional economic integration (second pillar PIR) that can contribute more indirectly to private sector development and job creation include:

- The West Africa Quality System Program (QSPSS), which tries in particular to support the Ministry of Commerce in Guinea-Bissau in the development and implementation of a new National Quality Policy,
- The support program for the regional plan for the fight against fruit flies in West Africa, which Guinea-Bissau integrated at the beginning of 2018 (signing of the convention between ECOWAS and the National Committee of Guinea-Bissau created on this occasion).

In the Job and Growth Compact document, the analysis of the political, macroeconomic and policy management of government (or lack of) and the business climate is rather bleak, and to a large extend, this correspond to the current reality of Guinea-Bissau, whose public investment and support is paralyzed by the stalemate between the executive and legislative branch of the GoGB, on and off since 1995.

[27] Guinea Bissau.Mango and Lime, sectorial report, March 2019

On the other hand, in our view, this document does under-estimate the resilience and capability of the private sector (both local entrepreneurs and a few international investors) to make a difference in specific and profitable segment of the economy, such as cashew nut production and transformation (four units of transformation have already been built, mostly through private capital), development in fisheries (both artisanal and commercial) tropical fruits and commercial farms development, sustainable tourism, mining (with the Farim on going USD200M industrial mining development) and also a small but smart number of initiatives to create an ecosystem of business incubators and innovation clusters in Bissau (such as Innovalab "Innovation hub" which is creating a community of developer and entrepreneur in Bissau).

In some ways, support to development policies in a Low Governance country is a "chicken and egg" dilemma, which stem from an analysis of the current situation and mutually exclusive economic development propositions: a) since the public sector is hapless and misuses public funds, we should ***not*** *support currently any infrastructure and significant PPP agricultural or industrial projects and wait for a state of better public governance ("stand by option"); or b) since the public sector has proven again and again to be inefficient at implementing public policies, we should support selected private sector initiatives that create jobs, diversify the economy and the export mix of the country ("pro-active, private sector led initiatives"). At the end if the goal of the European Union policy is to foster growth, sustainable development and better economic opportunities for the local population, anchored locally, one needs to start somewhere, and focus on the sectors with the highest social, economic and employment impact for the country, independently on whether the state is a reliable partner (or not). This is the assumption retained for the selection of sectors, value chains and opportunities for the deployment of the EIP facility.*

1.4. Business Environment in Guinea-Bissau regulatory framework and improvement opportunities

1.4.1. Business Climate in Guinea-Bissau

This section on business climate is part of the review of the business environment (Pillar III of the EIP) with the purpose of identifying opportunities for improvement in both the structured dialogue with the government and government agencies, as well as legal and regulatory improvements.

A strong and diversified private sector is facilitated by a supportive business environment. Despite some efforts made over the last 15 years of economic growth and some timid reform to improve the GB's business environment – for instance in Starting a Business with the Guichet Unique - the country still ranks at a very low ranking in international benchmarks (175 out of 190). For the last ten years, Guinea-Bissau has been consistently ranked at the bottom 20%. Similar trend holds for Global Competitiveness Index (GCI).

In the latest Doing Business report of the World Bank Guinea-Bissau now holds a global 175th Doing Business 2019[28] Rank, below the average for Sub-Sahara Africa, and far below the two top performers in CEDEAO region, namely Ghana (20th) and Cote d Ivoire (86th). The diagrams (radar) below show how Guinea-Bissau performed in different areas that informed the DB 2019 ranking and how the country's compares with the two top performer countries in the Western African region.

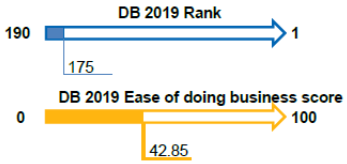
Figure N1: World Bank Doing Business 2019 – African Country Scoring

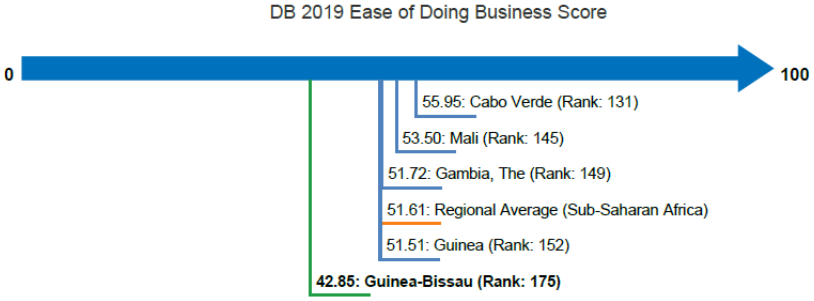
[28] World Bank , Doing Business Report 2018 , 2019

Doing Business 2019 **Guinea-Bissau**

Ease of Doing Business in Guinea-Bissau

Region	Sub-Saharan Africa
Income Category	Low income
Population	1,861,283
City Covered	Bissau





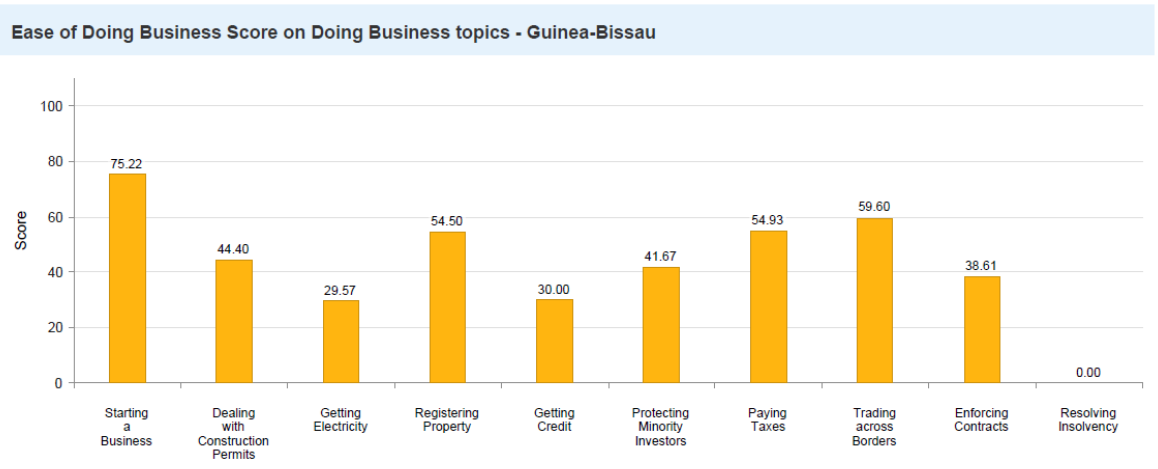
Note: The ease of doing business score captures the gap of each economy from the best regulatory performance observed on each of the indicators across all economies in the *Doing Business* sample since 2005. An economy's ease of doing business score is reflected on a scale from 0 to 100, where 0 represents the lowest and 100 represents the best performance. The ease of doing business ranking ranges from 1 to 190.

The challenge is associated with the timid pace of undertaking economic reforms to make a change in the current business environment, characterized by persistent constrains:

Companies continue to report being negatively affected by **uncertainty** in the business environment, **unpredictable** application of legislation, and **other barriers to investment**, such as access to land, access to finance, excessive bureaucracy and discretionary power (particularly at local middle – lower levers of administration) and corruption.

Despite approval of business environment reform strategies, policies, and legislation, there is an overwhelming perception/complaint that policy reforms that were expected to dramatically improve the business environment, and which would logically be reflected in increasing business confidence and higher Doing Business rankings, have simply not been effectively well implemented, and some gains have been reversed, such as starting business.

Graphic N 1: How is Guine Bissau scoring in the Doing Business key criteria?

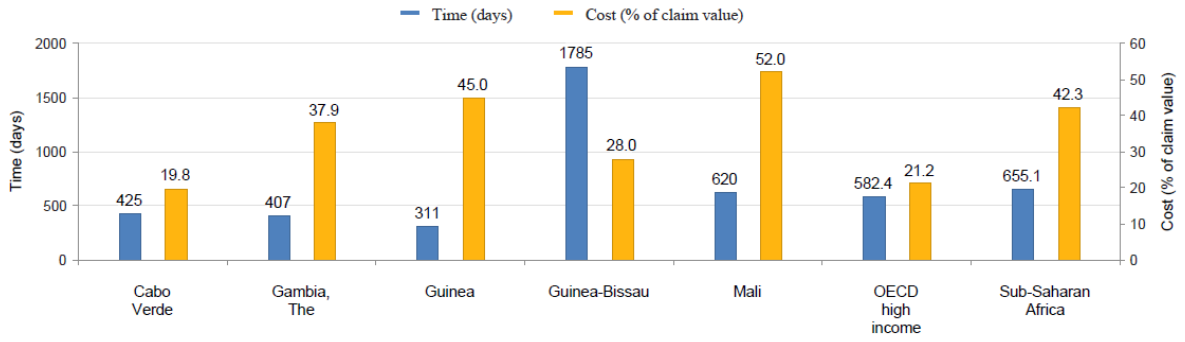


As can be seen in the graphic above, there is really only one brighter spot in the DB of the World Bank, that is the speed at which one entrepreneur can start a business. We got evidence of the progress in this segment from the Director from a large cashew nut processing company, who confirmed to us that the set up and registration of his new cashew nut company took exactly 6 days, through the dililgent and acceptable services of the Guichet Unique. One good point to be mentioned in an otherwise, very bureaucratic setting of Guinea-Bissau. Getting electricity, obtaining construction permits are still excruciatingly slow and cumbersome.

More disturbing is that the legal protection of businesses and company management is almost nil or the lowest in the whole Western Africa sub-region. See the evidence below for Enforcing contract and how much time it takes to do it (> 1785 days, compared to 655 days on average in Sub-Saharan Africa). Enforcing contract through the judiciary is simply "mission impossible" and not worth the time and cost, which reaches on average up to 30% of the claim value. This again demonstrates the chronic weakness of the GB judiciary system.

Graphic N 2: Enforcing Contracts in Guinea-Bissau – from Doing Business WB, 2019

Figure Enforcing Contracts in Guinea-Bissau Time and Cost



The government made efforts to address some constrains which have been hampering business environment for some years, however some changes on administrative procedures introduced, such as the creation of the Guichet Unique, which does facilitate the speed and procedure of starting up a new business. Otherwise, as analysed in the Legal and regulatory section, one can see that current Governance is not conducive (or focused on) bettering the overall business climate.

Guinea-Bissau still has a long way to go to become a competitive business environment in the region. The country's rank fall on the bottom of the West African region. The poor business environment in Guinea-Bissau reflects the difficult conditions faced by investors willing to invest, as well as the ones already established. Despite Guinea-Bissau's investment potential, the business environment poses distinct challenges, which may be the underlying (contributing factors) causes of poor business environment, which include:

Macroeconomic and Political environment, On the basis of GDP growth, Guinea-Bissau is actually one of the best performing economy of the sub-region, but one that is largely dependent in the global pricing and demand for one commodity product: cashew nut. More worrisome is the chronic political instability of the country. Guinea-Bissau is facing political instability that began a few months after the adoption in March 2015 of the Terra Ranka Strategic Plan and Operational Plan 2015-2020. As of August 1, 2018, 7 prime ministers have succeeded each other since then. The state function is paralyzed, even if the National Assembly (ANP) is back in office since April 2018, under the pressure of the international community and particularly of ECOWAS (Conakry Agreement).

Bureaucracy remains largely indifferent to the needs of the private sector, especially small-to-medium-sized enterprises. The slow pace of conducting business is one of the main challenges in Guinea-Bissau. This may reflect weak institutions and human capacity (thus across the board low productivity) but may also signal corruption practice. Administrative procedures relating to the operation of enterprises remain cumbersome, time-consuming and not very transparent, in particular as regards the acquisition of licenses and permits, inspection, as well as payments to direct contributions, the payment of customs duties etc. Among the Government Initiatives to stimulate entrepreneurship and investment, the creation of the CFE - Centre for Enterprise Formalization, the Guichet Unique/ one-stop shop has reduced the time and costs of business creation. On the other hand, Guinea-Bissau requires 40 days and six separate procedures to transfer the ownership of a building, when Rwanda only needs three procedures and 12 days.

Labor force rigidity in a context of scarce qualified labor. GB has few higher institutions and only 2 Universities. It suffers from a shortage of qualified personnel, for the mining, agriculture, agribusiness and other activities. This is partially compensated from hiring qualified cadre/ management from neighbouring countries – but GB should groom its own generation of qualified workers and entrepreneurs.

Access to land is among the top constraints to business. The administrative (bureaucratic) process of acquiring rights to use land can be lengthy and complicated, thus challenging the reliability, certainty and timeliness required by investors to invest. Many laws and sectoral and thematic codes governing private sector activities need to be revised. This is the case of the 1998 Land and Domanial Act, which should be duly updated and regulated to solve the problems of access to land and tenure of properties. The same situation concerns the 2011 Investment Act (Code), which also needs to be improved, as well as the sectoral codes for agriculture, fisheries and the forestry sector. The acquisition and registration of goods is always subject to heavy and expensive regulation and the problems associated with labour laws are also numerous. These bureaucratic processes and their associated challenges also apply to construction permits and other mandatory registration requirements.

Poor basic infrastructures, inadequate roads, unreliable and very expensive power supply, limited communications networks, all affect business environment. The government is making efforts to improve road infrastructure, but still a lot of investment to be made to connect markets.

Lack of access to credit is one of the top constraints to business. Commercial banks charge high interest rates, regardless of the Central Bank's standing lending facility, making it difficult for SMEs to find affordable financing.

1.4.2. Analysis of Legal and Regulatory framework of Guinea-Bissau and main recommendations for improvement areas

We also made a survey, among the ministries and also the private sector to gauge the current regulatory framework of Guinea-Bissau, as related to private sector "*would be*" legal ecosystem and also conditions needed to encourage a more liquid capital and securities market in the country. The result is almost a "Business Climate reform" agenda in itself, which would deserve further attention

from both the EU and also other donors.

In order to foster private sector growth and the conditions for its financing, the Regulatory framework should include also more advanced acts (such Land and Domanial Code, and also Investment Act) and regulations on setting up a well-functioning ***capital and securities markets*** (see Table on Private Equity / Capital market scorecard below), which is almost non-existent at the moment, and dependent from regional (UEMOA) regulations.

As will be analysed in the "Access to Finance"/ EIP implementation chapter, another way to provide financing to promising SMEs is to encourage the creation of Venture Capital, and Private Equity funds who could provide both Equity capital and also subordinated debt financing to SMEs, and accompany them from start-up stage to maturity and IPO (Initial Public Offering). At the moment, GB has no Private Equity Market and no VC Funds. Some of the Business Accelerators are starting to act as embryonic "Business Angels".

Please find below a more detailed Benchmarking of Guinea-Bissau's legal and regulatory framework, based on the LAVCA (Latin American Private Equity and Venture Capital Associations) annual Scorecard of VC eco-system in 30+ countries of Latin and Central America and the Caribbean. This will point to some of the current weaknesses of the PE/ VC regulatory framework and in general Investment Laws.

Table N 5.1: Capital Markets/ Private Equity Business and Legal Scorecard.

Benchmarking of Guine Bissau vs Other countries	*Scoring on a scale from 1 (Lowest) to 4 (Highest)*			
Private Equity/ Capital Markets/ Business Climate Scorecard	**OHADA** Cote Ivoire	**Guinea-B.** (*)	**Brazil**	**UK**
1. Laws on PE/VC fund formation and operation	4	**2**	4	4
2. Tax treatment of PE/VC funds and investments	3	**1**	3	4
3. Protection of minority shareholder rights	2	**2**	3	4
4. Restrictions on local institutional investors investing in PE/VC	2	**1**	2	4
5. Protection of intellectual property rights	3	**2**	2	4
6. Bankruptcy regulation (encompassing bankruptcy procedures/creditor rights/partner)	2	**2**	3	3
7. Capital market development and feasibility of local exits	3	**1**	3	4
8. Registration/reserve requirements on inward investments	3	**1**	3	3
9. Corporate governance requirements	3	**2**	3	4
10. Strength of the judicial system	2	**1**	2	4
11. Perceived corruption	1	**1**	1	4
12. Quality of local accounting/use of international standards	4	**2**	4	4
13. Entrepreneurship	3	**1**	3	3
(*) Benchmarking of Guinea-Bissau Business and Entrepreneurship Framework based on Interviews with Private and Public sector, June 2019				
(**) LAVCA 2017/2018 Scorecard - The Private Equity and Venture Capital in Latin America. https://lavca.org/scorecard/				
https://lavca.org/scorecard/				

This private equity scorecards provide an eagle view on the distance that still separates Guines-Bissau from a well-functioning capital and securities markets such as Brazil and/ or a faster

developing stock market environment such as Cote d'Ivoire. The development of a healthy Stock Exchange is feasible in emerging markets (see the example for instance of Jamaica) and growing stock markets and junior markets (for listing of young, medium size enterprises), provides a welcome alternative to: a) bank-based lending; b) a fresh source of capital/ equity investment into SMEs and larger companies and c) a viable exit for funds of investors into SMEs in the form of IPOs (Initial Public Offering) or listing.

Clearly the set up and implementation of a well-functioning securities market and Private Equity market is an incremental process, which requires both legal reform, the set-up of Financial Services regulatory agencies, and capacitating all these institutions with well-trained civil servants. We believe that Guinea-Bissau is still decades away from being able to use the Stock market as a regular Financing alternative (it has one listed company on the West African UEMOA regulated stock market).

Below we are providing a more specific analysis or the Business-related regulatory framework. We have been greatly helped in this by a local Legal Counsel, DCS Law firm, who specialised in business and transaction law, as well as public sector reform.

Table N 5.2: Business Climate: legal and regulatory assessment[29].

Business Laws and Regulatory framework Guinea-Bissau (*)	Yes/ No	Strength 1=Low; 5=High	Guinea Bissau - Evolution / Recent Laws
1. Banking Act and Insurance sector regulations?	Yes	4	In force in all UEMOA Member States, rigorously implemented by the regulatory body/BCEAO and operating satisfactorily
2. Is there a local Stock Market?	No	1	Without local Stock Market at the national level, but integrated in the UEMOA Stock Exchange/BRVM, although without one single company listed
3. Is there an Investment Law and Policy?	Yes	3	Yes, operating satisfactorily
4. Does Guinea-Bissau have a Bankrupcy law?	Yes	2	In force in all OHADA jurisdictions, including Guinea-Bissau
5. Does Guinea-Bissau have a PPP (Public Private Partnership) Law and policy?	No	1	PPP Law drafted in 2009, but required new process of amendment
6. Does Guinea-Bissau have a Labour law and policy?	Yes	2	The Law in force is outdated, new Labour Law in the parliamentary procedure
7. Does Guinea-Bissau has passed Laws that protect Land and building property?	Yes	2	Yes, but deficient and need upgrading / implementation
8. Does Guinea-Bissau have a competition law and policy?	Yes	2	In force in all OHADA jurisdictions, but not applied and shelved in Guinea-Bissau
9. Does Guinea-Bissau have the equivalent of "Small Business Administration (US)?	No	1	Not applicable
10. Is there some Tax incentives and fiscal systems supportive to SMEs ?	No	1	General standards, without rules specifically designed for SMEs
11. Conformity of Guinean-Bissau Accounting GAAP w/ international standards (IFRS)?	Yes	2	Required in all OHADA jurisdictions, including Guinea-Bissau, starting 1 January 2019, for all listed companies and companies seeking financing in a public capital market.
12. Capital Market Act and Securities regulations	Yes	2	In force in all UEMOA Member States, but not applied in Guinea-Bissau
13. Protection of Minority shareholder rights	Yes	3	To what extend are they protected
14. Legal and regulatory framework for SMEs	No	1	General standards, without rules specifically designed for SMEs
15. Intellectual Property Rights Laws	Yes	3	To what extend are they applied
(*) Emergy Capital Markets/ TPSDE/ DCS LAW FIRM analysis, 2019			

From the table above, we could consider that the legal regime for business in Guinea-Bissau covers most of the main areas of business regulations, but it stills has large gaps in the framework and in implementing the Laws. Despite the weak legislative activity / lack of legislation approved by internal organs, the country has greatly benefited from legislation approved by the organizations of which it is a part, such as UEMOA (in banking, currency and financial / investment funds), OHADA (business law, including corporate law, bankruptcy and business recovery), ECOWAS (in trade and customs

[29] DCS Law firm, courtesy analysis from Mr Dimir Coutinho, attorney at Law, Lisbon, Bissau. 2019

matters) and CIMA (insurance law), directly applicable in the legal system of Guinea-Bissau and, as a rule, entailing the revocation of any contrary local rule or act.

As per international legal practice[30], in light of Guinean reality, these regional laws are usually modern and sophisticated legal instruments, which are not always backed up with the necessary internal regulations, including the lack of translation into Portuguese. As a result, these legal instruments are considered to be in force and directly applicable in Guinea-Bissau, despite the fact that there is a considerable lack of awareness of their regimes, including by their main enforcers, such as the Courts, the Public Administration, etc.

This means that, in Guinea-Bissau, the constraints of the business environment do not always arise at the level of lack of legislation, updating or the expertise of the operators of the laws. From our point of view, some of the most important challenges are the issues of regulation, translation, the applicability of laws as well as the slowness of the Courts and the permeability of the system to corruption. Thus, I would say that it is not enough to have a law, it is necessary to see and multiply evidence of how the law is being implemented in everyday life.

***EIP Pillar III Business Climate improvement Opportunity N1**: analyse with the GoGB the priority and possibility of drafting (or modernising) the **Overall Business Laws framework and application of the regional laws** of Guinea-Bissau, in order to create a more robust and implemented Business legal environment. This may start with strengthening the **Land Code and the PPP Law (improvement)** which are very much needed in the context of developing the agriculture and the Infrastructure and mining industries*

This would be a typical intervention of the Pillar III (Business Climate) of the EIP. Budget for such regulatory intervention, along with implementation of (for instance) the new Land & Registry law (along with Capacity Building of the enforcement of this Act and team), depending on the length and depth of the TA component, would be in the order of 250K – 500,000 EUR[31].

[30] Analysis from Mr Dimir Coutinho, DCS Law firm, Lisbon, Bissau. 2019

[31] The Budget on the Land law depends largely on the needs for Satellite based survey and geo)referencing survey or not. Just the legal work would point to lower budget, adding the scientific work, could lead the budget much higher.

2. POTENTIAL USE OF EU'S EXTERNAL INVESTMENT PLAN AND EFSD GUARANTEE IN GUINE-BISSAU

2.1. The EU's External Investment Plan (EIP)

In 2017, the European Union adopted the External Investment Plan (EIP) to leverage more investment into its partner countries in Africa and the Neighbourhood to support inclusive growth and combat (illegal) migration. The EIP is based on three pillars, some details of these three pillars are set out below[32]:

Pillar 1: consists of two components, existing investment facilities (EUR 2.6 bn) and the **EFSD guarantee instrument** (EUR 1.5 bn). This guarantee instrument is new and will be used to provide partial guarantees to issue or area-based investment packages covering public or private investors' risks. These guarantees can cover a wide range of financial instruments: loans (including in local currencies), guarantees and counter-guarantees, acquiring holdings and other financial instruments (quasi-equity, fund of fund equity, etc.)[33]. The EFSD aims to be a one-stop shop for applications from development financial institutions and other public or private investors. The European Commission provides an envelope of EUR 4.1 bn to fund the EFSD and aims to use it as a lever to mobilise more than EUR 44 bn of additional public and private funding.

Pillar 2: *Technical assistance:* this must serve first to improve the quantity and bankability of projects proposed in partner countries to facilitate more finance at local and international level and second to strengthen the abilities of players in the private sector (particularly meso-organisations, private sector associations and chambers of commerce) to improve the regulatory and political framework for business. This second pillar should therefore reinforce pillars 1 (EFSD) and 3 (promoting an investment-favourable climate)

Pillar 3: *Promoting an investment-favourable climate:* particularly via the EU Delegations in partner countries. This pillar is about supporting structured dialogue with businesses (at local, strategic, civil society and sector level), political dialogues with partner governments and encouraging the adoption of reforms to improve the business climate, allowing for a match between the EU's policies and those of the partner countries.

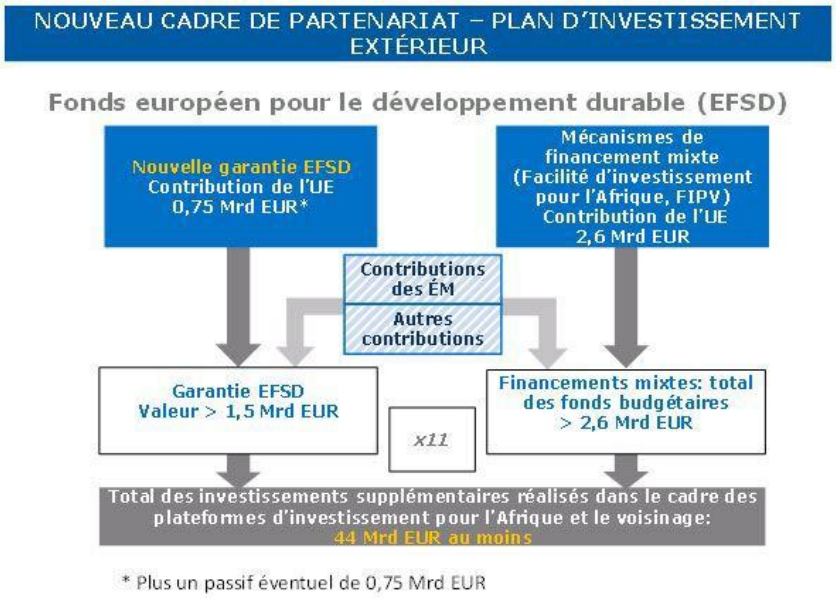
Operationally speaking, EFSD guarantee instruments may be applied for by eligible counterparties (multilateral development banks like EIB, BERD; bilateral development banks like KfW or AFD; European financial development institutions like BIO, Proparco and FMO; other regional or international development banks like the African Development Bank - AfDB)[34] via investment windows. To be eligible for EFSD guarantees, counterparties must submit investment proposals based on investment windows and comply with criteria like the additionality principle (no competition with the local private sector, for example), neutrality (no competition or distorting the market), measurable impact and complying with social, environmental and tax standards.

Graphic N 3: EFSD Mechanisms for EIP selected project – Work with IFI or bi-lateral partner

[32] European Union, EU External Investment Plan (Factsheet), https://ec.europa.eu/commission/sites/beta-political/files/factsheet_on_the_eu_external_investment_plan_fr.pdf

[33] It should be noted that guarantees to Seed Capital, VC and Private Equity funds are eligible for the EIP.

[34] European Commission, Your Guide to the External Investment Plan, Release No 1, November 2017, p. 15



Although, up to now, in Guinea-Bissau, the EIP facility has not been implemented yet or connected to specific thematic development schemes (as it is very recent still and this TA mission's purpose is to actually identify a selected few sector or value chain for the EIP), in this initial identification mission, the mission analysed several windows that could clearly match the EFSD Guarantee facility and the Technical Assistance pillars, among these: a) infrastructure related projects in mini grid energy and cashew nut processing units; b) access to finance and funding of SMEs (through micro-credit and better conceived banking credit) and entrepreneurship support through incubators; c) sustainable agriculture, rural entrepreneurs and agribusiness, in particular in the cashew value chain, fisheries and the sector diversification (mango, palm oil, peanut) programmes. The Tourism industry has also a large potential, but should be analysed separately, as the EIP does not have (to our knowledge) specific Guarantees or subsidies focused on that segment.

2.2. Modalities for implementing the External Investment Plan in Guinea-Bissau

This part of the report presents recommendations for implementing the EIP in Guinea-Bissau based on the first and second pillars (EFSD and technical assistance) in the context of the initial 2 investment windows above mentioned (i.e. Energy Infrastructure, and Access to Finance for SMEs).

The review of the energy sector was made through participation to a workshop lead and organised by the World Bank at EAGB, GB incumbent energy and water operator, as well as a separate interview with the principal of DNV-GL Energy Insight (USA) the selected to develop mini grid in the Bijagos island, and himself expert in off grid energy projects. Thirdly, we used also the benchmark of another Lusophone country in their quest for universal electricity coverage, such as Mozambique, which has seen its energy coverage shoot up from 5 to 28% in 10 years and is aiming at reaching 50% through the use of renewable energy sources (RES) and the establishment of independent producers throughout the country.

As part of the EFSD Guarantee[35], the EU has listed a number of existing facilities in partnership with bi-lateral and International financial institutions, including a dozen related to funding and supporting renewable energy projects and sustainable cities infrastructure. Similar facilities and guarantees exists also for support to Agriculture and agri-business and access to finance for SMEs

[35] Summaries of he EU External Investment Plan Guarantees, March 2019

Table N 6: European Guarantee for Renewable Energy (with AFD and KfW and EIB)

European Guarantee for Renewable Energy

Supporting investment in sustainable energy in Sub-Saharan Africa

Key info

Lead financial institutions:	Agence Française du Développement (AFD) Cassa Depositi e Prestiti (CDP) European Investment Bank (EIB) KfW Group
EFSD Guarantee:	Up to €168.5 m
Technical Assistance:	Up to €24 m
Total investment expected:	Up to €3.4 bn
Contact:	infodesk@eib.org (EIB) info@kfw-entwicklungsbank.de (KfW) PianoJunckerEsterno@cdp.it (CDP) auberta@afd.fr (AfDB)

What will it do?

This guarantee will help to expand the generation of renewable energy in Sub-Saharan Africa and cut the region's carbon emissions, increase energy efficiency, enable many more people to access energy and reduce often daily power shortages.

It will partially cover the offtake risks in renewable energy projects such as windfarms and solar energy to meet growing energy demand. It will address bottlenecks to private investment by helping independent power producers to obtain the liquidity they need in the event that their off-taker (typically a public utility) delays payment. It will also aim to bridge the gap between perceived and actual risks for private investors in the African renewable energy market.

Preliminary estimates suggest that the resulting investment could create up to 12,000 jobs and add around 2 gigawatts of generating capacity from renewable sources.

In addition, the renewable energy sector in partner countries will receive a comprehensive package of technical assistance to:

- support the implementation of guarantees and the tendering process
- enable power utilities to become commercially viable
- support an enabling environment that facilitates private investment in renewable energy
- improve the regulatory framework, energy sector and policy dialogue.

2.2.1. Infrastructure related projects – Contributing to regional (WAPP – Western Africa Power Pool) energy infrastructure project and funding (subsidies) mini grids and biomass co-generation to increase rural electricity access.

In our discussions with the World Bank, the EU, the UNDP and the African Development Bank ,it became clear that capital investment into basic infrastructures, such as roads, water and electricity utilities, and logistical and regional corridors of this small but badly equipped country is still very much at the top of the development agenda. As part of these, energy infrastructure is a key enabler of the economy and any transformation and industrialisation endeavour.

A. Opportunity to add the EFSD Guarantee mechanism to the 50 MW Solar Plant project

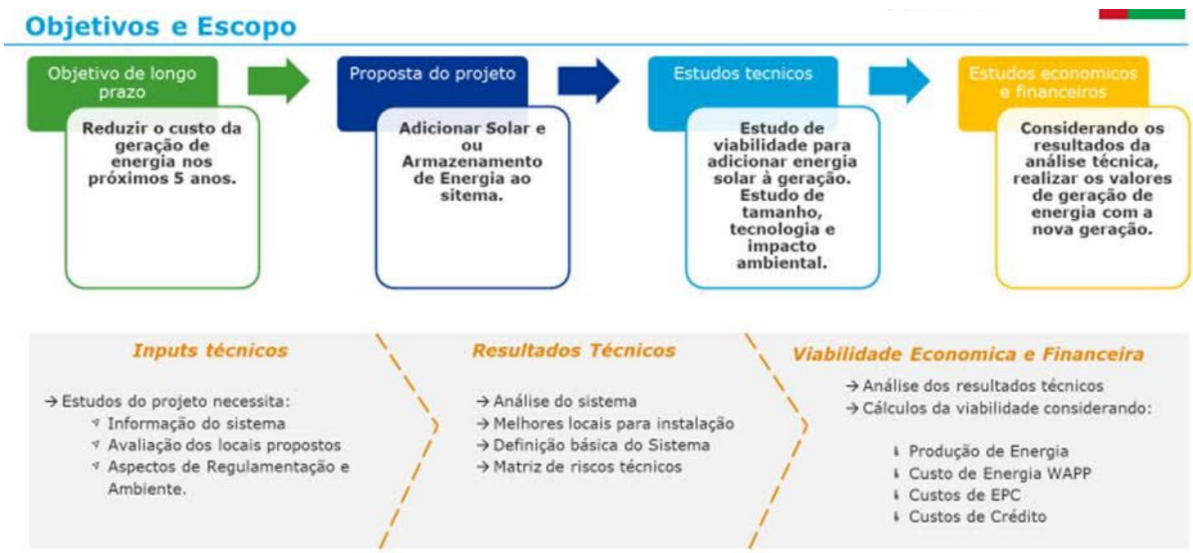
Although dealing with the EAGB byzantine organisation, which is at times used as a "cash pool" by the central government, at the expense of the quality of service and coverage of service for the larger population, is in itself a development dilemma, the current level of Universal Electricity service is dismal , at 1% in rural zone, 10% in urban areas and 29% in Bissau, and the tariff practiced in BG are the highest in the West Africa region, by a wide margin.

Hence, we have been discussing with various stakeholders, IFIs and also specific sector entrepreneurs to understand what options could be available in order to increase the electricity coverage in rural areas and remote areas. One of the solutions is the development of mini grids and off grid biomass or solar PV powered mini generation stations, that cater the needs of a municipality or medium size enterprise or industrial park.

At the national, USO (Universal Service Obligation) level, the Government of Guinea-Bissau, with the support of the World Bank and other partners, are assessing the feasibility of a 50 MW solar power scale-up program. A technical study financed by the Energy Sector Management Assistance Program (ESMAP), and mobilized by the World Bank, is expected to be completed by September 2019. The draft program design (under revision) includes the following:

- **Up to six solar PV plants in Bissau and in the regions with a total installed capacity of 50 MW;**
- **Five solar PV systems for health and education centers;**
- **Three solar PV mini-grids in the Bijagos islands.**

Graphic N 4: Feasibility study on adding 50MW to the Electricity grid of GB - objectives



We believe that if the feasibility study concludes on the economic and financial sustainability of these PV Solar plants throughout Guinea-Bissau, the EU may propose to the World Bank (or most likely the IFC) – through the intermediation and partnership with either AFD or KfW regional office, to participate to the **Security package of the Project finance of these medium size PV Plants** – This may take the form, as suggested in the European Guarantee for RE facility, of a guarantee for the off take agreement between the independent power producer and the off taker (EAGB most likely) and also selected subsidies for the purchasers of the energy, in case the off taker does not comply with the tariff or conditions of the off-take agreement.

B. Opportunity to provide grant and tariff support to mini grid at rural and Bijagos island locations

Following various meeting with the responsible of the Energy sector of the EUD, we understand that the EU is already committed to supporting the investment of a Mini Grid for the Hotel and tourism industry (and local communities) in the Bijagos Islands.

We also learned (at the World Bank workshop) that the WBG has financed a full technical feasibility study on the development of micro-network in the Bijagos Islands, which will start in full in July 2019. In our view these two initiatives are bound to be complementary, where the World bank can take the lead in providing the technical and financial studies, and contracting a implementing consultant (DNV-GL already identified) and the EU could fathom the possibility of providing selected grants for the projects that have demonstrated both social and economic impact and sustainability over time.

Graphic N 5: Feasibility study on the development of Mini Grid in the Bijagos Islands



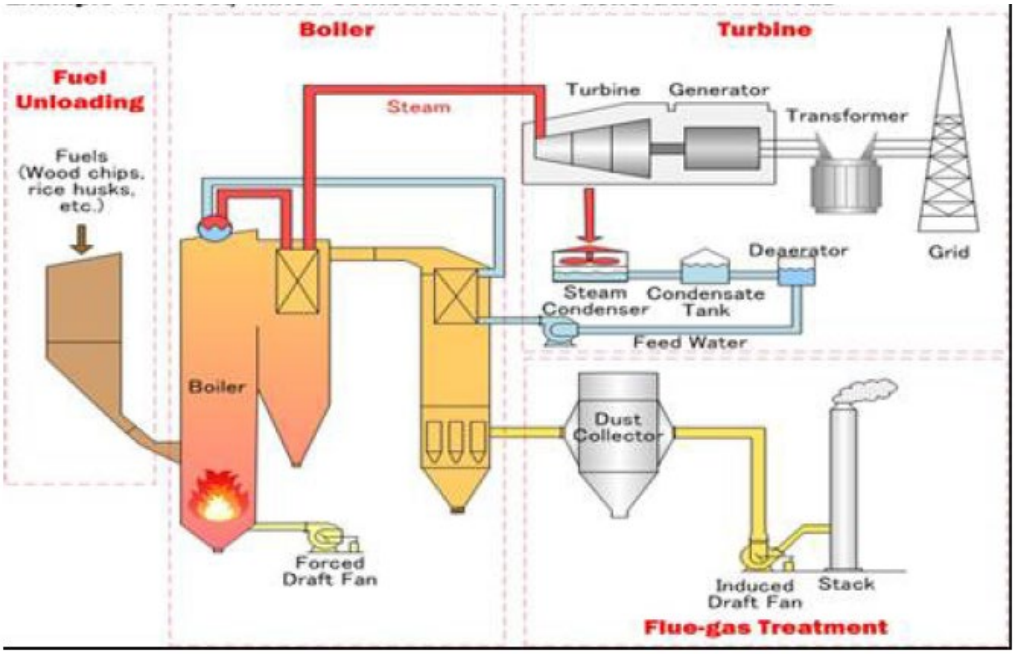
C. Rural Biomass RES (Renewable Energy Source) projects based on Cashew nut Biomass linked to Cashew Transformation units

By far the second biggest RES development opportunity is related to evaluating (and funding) the feasibility of setting up co-generation (steam and thermic electricity generation) units at each of the Cashew nut transformation plant throughout the country – both existing and future processing units. Traditionally Guinea-Bissau farmers have exported raw, un-shelled cashew nut for export to India and Vietnam where they undergo the unshelling, and are being blended with other African, Latam and Asian cashew for export throughout the world. This means that up to recently (where 3 Transformation units have been set up) GB farmers and exporters, were capturing only 10% of the total value add of the product.

We have visited the Transformation plant of the Arrey Group, which has already invested in a 3000 tons per year processing unit and is currently planning the construction of an additional 6000 Tons units in the same region of Bissora. Upon discussing the opportunities of benefiting the huge stacks of empty cashew nut shells, outside of his factory, discussion centered on the benefit of setting up a co-generation plant, burning the shells and through a steam powered turbines, producing up to 1 MW of electricity per 10K tons being processed per year.

So for instance his new (planned) unit of 6000 Tons per year, could, according to his own, private research, generate up to 0.5 MW of electricity, which is enough to power much of the local and rural municipalities around the plant. The technology of energy generation through burning of dry agricultural residues is well known and well mastered and has been used widely in Sugar cane estates and transformation units (which are very hungry in electricity, and still generating a surplus for the grid) and also in India and Vietnam for Cashew.

Graphic N 6: Mixed Combustion Power co-generation method[36] – Processing unit Plan



Electricity is very expensive in Guinea-Bissau, reaching USD0,45c per Kwh in Bissau. Electricity produced through the burning of cashew shell can be directly competitive with Diesel generation, granted that there are economies of scale and use of efficient co-generation plant technologies. The electricity produced through RCN shell can be done at a cost as low as 0,026 USD with 1 MW units and USD 25c with 2 MW units. The capital investment costs of a 1 MW co-generation plan are typical of renewable energy CAPEX at 0.87 M per 1 MW and USD 1.53M for a 1.7 MW plant. See below some of the metrics of the business case for Power Generation from Cashew shell.

Table N. 7: Co-generation of steam and electricity: CAPEX and fixed cost of Power.

Example: Co-generation of steam and Electricity, 24hrs operation

Description	Units	1 MW	2 MW
Useful Power available	KW	800	1700
Capital investment	USD Millions	0.87	1.53
De-oiled Cashew Nut Shell Requirement	MT	7,908	15,816
Operating cost of power	USD/Kwh	0.060	0.060
Fixed cost of power	USD/Kwh	0.026	0.025
Simple pay back	years	2.9	2.5
Estimated IRR	%	18.70%	25.10%

[36] Electricity from Cashew Shell: the Business Case, from James Obarowski, Director of Benin Caju, Technoserve, World Cashew convention, 2016, Macau.

The return on investment of such a co-generation unit is excellent with IRR (Internal Rate of Return) on investment at 19% for a 1MW unit and 25% on a larger 2 MW energy generation unit. In terms of sustainability, and social impact, it ticks all the boxes:

1. Sustainable use of a Waste and potential waste hazard (cashew shells are highly flammable)
2. Generation of electricity both for Cashew plant self-sufficiency and generating significant surplus for the local (and rural) community
3. Limited investment with high return on investment (19% IRR), amortised in three years
4. A whole Cashew nut processing and co-generation unit creates about 100-150 jobs per 1000 tons processed. It creates an employment anchor for the sub-region and also a logistics node for all the cashew nut producers around the plant.
5. Generation of off grid (or on grid) electricity at about 50% of the price of the current inefficient and polluting thermic plant in Bissau (US$0.25 per Kwh vs US$0.45 for EAGB distributed electricity).
6. Real option for rural electrification in the cashew intensive rural areas and municipalities.

EIP Pillar 1 Energy Infrastructure Investment 1: *(Private Sector Support/ Infrastructure EU): analyse the opportunity of providing EFSD guarantee (and/ or grant) on* ***project financing of 1 or 2 units of co-generation and production of rural electricity based on Cashew shell feedstock****, ranging from 0.5 to 1.5 MW per unit. Interface needs to be done with*

EIP Pillar 1 Energy Infrastructure Investment 2:*: On the basis of the incoming Feasibility study of ESMAP,* ***option for providing an EIP Guarantee on the structuring of one or several sub-projects related to the development of 50 MW of PV solar powered plant*** *in Guinea-Bissau – EUD could coordinate to Mr Roger Coma Cunnil from the World Bank on output of the feasibility study and on what aspect of the Project Finance structuring the Guarantee may be most useful (either Off take agreement, tariff subsidy, or financing of the transmission and distribution networks)*

The challenge of implementing such Guarantee in the context of Guinea-Bissau, is that very few of the traditional bi-lateral and multilateral partners are currently active in GB. On such technical matters as structuring an off take agreement in the energy sector, the EU usually partners with KfW or AFD as "implementing partner" to review all the stages of the project, from feasibility study, viability , TA assistance needs down to the grid integration plans – see below one example of such implementation of investment in renewable energy , called "Get Fit" done by KfW in Eastern and Southern Africa (Uganda, Zambia and now Mozambique).

The "Get Fit" is a structured package of support to unlock sustainable investment in renewable Energy projects throughout Africa. It is composed of four components:

Figure N.2: Get Fit RE structuring four modules: from Funding to Grid Integration



Viability Gap Funding: Get Fit offers performance-based tariff support for a limited portfolio of qualifying projects, which facilitates the entry of early movers from the private sector;

Technical Assistance Facility: TA includes three different elements: a) the development of a harmonised set of legal documents; b) procurement programme for Get Fit qualification; and c) streamline procedures and clear potential hurdles for implementation of projects;

Risk Mitigation Facility, in close collaboration with African Trade Insurance (ATI) as an option for developers and financiers (ATI's Termination guarantee insurance and short term liquidity products (Regional Liquidity Support facility) – jointly with KfW and ATI;

Grid Integration facility: Get Fit provides advisory support to EDM regarding grid integration of projects into the national grid AND provides financing for grid integration for selected technologies, such as Hydro, or solar.

The innovative aspect of the KfW-led GET FIT Renewable energy implementation programme, is that it unlocks and creates "fitted" local energy solutions that both increase access to energy at provincial/ secondary cities or rural level (outside of big cities) and does that in a smart way that distributes energy via small scale RE projects near the "load centers" which in turn alleviate the transmission constraints (and cuts) from the main (EDM) Electricity operator. As said, Get Fit has been successfully (and fully) implemented in Uganda – with more than 150MW installed and connected, and is now being implemented in Zambia, with over 200MW worth of solar PV and Small Hydro projects.

It is up to the EUD staff in Bissau to discuss potential partnership with accredited IFI partners, the most obvious choice would be to work with the World Bank and its investment arm the IFC. But this needs to be checked with the EIP administration in Brussels.

2.2.2. Access to Finance for SMEs – Investing into the Entrepreneur value chain

As we have seen other regions and countries of Africa developing successful ecosystems for identifying, incubating, developing and funding entrepreneurs, in countries such as Rwanda and Kenya, the mission tested the assumption that Guinea-Bissau, like most other African countries, has a growing population of "promising but frustrated entrepreneurs and innovators" which have business ideas, but lack both capacity building and access to finance, to bring these ideas into the market.

Even though the "Innovation ecosystem" of Guinea-Bissau is really small, reflecting the small size of the country and population and the lack of incentives to entrepreneurs in general, we still managed to meet up three business incubators, two "ecosystem" facilitators, and various agribusiness companies who were involved with capacity building of local farmers and agri-entrepreneurs in their respective regions (Frutas & Legumes, Grupo Arrey, and Sociedade Agro-Industrial de Corubal, among others).

Among the few ecosystem players, two have emerged as being really pro-active in supporting GB entrepreneurs upstream (capacity building, training, business plan review) and downstream (business plan launch, accelerator services, and seed money / early stage financing): Eureka/ Fintech Consulting (Papa Fall) and Innovalab (Adulay Bary).

We also interviewed four Commercial Banks (BAO, Orabank, Ecobank, and Banco da Uniao) as well as key responsible form the BCEAO, the Central Bank for the West African state, who are at the forefront of offering financing to bank and incentivizing them to offer microcredit to MSMEs in GB, with various degree of success. Below we have two EIP proposals, fitting with the EIP Window N°2: Access to Finance for MSMEs.

A. EIP Grant Funding of Guinea-Bissau based Incubator of start ups

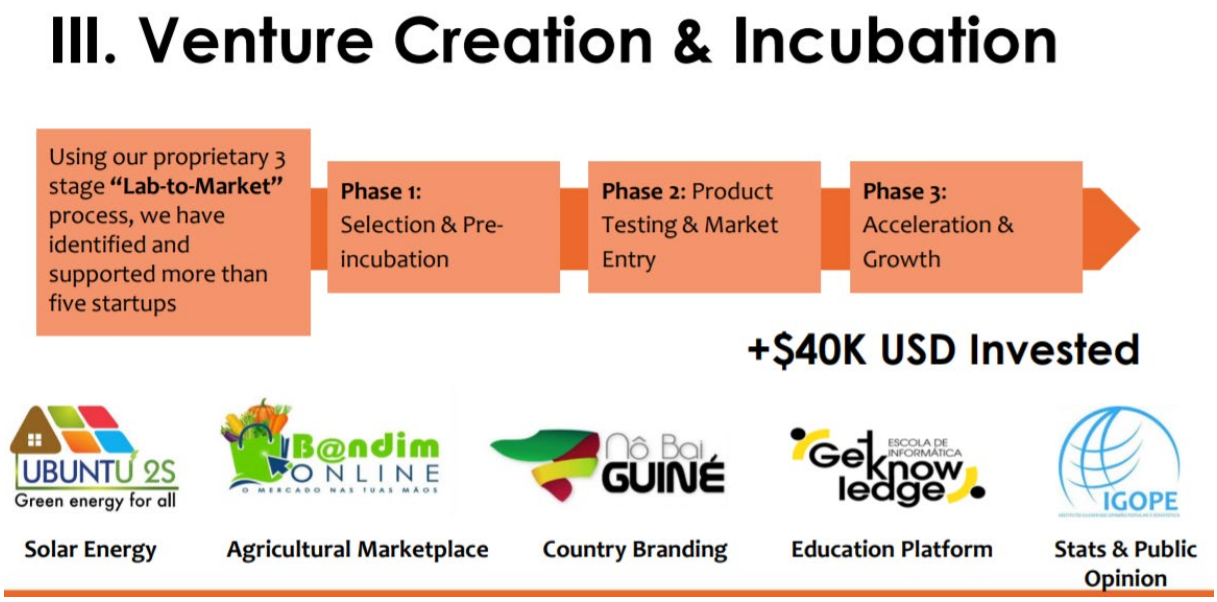
In the context of the mission', supporting Entrepreneurship is a "sweet spot"/opportunity and very much in line with the EIP strategy, in the sense that it provides strong additionality, job creation, and leads to the creation of new companies and investment into a relatively stagnant private sector.

The point of entry for the whole eco-system is **INNOVALAB**, which was founded and is dynamically led by Mrs Adulary Bary and has on its Board very prominent national and international leaders (the full Presentation of Innovalab has been made available to the EUD (Mr Rousseau). This activation (service that spot entrepreneurs, and on board them), start-up mentoring and advisory service acts as a catalyst for the eco-system of innovation in Guinea-Bissau and for young entrepreneurs entering into the market. It provides end to end Incubation and acceleration services to start up sponsors and actually managed to identify funding for 4 of them, through private sources. In our view - and based from a comparative database of about 50 Incubators in Latam, Africa, and the Caribbean, Innovalab has the key requirements for success: a) a three year track record (by themselves without public money) ; b) build-up of a corporate and mentorship community – at international level (such as SeedStar, Microsoft, etc) and c) a dynamic and motivated executive team and mentors.

The next step of development for Innovalab is to find a larger physical / co-working space (already found) and finance, through grant, the renovation and equipment of the new, larger incubator located in Bissau.

The core service offering of Innovalab is described below:

Figure N 3: Innovalab Incubation services and start up supported by their platform



Core Services are:

Core Programs

Tech Innovation Forum (TIF)
The objective of TEF is to provide young computer scientists and entrepreneurs with the skills and training needed to develop high value added technology applications in healthcare, education, agriculture, energy, commerce and e-governance.

Entrepreneurship Tour Bootcamp (ETB)
ETB is a 3 city tour that equips 20 young entrepreneurs with tools and basic knowledge in Entrepreneurship and Leadership. ETB ends with ***Global Entrepreneurship Week*** Bissau, an intensive week of trainings, panel discussions, and pitch activities.

WeAgri BootCamp
The WeAgri Bootcamp is a 3 city tour focused on women in agriculture that provides training in leadership, digital literacy, cooperative structures, and business skills.

Africa Science Week (ASW)
5 full days of activities for children, youth, and adults that include panels, workshops, career fairs, fireside chats, networking events, a pitch competition, and tech expos.

Such support of business incubators is being done now through the Regional Business Incubator Facility (that focuses at the moment only in Eastern and Southern Africa state), and which survey the whole Incubator ecosystem and select out a) Specific Value Chain for support in the country (such as fruits, Cashew, Rice, or transformation of agro-products etc) and then b) select out one (or maximum) two champion incubators through a competitive selection process (done by the consultant). This means that the EU has already been dedicating up to EUR1-1.5M (in grant) for building up/or developping business incubators in Africa.

Innovalab has estimated that their needs in terms of renovating the building and buying the IT equipment to fitting the new "Innovalab" would be in the order of USD500K and the funding of their key progammes of incubations (Ecosystem Devt, 10,000 Geeks) would total USD656K with an additional creation of a VC Fund that would come at a later time.

Table N 8: Innovalabs: Vision 2025 and Co Working Hub

Vision 2025

As part of Innovalabs 5 year strategic plan, we want to expand our services in each of our four core focus areas. In doing so, we seek to provide deeper and more diverse learning and engagement opportunities for the youth and adults across the country. Our core objectives are to grow in the following areas:

I. Ecosystem Development
Sustaining existing programs and ensuring operational sustainability

II. Capacity Building
Expanding trainings, programs, and service offerings

III. Venture Creation & Incubation
Providing early stage SMEs to startup capital

IV. Co-working Hub
Expanding the space and services of the Co-working Hub

IV. Co-Working Hub



During the 2018 Africa Science Week, we were able to convene upwards of 1,000 people for multiple events as part of the week long program. This demonstrates the need for a larger dedicated space for our ecosystem development work. A larger coworking hub will also allow us to expand our services, and diversify our revenue stream.

Targets

- 2 Coworking Space
- 2 Conference/Events Room
- 1 FabLab
- 1 Research Center
- 1 Equipment Supply Store

***EIP MSME Finance Investment[37] Opportunity 2**: Use EIP Pillar II Technical Assistance facility to support, capacity build and develop at least **1 privately run Enterprise incubators in Guinea-Bissau**, in order to provide to GB entrepreneurs, a) a conduit through which they can develop their business, receive peer-to-peer and professional business coaching, and also lead to the initial equity funding of their business; and b) use the EIP Pillar II Technical Assistance facility to provide training of trainer and expert coaching for these Incubators and Accelerators – possibly through the **partnership with Europe's best run incubators** such as the Estonia based Mektory, or Portugal based Creative Hub of Beato[38], among others. The EFSD Guarantees cannot be used directly in the case of Incubators (as it is not an investment project per se, like energy or water). On the other hand Pillar II Technical Assistance can intervene here, along with other cross-IFI initiatives such as Boost Africa (EC/ EIB) and also potential West African extension of the " Regional Business Incubator Feasibility facility" for Eastern and Southern Africa.*

The Selection process for the Incubator should be done on a competitive basis (BI Business plan competition) but taking into consideration a) the track record and experience of the Incubator, b) the quality of the staff; and c) the quality of their deployment plan[39].

Total grant funding sought by this European initiative would be between EUR 500 000 to - €1 million. We would strongly suggest to support preferably one good, well-structured incubator to become the Ecosystem reference and integrator in Bissau.

[37] **EIP Investment Windows:** in the official definitions, there are five investment windows which cover Sustainable Agriculture, Sustainable Cities, Digitalisation, MSME Finance and Sustainable Energy. Thus this project could, if undertaken by an eligible DFI, come under the EFSD Guarantee allowing better terms.

[38] https://www.morningfuture.com/en/article/2017/10/20/incubator-hub-do-beato-startup-portugal-record/119/

[39] The Consultant of this study has conducted a feasibility study of Incubators and Accelerators in the Caribbean and also SADC countries in 2017-18 and would be willing to perform a due diligence on Bissau based BI, in order to qualify the use of EU EIP budget (or 11th EDF budget).

Other Sub-Saharan countries[40], have also successfully launched and nurtured home-grown incubators and business angels networks, such as Kenya[41]'s Chandaria Incubation and Innovation Centre (CIIC) and NAILAB, both based in Nairobi. CIIC for instance was launched on 2011 to support innovations from students and graduates from Kenyatta University and accommodates seventy percent Kenyatta's University students and thirty percent of students from other universities. It aims at fully supporting twenty one start-ups per year, with a remarkable success and conversion rate.

In the same line of reasoning, and through several brain-storming sessions with DEVCO[42] in Brussels we also pinpointed two distinct potential perimeters of interventions, upstream and downstream with regards to supporting SMEs and Innovative enterprises in Sub-Saharan Africa, and this applies to GB as well. In the model shown further down in this section (Figure NXX, Options for the EU EIP), the Intervention clusters to the left (**upstream in the Innovation life-cycle**) focus on identifying, revealing, coaching and nurturing the existing and future entrepreneurs of the country, through joint partnership with Universities, and through the set up and Technical Assistance of 2 to 3 Incubators and accelerators of enterprises. The services that the Incubators can provide to entrepreneurs are numerous and described in detail in the "**Incubator service model**" in Annex. Perhaps support to the Entrepreneur should also bridge with the EU initiatives in Education and support to Universities (higher education) in Bissau. This is key to creating a healthy pipeline for incubators (raising awareness about innovation and entrepreneurship).

Throughout its challenging state governance and planned economy, Guinea-Bissau has hardly built a healthy private sector. Relatively high interest rates of credit and the weak public support for grooming a new generation of MSMEs makes it very challenging for new entrepreneurs to build up momentum and secure financing for their businesses. This is where the Entrepreneurship ecosystem (an alternative access to finance system) intervenes, as captured in the Intervention Cluster graphic below.

The Intervention clusters to the right (downstream in the Innovation life-cycle) of the following Figure (to Finance and Skills) focus on creating opportunities for companies, and going concern **to get access to equity capital through Business Angels, Venture Capital and Private Equity funds or entities**, which provide: a) selective investment into promising SMEs through a rigorous selection and due diligence process and b) 3-5 years hand holding, enterprise coaching, and re-investment services to the selected portfolio of companies. As the purpose of a Private Equity or VC funds is to make a multiple of the initial capital equity (or multiple of the EBITDA valuation of the enterprise) through a successful Exit strategy, VC/ PE Funds often provide several rounds of financing to their portfolio companies. In the Context of Guinea-Bissau, we do understand that the two "SMEs Funding" options to the right (VC Funds and Listing on the Stock Exchange) are still years away from reality.

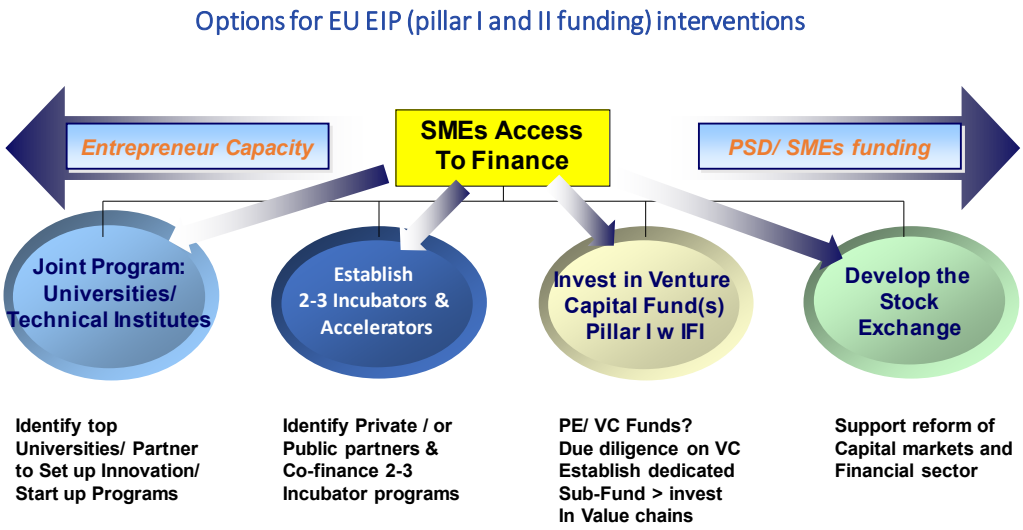
On the other hand the grooming of the next generation of young entrepreneurs through targeted University programmes and Incubation support programme is, in our view, totally appropriate.

Figure N 4: Options for EU EIP Pillar I and II funding intervention: Access to Finance and Skills

[40] For Kenyan Incubators and accelerator, see https://nailab.co.ke/our-programs/

[41] https://thefounder.co.ke/top-5-business-incubators-kenya/

[42] TPSDE one-week Workshop on External Investment Plan and presentation of case study on the Innovation value chain and access to finance for SMEs (joint presentation DAI & Y. Speeckaert), Brussels, October 2018



B. EIP Support to the fledging microfinance segment and SMEs Access to Finance

As part of the field work – especially through interviews with the BCEAO senior staff, and the DG of four banks - the mission surveyed also the sector of Microfinance in Guinea-Bissau.

The sector of Microfinance in GB is not going well and is suffering both from undercapitalisation and also the bankruptcy and/ or end of licensing of the majority of the initial players. In the summary graphic below, the key statistics tell of a Microfinance sector which is shrinking into paralysis and stagnation.

Figure N 5: Key sector trends in GB Microfinance: deposits, credits and default, 2019



In short, 12 of the 18 DFS (Decentralised Financial Systems/ Sistemas Financeiros Decentralisados) have had their licence revoked and terminated their activities. Over a one year period (from Q1 2018 to Q1 2019, the levels of DFS deposits has decreased by 49%, from 190M down to USD 97M, and the stock of credit have decreased by 52% - partially impacted by the sheer decrease in the number of DFS players, but also a very high ratio of default (as compared to nearby countries , such as Senegal, where microcredit is a flourishing business).

In terms of the rate of penetration (demographic and geographic) of microfinance services, Guinea-Bissau is trailing the regional average (UEMOA region) by a factor of 3. For instance, the rate of penetration of microfinance services on the overall population is only 0,19% in GB as compared to 0,67% in the UEMOA Western African region.

Figure N 6: Comparison of Penetration rates in Guinea-Bissau and UEMOA region, 2019

Indicadores		UEMOA	Guiné-Bissau
Sobre a baseda população de 15 anos e/ ou mais	Taxa de penetração demografica dos serviços de microfinança	0,67	0,19%
	Taxa de penetração geografica dos serviços de microfinança	1,26%	0,47%
	Taxa de bancarização estreita	16.99%	11,7%
	Taxa de bancarização alargada	35.88%	12,21%

Surce : BCEAO Siège/DN

In its conclusion, the BCEAO and key actors of microfinance, pointed out to the following measures that should be taken to stop the drain and re-establish a small but healthier Microfinance sector:

- The Public sector and government should use its regalian power to clean up and consolidate the sector, but also create the conditions needed for the development of the sector
    - Apply rigorously the laws and regulations of the sector
    - Create a closer and more "hands on" approach to managing the sector between the Sectorial Ministry and the various Directorates which promote and supervise the microfinance institutions
- A selected number of Banks should receive technical assistance on techniques to provide credit to SMEs and reduce the default rate from small loans

In conclusion, we know that microcredit is an important lever of financing for a section of the population and self-made entrepreneurs that otherwise would never have access to any form of credit or access to finance. Neighbouring countries have developed flourishing microfinance sector. In Senegal[43] for instance the largest microfinance institution – CNCAS – churn in more net profit than any of the retail or commercial bank in the country. Many other developing countries have run microcredit schemes successfully over the last two decades, in both Asia (India, Bengladesh) and Latin America. So why does it not work in Guinea-Bissau. There are various reasons for this:

- Guinea-Bissau has had and does still have various initiatives in support of microfinance, including the "CADESP/ Celular Apoio Economia Solidaria – Promocao e supervisão de microfinancas" (Cell in support for the Solidarity Economy), and also the creation of a Mutuality of Microfinance;

[43] In Senegal, after a period of consolidation spearheaded by the authorities, the microfinance sector has continued its rapid expansion. A regulatory reform initiated in 2008–09 led to a reorganization of supervisory responsibilities, with the larger institutions holding assets and/or deposits of more than CFAF 2 billion now supervised by the banking commission, whereas smaller institutions are supervised by the Ministry of Finance. Following the reform, 118 entities were closed down, though credit (and deposits) continued to rise, from CFAF 81 billion in 2005 to CFAF 219 billion in July 2012 (about 3 percent of GDP). Consolidation has led to the emergence of 18 larger entities that together represent 90 percent of the market, with one institution alone making up 60 percent of the market. Credit is mostly allocated to microbusinesses in trade, services such as catering, agriculture, and transportation.

- GB also has a microfinance Association – "Associacao Profesional de Sistemas financeiras Decentralisadas (Micro-credito) - APSFD which oversees and coordinate the players; and the Comité National d'Identification des Structures d'Appui aux PMEs (CNISA);
- The military coup of 2002-3 has put on hold (or stopped) many initiatives, including the appetite from IFIs and Donors to invest further into both budget support and also funding the capitalization of local financial institutions.
- But the issue runs deeper and has to do, according to the BCEAO Director, with a) the lack of involvement of the Bank with SMEs financing (90% of their loan goes to commercial companies – short term working capital loans – and financing the cashew season; b) The level of capitalization/ financial support to the few microfinance institutions is too low or minimal (20M CFA per agency): c) >90% of the enterprises in GB are in the informal sector, preventing them to provide any form of guarantee and substance to banks small loans, and d) the regulatory framework for MC is weak in GB

Hence there are a few ways to improve the microcredit in Guinea-Bissau in which the first and the second Pillar (II) of the EIP may be able to play a role. The first is that the legal & regulatory framework of Microfinance and funding to SMEs needs to be created (or strengthened). Currently oversight by the government is weak and there are no incentives for the Banks to lend to small holders. The BCEAO does have framework for this, but the key lays in providing capacity building, to train the banks and the DFS on how to professionally manage microcredit to small entrepreneurs. The UNDP is developing a capacity building scheme on how to manage the funds (microfinance is a very professional activity and needs professional skills). The BCEAO provides the technical / financial management skills. We believe that the Technical Assistance is taken care of.

However, there is a need to provide a fresh wave of capitalization to the DFS and also to the Banks who have shown willingness to enter into microfinance programmes, such as the BAO and Orabank (under certain conditions). We are proposing that this could be a Pillar I intervention in GB, focused on providing access to finance to micro and small enterprises and small holders, including access to finance for farmers.

EIP MSME Finance Investment Opportunity 2: *another tangible private sector support opportunity for the EIP Pillars I and II is : a) making a loan or a grant available to the BCEAO or directly to one or two partner banking institution in GB, in order to recapitalise the DFSs and increase the pool of capital available for lending; and b) make available TA (Pillar II) to the DFSs and the Bank on professionalising their micro-credit activities, and decrease their level of default.*

A market assessment (interview with the 6 DFSs) should probably be made as to ascertain the level of capital required. Also the cumulative experience of large IFI such as the EIB and AFD, who have run micro-finance scheme over many decades, would be essential to facilitate such TA.

As a conclusion on the "Access to Finance" Axis, we believe that the two areas where the EIP Pillar I, II and possibly III can make the most difference is on (i) funding enterprise incubators (Pillar II) , (ii) funding and capitalising the DFSs to offer larger capacity for microcredit to MSMEs and finally (iii) support a number of regulatory reforms (or Business Law creation) in Guinea-Bissau, such as creation of a regulatory framework for microcredit and also TA to support the implementation of the OHADA business law in the context of GB (Pillar III).

3. IDENTIFICATION OF POTENTIAL VALUE CHAINS TO BE SUPPORTED

3.1. Agricultural Value chains

3.1.1. Introduction – Agricultural segments and Donor support

Agriculture is one of the key priorities of the Bissau Guinean government. It is the national strategy focused on production of staple foods, replacing imports of food crops –particularly the rice, and expanding cash crops for export. The National Programme of Investment in Agriculture, Food and nutritional security (Programa Nacional de Investimento na Agricultura, Seguranca alimentar e nutricional - PNIA) has defined some guiding principles for investments in the agricultural sector which include focus on performance of specific value chains both at the family (subsistence) agriculture level, as for the commercial/ agro-industry models.

Guinea-Bissau has a natural endowment for agriculture and also a potentially close access to the European markets. It has a lot of arable lands and the pluviometry (900mm) in some regions are comparable to those of the most productive Latin American and West African agri-producers countries.

According to the Ministry of Agriculture (Mr Nuno Tavares, Director met at the Ministry) and the PNIA, the priority crops for Guinea-Bissau are:

- Cereals: rice, corn, sorghum
- Cashew nut and its processing
- Horticulture – vegetables, tomatoes, onions, cabbage and food staples
- Tubercles (potatoes, Cassava/ Mandioca)
- Cattle farming Animals of short term husbandry: beef, goat, pork, chicken
- Mango and other tropical fruits (fruit flies issue)
- Cotton (in the region of Bafata in the East, with 10,000 tons/year)

Among the crops and commodities that have an export potential, the Ministry mentioned mainly cashew nut, groundnut (peanut, which is 80% of the economy of neighbouring Gambia for instance) and sesame seeds. But pressed to say what were the key priorities today for Guinea-Bissau:

1. Ensure food and nutrition self-sufficiency in GB, among other by investing in rice farming (achieve self sufficiency as per the Terra Ranka document), tubers and horticulture
2. Invest in the value chain of cashew nut, to add value in its transformation and export
3. Fisheries and cotton farming also

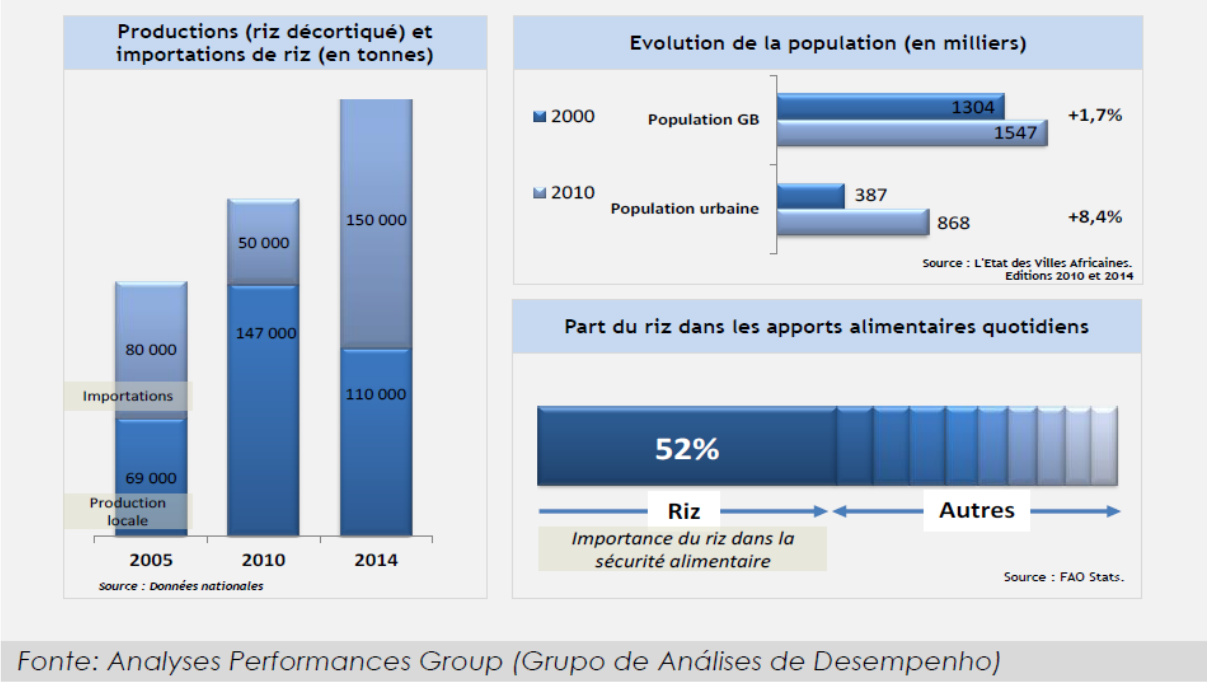
According to a 2013 Evaluation, done by the FAO, WFP and PLAN in 8 Regions of the country, on the Nutrition and food insecurity, on third of the Guineans population are still in situation of food insecurity:

- 29%, rural population, are in situation of food insecurity, of which:
- 64% in mild food insecurity,
- 24% on moderate food insecurity and
- or 5% in severe food insecurity.

GB still imports 40% of the rice and other cereals, whilst it was a net exporter of rice in the 1980s. We believe that this value chain – rice – should be one of the key priorities of the EU support, but most likely done through the 11th FED, or by other Donors and not through the EIP, which supports more value added agricultural projects (such as transformation, storage, labelling, certification, etc).

The key statistics relative to rice in Guinea-Bissau are as follow:

Figure N 7: Key figures and Import/ Export of rice in Guinea-Bissau



Fonte: Analyses Performances Group (Grupo de Análises de Desempenho)

The issue of rice is strongly related to the allocation of land and in particular productive land in Guinea-Bissau. The regulatory framework on land management is one of the weakest in the sub-region, and this has been a clear hurdle on the development of commercial agriculture, along with the lack of credit available for farmers and the agricultural sector in general.

Currently about 396,000 Ha are being dedicated to rice production. The potential (through a more efficient allocation/or re-allocation of productive farming land) could reach >500,000 Ha.

The other issue of rice farming is the very low productivity of rice fields in GB. With pro media 1,17 Tons per Ha, GB compares poorly with Egypt (10 Tons/ Ha) or South East Asia, who have similar yields. Preparation of the land, quality of seeds, agricultural management, all these area needs to be focused on to increase both productivity per Ha and also dedicated land area.

Guinea-Bissau diverse agro-ecologic space and also abundant availability in water is suitable for growing different agriculture crops, and in particular a number of fruits, such as bananas, mangoes, avocados and citrus, and most food basket vegetables. But it has failed to develop this potential besides the one segment of cashew nut. Notwithstanding this, opportunity exists to improve agricultural productivity and upgrade agriculture value chains.

Investments in agriculture value chain development have been slowly growing, driven both by private companies and development partners. A study done by the Monitor Group has proposed priority value chains to invest selected through the following filters:

a) Investment priority - Identifies relevant value chains based on private sector interest;

b) Government and Donor Priorities - Matches government and donor priorities with private sector interest on value chains

c) Economic and Social Attractiveness and Feasibility - Matches government and donor priorities with private sector interest on value chains.

Development partners and private investors have been investing in different agriculture value chains, which indicate strong potential for private and social returns, these include:

Cashew

- Demand in the international market is increasing in both value and quantity

- Most exports are of raw cashew nut, providing investment opportunity in cashew processing for export markets to capture greater value; the next challenge is to increase investment in processing units and produced un-shelled CN, ready for export in boxes of 25kg.
- Current challenges within market are seen as having relatively realistic solutions

Cotton

- Guinea-Bissau's cotton is mostly centred around the region of Bafata, and linked to the West African tradition of growing cotton (Burkina Faso being the region leader and responsible of 10% of the world export, but strong production also in Mali, Senegal). GB which share the same soil quality (laterites soils) and crop rotation, could easily boots up Cotton production;
- Cotton has a strong employment potential and could have a strong economic potential for growth in the Eastern part of GB, where soil and climate are appropriate for that crop. In the Region of West Africa, close to 15 million farmers and family members are employed directly or indirectly by the cotton industry;
- Opportunities exist for more ginning of cotton for export of high quality cotton lint and processing of cotton seed into oil and cake – although these are still remote for BG, given the current poor organisation of this sector, and lack of working capital financing;

Banana & Tropical fruits (including citrus)

- Most attractive of exporting value chains
- Most of the economic value is captured within the producing country
- Guinea-Bissau however needs to develop cold storage and logistical nodes to handle fruits
- Additional scale could allow shipping efficiencies to be realized

Mangoes

- Mangoes grow almost everywhere in GB and most of the fruits end up rotten on the ground
- Mango has been identified as a possible value chain for development in Guinea-Bissau (West African Competitiveness study).
- However, mangoes only represent today 0,56% of the agricultural activity and only a mere 700 jobs in terms of employment and has a very marginal role in GB today;

  Mangoes can be a niche diversification but will never be a main source of growth or employment for Guinea-Bissau, by a long shot. 11th FED support but not EIP mobilization.

Cattle & Poultry

- Cattle and animal husbandry represent 17% of the national GDP, and 30% of the agricultural GDP.
- Guinea-Bissau is blessed with all the resources for breeding cattle (fertile fields, and water)
- However, currently production does not match internal demand.
- GB does lack (almost none) modern culling and cold storage infrastructure, as well as the working capital to produce hay and feedstock for the cattle during the dry season.
- Breeding chicken is much easier and can be done intensively, but at a small of medium size scale. Some companies are starting to create partnerships with smallholder farmers to produce chicken and eggs – to feed larger, industrial producer (for the supermarkets, and cities)

The second criteria was to choose to support agricultural segments that would contribute to food self-sufficiency and nutrition safety (such as the regional production of rice, sorghum, corn, etc) and finally reduce the Import-Export large imbalances. The third criteria (practicing Economic Diplomacy) is to promote value chains in which European suppliers and also leading European agronomy institutes could contribute to upgrade them. Clearly as in the case of Cashew, tropical fruits such as mangoes and limes and vegetables , such as the "**Frutas and Legumes**" Group, who has developed local cooperatives and also an organic label (with german certification audit firm). This company has managed to create a GB branding, obtain the "organic" label and certification and shows that exporting GB fruit can be done (product differentiation with organic label, as well as Export promotion). Likewise, Spanish groups (and others) have invested into cashew processing.

Hence please find below our proposition to support two agricultural value chains: cashew and fisheries.

3.1.2. Value Chain Opportunity N1: Strengthening the Cashew Value Chain

The team identified the cashew value chain to benefit from EIP support, based on the following criteria:

a. Potential growth, value addition and job creation (particularly in transformation),

b. Sufficient private sector initiative for leverage and economies of scale

c. Social and economic impact for a crop that concerns 80% of GB farmers.

d. Complementing on-going donor support (including World Bank "Programa de Ligacao/ Link support between Producers and processors of cashew. Support which is coming to an end by end 2019).

Interestingly, one should note that cashew nut production is not the most productive and profitable per Ha – as the table below suggests. Cashew (Anacarde) yields 91K CFA per Ha, as compared to 150K for cassava and 185,000 for groundnut (at a regional level). However, it is the dominant and most "organised" value chain in Guinea-Bissau.

Table N 9: Comparison[44] of the Productivity per Ha/ per work, among commodities (Rongead)

275 FCFA/kg	Rentabilité en temps de travail		Rentabilité à l'hectare	
Igname	886,4	FCFA/H-J	195 000	FCFA/ha
Mais	1 232,1	FCFA/H-J	115 000	FCFA/ha
Anacarde	6 083,3	FCFA/H-J	91 250	FCFA/ha
Manioc	882,4	FCFA/H-J	150 000	FCFA/ha
Arachide	1 541,7	FCFA/H-J	185 000	FCFA/ha

Cashew industry in Guinea-Bissau – an overview

- The production of cashew in Guinea-Bissau produce about 20% of the GDP of GB, 90% of the export earnings, and 33% of the total revenues of all families. Also cashew nut continued to increase in total volumes (from 40K in 1995 up to >200,000 tons in 2018, making GB

[44] Rongead, Comparison of productivity for agricultural products, West Africa, 2015

among the top ten producers of Cashew (but not the 4rth one as the government claims). See country productions numbers below.

- According to recent data from the Food and Agriculture Organization (FAO), the world produced a total of 4.4 million metric tons of cashew nuts in 2013. Vietnam was the world's largest individual producer, with 1.1 million tons, followed by Nigeria's nearly 1 million, India with some 753,000 tons, and Côte d'Ivoire with nearly 500,000 tons. In this context, Guinea-Bissau ranks 5th or 6th in the world, with 240,000 tons.
- Cashew is still a crucial foreign exchange earner for the GB economy. In 2017, contributed with 90% country's agriculture exports. RCN (Raw Cashew Nut) represented the bulk of total value of exports, 80%.
- There has been certain level of investment in planting new cashew trees and introducing professional planting and production techniques, but these are still too few; the production and distribution of seedlings and the spraying of cashew trees. There is a substantial need to increase the quantity and quality of RCN production by strengthening "best practice" cashew nut production techniques.
- Production is dominated by smallholder producers with very low productivity. The average yield in Guinea-Bissau is between 2 to 4 kg RCN per cashew tree. This is very low taking into consideration that young cashew trees between 10 and 25 years old have the potential to produce between 10 and 15 kg per tree, some well-managed trees can even produce up to 60 kg per year (Vietnam).
- The maintenance of the plantations are left to nature or very low, for instance in the regions of Biombo, Bolama, et Tombali, where cashew trees suffer aging and low productivity. In these regions, the productivity per Ha is around 200 à 400 kg/ha.
- There are about 18 small to medium scale processing units in GB, but most of them are simply shut down or in state of repair, due to a series of factors that we will analyse in the processing section. In H1 2019, there are four larger scale processing units, ranging from 3000 to 6000 tons per year. The main challenge of these units is to ensure security of feedstock the year round (beyond the 3 months crop season) which requires significant amount of working capital financing. The key factor is the lack of financing available to buy the raw nut at a good price to create stocks for year round production.
- On the other hand, as based from benchmarking in Mozambique or Ivory Coast, processing units do create significant employment in rural regions. On average every 1000 tons of processing per year, employs 100 workers. For instance the Array group in the Northern Province of Bolama, intends to employ 500-600 workers in the new 6000 tons unit being planned.

Cashew production attracts and involves about 80% of Guinea-Bissau smallholder farmers. Cashew is produced in all provinces and Bolama, Biombo, and Bie CN production account for more than 50% of total production. Hence technical assistance and/or grant support to the cashew value chain is the intervention that, in our view, will yield the largest impact and additionality in terms of both social and economic return – as well as employment.

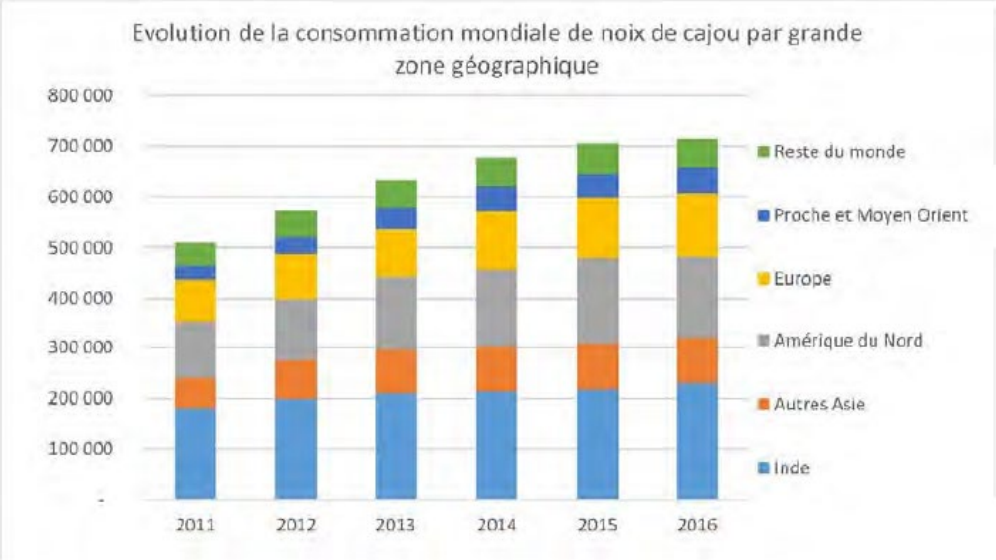
In light of the fact that the "Desafio GB" programme of the World Bank is coming to an end in Dec 2019, and that the needs for financing / completing storage units and processing units, we view the RCN value chain as being one of the key priorities to be considered under the EIP Pillar I and II facilities.

Table N. 10: Main stakeholders in the cashew value chain in Guinea-Bissau[45]

[45] Sofreco, Rapport de Diagnostic – Anacarde/ Caju, 2017

Etape	Acteur	Lieu	Fonction	Description
En amont de la production	Fournisseur d'intrants	Un ou deux à Bissau ; d'autres au Sénégal	Vente de produits phytosanitaires et d'engrais	Presque absent en GB ; seuls produits d'application à d'autres cultures sont disponibles, par ex. Malathion
	Pépiniériste	Dans les villages	Vente de plants d'anacardier, greffés ou non	Absent en GB
	Conseil technique à la production	Milieu rural	Conseiller les producteurs sur l'itinéraire technique de la production et du traitement post-récolte	Pas fourni par l'État ; une mince minorité des producteurs ont ce service auprès de projets tels que le PRSPDA, l'ADPP
Production	Agriculteurs	Plantations	Production de noix et de fruits de cajou	80% de la population nationale
	Main d'œuvre	Plantations	Désherbage, taille des branches, etc.	Hommes, voisins des employeurs ou migrants
	Collecteurs (euses)	Plantations	Collecte des noix, séparation des fruits et la coque	Majorité de femmes, payées en nature avec une part (1/3 ou 1/4) de la production
Commercialisation des noix	Pisteurs	Petites villes et gros villages	Achètent les noix auprès des producteurs	La plupart sont des commerçants locaux et font de 5 à 20 tonnes par an
	Grossistes ou consolidateurs	Villes secondaires	Rachètent les noix auprès de plusieurs pisteurs	Possèdent ou louent de magasins et des camions, font 20 à 100 tonnes/an
	Contrebandiers	Frontière sénégalaise	Vendent des lots à travers la frontière	Grossistes qui passent les noix au Sénégal ou en Gambie
	Exportateurs	Bissau	Achètent des gros lots et embarquent des conteneurs au port pour des ventes FOB	Presque tous Indiens, parfois Vietnamiens, représentés par des entreprises locales
	Banques	Bissau	Préfinancement des exportateurs locaux	Les banques sont actuellement peu actives dans la commercialisation des noix
	Fournisseur de sacs en jute	Bissau (futur), encore en projet	Vendent des sacs en jute pour la campagne	Sacs de marque GB pour l'export, d'autres pour le commerce interne
	Laboratoire	Bissau (futur)	Certifie la qualité & phyto	Equipements existent, mais ils manquent une structure administrative
	Agences de certification	Bissau, étranger	Tierce détention, certification bio etc.	Sécurisation de stocks, facilitation de crédit, entrée aux marchés de niche
Transformation des noix	Unités industrielles de transformation	Bissau, Bula, Bolama, Safim	Exportation d'amandes blanches	Sociétés étrangères auto-financées, entreprises locales
	Petites unités de transformation	Bissau, Safim, Quinhamel	Ventes locales, marchés de niche	Très dépendants des financements externes
	Banques	Bissau	Financement des investissements et des fonds de roulement des usines	Les banques sont actuellement inactives dans la transformation de noix
	Centre de Promotion du Cajou (CPC)	Bissau	Consolidation & commercialisation des amandes des petites unités	Viabilité comme entreprise reste à confirmer

Graphic N 7: Evolution[46]of the world consumption of cashew nut per economic region.



- **Current Constraints on the cashew nut productivity and revenue capture**

There are several bottlenecks and deficiencies in the cashew value chain in Guinea-Bissau today – the biggest of which is the fact that most cashew orchards are very old, with tall trees producing less that 3-4 kg of cashew nut by tree, as compared to 11 to up to 25 kg per tree in Ghana or India. This means that the cashew value chain needs to be invested in and strongly financed (in CAPEX/ grant money) upstream, for the creation of new orchards, seed and seedling nurseries, and also improvement (R&D) of the varieties need to be done to renew the production base (progressively of course).

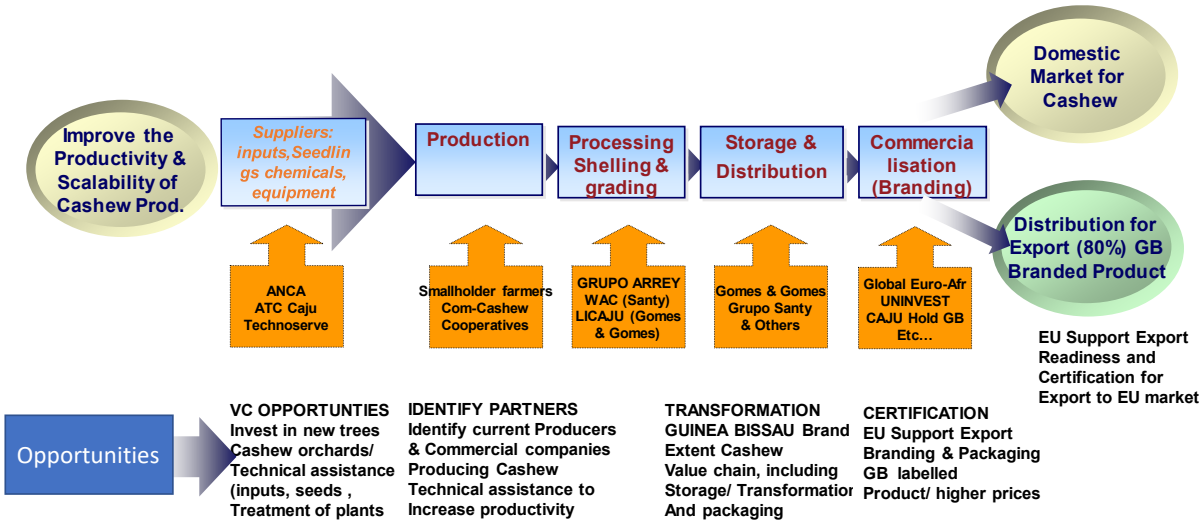
Much of the cashew nut value chain is now focused on producing and exporting Raw Cashew Nut (RCN), whose export activity is dominated by Indian and Vietnamese traders, and some (Gomes & Gomes/ Grupo Arrey) processors and traders. The processing sector is now composed of a short list of four real processors (see value chain graphic), but this segment has clearly the potential to be expanded throughout the country, by re-habilitating old, idle processing units, and building new ones. Each processing unit does have a number of value chain upgrading benefits, among these:

- *Create cluster of activities in rural or semi-rural regions, providing significant and quality jobs (from 200 to 1000 jobs per unit) in rural areas*
- *Help organise cooperatives and farmers associations – to secure cashew production and storage*
- *Stabilise the cashew nut pricing, through longer term, year round purchasing plans and also working capital and farmers financing schemes (in the best case, even though RCN pricing is subject to strong fluctuation and also pressure from highest bidder exporters)*

See a schematic representation of the cashew value chain, with the various opportunities for improvement:

Figure N 8: EMBRAPA Crop Value Chain Methodology, 2015, Analysis TPSDE, 2019

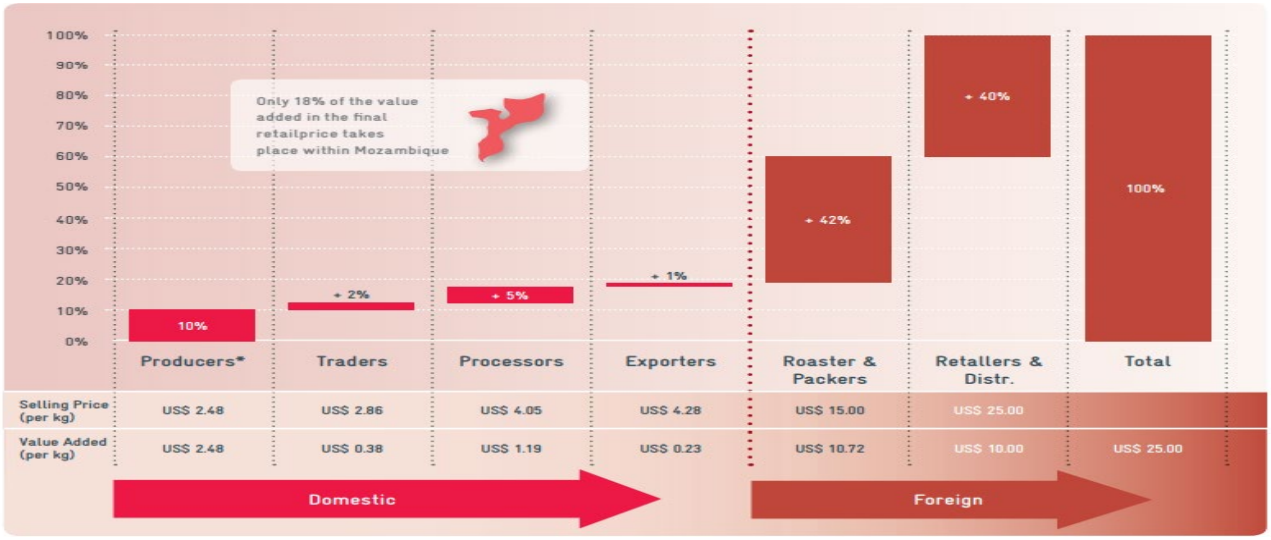
[46] Evolution de la consommation mondiale de noix de cajou par grande zone géographique (Source : Rongead/Nkalô), 2015



(*) EMBRAPA Crop Value Chain Methogology, 2015, Analysis TPSDE, 2019

More importantly, from the most revealing graphic below which focuses on the Mozambique cashew nut value chain, the main stakeholders only capture 10% of the total value and revenue stream of the cashew nut trade. This is what needs to be evolving and that needs support: upgrading the value chain.

Figure N 9: Revenue and value added sharing in the cashew nut business



Hence there are specific EIP intervention that could make a strong difference in strengthening the above value chain of the cashew nut production, both at upstream and downstream (mostly in adding processing units, strengthening the cooperative organisations, and supporting modern nursery and planting techniques) levels.

EIP Sustainable Agricultural Value Chain Opportunity Agri 1[47]: *Provide grant and TA support that will* ***Improve the Agricultural practices, Productivity and Transformation of Cashew Nut in Guinea-Bissau:***

a) contribute to rebuilding new cashew orchards, supporting private sector led initiatives to scale up smallholder nurseries and cashew production in organized cooperative plantations, particularly in the provinces and Bolama, Biombo, and Bie (this involves, investing in new cashew trees orchards/ provide technical assistance, inputs, seeds and treatment of plants,

b) support investments in cashew secondary processing, that is medium-size CN processing units that are strategically distributed throughout the main CN production areas and

c) support investments in efficient supply chain storage, management and distribution, as well as "Organic" labelling for GB CN. Guinea-Bissau Cashew Nut (CN) having one of the highest KOR (Kernel Output Ratio) of all African nuts, and being produced under 100% organic conditions, obtaining a "Bio" label for the processed cashew nut is not such a remote opportunity.

At the first level, EIP could ***support through grants and/ or guarantees, the funding of 3 to 4 additional processing units in chosen areas*** *(object of a specific TA feasibility study), to anchor both production, farmers cooperatives, and also add further value to the CN product and exports.*

At a second phase, should we be able to support a number of key producers/ processors to obtain EU certification, another leg of the programme could work on branding GB-labelled cashew products, leveraging the better traceability of Guinea-Bissau cashew nut to promote branded and differentiated cashew – this involves investing in the final "consumer product" processing and also ensuring certifications, including food safety and organic labelling, which could allow GB farmers product to reach premium markets and reap an additional 40% of economic value on the product.

In our view the First Phase of this Cashew Nut VC enhancement programme is the most feasible and attainable in the context of Guinea-Bissau.

The above EIP Agriculture support will need to be informed by a short TA feasibility study (leveraging on the extensive studies already done, including by SOFRECO (2017)[48] and also the three-year support programme of the World Bank ("Programa de Ligaçao/ Linkage programme, which included funding of storage areas/ drying areas in several key CN producing areas (Cachuro, Mansoa, Jalidcunda, Barro).

This study should focus mostly on prioritising the region, municipalities that should benefit from a concerted "Processing Unit-Cooperative creation-Support to Farmers" programme, in the view of strengthening the CN sector at the rural community level. Such a programme would anchor semi-industrial activity in rural areas, and creat long standing employment for local population, including a majority of women.

Linking this EIP proposition to the various Agricultural Guarantees programme, the following one may be the best match with such project:

[47] **EIP Investment Windows:** in the official definitions, there are five investment windows which cover Sustainable Agriculture, Sustainable Cities, Digitalisation, MSME Finance and Sustainable Energy. Thus this project could, if undertaken by an eligible DFI, come under the EFSD Guarantee allowing better terms.

[48] SOFRECO/ BOAD, Etude Diagnostic de la Filière de l'Anacarde en Guinea Bissau, Fev 2017

Table N 11: Intermediated Lending for SMEs and Agricultural Businesses[49], 2019

Intermediated Lending for MSMEs and Agricultural Businesses

Five guarantees catalysing investment in and support for local businesses in riskier environments

Key info

Lead financial institutions and corresponding EFSD guarantees:	• Consortium of: - 15 European Development Finance Institutions (EDFIs) - African Development Bank (AfDB) up to €60 m • European Bank for Reconstruction and Development (EBRD): up to €30 m • European Investment Bank (EIB): up to €20 m • Agence Française du Développement (AFD): up to €85 m • International Finance Corporation (IFC): up to €42 m
Total EFSD Guarantee:	Up to €237 m
Technical Assistance:	Up to €22 m
Total investment expected:	Up to €2.1 bn
Contact:	Robert Zegers r.zegers@afdb.org Jonathan Lange j.lange@afdb.org Renato Giacon GiaconR@ebrd.com Yves Ehlert edfi@edfi.eu Astrid Hoffmann a.hoffmann@eib.org Bruno Vindel vindelb@afd.fr Claude Torre torrec@afd.fr Wendy Teleki wteleki@ifc.org

What will it do?

These five guarantees will provide affordable funding to small businesses, many of which are engaged in agriculture. It is estimated that, together, they will:

- directly and indirectly create or support over 1.3 million jobs
- provide funding and assistance to around 450,000 companies
- scale up local green energy projects
- promote investment in and support for agribusinesses.

The guarantees will enable financial institutions to provide major investment for small businesses, for example, by pooling first loss funds from multiple development financial institutions and donors, and diversifying risks across the participating financial institutions. As a result, small firms will be able to access finance, become more resilient, and will be able to expand.

They will target in particular businesses owned by women and young people. They will also:

- foster economic development that benefits all sections of society
- raise living standards
- promote the adoption of high social and environmental standards
- reduce incentives for people to emigrate
- further gender equality and empower women and young people
- support innovation and early stage projects
- mobilise domestic resources and expand the tax base

3.1.3. Agricultural Value Chain Opportunity N2: supporting Fisheries in GB.

The second Value chain opportunity that we would like to recommend to the attention of DEVCO is the support to be given in the Fisheries Value Chain in Guinea-Bissau.

[49] EU, Summaries of the EU External Investment Plan Guarantees, 2019

Guinea-Bissau is a country by the sea with a surprisingly rich, large and diverse halieutic ecosystem, that is, up to now, largely under-exploited. The continental platform of 45,000 km² and the Exclusive Economic Zone of 105,000 km2 represent a large reservoir of fish and shell species, which is still relatively intact, in spite of the growing pressure by largely Asian (Chinese, Korean) fishing boats. The potential, in tonnage, of the fisheries in GB could be as high as 500-600,000 tons per year. In Terra Ranka, the objective of the Government of GB is to double the yearly catch from 125K to 250K tons, with the aim to have at least a proportion of theses halieutic assets being processed and valued locally in Bissau. This could generate a total revenue for GB of 300 Millions (USD) and also create 30-50,000 jobs in this sector, theoretically. But there is no doubt that it is a job intensive sector, starting from the artisanal fishermen and the impact of processing and selling fishes on the market.

The main stakeholders of the fisheries sector in Guinea-Bissau are described in the graphic below, from the "Analyses Performance Group[50]":

Figure N 10: Value Chain Segments and Fishing Groups in Guinea-Bissau, GAD/ APG



Fonte: Analyses Performances Group (Grupo de Análises de Desempenho)

Among the parties interviewed, we met with ANEEP, its president and much of the Board of Directors and key commercial fish companies. ANEEP is a private sector-led association, that very much depends on its members to conduct its associative work. The fact that they are independent from the Public sector, gives them credibility and a true voice for private fishermen. They mentioned that currently the GB fishery sector is made of 40 old fishing companies, of which 16 are really active. Eight of these companies represents 80% of the total catch and revenue.

Key issues that were emphasized by ANEEP were:

- Lack of capital, fishing SMEs do not have access to finance or credit
- Companies have no collateral or guarantee to provide to banks

[50] Analyse do Grupo de Desempenho/ Analysis Performance Group, Consultants to Terra Ranka, 2014

- All the sustainable (economically) companies are from the private sector; but only 4-5 of them are really motorized and have working capital resources (diesel, fishing net, ice, etc.)
- The Artisanal fishing and fleet needs to be better organized and financed, so as to sustain a job creating industry and sector, and also secure a good source of alternative protein and nutrition for the population.
- The interest rate charged is 16% (on the basis of 12-13% regional interest rates (BCEAO)
- Much of the coastline of GB are being exploited by foreign vessels, Koreans, Spanish, and also large Senegalese barges that resell their catches to the foreign vessels:
- The key issue in Guinea-Bissau is (up till recently) the lack of sizeable cold storage for the fishes, many of them are sold within the day – at street market, - without any guarantee of freshness and health risks attached to this practice.
- The Chinese have built a dedicated Fish terminal and a large cold storage in Bandil – in coordination with the GoGB. More is required, especially along the coast of GB, and other markets of Bissau and in the interior of GB.
- Key issues on which the EU may be able to intervene: dedicated **Quality Control laboratory for the fishing industry,** so as to certify the fishing products for export, including the EU, in the wake of the bilateral EU-GB mutual agreement on fishing in GB waters (Patrick from the EUD has worked on this, extensively).

Suggested measures to support the Guinean Fisheries Value Chain

We believe that, alongside with the cashew segment, fisheries should also be considered for EIP support, particularly in Pillar III – as related to set up and finalise the Laboratories related to certification of fish products and quality control.

***EIP Sustainable Agricultural Value Chain Opportunity Agri 2.*: *Fisheries* (Access to Finance and Certification & Quality programmes**

The main suggested intervention (Pillar III – Business climate, and also Pilar II – Technical Assistance) is to create the institutional and physical conditions to have a state of the art, **EU compliant Laboratory for quality control and certification of the fish product and processing** – with the aim of getting EU Certification for export (to the EU).

We know that this is complex budget, and that the 11th FED has a programme focusing on this (West Africa Quality System Programme - QSPSS, which provides support to the Ministry of Commerce in GB. However, in the case of the fisheries, getting either a dedicated certification lab, along with reliable cold storage for the fishes, are very much a short term priority.

At a second level, and related to the "Access to Finance for MSMEs" the EUD should consider ways to **support and subsidize the access to working capital financing for the Artisanal fishermen** – as many times what they need is an initial help to repair their boat, buying new fishing nets, and have visibility for buying fuel and other needed supply for the next 1 or 2 fishing seasons.

EIP Pillar I, may put forward a grant support for fostering the sustainable development of Artisanal fishing, through a specific segment of microfinance, dedicated to the fisheries industry. This will both create jobs, and also make the fishing business more attractive to local MSMEs entrepreneurs.

3.1.4. Value Chain N.3: (Pillar II) Sustainable Tourism in GB – developing a coherent Tourism development strategy for the country

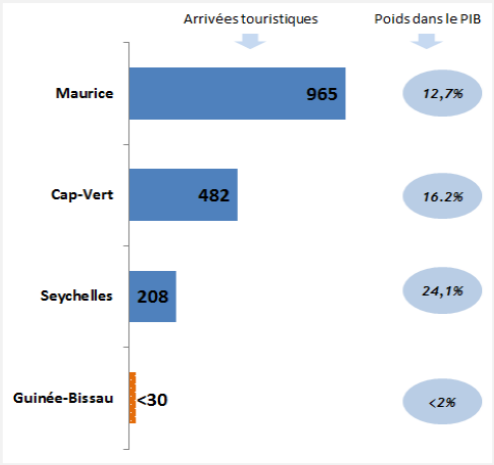
Guinea-Bissau is a hidden gem in West Africa, in terms of nature, biodiversity and ethnic and cultural diversity. Particularly the ecosystem of the Bijagos, a set of 88 islands off the Atlantic Coast of GB, has a significant potential for eco-tourism, if done in a well-managed and environmentally sustainable way.

Guinea-Bissau has an exceptional and preserved nature and biodiversity. It is home to West Africa's second mangrove zone as well as the second most important area for bird preservation. It is rich in forest and savanna landscapes and strong diversity of ethnic and cultural identities. 26% of its national territory are protected areas, which is one of the highest percentages, and in par with such countries like Botswana and Namibia, which have well developed tourism.

In particular, Guinea-Bissau shelters the Bolama-Bijagós archipelago or various natural parks on the continent, which are all favorable sites for the development of ecotourism, tourism, sport fishing or cultural tourism. Destination Guinea-Bissau is practically non-existent for the major tourist-emitting countries. The estimated number of tourist arrivals, which represent no more than 0.4% of arrivals from the UEMOA zone, is very low compared to other island countries.

Graphic N 8 – Number of Tourists in similar African countries & percentage of PIB

Figura 20: Chegadas turísticas (em milhares) e peso do turismo na economia de países insulares.



Fonte: Governo Guiné-Bissau e Analyses Performances Group (Grupo de Análises de Desempenho)

Several detrimental factors hinder the development of tourism in Guinea-Bissau – which includes its insularity and lack of good transport means (from limited air transport and poor road network) but more simply a lack of hotels and tourism infrastructure, which is very much embryonic as compared as that of Senegal or Cape Verde. This, in spite of the fact that GB is a relatively safe country with very low indices of criminality. Guinea-Bissau is also characterized by poor hospitality and transport infrastructure and a chronic shortage of basic infrastructure (especially electricity) that makes the destination expensive.

But possibly the biggest hindrance on the development of GB tourism is actually the fact that it is largely "unknown" from outside of the main tourism agencies in Europe or OECD countries. It is a hidden gem, but that remained mostly …hidden.

In our view, in spite of a mention in the Terra Ranka document, there is a real lack of articulated strategy for the development of sustainable tourism in Guinea-Bissau – notably outside of the Bijagos Islands (for instance the continent coastline, near Varela and Quinhamel, which has similar, if not better long terms conditions as that of Casamance in Senegal).

As part of the Pillar II, there is a possibility for developing a feasibility study and some strategy documents related to specific, job creating and sustainable industries. We believe that the tourism industry can actually be a good diversification industry, creating numerous jobs and activities in areas where there are none today, and providing a hard currency earnings for the country. GB is harboring still a well-preserved natural environment and ecosystems, the model of tourism should be more oriented as that of Costa Rica – with preservation areas covering 30-40% of the national territory and development of sustainable ecotourism (and some zone of larger, mass tourism in the beach/coastal areas of the country, to increase a bit the volumes and repay the hotel infrastructures). This needs to be analyzed at the national level, to develop a coherent tourism strategy for the country.

EIP Sustainable Tourism Value Chain Opportunity N3.: **(Pillar II – Technical Assistance in developing a coherent, national and regional tourism strategy for GB**

Pillar II – Technical Assistance would be sought to contract a consultant specialised in the development of tourism in African countries, and particularly eco-tourism and coastal (beach front and lodges) tourism. **The aim would be to map out all the potential tourism development sites and zones and prioritise them.** The consultant would also propose mechanisms of financing of these short-listed tourism sites, such as PPP, or attracting world class lodge developers, should also be analysed. Ways to increase the attractiveness of Guinea-Bissau as an eco-tourism destination should also be part of the ToR of this study.

Responsible and sustainable Eco-Tourism can provide a very interesting source of revenue for the GoGB and develop a whole tourism cluster in the country, generating jobs and also lots of indirect jobs for the farmers/caterers and the many suppliers to hotels and restaurants. Tourism worldwide is responsible for > 9% of the world employment – If GB can capture 9% of additional employment (or even 5%), the main goals of the EIP facility would be attained : economic additionality, sustainability, job creation, and opportunity for economic diplomacy, as European may be able to take a leading role in developing this industry.

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4. OPTIONS FOR THE SET UP OF A EUROPEAN BUSINESS ORGANISATION IN GUINEA-BISSAU (CHAMBER OR COMMERCE OR FEDERATION OF CC)

4.1. The Context of Guinea-Bissau and Africa

4.1.1. Introduction and Benchmarking of EUCCs in Africa

Over the past 10 years, the EU and Africa have built a stronger and more political partnership based on shared values and interests, enshrined in the Joint Africa-EU Strategy (JAES). The strategy sets out both sides' intention to move beyond a donor/recipient relationship towards long-term cooperation on jointly identified, mutual and complementary interests. It is based on principles of ownership, partnership and solidarity and its adoption marked a new phase in Africa-EU relations.

In many developing countries, the expansion of the private sector, notably micro, small and medium-sized enterprises (MSMEs), is a powerful engine of economic growth and the main source of job creation. The private sector provides some 90 percent of jobs in developing countries, making it an essential partner in the fight against poverty.

Yet, the private sector in Africa faces a formidable range of obstacles compared to its rival in other emerging markets: widespread and rising informality, a "missing middle" in the size of enterprises and little upward mobility, weak inter-firm linkages, lack of export competitiveness, lack of innovation capabilities, complexity of registering business and taxation, infrastructure shortages, unreliable electricity supply, limited access to finance and corruption.

In the communication "A stronger role of the private sector in achieving inclusive and sustainable growth in developing countries" one of the "tools" proposed to implement and mainstream its approach to private sector development, and to harness the potential of the private sector as a partner in development cooperation, is a " framework for structured dialogue and joint action with the private sector". The communication proposed that EU Delegations, in coordination with the EU Member States, facilitate and support inclusive public-private policy dialogue in partner countries to identify key challenges and opportunities.

EU development cooperation in Africa covers a wide range of areas in the private sector, such as support in creating an enabling business environment and investment climate. A better investment climate helps to promote efficient domestic investment, attract foreign direct investment and increase productivity, thereby raising income and employment opportunities.

EU projects and programmes also involve support for professional institutions ("meso-organisations"), such as chambers of commerce, industrial federations or SME associations, as well as the promotion of reliable local financial institutions. Other areas of support include technical and vocational training, the promotion of investment and co-operation activities among businesses, and the facilitation of access to financial markets. An important focus is also put on support for microfinance and financial inclusion.

A key tool in implementing this new partnership with Africa will be the EIP.

In the context of the implementation of the EIP in Africa, DEVCO is developing the Sustainable Business for Africa (SB4A) platform, proposed as an overarching framework – as a building block of the third pillar of the EIP – and which consists of structured dialogues operating at country, sectoral and strategic levels. The SB4A platform aims at reinforcing and coordinating structured dialogue with the private sector undertaken by EU Delegations and HQ, to increase private investments in order to enhance developmental impact.

One of the tools to facilitate structured dialogue with the local private sector in partner countries via the EU Delegations is the **EU Chambers of Commerce or EU Business Organisations (EU Business Groups as well)**.

A recent survey (at the level of EU Delegations in Sub-Saharan African and North African countries) was made of all the existing and planned EU Chamber of Commerce in the region. The survey revealed that 20 partner countries in sub Saharan Africa have EUCCs. According to the responses to the questionnaire, 7 more partner countries are actively planning to create a EUCCs sometime in the near future, and according to DG Grow, 9 more countries would be as well planning to create one. This would bring to 19 the number of partner countries with an EUCCs within a near future, according to the surveys, and 26 including the information received from DG Grow.

The European private sector is thus more engaged where there are EU Chambers of Commerce and/or a Member State private sector organization, and 20 Delegations out of 49 report a presence of an EU Chamber of Commerce.

EU Chambers of Commerce (or equivalent: EU Business Groups, EU Business Associations, Eurochams, etc.) are established in the following countries: Benin, Burkina Faso, Cabo Verde, Côte d'Ivoire, Madagascar, Mali, Nigeria, Senegal, Togo, South Africa, Sudan, Tanzania, Djibouti, Egypt, Ethiopia, Ghana, Kenya, Morocco, Mozambique, Zambia.

The emergence of this large number of new EUCCs has come about as the result of intensive collaborative efforts by the EU Delegations, EU Member States diplomatic missions and the European business community in partner countries.

As an example of the purpose of such EUCC, here are the two objectives pursued by the EUCC in Benin. At a joint meeting with the members of Eurocham-Bénin, it was observed that its members consider it useful and that its existence is justified on the one hand for **establishing business relations with other European companies active** in Benin and on the other hand to **join forces in order to influence the taking of political and regulatory decisions** which might have an impact on their commercial activities. Indeed, at a meeting organised by the EU Delegation in which eight 8 members took part, major difficulties were presented by European companies. The EUCC is perceived to be a conduit through which all European Companies, experiencing the same difficulties or challenges could speak with one voice. Such a function would be quite pertinent in the context of Mozambique, where the business climate is quite challenging as well.

Few EUCCs participate in European Business Support Organisations. 4 EUCCs are members of EBO World Wide Network (WWN) (Tanzania, Uganda, Ivory Coast and Ghana). A further 3 EUCCs (Ethiopia, Nigeria and Zambia) are in the process of joining the EBO WWN network. Eurocham-Bénin is member of Eurochambres.

The survey revealed that EUCCs have proved to be a useful tool in facilitating EUDs engagement with the local private sector in partner countries. EUCCs enable EUDs to have a wider access to relationships with the local private sector and can also help EUDs fill the gap between trade policy and trade implementation by taking into account the views of a representative group of EU MS business interests in the partner country.

Benchmarking with best practice of other EUCCs

The EU Business Group in Tanzania (EUBG Tanzania) is considered to be a success story in establishing partnerships and constituting a structured dialogue platform for dialogue between the private sector and the government of an EU partner country. EUBG Tanzania was created as a result of the joint efforts of the EU Delegation, the Member States and certain European companies active in Tanzania in 2015. It has more than 100 European company members and advocates by participating in platforms of public-private dialogue of different types like the budget review working group with the Ministry of Finance or workshops with the Ministry of Commerce and Industry.

Partnerships established include organisations in the local private sector (Tanzania National Business Council, Tanzania Private Sector Foundation) or regional private sector (East African Business Council) and sector associations like the association of shippers and horticulturalists. At a PPD level, the EUBG Tanzania has structured its work around working sessions on taxation, investments, transport and work permits (themed actions). These working sessions bring together company members of the EUBG Tanzania, the EU Delegation and Member States. The EUBG Tanzania also produces briefing notes on specific points like VAT between Zanzibar and Tanzania. EUBG Tanzania has today 107 members and operates with a budget of 71 500 EUR (80 000 USD).

In terms of financial sustainability, the success of the EUBG Tanzania rests in the differentiation of subscriptions from members: subscriptions are progressive depending on the number of employees, as presented below:

Figure N 11: Membership fees differentiation by EUBG Tanzania

Number of employees	Subscription amount (in USD)
From 1 to 10	200
From 10 to 50	750
From 50 to 150	1250
More than 150	2500

The EUBG in Tanzania has enjoyed the financial support from the European Union through the NIP TCF for two technical supports which proved crucial to its development:

1. Recruitment of an executive secretary (European consultant) for the first six months: contract for 20 000 EUR. His role consisted of developing a strategy, consolidating the budget and increasing the number of members (from 0 to 40 between April and December 2015, then 105 in December 2016, 130 in July 2017, and 107 as of today)

2. Study of European investments in Tanzania and policy briefs: contract for EUR 200,000 proposed by the EU Delegation in Tanzania in 2015. The study of European investments in Tanzania contained an economic diagnosis (market study and cartography) of European companies active in Tanzania, their investments, their impact on the economy, society (jobs, training, etc.) and taxation (contribution in terms of taxes collected). This study enabled the EUBG Tanzania to increase its dialogue with the Tanzanian authorities for improvement of the business climate and to give more weight to its advocacy. Moreover, the consultant responsible for the study also produced policy briefs aimed at presenting the priority improvements demanded by European companies Europeans on three problems: harbor operations, taxes and administration and work and residence permits. In addition to these two deliverables (market study and policy briefs), the contract also included the production of communication material for the EUBG Tanzania: development of a website, design of the logo and production of pens, USB sticks, advertising banners, brochures and finally the organization of a major event (more than 150 participants) aimed at presenting this market study and the policy briefs, and two work seminars for gathering information and awareness work.

Now the comparison between Tanzania and Guinea-Bissau probably stops here, as Tanzania is a much larger market with over 1000 EU companies (of different size) operating there. Guinea-Bissau is a much smaller sized market, with a total of European economic players estimated at less than 50. However, as GB does faces important challenges in terms of its Business Climate, one of the key role of a united Chamber of Commerce is to actually coalesce the key issues and effectively lobby with one voice vis a vis the Government of GB, or at least make its voice heard.

4.1.2. EUCC in the Context of Guinea-Bissau and existing National CC

Guinea-Bissau, with only 2M inhabitant, a smaller geographical size and given its limited market, has a limited European business community. The EU Business and investors are dominated by the Portuguese who are present in both the cashew nut, retail and hotels, and a number of other European investors active in the agribusiness, tourism & hotels (French entrepreneurs in the Bijagos islands), shipping, and mining related equipment, etc. Hence up to now, and in spite of an initial pre-feasibility study realised by consultancy Atman (Fernando Silva), there has been **no formal initiatives** to create or plan a **European Business Forum** or Club (EBF, or EBC).

A few European countries however have constituted bi-lateral chambers of commerce or organisations, with the most active being the Portuguese, with A.E.P. (Associação Empesários Portugueses) and also AICEP (Agencia de Comercio Externo de Portugal). A few other countries are being active through their Embassy or economic representation.

On the basis of the bilateral agreement between EU/ Guinea-Bissau, there is a mutual will to structure an European Business Club (EBC), which would represent the larger interest of the European businesses and investors. In our view the Technical Assistance on Economic Diplomacy did not advance much the structuring and formalisation of the EBC. Hence please find below some suggestions and leads about ways that such EBC/EBF have been structured in other African Countries.

In many countries EBC are relatively modest association with rotating President, such as in Mozambique, where the Presidency is currently held by the head of the Southern African-German Chamber of Commerce and Industry, and with a Secretary who is funded by the French Chamber. The EBC needs a relatively modest budget to operate but in many country still depends thoroughly on the "sweat equity" of volunteers, which may have its limit, as the community of European companies will grow over time. Please find below a number of options to take this EBC further.

Based on the feedback of quite a few of the European businessman and women interviewed, we noticed that there is an interest of having a sort of representation for the European interest (and business in general) in GB – and that this could be done either as a physical EBC organisation or possibly through a virtual forum, that would bring together EU interest and players. There is an interest for having a form of European organisation which can act as a Mediator and lobbying force vis a vis the Government of Guinea-Bissau and other entities. Some of the Business climate issues that were mentioned were:

- Improve the legal and regulatory framework for business (legal analysis)
- Improve the Justice department (?) and efficiency
- Customs procedures and tariffs – which are often randomly implemented/imposed
- VAT implementation and re-imbursement – lack of financial infrastructure
- Pricing of utilities and services; particularly energy – ways to reduce these costs
- Public procurement on Government contract – corruption issues/ access for EU companies/ tender based on quality and not only on pricing + tips…
- Reform of the Mining and Energy sectors (opportunities for EU investors)

EIP (Pillar III structured dialogue) Opportunity: *Given the relative lack of definition, goals and strategy of the current (or recent past) EBF/ EBC initiative, we believe that a more focused survey should be done with European Business and stakeholder to* ***validate the need for a stronger and more formalised EBF in Guinea-Bissau.*** *This could be done through either individual (or email based) survey, or through a workshop on the issue. This issue should be further discussed and developed through a structured dialogue between the EUD and the EU Businesses and also other European PSOs(such as the chamber of commerce or trade organisations of member states).*

*If we conclude/ assume (as per the limited feedback from EU private sector players) that European companies would like to have one organisation as a mediator on behalf of the European companies and interest, we would like to propose as a Pillar III opportunity, grant support (Structured Dialogue) for formalising, providing SD resources (from other best practice of EUCCs in Africa) and giving initial support toward the creation of a **EU-Guinea-Bissau Business Group**.*

The purpose of the EU-GB Business Forum (EU-GB BF) would be to strengthen the bilateral liaison of European investors interested in investing in GB and interested African actors to export and do business in Europe (two way). In this context, it would be to encourage and foster bi-lateral trade and investment between the EU and Guinea-Bissau.

In addition, the potential objectives pursued by EUGB BF could be as follows:

e) Establish a more formal and regular dialogue between members and actors of the Private Sector; and particularly European investors and local companies;

f) Create a link / conduit also of dialogue with the Public Sector of the host countries of the Business Chambers. The Development Programs are being developed in close cooperation with the governments and private sector of each country;

g) At times (for example in Ethiopia) the EUCC, together with the EU Delegation, set up Technical Committee for proper solutions to improve the business environment faced by European (and other) companies; Coordination with the Investment Commissions (or Ministries) of the countries

h) Strengthen links with local business associations and establish networks of contacts and meetings between European and national associations.

During the debriefing with the EUD in Bissau, there was strong support of strengthening Structured Dialogue with the Private Sector, including through EBC and Business Associations, as a key component of this dialogue, including to improve Business Climate.

This **EU-Guinea-Bissau Chamber of Commerce** could take various forms and institutional structuring, to be further developed later. These institutional options include:

a) a new **EU-GB Business Forum**, based in Bissau, which would have a formal office and a separate legal form (as an Association) and would be financed by European and Guinean corporate members (with a possibility of an initial EUD funding as well as in other African countries), and/ or

(b) form a "**Confederation" of national business chambers** (see list above of existing Bi-lateral CC and some "Business clubs" (France), which would also add all European players and nationalities still without representation, as well as create a "Unified EU Voice" and mediation vis-à-vis the GoGB.

c) work through a Virtual platform, an **online EU GB Business Forum**, that would be initially funded and structure by the EUD (or Pillar III of the EIP) that would both update the members on key issues and news relative to GB and also invite the input and contributions of the members.

4.2. Potential Strategy for the EUCC in Guinea-Bissau and SB4A

4.2.1. Sustainable Business for Africa (SB4A)

Before proposing a strategy and a working plan for the EUCC (which is too early in the context of Guinea-Bissau, as it needs to be decided first and see if there is sufficient momentum for it), it is worth reiterating the aims of the Sustainable Business for Africa (SB4A) platform. SB4A provides EU Delegations and the European Commission with a reference framework for the establishment of a structured dialogue with the local and European private sector in partner countries, to identify the constraints weighing on the development of the private sector and to seek to improve the business climate. SB4A aims to accelerate investments in EU partner countries in order to support sustainable and inclusive growth, more specifically by supporting a structured dialogue on the business climate. As a consequence, SB4A is an important lever for implementation of the EIP and constitutes the cornerstone of its third pillar (improvement of the business climate). Structured dialogue under SB4A may be led at three levels:

- *Country level*: dialogue facilitated by EU Delegations and **EU Business Groups** (EUBGs) involving the local and European private sector and relating to specific constraints weighing on the business climate. This dialogue aims at the identification and raising of barriers to investment as well as the increase of investments by taking advantage of Economic Partnership Agreements (EPA).
- *Sector level*: dialogue aiming at the identification of constraints to investment specific to the sector and regional harmonisation / consistency.
- *Strategic level:* dialogue facilitated at European Commission level with the aim of dealing with the challenges weighing on investments in a more global manner, particularly by the promotion of innovative financial instruments (and guarantee mechanisms), increased collaboration with European Financial Development Institutions (EFDI).

As part of the future detailed work on the EUCC in Guinea-Bissau, the purpose would be to be identifying the ways in which Guinea-Bissauit might be able to serve as an instrument for implementation of the EIP through the SB4A approach at a country level in Guinea-Bissau. It should be stressed that the financing of SB4A dialogue at a country level will be through the National Indicative Programme (NIP), the Regional Indicative Programme (RIP), technical assistance facilities (TPSD type) or CSO envelopes. Twenty EUBGs have been formally established in partner countries and are fully operational, particularly by virtue of the support of EU Delegations, for example in Ethiopia, Zambia, Ghana, Senegal and Tanzania.

4.2.2. Examples of success in introducing a structured dialogue within the framework of SB4A

Below we present some best practices of EUBGs in Africa in order to illustrate how these may constitute a platform for structured dialogue, and contribute to attracting investments and improving the business climate. To that end, we have selected the cases of Ethiopia and Benin (mentioned earlier).

A- European Business Forum to Ethiopia (EUBFE): the EUBFE was created in 2012 and is a good example of the implementation of a platform for dialogue with the local private sector. The EUBFE is a dynamic organisation bringing together some one hundred European companies active in Ethiopia (out of the 300 European companies present in Ethiopia in total). It provides its members with a forum for discussion and intervenes with the Ethiopian Government.

The EUBFE benefited from the technical support of the BizClim Facility for the Business Climate. In fact BizClim financed the EUBFE project (2014-2015), including a study of the business climate in Ethiopia, a cartography of European investments in Ethiopia, a survey of the main legal and bureaucratic constraints on European companies in Ethiopia and eight case studies of the real problems encountered by European operators. The consultant responsible for implementing this project then established a road map for the creation of a structured dialogue between European companies (and other investors) and the Ethiopian Government.

As a result of that, the EUBF Ethiopia and the EUD established a **Technical Committee** formed of the EUBFE, the EU Delegation and the Government of Ethiopia to deal with the problems associated with the business specific to companies from the EU. The EUBFE collaborated with other associations of foreign companies (United States, India, Turkey, China) to improve dialogue in 2017 in a new platform also run by the Ethiopian Investment Commission.

In conclusion, although GB is smaller in size and EU business community, based on the benchmark and experience of EUCC and EBO in other similar countries, we believe that the set-up of a European Business Organisation (or EBO) in Bissau could be a useful instrument of structured dialogue between the European Business lobby (speaking in one voice), the Private Sector and business associations in Guinea-Bissau, and the Government of Guinea-Bissau. We encourage to delve into that idea and possibly make a quick, specific mission that would establish the charter, purpose and objectives as well as the organization and financial structure of such EBO in Guinea-Bissau.

Given the small size of the Business community, it may very well be that the traditional, physical EBO may be substituted by a virtual Business Platform, providing timely, up to date, information about business climate, laws, reform, and business opportunities.

4.2.3. Support to other Business Association in Guinea-Bissau

Last but not least we believe that another focus for the Private Sector Support programme should take into consideration the work performed by the actors of the Civil Society, many of which are the only conduit through which the Bissau MSMEs and private sector stakeholders can make their voice heard at the level of GoM.

Such private Meso-Organisation as **ANEP (Associaçao Nacional das Empresas de Pesca)** who is the only private sector association representing the interest of a specific industry in Bissau), **the APROMODAC (Promotion and Development of Community based Initiatives) and the ADRA, the Action for Rural and Environmental Development,** for instance would deserve to receive institutional support from the EUD, under EIP or through other facilities.

The universe of Civil Society and Industry association is larger, and the mission does not pretend to have made a thorough assessment of it (in a just two-week field trip). An initial mapping of the private sector and of the civil society organisations which can be found in the annex of this report, and could be further assessed by the local expert to identify further Pillar 3 EIP support needs.

5. CONCLUSIONS AND RECOMMENDATIONS

Guinea-Bissau possesses significant natural, energy, mining, and agricultural assets and wealth and also access to a larger West African (and potential EU) regional consumption market (of 150M) which is waiting to be developed and unfolded. But currently, the business climate and the lack of access to finance severely hamper the development of the private sector. With the EIP facility, the European Union has a powerful tool with which to contribute to facilitating funding to Guinea-Bissau private sector, to encourage the authorities to make the necessary regulatory reforms by supporting the public-private dialogue and to attract European investments, among others.

The mission has sought to identify projects which will foster the operation of the EIP in eight investment windows, namely renewable energy, business Incubators, microfinance, Cashew nut, and Fisheries value chains, as well as a Pillar III investment that could be made to support a EU Chamber of Commerce and Civil Society and associations in Guinea-Bissau, as well as strengthening a number of business laws in GB (see legal analysis).

Although the current constraints to Doing Business in Guinea-Bissau are considerable, particularly in terms of land registry, access to credit, labour laws, capital markets, investment code and the application of laws, we believe that the value chains selected in this study have all a strong potential in terms of diversifying the economy and support to the Private Sector players, and also creating the conditions for sustainable job growth and sustainable companies at the grass root level – both rural and urban, through fostering private sector growth.

We think also that, beyond the necessary support to the cashew nut Value Chain (processing and organisation in cooperatives), other agricultural value chains – such as sustainable forestry, cattle and poultry, tropical fruits (banana, mangoes, etc.), cotton, and other horticulture crops for local consumption could also contribute to the pursuit of Sustainable Development Objectives in view of their social and environmental impact, as well as making Guinea-Bissau a more self-sufficient country and lesser dependent on costly food imports.

Moreover, as seen in the example of cashew nut, Guinean producers and processors would capture much more value added and revenues out of their commodities , should they (jointly with donors**) invest further in the processing and branding/marketing** of their excellent products. Only in the cashew nut value chain, going to the last mile of downstream cashew nut roasting, branding and packaging, bring further 40% in revenues. At the level of Guinea-Bissau, the first step will be the creation of 3 to 4 processing units, spread in each key production areas.

In conclusion, we believe that, especially in the case of Guinea-Bissau, and given a weak public sector and governance, investing into the private sector and strengthening key value chains that are key to the development of the country. It is a viable alternative to providing support to the public sector. In our view, applying EIP Pillar I (investment, subsidies, loans or guarantees) and Pillar II (Technical assistance, and feasibility studies) resources in the energy, the cashew nut processing, and strengthening the fisheries sectors will provide strong additionality, impact and create sustainable jobs for the local population, as well as creating potential synergies with EU investors and markets.

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6. ANNEXES

ANNEX N 1: Mapping of the Private Sector stakeholders and Meso-organisations in Guinea-Bissau

Annex 1.1 Listing of companies per Sector – Cashew Transformation & Distribution

Company/ Empresa	Economic Sector	Principal/ Director	Email	Tel.
Transformação/ Transformatio of Cashew Nut				
1-T&T Sarl	(transformação caju)	Do Quamg Hian		955946852
2-Quade & Quade Filhos Lda	(transformação caju)			966339210
3-Emicor &Filhos lda	(transformação caju)	Jorge Ferreira	emicor28@hotmail.com	966622469
4-Gap Solutions	(transformação caju)		mondjo09@rambler.ru	
5-Arrey Africa	(transformação caju)			
6-Laimco	(transformação caju)			
7-Amman Bissau SARL	(transformação caju)			
Distribution/ Distribuição & Comércio em geral				
1- Tarambola Comercio	(Comercio vinhos e oleaginosas)	hercilio costa	hercilio.costa@fibissau.com	
2- Santy Comercial	Comercio e distribuição	Santiago	santiago.hanna@gruposanty.com	
3- Armazens Povo	(comercio materiais construção)	alfredo miranda	intraportugal@sapo.pt	
4- Nunes & Irmão	(comercio materiais construção)	Miguel gomes	fininha000@hotmail.com	
5- Marveck	(comercio materiais construção		dju.candida.bissau@juimail.com	
6- Construções & Filhos Lda	(comercio materiais construção)	fernando flamengo	flamengo-fernando@hotmail.com	
7- Alfredo Miranda	(comercio materiais construção)	alfredo miranda	intraportugal@sapo.pt	
8- Casa Correia	(comercio materiais construção)	carlos correia	djucandida.bissau@guimail.com	966935730
9- Guiné Metal	(comercio materiais construção)		contactneirajay@gmail.com	
10- Malak Construções	(comercio materiais construção)		hasmozco@gmail.com	
11-CASA Metal	(comercio materiais construção)		rimatco@hotmail.com	
12- AP Trading	(comercio materiais construção)	saura	saurabhmanocha1@hotmail.com	
13- Diacom	(comercio materiais construção)	sisse	sisse@grupodiacom.com	
14- Construções Coto	(projetos imobiliários)	Carla Coto	carla.coto@expoente.pt	
15- Arezki	(serviços construção civil)	tarik	bissau@arezkigroup.com	
16- Ascon	(serviços construção civil)	luis gomes	ascongb@hotmail.com	
17- BagaBaga- Construções	(serviços construção civil)	candida	info@bagabaga-gb.com	
18- Armando Domingues	(construção civil e obras publicas)	armando domingues	armando.fdomingues@gmail.com	
19- GETECS	(serviços construção civil)	malan banjai	banjaimalam@gmail.com	
20- Barros- Empreendimentos	(serviços construção civil)		barrosaguardentes@hotmail.com	
21-GGMS Grupo Gama M.Serviços	serviços e construção civil	Demba Baldé	dembasemedobalde@gmail.com	
22- Galp/Petromar	(distr. e serviços produtos petroliferos)	Jorge Almeida	jorge.almeida@galpenergiagb.com	
23- Ponto fresco /Africa Alimentar	comercio distribuição produtos alimentação	francisco galvão	africaalimentar.bissau@gmail.com	
24- Catpillar	(comercio e serviços equipamentos)	miguel munoz	munoz.gbe@gmail.com	
25- Geba	(comercio e distribuição sumos e produtos)	ryan ferreira	ferreira_ryan@hotmail.com	
26- Otica Bissau	(comercio produtos oticos)			955138663
27- Numero Um	(comercio de vestuário)	vanda barbosa	vandanet@hotmail.com	
28- Salus Pharma	(comercio e distribuição medicamentos)	david peixoto	saluspharma.bissau@gamil.com	
29- Fagoral	(comercio e distribuição bebidas)	filomena		966664638
30- Pinto Brasil	(comercio, serviços, empreendimentos)	gonçalo castro	gonçalo.castro@pinto brasil.pt	
31- GB-Itait Sa	(comercio, serviços, empreendimentos)	M.Furtado	ma@itait-gb.com	
32- Fabitrade Import &Exprt	(comercio e distribuição de equipamentos	antonio fabiao	fabitrade@fabitrade.pt	
33- Darling – supermercados	(comercio produtos alimentação)	sana mane	contact@darling.com	955500614
34- Grupo Mais	(comercio peças auto)	ricardo	ricardo@grupomais.pt	955250462
35- Foz molas	(comercio peças auto)	filomena	fozmolas@mail.telepac.pt	
36- Consumos ARL	(distribuição bebidas e pordutos)	ryan ferreira	ferreira_ryan@hotmail.com	
37- Camer Comércio GB	(comercio equipamentos)	Carlos Ribeiro	ruidilrebaque@gmail.com	
38- Nazzal Auto Peças	(comercio e distribuição	ahmed saade		955555552
39- GHADA	(comercio, produtos e equipamentos)	carolina roccon		955888801
40- Commerlink, AS	(comercio)		commerlink.bxo@gmail.com	
41- GH Impex	(comercio)	Nenita	nenitajiva@hotmail.com	
42- CISG	(comercio produtos informaticos)		cisg.lda.bissau@gmail.com	
43- Sovin	(distribuição e engarrafamento vinhos)	fernando reis	sovin.africa@gmail.com	955918606

Annex 1.2 Listing of companies per Sector – Cashew Import/ Export Companies

Commerce/ Comercio				
Exportação Caju				
1-Salem	(export caju)		salem.trading@outlook.com	
2-Latex Foam Bissau	(import/export caju)	hassen mazeh		955553636
3-Djabi & Djabi	(import/export caju)	djabi	juniordjabi@gmail.com	
4-Mad Bissau SARL	(import/export caju)	Mamdu Djalo	madbissau2003@yahoo.com.br	955456400
5- Rio Mansoa SARL	(import/export caju)	alex john	mamaduembalo11@gmail.com	
6- Bijagos Comercial SARL	(import/export caju)	mamdou embalo	mamaduembalo11@gmail.com	
7- Grupo Cinco	(import/export caju)	ibraima Jalo	gabufraco@hotmail.com	
8- ETC Bissau	(import/export caju)	Indrasena Reddy	indrasena.reddy@etgworld.com	
9- Rumu SARL	(import/export caju)	tito handem	tito@rumusarl.com	
10- KCP Trading SARL	(import/export caju)	alberto b. lopes	albertolopesgb@gmail.com	
11- Cheta Guiné LDA	(import/export caju)	mamdou camará	praveempoojary@hotmail.com	955500005
12- MCD SARL	(import/export caju)	chauki danif	c.danif@gmail.com	966626634
13- SAFCOM LDA	(import/export caju)	mohamed zaidan	socobislda@yahoo.com.br	
14- Socobis LDA	(import/export caju)	abdalah khail	socobislda@yaho.fr	
15- Euro-Impex	(import/export caju)	mamadou embalo	mamdouembalo9@gamil.com	
16- Darametrading	(import/export caju)	darame	darametrading@yahoo.com.br	
17- Fouta Trading	(import/export caju)	Issaga Barry	fouta.tradimpex@gmail.com	
18- BC Trading	(import/export caju)	Braima Cante	pintoneiderodrigo@gmail.com	
19- Diaoune et Freres Sarl	(import/export caju)	mahamed diaioune		959430019
20- Sociedade SYB	(import/export caju)	seykou baldé	sybaldde@gmail.com	
21-International Cashew Holding	(import/export caju)	Modibó Camara		955411482
22- Mac Trading	(import/export caju)	abas camara		955903402
23- GETA SA	(import/export caju)	Wilson francisco		955123333
24- General Trading	(import/export caju)	vicente blute		959319999
25- VK Trading	(import/export caju)	Khyali Ram		955223636
26- Spring Bok SARL	(import/export caju)	Janardhana		956160074
27- Armazéns Bandim	(import/export caju)	Husein Jamil		955410075
28- Frutas & Legumes GB SARL	(import/export caju)	Mansoa/menten		955592877
29- Chegus Bissau SARL	(import/export caju)	kiran kumar Ambati		955379010
30- Emkay Store	(import/export caju)	Govin Lalwani		966606625
31- RCN SARL	(import/export caju)	Saw Yue Lam		956053818
32- Melo LDA	(import/export caju)	Antonio Raposo		955494436
33- Fouta Trading	(import/export caju)	Issaga Barry		955299998
34- Cloud Group International SARL	(import/export caju)	Edilson dias alves		955822518
35- MAD Bissau	(import/export caju)	Mamdu Djalo		955456400
36- MAB Bissau	(import/export caju)	Mamadu Baldé		955268102
37- Salem Trading	(import/export caju)	Abdallahi		955703939
38- CR Trading LDA	(import/export caju)	Camlesh Ramehande		955558888
39- Vikow Limited	(import/export caju)	Augustine Brakoah		955123333
40- Iscon Agro Comercial	(import/export caju)	Jigar Thakkar		955350221
41- Gebabis SARL	(import/export caju)	sarth kumar		955381728
42- Usha Entreprise	(import/export caju)	vijayan pilai		966905544
43- BS Agro Trader	(import/export caju)	Narayana Pilai		955292205
44- Nash Trader	(import/export caju)	Sreedharan Ratanpuan		955124327
45- Almar- Hum Bubaca Balde SARL	(import/export caju)	Alassana Balde		955170407
46- Indira Entreprise SARL	(import/export caju)	Abucacar Barrow)		955292283
47- Duong Cat SARL	(import/export caju)	mamadou balde		955350221
48- Global Euro Africa SARL	(import/export caju)	Henrique mendes		955387509
49- GMP SARL	(import/export caju)	Parvesh Majundir		955394593
50-Sococaj sarl	(import/export caju)	Alfa Amamdo Djalo		955772122
51- Soc. SK Trading	(import/export caju)	lassana sany		966970477
52- Africom Trading SARL	(import/export caju)	Moctar Mohamed		955510606
53- Regal Guiné SARL	(import/export caju)	Sanjay Mahadik		955801212
54- Nova Visão Int. SARL	(import/export caju)	Mamadu Balde		955843366
55- A.F Trading Co Lda	(import/export caju)	Abdulai Fati		955240893
56-Internacional B. Cashew SARL	(import/export caju)	Ahmadou Koi		955738722
57- Malika Tradins Lda	(import/export caju)	Mamadi Injai		955836288
58- Prime Commodities	(import/export caju)	Kishan Nehesmari		955209521
59- Construções Lda	(import/export caju)	Fernando Flamengo		966624294
60- Royal Nuts Trading SARL	(import/export caju)	Prakash Julsiani		966386326
61- Trust Company	(import/export caju)	Tolno N'fatama		955411177
62- Jain Agro GB SARL	(import/export caju)	Sravan K B		955411177
63- Djondé Empreendimentos F.F	(import/export caju)	Florentino Nanque		955555606
64- WHS	(import/export caju)	Wang Dong		955889888
65- Ashola Agro SARL	(import/export caju)	Ashakumar		955292205
66- Perfom Worl SARL	(import/export caju)	Ousmane Diabi		956197908
67- Regal Holding Bissau SARL	(import/export caju)	Andre Barros		955943959
68- THHB Global Bissau SARL	(import/export caju)	Alhaji Coly		955946852
69- Ama SARL	(import/export caju)	Andre mendes		955242304
70- Hajari Bissau SARL	(import/export caju)	Abdulai Fati		955240893
71- Degni Company SARL	(import/export caju)	Cocou Degni		955287908
72- Braima Seide SARL	(import/export caju)	Braima seide		955308888
73- Majestar Bissau SARL	(import/export caju)	N'famara touré		955503886
74- Adg comercial SARL	(import/export caju)	Abdouramane		955906465
75- Amman Bissau SARL	(import/export caju)	Abdel Daouda		966980808
76- WAC International	(import/export caju)	Santiago Hanna		955900068
77- Dja & Dja Lda	(import/export caju)	Aissatu Djalo		955732838
78- Sociedade Três SARL	(import/export caju)	Domingos Insali		955804534
79- IBC SARL	(import/export caju)	Demba jau	bintajau@yahoo.com.br	
80- UNINVEST SARL	(import/export caju)	mamadou salio djalo	uninvestlda@hotmail.com	
81- GV SARL	(import/export caju)	bina bajaria	bbajaria@hotmail.com	
82- Caju Hold GB	(import/export caju)		cajuholgb@hotmail.com	
83- Gomes & Gomes	(import/export caju)	nelito	nelitogomes9@yahoo.com.br	
84- Empresário Agricola	(import/export caju)		cajuto50@gmail.com	

Annex 1.3 Listing of companies per Sector – Industry, Services, Mining, Tourism

CA171:P230ompany/ Empresa	Economic Sector	Principal/ Director	Email	Tel.
Industria/ Industry				
1- Alpalina comercio e industria	(industria produção de sumos)	jose hernani costa	geral@alpalina.com	
2- CIMAF	(industria produção de cimento)		ontact.GMBS@cimentsafrique.con	
3-Grupo Bona Gosta SARL	(industria produção de bebidas)		grupobonagostasarl@gmail.com	
4-Santy Cicer	(industria produção de cerveja	santiago	infor@gruposanty.com	
5-African Palm Corporation	(industria produção oleo de palma		info@africanpalmcorp.com	
Mining/ Mineração				
1-Itafos -mineração	Industria de Mineração	robert winslow	robert.winslow@itafos.com	
Services/ Serviços				
1- NoLab - laboratório	(serviços analises clinicas e medicos)	luisa araujo	geral@nolabguinebissau.net	969018981
2- Blufu (recolha de lixo)	(serviços de recolha e tratamento residuos)		blufu1@gmail.com	
3- AGS Internacional Movers	(serviços de logistica e mudanças)	melissa vera cruz		955227203
4- Portline (agência)	(serviços transitarios)	jose moura	geral@pmar-gb.com	955651296
5- D.H.L	serviços distribuição encomendas/logistica		gwsttt@dhl.com	955218535
6- Grant thomton	(serviços contablidade e consultoria)	catarina taborda	catarinataborda2008@hotmail.com	
7- Expertise	(serviços contablidade e consultoria)	moises lopes	mlopes@expertise-gb.com	
8- Edson Consultoria	(serviços contablidade e consultoria)	edson pereira	edson_pereira@outlokk.com	
9- BTOC GB Contabilidade	(serviços contabilidade e gestão)	carlos graça	carlos.graca@btoc.com.cv	
10- Losser Lda	(serviços consultoria)	a usumane so	losserbissau@yahoo.com	
11- GB Legal	(serviços e consultadoria)	ismael mendes	i.mendes.medina@gmail.com	
12- Stand Up Media	(serviços de media)	alexandra batista	baptistaalexandra@hotmail.com	
13- Econova Bissau	serviços Clinicos hemologia)	c.danif	c.danif@gmail.com	
14- Hicon	(serviços)	Evaldir Moreira	hicon.guinebissau@hicon.pt	
15- West Africa	serviços segurança	fernando s. machado		966907775
16- Masa Segurança	Serviços segurança	mario saiegh	comercial@masasgur.com	
17- Guerauto	(serviços reparação auto)	ricardo guerra	guerauto@gmail.com	966613756
18- Vida Solar – energias	(serviços energia solar)	antonio lobato	vidasolar55@gmail.com	
19- MTN -comunicações	(serviços telecomunicações)	Freddie Mokoena	Freddie.Mokoena@mtn.com	
20- Orange -Comunicações	(serviços telecomunicações)	seydi sarr	seydi.sarr@orange-sonatel.com	
21- TAP	(transportadora aerea)	celina regalla	tapportugal.guinebissau@tap.pt	
22-Royal Air Maroc	(transportadora aerea)		callcenter@royalairmaroc.com	966266768
23- Asky	transportadora aerea)			955804857
24- EuroAtlantic Airways	(transportadora area)	Natalie		955361081
25-ASECNA	Serviços aeoportuários		asecnaart10@gmail.com	
26- Genesis	(serviços gestão e comercio)	andré nanque	andre_nanaque@hotmail.com	
Tourism/ Turismo				
1- Ceiba -Hotel	(hotelaria)	santiago	generalmanager@ceibabissau.com	
2- Hotel Bissau Royal	(hotelaria)		infor@bissauroaylhotel.com	
3- Hotel Azalai	(hotelaria)	Nhetannnée Lopes	nhetanne.lopes@axzalaihotels.com	
4- Hotel Ledger Bissau	(hotelaria)	arcilia nogueira	comercial.laicohotelgb@gmail.com	
5- Hotel Lisboa Bissau	(hotelaria)		hotellisboa@hotmail.com	
6- Hotel Malaika	(hotelaria)		malaikabissauhtal@gmail.com	
7- Hotel Ancar	(hotelaria)	rui carvalho	ancar.bissau@gmail.com	
8- Hotel Coimbra	(hotelaria)	Miguel Gomes	contacto.bxo@gmail.com	
9- Hotel Império e restaurante	(hotelaria)		info@hotelimperio.net	
9- Kere – Resort	(hotelaria)	laurent /sonia durris	kere.bijagos@gmail.com	
10- Dakosta – empreendimentos	(hotelaria)	clarisse da costa	getinfo@dakostabc.com	
11- Ponta Anchaca Sa Hotel	(hotelaria)	Solange Morin	pontaanchaca.ruban@gmail.com	
12- Karsa Hoteis -Gabu	(hotelaria)		hotelkarsa.gabu@gmail.com	
13- MG Holding	(hotelaria rural)	a. marcelino gomes	auremar40@hotmail.com	
14- Aparthotal Avo Anisa -Varela	(hotelaria)	m esteves	info@kalmasoul.com	956323647
15- Larosa (restauração)	(restauração)	mortada		955888111
16- A Padeira Africana	(restauração)	lurdes guerra		966131393
17- Papa Loca -restaurante	(restauração)			966787468
18- Don Bifanas	(restauração)	rui mandinga		966604312
19- Bistro	(restauração)	Virgilo Giancarlo		969253058

Annex 1.4 Listing of companies per Sector –Agroindustry, Fisheries, Agro-pecuaria

Company/ Empresa	Economic Sector	Principal/ Director	Email	Tel.
Agriculture/ Agricultura				
1- Agro Safim	Agronegocio	Luis Matos	agrosafim@sotrapex.pt	
2-Empresário Agricola	Agroindustria	J Mourelos	jmmourelos@yahoo.es	
3- Aj Investimentos	Agroindustria	Armando Iaberna	iaberna2015@gmail.com	
4- Agropec	Agricultura e pecuária	Natercia Regala	naterciaregala@gmail.com	
5-Ndjame	Agroindustria	natnha nadjame	ndjameenadjame@gmail.com	
6-Cooperativa Unidade & Progresso	Agroindustria	paulino sambo	paulosambo@hotmail.com	
7-Agrisud International	Agroindustria		eghestem@agrisud.org	
8-Kafo Agroinustrial	Agroindustria		kafo.comercial@yahoo.com	966907149
9-Grupo Belinca SA	Agroindustria		abelincada@hotmail.com	
	Avicultura			
1- CEDAVES	Aviarios	Alfredo Cá	cedaves.bissau@gmail.com	
2- Alberto Djedjo	Aviários	Alberto Djedjo		966981709
Fisheries/ Pescas				
1- Costa Africa	pesca industrial	Fernando Sousa	costadaafrica@gmail.com	
2-Atlantico Pescas	pesca industrial			
3- Viguipesca	pesca industrial	Juan Pepe	viguipesca@gmail.com	
4- Gomes Sa Vison	pesca artesanal	Aguide sá	asa08041975@hotmail.com	
5- Fatima Djilan	pesca artesanal	Fatima Djilan	djilanfati@gmail.com	
6- JoseMar Lda	pesca e agenciamento	Jose Lobato	zentomar@hotmail.com	

Annex 1.5 Meso-organisations, Education & Banks/ Financial Institutions

Organisation/ Civil Society/ Financial Institutions	Name of Principal/ MD	Email address	Tel
ORGANIZAÇÕES INTERMEDIÁRIOS DO SETOR PRIVADO, LOCAIS E INTERNACIONAIS ESTABELECIDAS NA GUINÉ			
1- Câmara de Comércio, Indústria, Agricultura e serviços (CCIA	mamsamba embalo	msembalo.anag@gmail.com	
2- Câmara de Comércio (CDC)	antonio nunes	camaradocomercio.gb@gmail.com	
3- Agência Nacional dos Agricultores Guineenses (ANAG)	jaime boldes gomes	anaguinebissau@gmail.com	
4- ANAJOSA -Associação Nacional Jovens Segurança Alimenta		anajosagb@yahoo.com.br	955901919
5- Agência Nacional dos Intermediários (ANI-GB)	kecuta Baio	assnacinternegogb@gmail.com	955550000
6- Associação das Mulheres na Atividade Econômica (AMAE)		sapic.ong@hotmail.com	966750146
7- Associação Industrial Guiné-Bissau AIGB	Fernando Flamengo	flamengo-fernando@hotmail.com	
8- Associação Importadores e Exportadores	mamadou jamanca	aniegb2005aniegb@gmail.com	
9- Associação Pequenas e Medias Empresas	julio alves	jupialves@gmail.com	
10- Organização Africana de Propriedade Intelectual		oapi@oapi.int	
11- Organization Internationale de la Francophonie	ibrahima dabo	ibrahima.dabo@francophonie.org	
12- Innovalab	adubai bari	contact.innovalab@gmail.com	
13- CIFAP /Engim	duccio ferrara	duccio.ferraro@engim.it	
14- IPT – Instituto Profissões e Tecnologias	martilene santos	martilene.santos@ensinus.pt	
15- Instituto Formação CPLP	jose vicente	jose.vicente@ifcplp.org	
16- IP9 (formação)	malam sissé		955804149
17- Bimantecs (formação)		contact@bimantecs.com	
18- Universidade Piaget	aladge baldé	ladge@gmail.com	
19- Universidade Lusofona	luis colaço	immcolaco@gmail.com	
20- Business Inclusion Center (BIC-GB)	ivandro cardoso	cardosoivandro7@gmail.com	
21- Plataforma de mulheres empresárias/ Federação Empresár	munira jauad	jamunira@hotmail.com	
22- A.E.P -Associação Empesários Portugueses	fernando sousa machado		966907775
23- AICEP -Agencia Comercio Externo de Portugal	tiago bastos	tiago.bastos@portugalglobal.pt	
24- Banco Mundial	amadou Ba	aba1@worldbank.org	
25- PNUD	gabriel dava	gabriel.dava@undp.org	
26- FAO	Jorge sousa	geral@calusofona.org	
27- FAO		FAO-GW@fao.org	
28- UNICEF		bissau@unicef.org	
29- UEMOA	christiansegbo	csegbo@uemoa.int	
30- CEDEAO	cristina silva pedreira	cristinasilvapedreira@yahoo.com.br	967066648
31- Fundo Monetário Internacional	oscar mellado	OMelhado@imf.org	
32- BAO	antonio monteiro	amonteiro@baogb.com	
33- BCEAO	helena embalo	hembalo@bceao.int	
34- BOAD	aime bicaba	abicaba@boad.org	
35- ECOBANK	tene sonia tabo	abo@ecobank.com	
36- ORABANK	gertrudes fonseca	gertrudes.fonseca@orabank.net	
37- BANQUE ATLANTIQUE	papismane	papis.mane@banqueatlantique.net	
38- BADEA	mouhameden	mouhameden@gmail.com	
39- PRSPDA	josué almeida	juniorblidi@hotmail.com	
40- Associação Empresarial -Camara Industria	rui carvalho	yurel.carv@gmail.com	
41- BDU-SA	dilson lacerda	dilacer1@hotmail.com	
42- OIM Organização Internacional de Imigrações	sandro tavares	stmoreira@oim.int	
44- BAD	fernando lobato	f.lobato@afdb.org	
45- SENAI-GB (Formação)	desejado lima araujo	depiaraujo@gmail.com	
46- INAFOR (Formação)	antonio tavares	antonioaht@gmail.com	
47- ONAGB (Ordem Nacional dos Arquetetos	fernando teixeira	vagbissau1995@gmail.com	
48- Associação Nacional de Empresas de Pesca Industrial	justiano gomes	anep.empresasdepesca@hotmail.com	
49- OMS		badjanaf@who.int	
50- Alto Comissariado das Nações Unidas		baldec@unhcr.org	

Annex N 2 : Legal & Regulatory Framework in Guinea-Bissau – a Review

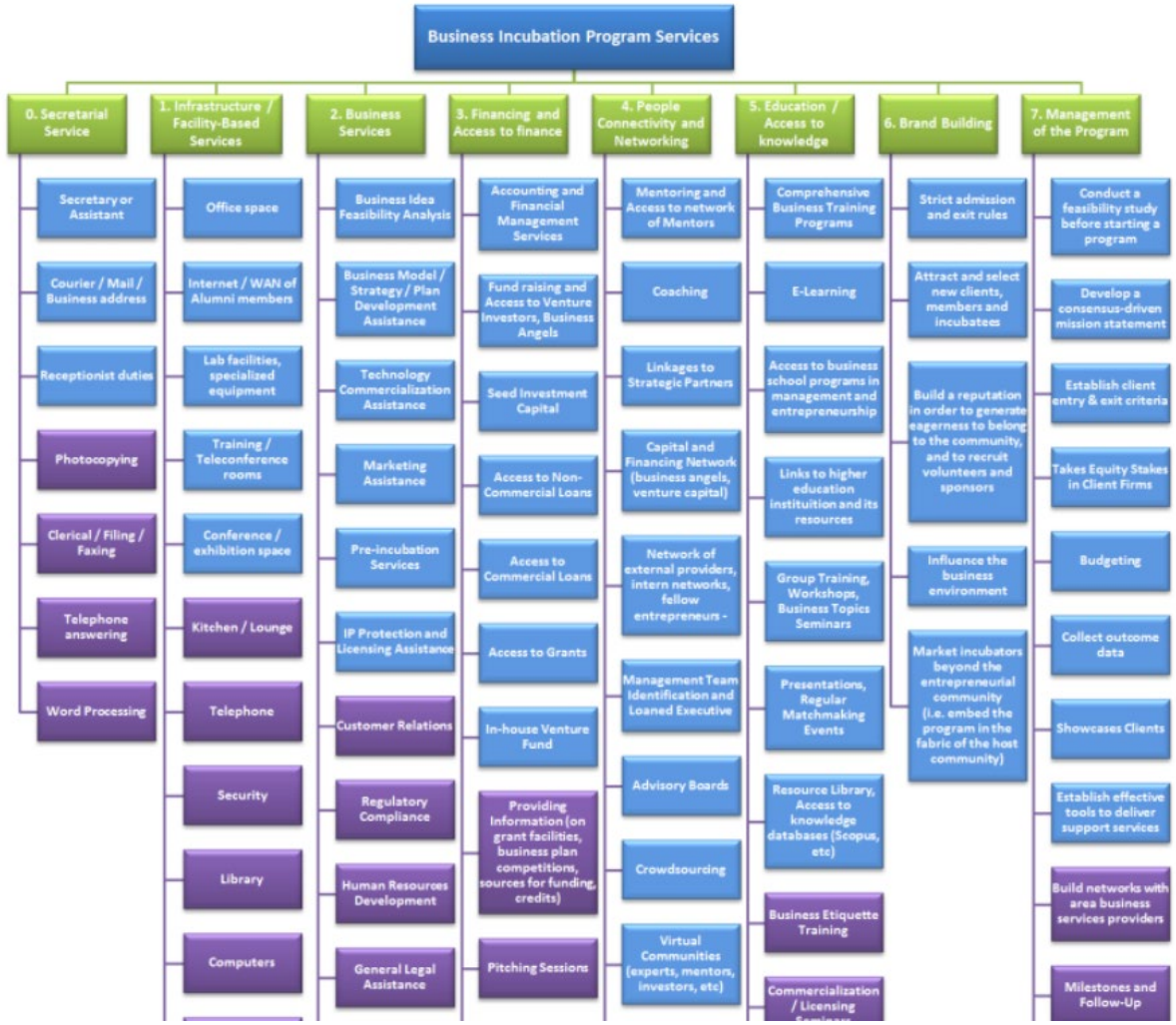
Benchmarking of Guine Bissau vs Other countries	*Scoring on a scale from 1 (Lowest) to 4 (Highest)*			
Private Equity/ Capital Markets/ Business Climate Scorecard	**OHADA** Cote Ivoire	**Guinea-B.** (*)	**Brazil**	**UK**
1. Laws on PE/VC fund formation and operation	4	**2**	4	4
2. Tax treatment of PE/VC funds and investments	3	**1**	3	4
3. Protection of minority shareholder rights	2	**2**	3	4
4. Restrictions on local institutional investors investing in PE/VC	2	**1**	2	4
5. Protection of intellectual property rights	3	**2**	2	4
6. Bankruptcy regulation (encompassing bankruptcy procedures/creditor rights/partner)	2	**2**	3	3
7. Capital market development and feasibility of local exits	3	**1**	3	4
8. Registration/reserve requirements on inward investments	3	**1**	3	3
9. Corporate governance requirements	3	**2**	3	4
10. Strength of the judicial system	2	**1**	2	4
11. Perceived corruption	1	**1**	1	4
12. Quality of local accounting/use of international standards	4	**2**	4	4
13. Entrepreneurship	3	**1**	3	3

(*) Benchmarking of Guinea-Bissau Business and Entrepreneurship Framework based on Interviews with Private and Public sector, June 2019

(**) LAVCA 2017/2018 Scorecard - The Private Equity and Venture Capital in Latin America. https://lavca.org/scorecard/

https://lavca.org/scorecard/

ANNEX N 3 *Business Incubator Services*[51]



[51] Business Incubation services: https://worldbusinessincubation.wordpress.com/2013/04/14/key-services-of-business-incubation-program-part-2-of-3/

ANNEX N4: Typology of Business Incubators[52] – Applied for Africa

	Incubators	Seed Accelerators	Co-working spaces and Maker Spaces
Focus	Most non-profit and economic development focused. Many funded by government	Initially mostly privately funded with goal of rapid scale up, investment and ROI. Recently growing number of non-profits for socio-economic objectives.	Less structured with activities revolving around curation of communities – focus depends on the nature of the community targeted – e.g. footloose workers, businesses, start-ups, makers, arts, urban renewal or community development. Mixed member base across industries
Gestation	1-5 years	3-6-month periods, finite term based around cohorts	Undefined
Service	Service-based with facilities, amenities, events, networking	Direct funding in exchange for equity	Facilities, amenities, events and networking
Support	Coaching and advice by staff, mentoring, networks of mentors, investors and other service providers. Some provide meaningful support others are glorified office space.	Intensive training (boot-camp style), mentoring and investment, often located in or with access to co-work spaces	Most offer desk space and other office amenities, networking and events (training). Maker spaces offer relevant equipment, e.g. for rapid prototyping, manufacturing, IT
Industry	Typically mixed use or industry specific	Commonly associated with IT, social media, software but evolving in other sectors (e.g. bio medical, health, clean tech etc.)	Mixed, typically with community focus
Graduation	Graduate or fail (criteria-based)	Demo signals completion of the program, after which those who receive investment continue to be supported by their investors	Unofficial with little formal processes – not applicable

Table 1: Some differences in common Enterprise Development models commonly used in business incubation

[52] Business Incubators Models, from Incubator Institute, Johannesburg, RSA, 2019

Business incubation is not an isolated concept and has many similarities with business development services (BDS), business accelerators, enterprise development programs, technology or science parks and industry clusters, in that each involves a 'place', with processes to achieve specific results with the main aim to grow and support companies. Furthermore, incubator models are ever evolving and, in many instances, combine some of the processes listed above into a single hybrid program. It is therefore not important what you call the program, but rather what the end result and outcomes are. For the sake of clarity when we refer to these concepts we mean:

- **Business Incubation** is a process that focuses on the growth of early stage companies, which will graduate (i.e. leave the process) at some point in time as viable businesses.

- **Science parks** (synonyms: Technology Park, Research park, Cyber Park, Techno poles) provide a location and infrastructure in which government, universities and private companies cooperate and collaborate, they create environments that foster collaboration and innovation and are sources of entrepreneurship, talent, and economic competitiveness. They enhance the development, transfer, and commercialization of technology. One would often find a business incubator located in a science park.

- **Cluster Development** (or Economic Clustering) is the economic development of business clusters to stimulate urban and regional economic growth, typically in a specific industry. The purpose of a cluster initiative is to promote economic development within the cluster by improving the competitiveness of one or several specific business sectors. More specifically, cluster initiatives are organizations or projects that are organized as collaborations between a diverse number of public and private sector actors, such as firms, government agencies, and academic institutions. Cluster initiatives generally are involved in a broad range of activities, e.g. supply-chain development, market intelligence, incubator services, attraction of foreign direct investment, management training, joint R&D projects, marketing of the region, and setting technical standards.

- **Business Development Services** (BDS) at the other end of the spectrum are general, "one-stop shops" for entrepreneurial support assistance services supplied (typically by a government, i.e. Small Business Development Centre (SBDCs)), which support all small enterprises, mostly micro enterprises and family based, and business aspirants, without a focus on growth but serving large numbers of people. As government funded programs, these services are normally free of charge. BDS centres can provide/refer suitable clients to business incubators. This approach seeks to improve the performance of individual enterprises. Some of the most important BDS markets are in training, consultancy, marketing, market information, information technology and technology transfer.

- **Business accelerators** are very similar to an incubator, but differ in that they are typically much shorter, more intense programs, with a greater focus on companies entering in a national or global market, in an industry that lends it to rapid market penetration or rapid proof of concept. Business accelerators are more likely to be financed by venture capitalist looking for an opportunity to finance growth potential through defined action plans. Business accelerators will generally offer all of the services offered by a business incubator. The key difference is the time and level of hands on involvement.

- **Enterprise Development Programs** - Enterprise development can refer to the creation of new enterprises or the redevelopment or expansion of existing

enterprises. Enterprise development materializes as any action, movement or activity that creates new business value. The individuals or organizations that have an interest in the result of the enterprise activity are responsible for funding, guiding or supporting the enterprise development activity toward its objective. Enterprise development is defined as the act of investing time and capital in helping people establish, expand or improve businesses. Enterprise development helps people to earn a living; it helps them out of poverty; and it leads to long-term economic growth for themselves, their families and their communities. The objective of enterprise development is to create sustainable businesses which grow and lead to job creation, which in turn contributes to economic growth.

Annex N 5: Meeting Planning with Government, Businesses, Meso Organisations and IFI met during the Field trip in Bissau

MISSION EC TPSDE Facility Guine Bissau - program visit 27.05.19 - 06.06.19 -- version V.01							
	Monday 27	**Tuesday 28**	**Wednesday 29**	**Thursday 30**	**Friday 31**	**Saturday 01 May**	**Sunday 02**
08:00				**ANEP + ANAPA**	TOURISM/	FIELD VISIT	
09:00	Meeting EUD	**BCEAO - Director** Helena Nosolini Embalo	**AfBD** **Nelvina Barreto**	Pescas Artis. / Indus. Justinioano Gomes	**Caju storage** Jauad/ Export	**TOURISM sector** Archipelago Bijalos	
10:00	Kick off meeting/ plan.	**Access to Finance N2** MicroFinance Institution	**BAD, FAO, WB, IFI Bilateraux**	**Invandro Cardoso** GIB GB Incuabtor	**Agro-Comp N3** Ignacio Diallo - Palm		
11:00	EIP TRAINING EU Delegation w Laura Atenzia/ EM	Workshop - MC	**Sectorial Workshop** Energy + Agriculture	**Roger Coma Cunnill** **World Bank 12h00**		Check Tourism spots	WRITE UP Interview Consolidation **Key Findings**
12:00	***lunch***	Lunch EUD Head of Sectors	***lunch***	***lunch***	***Lunch -***	***lunch***	
13:00							
14:00	**Ministry of Econ/ Fin** Bruno JAUAD DG	**Access to Finance N3** Orabank - Bilaly Diarra	**Private Sector N1** Caterpillar/ Gomes	**PRSPDA** Private Agro	**INNOVA LAB** GIB GB Incuabtor		
15:00	**Camara de Comercio GB**	**Access to Finance N4**	**PS N2 ASOPTS**	**Grupo Belinca**	**Carla Sepulveda**		
16:00	CCIAS/ or CDG TBD	BAO - Director	Assoc Tourism	Av Pensau	Capacity Training & Professor/ GB/ Lisboa		***Preparation Week N2*** ***Energy/ Field visit***
17:00	**ATMAN -** Fernando Silva - PSD	**Access to Finance N5** Banque Atlantique (Serge Babacauh	**Private Sector N3** EUREKA	**Nova Africa Center** Melisa Rodrigues			
18:00			TBC				
19:00	***Evening meeting Dinner***	***Dinner***	***Dinner***	***Dinner***	***Dinner***	***Dinner***	
	HOTEL →	**CAPITAL CITY**			**CAPITAL CITY**		**City 1**

MISSION EC TPSDE Facility Guine Bissau - program visit Second Week -- version V.0.2

	Monday 03	Tuesday 04	Wednesday 05	Thursday 06	Friday 07	Saturday 08	Sunday 09
08:00				BISSAU			
			FIELD TRIP				
09:00	WORLD BANK	**Access to Finance**	BULA	**World Bank**			
	Workshop EAGB	Workshop		**Agric programme**			
10:00	Renewable Anergy	**EUD/ YS facilitate**	GRUPO ARREY				
	& WAPP	W all Stakeholders	Jordi d'Arreyj	**Legal and Regulatory**			
11:00		Access/ Microcredit		Dimir Coutinho Sampa			
			Transformation Uni				
12:00			CAJU				
	lunch	***lunch***	***lunch***	***lunch***	***lunch***	***lunch***	
13:00							
14:00	**WB Energy Operator**	**Ministry ofAgriculture**	**Frutas & Legumes**	**EUD - Restitution**			
		Carlos ateus Tavares DG	**Mangoes/ Fruits**	Key Findings			
15:00	**Moises Lopes**		Rice/ Cereal	next steps			
	Private Sector Devt	**Ministry of Econ/ Fin**	Export Fruits				
16:00		Mssuba Canté, Microcred.	CAJU	**Agencia Purpura - PS**			
		DG Agencia Supervisao		lapatia sa Silva, DG			***Arrival Luxembourg***
17:00			Meeting w Vietnamese				
	Dinner with Mining	Stay over in Secondary	Caju Exporters				
18:00	Regulator/ Last mission	City/ Get a feel for					
		Local Devt					
19:00	***Evening meeting Dinner***	***Dinner***	***Dinner***	***departure Lisbon TAP 22:35***	***Dinner***	***Dinner***	

bISSAU	**PROVINCIAL / RURAL AREAS**	**Return to Bissau**	**Return**

Annex N 6: IFI/ Donors Economic and Infrastructure Development projects: World Bank

	ECONOMIC INFRASTRUCTURE AND SECTORIAL PROJECTS GUINE BISSAU - International Finance Institutions and Donors						Financial information			Calendar		Institutional arrangements
Institution	**Project name**	**Status**	**Geography**	**Value chains**	**Project objectives**	**Project components**	**Financing source**	**Project cost**	**Total project cost**	**Implementation start date**	**Project end date**	**GoA counterpart**
W. Bank	Private Sector Rehabilitation & Agribusiness Development Project (PRSPDA)	4. Under implementation	Biombo, Cacheu, Oio, SAB	Cashew nuts, promotion of entrepreneurship	Support inclusive development of the cashew agribusiness sector and to promote entrepreneurship in other sectors of the economy.	1.Promoting the development of agribusiness; 2.Developing Entrepreneurship;	IDA (Credit)	8.2 MUSD	8.2 MUSD	2014	2019	Project implementation Unit - Ministry of Finance
W. Bank	Emergency Water And Electricity Services Upgrading Project	4. Under implementation	SAB	Water and Electricity access and infraestructure reabilitation	1. restore and increase the access of the population of the Recipient's capital city of Bissau to safe water and improve the quality of water services; 2. improve the reliability of electricity supply to the population of Bissau; 3. improve the performance of EAGB.	1.Water Supply ;2.Electricity Supply ;3. Improve EAGB management.	IDA (Credit)	35.2 MUSD	47.5 MUSD	2014	2021	Project implementation Unit - Ministry of Finance
							IDA (Grant)	12.3 MUSD				
W. Bank	Rural transport project	1. Planned	Cacheu and Oio	Road reabilitation	Improve the rural population's physical access to markets and social services in selected areas.	1.Transport infrastructure improvement to enhance mobility in selected areas ; 2.Support to transport sector institutions;	IDA (Credit)	15 MUSD	15 MUSD	Estimated 2019	Estimated 2	Project implementation Unit - Ministry of public works
W. Bank	Interconnection project OMVG (regional project)	4. Under implementation	National	Electricity access	Enable electricity trade between Senegal, Guinea, Guinea-Bissau and The Gambia.	1. Extension of WAPP transmission network – OMVG Interconnection; 2. Component 2: Technical Assistance to OMVG	IDA (Credit)	78 MUSD	78 MUSD	2015	2022	Regional Coordination Unit: Executive secretariat of OMVG - Dakar
W. Bank	West Africa Regional Communications Infrastructure Project - WARCIP (regional project)	4. Under implementation	National	Information communication technologies - ICT	Contribute to increasing the geographical reach of broadband networks, and reducing costs of communication services in the territory of the Recipient, and between the Recipient and ECOWAS countries.	1.Supporting Connectivity; 2.Enabling environment for improved connectivity;3.National backbone and Restructuring of GuineTelecom/GuineTel	IDA (Credit)	35 MUSD	36 MUSD	2017	2022	Project implementation Unit - Ministry of transport and telecommunications
W. Bank	ECOWAS-Regional Electricity Access Project (Phase 1) (Energy access project) (regional Project)	3. Signed	National	Electricity access	Increase grid electricity access in the Republic of Guinea-Bissau, the Republic of Mali, and the Republic of The Gambia.	1.Design, supply, and installation (DSI) of electricity distribution infrastructure ; 2.Supervision of the construction and technical advisory services;	IDA (Credit)	54.60 MUSD	60 MUSD	2018	2025	Project implementation Unit - Ministry of Finance
							IDA (Grant)	5.4 MUSD				

Annex N 7: IFI/ Donors Development projects: European Union/ Regional Programmes / Guinea-Bissau (10th & 11th FED)

PROJETS en cours et en préparation (Guinée-Bissau)

Commitment + Délégation en charge	Titre et mise en œuvre	Source de financement	Budget et contrib. UE	Objectifs	Résultats (Guinée-Bissau)	Situation au 1er avril 2018
Programmes régionaux qui ont un volet de mise en œuvre spécifique à la Guinée-Bissau						
2017/39218 (en cours) Ouagadougou + Abuja	Appui à la gouvernance dans le secteur des transports en Afrique de l'Ouest Mis en œuvre par UEMOA, CEDEAO + entités nationales GB: CAON en gestion indirecte	11ème FED	38 MEUR (0,6 MEUR pour la Guinée-Bissau)	1. renforcement des capacités institutionnelles et règlementaires et de gestion 2. facilitation administrative et technique des transports en place 3. amélioration de l'entretien du réseau régional et de sa pérennité, lutte contre les surcharges	Résultat attendu pour la Guinée-Bissau, en particulier: l'amélioration de la gouvernance de l'entretien routier et la lutte contre la surcharge	Juin 2017: convention de financement entre l'UE et la Guinée-Bissau signée. La mise en œuvre n'a pas encore débuté. Pour la GB, étant donné la situation politique actuelle, la contractualisation et la mise en œuvre sont reportés à 2019. Les préparations commencent en 2018 et l'interlocuteur est la CAON.
2017/40660 (en préparation) Abuja	Programme d'appui à la Compétitivité – Phase 2. Mis en œuvre par ONUDI (+ volet technique en gestion directe)	11ème FED	44 MEUR (4 MEUR pour la Guinée-Bissau)	Améliorer la performance et la croissance des secteurs prioritaires sélectionnés et chaînes de valeur et services connexes en stimulant leur contribution à l'industrie, au commerce régional, aux exportations et à la création d'emploi Filière choisie = filière agricole mangue Renforcement des capacités, développement de la filière à tous les niveaux de la chaine de valeur (formations techniques, formation de formateurs, coopératives & associations, commercialisation, marque,…).		ONUDI sélectionné comme partenaire du projet pour le volet institutionnel d'appui à la filière (gestion du projet, promotion, essaimage,…). Volet technique: consortium ONG 28 mars: l'ONUDI contribuera au projet à hauteur de 2% (€80 000), contribution nature comprise (contenu sera précisé prochainement). 29 mars: information sur la participation ONUDI et commentaires finaux sur le Doc d'Action Global et le logframe transmis à Abuja. QSG2 postposé au mois d'avril (Document d'action global + annexes générales) A suivre: résultats QSG2, Comité Fed, contribution ONUDI et appel à propositions ONG
Programmes régionaux qui n'ont pas de volet spécifique pays						

Commitment + Délégation en charge	Titre et mise en œuvre	Source de financement	Budget et contrib. UE	Objectifs	Résultats (Guinée-Bissau)	Situation au 1er avril 2018
2012/24130 (en cours) Abuja + Ouagadougou pour le volet Métrologie	Programme Systèmes Qualité Afrique de l'Ouest (PSQUAO en Fr.) (WAQSP en En). (Composante **2** du programme Compétitivité Afrique de l'Ouest 10ème FED) Mis en œuvre par ONUDI	10ème FED	12 MEUR	Assistance aux politiques nationales de qualité, capacités techniques des experts régionaux, appui aux organismes d'évaluation de la conformité au sein de la CEDEAO	Appui institutionnel - projet de stratégie nationale Qualité + matrice d'actions élaborées (13 000 EUR données à la GW pour sa mise en œuvre d'ici fin 2017); - parmi les 40 laboratoires Qualité sélectionnés, aucun ne provient de Guinée-Bissau; - 7 techniciens bissau-guinéens formés et certifiées en "sécurité des denrées alimentaires ISO 22000" en avril 2017 à Bissau. La GB n'a pas encore adopté sa politique de qualité. Le rapport semestriel du programme Qualité (31 juillet-15 janvier 2018) met en lumière la nécessité d'accroitre l'appui à la Guinée (*crise EBOLA*) et la Guinée Bissau (*faible développement de l'infrastructure nationale de qualité*). Une mission circulaire a eu lieu à Conakry et Bissau (il semblerait que nous n'ayons pas reçu l'information).	GB: Phase 1 prolongée jusqu'en déc. 2018, pour finir d'identifier les besoins spécifiques et mettre e œuvre la politique nationale de la qualité. À suivre: - en attente de la liste des activités auxquelles le ministère de l'industrie a participé et participera en 2018, sur base du programme d'activités 2018 déjà élaboré (coordinateur technique PSQUAO: Soares Faustino VAZ) - demande rapport final d'évaluation mid-term (août 2017) - informer ATMAN + assurer liaison PIR Amélioration Compétitivité Afrique de l'Ouest
2014/336971 (en cours) Abuja + Ouagadougou	Programme Compétitivité du secteur privé, du commerce et de l'investissement (Composante 1 du programme Compétitivité Afrique de l'Ouest 10ème FED) Mis en œuvre par WBG (IFC)	10ème FED	7.7 MEUR	Amélioration du climat des affaires et de l'investissement en Afrique de l'Ouest	La Guinée-Bissau ne fait pas partie des 6 pays ciblés (Cote d'Ivoire, Sénégal, Nigeria, Sierra Leone, Mali and Ghana). Parmi les résultats attendus: élaboration de policy tool "score-card", revue des codes d'investissement et des cadres administratifs liés au secteur privé et au commerce	À suivre: Vérifier si certains résultats sont utiles ou pertinents pour la GB, et si oui de quelle façon (transfert de bonnes pratique - en attente du rapport final d'évaluation à mi-parcours). Informer ATMAN le cas échéant.
2013/024-212 (en cours)	Appui à l'intégration régional et au commerce	10ème FED	EU 20 MEUR	Contribuer à la mise en œuvre d'un marché commun et de l'intégration	- Mise en œuvre du Common External Tariff (TEC CEDEAO) et mécanisme de suivi (+ formation)	Pb de faible ownership de la part de la CEDEAO et de turnover élevé au niveau du personnel.Le programme doit faire l'objet d'une

Commitment + Délégation en charge	Titre et mise en œuvre	Source de financement	Budget et contrib. UE	Objectifs	Résultats (Guinée-Bissau)	Situation au 1er avril 2018
2014-2018 Abuja (lead) + Ouagadougou	Mis en œuvre par GIZ et IFC		+ GIZ 1MEUR + UEMOA 1 MEUR	graduelle de l'Afrique de l'Ouest dans la global economy	Composante UEMOA (pour la GB): - évaluation cadre législatif et réglementaire de 3 pays dont la GB, - organisation de 2 séminaires nationaux sur la législation communautaire de la concurrence dont 1 en GB - dec 2016: signature contrat de subvention avec ITC, avec notamment comme output particulier: renforcement mécanisme de surveillance (formation, création d'un comité régional de facilitation des échanges CREFE, élaboration d'une plateforme régionale d'information commerciale (lancée à Abidjan fin Mars 2018).	restructuration majeure, au travers d'une prolongation d'un an. A suivre: - les activités qui ont un impact pour la GB (contacter l'UEMOA) - informer ATMAN (suivi)
2017/39880 (en cours) Ouagadougou	AFRITAC ouest - Appui à la phase IV du Centre Régional d'AT du FMI pour l'Afrique de l'Ouest Mis en œuvre par le FMI	11ème FED	44,08 MEUR dont 10 MEUR de l'UE Contrib. attendues de chaque pays bénéficiaire	Améliorer la gouvernance économique et financière en Afrique de l'Ouest par l'approfondissement de l'intégration régional et le pilotage de politiques économiques et financières harmonisées: 1. gestion des finances publiques harmonisée et améliorée 2. administration des impôts et des douanes modernisée 3. statistiques nationales harmonisées et conformes aux standards internationaux 4. supervision bancaire et capacités de gestion des dettes publiques renforcées 5. capacités d'analyse macroéconomiques renforcées	9 missions programmées entre mai 2017 et avril 2018. Sept-Oct 2017: mission Appui au renforcement du dispositif de contrôle à priori de la dépense (transmis à l'AT appui à l'amélioration de la gestion des FP en février 2018) Le suivi des missions doit être assuré par la composante 4 de l'AT appui à l'amélioration de la gestion des FP, qui a élaboré un site internet à cette intention.	15 juin 2017: signature de la convention de financement par l'ordonnateur de l'UEMOA. 27 Oct: lettre à l'ON pour introduire la CF et impulser une coordination accrue autour des missions AFRITAC et la prise en compte des résultats et recommandations dans la réforme des finances publiques 21 Mars: commentaires pour le comité d'orientation d'Abidjan envoyé à Ouagadougou 3 avril: réception compte rendu CO d'Abidjan. 1) Progrès en matière de partage de l'info et synergies, mais beaucoup reste encore à faire; 2) programme 2019 approuvé. 3 pays dont la GB vont faire l'objet d'un suivi particulier en matière de fiscalité (1 conseiller recruté spécialement pour ces pays).

Commitment + Délégation en charge	Titre et mise en œuvre	Source de financement	Budget et contrib. UE	Objectifs	Résultats (Guinée-Bissau)	Situation au 1er avril 2018
						Le rapport mentionne aussi l'absence du point focal GB, pour la 2ème année consécutive (DG Prévisions macro). Prochaine réunion du CO: mars 2019 A suivre: contacter DG prévisions macro pour explications Prévoir réunion avec AT Amélioration de la gestion des FP lors de la prochaine mission (15 avr. 2018)
2015/39046 en préparation (2017 - 2021) Abuja	Programme Facilitation Commerce en Afrique de l'Ouest (2017-2021) mise en œuvre conjointe BM et GIZ	11ème FED	20 MEUR + autres contrib. indicatif: USAID (17,1 MEUR); NL (15 MEUR); WBG: 4,27 MEUR GIZ: 4 MEUR; CEDEAO (6,23 MEUR) Total = 55 MEUR	1. Améliorer les mesures de facilitation du commerce aux niveaux régional et national conformément aux engagements pris avec la CEDEAO et l'OMC, et 2. Accroître l'efficacité des corridors commerciaux entre les pays d'Afrique de l'Ouest. Résultats attendus: 1) Mesures de facilitation du commerce améliorées et mises en œuvre plus efficacement 2) un mouvement plus efficace des marchandises le long des corridors sélectionnés; 3) Les parties prenantes du secteur privé et de la société civile sont organisées et impliquées dans les réformes et les programmes de facilitation du commerce		Mai-juillet 2016: mission d'identification 21 mars 2017: atelier de validation des partenaires de la mise en œuvre (BM et GIZ) 11 avr 2017: commentaires du projet de document d'action rédigés avec la CAON et envoyés par la DUE (essentiellement: renforcer l'impact au niveau pays + meilleure coordination avec la région dans cette optique). Juin 2017: QSG 2 Oct 2017: décision de financement approuvée par le Comité FED. Convention de financement en cours de signature. Prévisions: Avril/mai 2018: finalisation de la concept note 1et sem 2018: signature accord UEMOA – CEDEAO 2ème sem 2018: accord entre les donneurs (EU, USAID et NL) et les partenaires de mise en œuvre (GIZ & WB) Fin 2018 / début 2019: mise en œuvre.
2016/39133 (en préparation)	Appui à la transition fiscale en Afrique de l'Ouest	11ème FED	10 MEUR	renforcement des capacités institutionnelles/humaines des administrations fiscales des Etats de		Mars 2017 Mission formulation. Août 2017: QSG 2

Commitment + Délégation en charge	Titre et mise en œuvre	Source de financement	Budget et contrib. UE	Objectifs	Résultats (Guinée-Bissau)	Situation au 1er avril 2018
Ouagadougou				la région Afrique de l'Ouest et des Commissions de la CEDEAO et de l'UEMOA pour la mise en œuvre des programmes de transition fiscale consécutives à la mise en œuvre des politiques régionales de libération des échanges (APE, TEC): résultats attendus: 1. harmonisation de la fiscalité intérieure des Etats membres 2. assiette fiscale élargie pour augmenter les recettes et réduire la pression fiscale sur les contribuables 3. suivi et évaluation des programmes de transition fiscale renforcé		Décembre 2017: accord Comité FED appourvé Février: CF signé par Bxl À suivre: CF à la signature de l'UEMOA et la CEDEAO Modalité mise en œuvre: - En pourparlers avec l'OCDE pour contribution à certains dossiers lié aux opérations illégales, fraude, etc. - Assistance Technique: consultant recruté récemment pour préparer dossier d'appel d'offres (1 contrat de services)
2013/23707 en cours (2014-2010) Abuja	Support to the regional action plan against fruit flies. Limiting losses on fruits and vegetables Mis en oeuvre par AFD	10ème FED	23,5 MEUR dont 17 MEUR de l'UE	Suivi et lutte contre la prolifération des mouches de fruits et légumes	La Guinée-Bissau est, depuis fevrier 2018, un pays cible à part entière. Comité National GB créé. Visite du PIU destiné à aider le Comité National à démarrer ses activités, les former aux procédures administratives et financières et les initier au système de surveillance.	Fin 2017: mission conjointe en GB pour proposer aux autorités d'intégrer le projet (faisant suite à la 3ème réunion du Steering Committee en juillet 2017). 16 Fev 2018: accord de subvention signé, €120 000 versé au Comité National GB. Programme d'activités Mars 2018 – Août 2019 validé. 18 Avril 2018: visite du PIU au Comité National
2017/38919 (en cours) Abuja	SWAIMS - Support to West Africa Gulf of Guinea Integrated Maritime Security	11ème FED	29 MEUR	Implementing the ECOWAS strategy on maritime security in the GoG with main focus on: -regional/interregional/national cooperation		
2017/38921 (en cours) Abuja	WAPIS 3 - West Africa Police	11ème FED	28 MEUR	Aumentar capacidade das instâncias sub-regionais de aplicação da Lei para combater crime transnacional:		Convenção de Financiamento relativa ao programa West Africa Police Information System Programme" (WAPIS), assinada em 15

Commitment + Délégation en charge	Titre et mise en œuvre	Source de financement	Budget et contrib. UE	Objectifs	Résultats (Guinée-Bissau)	Situation au 1er avril 2018
	Information System Phase 3 (WAPIS 3) Implementador: Interpol			1. harmonizar e estruturar a gestão nacional e regional de informações policiais 2.aumentar as capacidades regionais para tratar dados policiais 3. melhorar partilha global de informação		de Junho, no âmbito da reunião do Comitê de Orientação Estratégica (COS) realizada em Bruxelas.
2017/38922 (en cours) Abuja Accra pour le volet CPCO (subvention+AT) Dakar pour le volet CSRP (services) et EFCA (Pagoda)	PESCAO - Programme de soutien à la pêche, à sa surveillance et à son contrôle en Afrique de l'Ouest	11ème FED	15,5 MEUR dont 15 MEUR de l'UE	1. renforcer prise en compte des enjeux relatifs à la pêche et aquaculture dans les politiques régionales 2. suivi, contrôle et surveillance des activités de pêche et lutte contre pêche illégale (coopération entre CSRP/CPCO et EFCA) 3. projets pilotes visant l'amélioration des stocks ou pêcheries protégées (coopération avec centres de recherche)		Suite à appel d'offres, sélection de l'unité de gestion du programme en cours. Appel à propositions pour projets pilotes prévu avant fin 2017.
IFS/2014/352-450 DEVCO/B	Seaport Cooperation Project - Third Phase (SEACOP III Implemented by FIIAPP	ICSP	3 MEUR	The overall objective of this Action is to support the fight against maritime illicit trafficking and associated criminal networks in the targeted countries and regions. This will ultimately help alleviate the negative impact of illicit (drugs) trafficking on the public health, the governance and the social economy of the beneficiary countries. Purposes: 1. Reinforce their seaport control and intelligence capacities by setting up, consolidating and equipping dedicated Units in seaports or sensitive coastal areas;	Expected Results: 1. The control and intelligence capacities of the targeted countries in seaports or sensitive coastal areas are strengthened. Result 2. Maritime information and control systems are set-up and /or strengthened. Result 3. Regional, Trans-regional and International operational cooperation is enhanced.	First training took place in 2016, mainly to elements of the JP who are no longer on their posts (and who were also trained in the framework of other programs). Consequently, the program in GW is suspended until political situation stabilizes.

Commitment + Délégation en charge	Titre et mise en œuvre	Source de financement	Budget et contrib. UE	Objectifs	Résultats (Guinée-Bissau)	Situation au 1er avril 2018
				2. Improve or set up local maritime information and control systems; 3. Enhance the operational delivery and cooperation at national, regional and trans-region levels.		
DUE-Dakar	AIRCOP III implemented by UNODC in partnership with WCO and INTERPOL.	IcSP	2,5 MEUR	The overall objective is to build drug-interdiction capacities at international airports along the Cocaine Route in Africa, Latin America and the Caribbean. In doing so, the project will establish Joint Airport Interdiction Task Forces (JAITF) and connect them to international law enforcement databases and communication networks to enable the transmission in real time to other international airports of operational information aimed at intercepting illicit shipments. The project will also promote intelligence and information sharing between services at national and international level as well as an intelligence-led approach to countering drug trafficking.	Since its creation in 2011, the AIRCOP project has established 16 Joint Airport Interdictions Task Forces and trained 1053 officials, including 177 women, through 63 training and mentoring activities and 9 joint operations. This has enabled the JAITFs to seize 674 kg of cocaine, 739 kg of cannabis, 112 kg of heroin, 365 kg methamphetamine and 1.5 tons of counterfeit drugs resulting in 325 seizures and 420 arrests. Between April 11th and 22nd, 2016, the initial training related to the implementation of the project at Guinea-Bissau took place. The training was aimed at members of the LEA which, after a selection process carried out after the training, will integrate an Anti-Trafficking Cell (CAAT) at the airport. A second training in 2017 was financed with other donors' funds.	NB Project Duration: AIRCOP II was closed on 30 June 2016. AIRCOP is a long term project which is now in its phase III. Joint Airport Interdiction Task Forces (JAITFs) have been established in 18 African countries including: Benin, Cabo Verde, Cameroon, Cote d'Ivoire, the Gambia, Ghana, Guinea-Bissau, Mali, Morocco (associated country), Niger, Nigeria (Lagos), Senegal, South Africa (associated country), Togo, and Burkina Faso. The last two were Guinea-Bissau where an inter-ministerial Decree was endorsed by the Council of Minister in May 2016 (and submitted for promulgation to the President of the Republic) and Burkina Faso. In 2017, focus was on establishing one in Abuja - long delayed due to lack of office space.
2017/40386 (en préparation) Abuja	OCWAR Cyber - Organised crime: West African Response to Cyber insecurity and cybercrime	11ème FED	8 MEUR	Support to the fight against cybercriminality and improve cybersecurity		En phase finale de formulation: Comité FED de Décembre 2018

Commitment + Délégation en charge	Titre et mise en œuvre	Source de financement	Budget et contrib. UE	Objectifs	Résultats (Guinée-Bissau)	Situation au 1er avril 2018
2017/40388 (en préparation) Abuja	OCWAR Money - Organised Crime: West African Response to money laundering and financing of terrorism	11ème FED	8,1875 MEUR dont 8 MEUR de l'UE	Fight economic and financial crimes and money laundering and financing of terrorism in particular		En phase finale de formulation: Comité FED de Décembre 2018
2017/40389 (en préparation) Abuja	OCWAR Traffic - Organised crime: West African response to trafficking	11ème FED	25 MEUR dont 20 MEUR de l'UE	Support for the fight against illicit trafficking and the proliferation of small arms		En phase finale de formulation: Comité FED de Décembre 2018
2017/40390 (en préparation) Abuja	EPSAO - Support to ECOWAS peace and security architecture and operations	11ème FED		Support to APSA mandate and ECOWAS mechanisms to promote and maintain peace , stability and post crisis operations		En phase finale de formulation: Comité FED de Décembre 2018

Annex N 8 : Business Climate in Guinea-Bissau – Business Legal and regulatory framework – an analysis

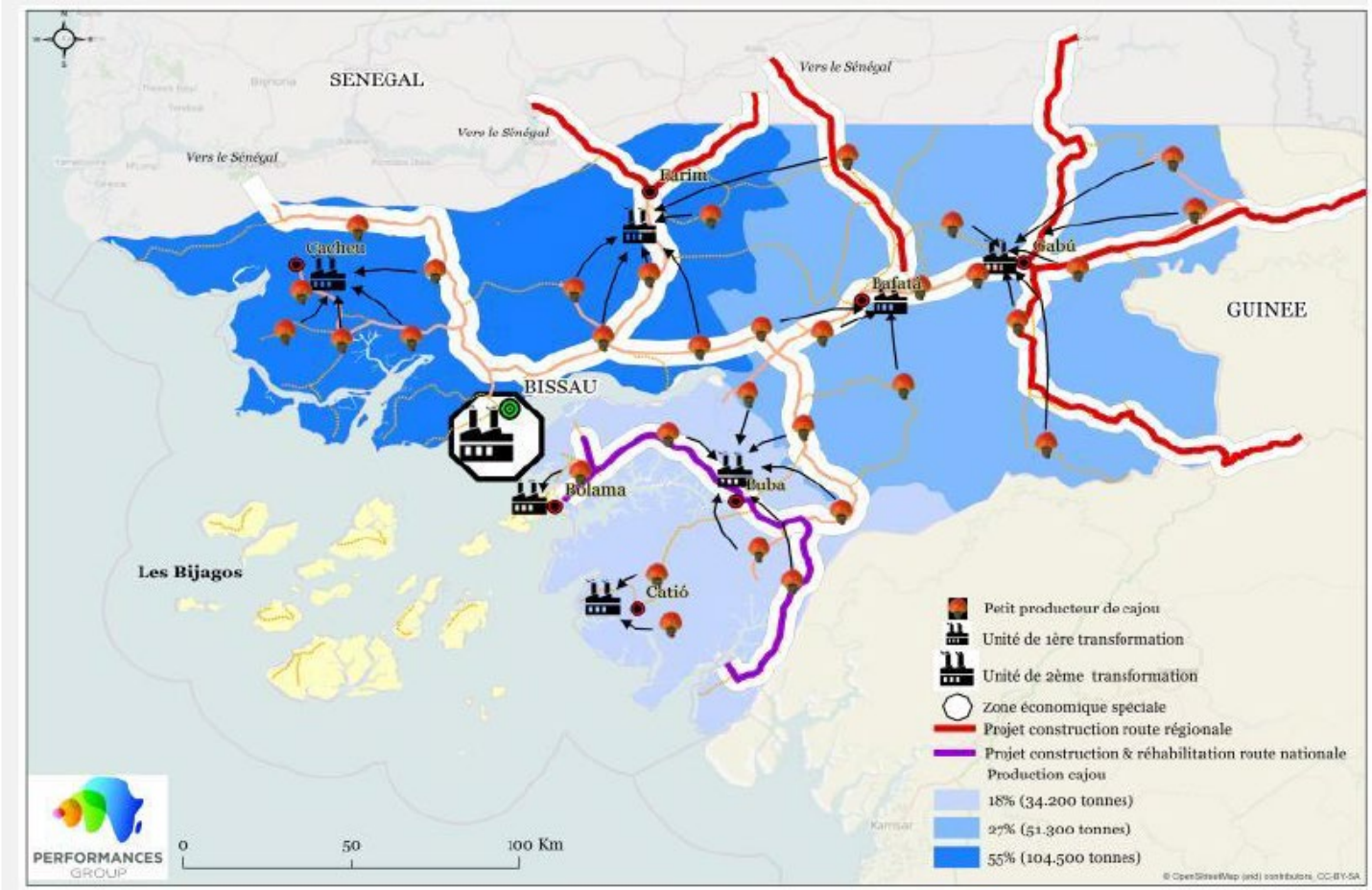
Business Laws and Regulatory framework Guinea-Bissau (*)	Yes/ No	Strength	Guinea Bissau - Evolution / Recent Laws
		1=Low; 5=High	
1. Banking Act and Insurance sector regulations?	Yes	4	In force in all UEMOA Member States, rigorously implemented by the regulatory body/BCEAO and operating satisfactorily
2. Is there a local Stock Market?	No	1	Without local Stock Market at the national level, but integrated in the UEMOA Stock Exchange/BRVM, although without one single company listed
3. Is there an Investment Law and Policy?	Yes	3	Yes, operating satisfactorily
4. Does Guinea-Bissau have a Bankrupcy law?	Yes	2	In force in all OHADA jurisdictions, including Guinea-Bissau
5. Does Guinea-Bissau have a PPP (Public Private Partnership) Law and policy?	No	1	PPP Law drafted in 2009, but required new process of amendment
6. Does Guinea-Bissau have a Labour law and policy?	Yes	2	The Law in force is outdated, new Labour Law in the parliamentary procedure
7. Does Guinea-Bissau has passed Laws that protect Land and building property?	Yes	2	Yes, but deficient and need upgrading / implementation
8. Does Guinea-Bissau have a competition law and policy?	Yes	2	In force in all OHADA jurisdictions, but not applied and shelved in Guinea-Bissau
9. Does Guinea-Bissau have the equivalent of "Small Business Administration (US)?	No	1	Not applicable
10. Is there some Tax incentives and fiscal systems supportive to SMEs ?	No	1	General standards, without rules specifically designed for SMEs
11. Conformity of Guinean-Bissau Accounting GAAP w/ international standards (IFRS)?	Yes	2	Required in all OHADA jurisdictions, including Guinea-Bissau, starting 1 January 2019, for all listed companies and companies seeking financing in a public capital market.
12. Capital Market Act and Securities regulations	Yes	2	In force in all UEMOA Member States, but not applied in Guinea-Bissau
13. Protection of Minority shareholder rights	Yes	3	To what extend are they protected
14. Legal and regulatory framework for SMEs	No	1	General standards, without rules specifically designed for SMEs
15. Intellectual Property Rights Laws	Yes	3	To what extend are they applied
(*) Emergy Capital Markets/ TPSDE/ DCS LAW FIRM analysis, 2019			

Annex N 9 : Cashew Trasnformation Value chain – Opportunities for GB Producers and Transformer/ Exporters



Source: http://www.mozacaju.com/from-tree-to-trade/

Annex N 9.2: Geographic Clusters for Cashew Transformation – across the various Caju production regions.



Fonte: Analyses Performances Group (Grupo de Análises de Desempenho)

Annex N 10: Cashew Nut Value Chain – Model – EMBRAPA – as customised to Guinea-Bissau

