

	people2people energy digital connectivity		<input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>	<input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>
	Migration @ (methodology for tagging under development)	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	Reduction of Inequalities (methodology for marker and tagging under development)	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
	Covid-19	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
BUDGET INFORMATION				
12. Amounts concerned	Budget line(s) (article, item): BGUE-B2021-14.020140-C1-INTPA EUR 10 million Total estimated cost: EUR 11.1 million Total amount of EU budget contribution EUR 10 million. This action is co-financed in joint co-financing by: - The World Bank for an amount of EUR 1.1 million; The proposed action contributes to the Team Europe Initiative (TEI) “Alliance for Sustainable Growth and Jobs”. This TEI seeks to support Guatemala in its efforts to establish a new sustainable and inclusive economic model that guarantees the protection of workers and mobilises sufficient domestic revenues to finance the country's necessary social investments. This action advances to this purpose by pursuing to increase domestic revenue mobilisation in Guatemala by addressing critical issues, such as tax avoidance/evasion, risk-based tax enforcement, improvement of taxpayer services, and tax institutional governance to improve and increase tax compliance as a means to tackle economic inequality. The implementation of this TEI will be coordinated with Member States, notably Germany, which also supports strengthening Guatemala’s tax administration. The commitment of the EU’s contribution to the Team Europe Initiatives foreseen under this annual action plan will be complemented by other contributions from Team Europe partners. It is subject to the formal confirmation of each respective partners’ meaningful contribution as early as possible. In the event that the TEIs and/or these contributions do not materialise the EU action may continue outside the TEI framework.			
MANAGEMENT AND IMPLEMENTATION				
13. Type of financing ²	Indirect management with the World Bank			

1.2. Summary of the Action

Guatemala has a medium level of human development, a high level of poverty (59% and 23% of the population live in poverty and extreme poverty respectively) and faces enormous social challenges, such as a 46.5% of child stunting³. The situation is more acute among the indigenous population (79% live in poverty) who predominantly lives in rural areas and women who are significantly at higher risk of suffering inequalities and particularly women who face intersectional discrimination such as women and girls with disabilities⁴. Furthermore, at the outset of the COVID-19 pandemic in 2020, Guatemala faced complex challenges related to the sanitary crisis, which had a

² Art. 27 NDICI

³ Stunting is the impaired growth and development that children experience from poor nutrition, repeated infection, and inadequate psychosocial stimulation.

⁴ Girls with disabilities have less access to education than girls without disabilities or boys with or without disabilities, only 28% of women with disabilities were working according to the 2016 II *Informe de la Encuesta Nacional de la discapacidad en Guatemala* <https://www.unicef.org/guatemala/media/461/file/ENDIS%202016.pdf>