

12. Internal markers and Tags:	Policy objectives	Not targeted	Significant objective	Principal objective
	Digitalisation @ Tags: digital connectivity digital governance digital entrepreneurship digital skills/literacy digital services	<input type="checkbox"/>	<input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>	<input checked="" type="checkbox"/> <input checked="" type="checkbox"/> <input checked="" type="checkbox"/> <input checked="" type="checkbox"/> <input checked="" type="checkbox"/> <input checked="" type="checkbox"/>
	Connectivity @ Tags: transport people2people energy digital connectivity	<input type="checkbox"/>	<input checked="" type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input checked="" 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			
13. Amounts concerned	Budget line: BGUE-B2022-14.020122-C1-INTPA Total estimated cost: EUR 10 000 000 Total amount of EU budget contribution: EUR 10 000 000			
MANAGEMENT AND IMPLEMENTATION				
14. Type of financing	Indirect management with the entities to be selected in accordance with the criteria set out in section 4.4.1. and 4.4.2			

## 1.2 Summary of the Action

Mozambique remains one of the bottom ten countries in the world in terms of human development<sup>2</sup>, aggravated by increasing inequality in recent years<sup>3</sup>, including significant gender differences, Gini-coefficient rose to 0.56 (2014/15) from 0.47 (2008/9), placing Mozambique among the most unequal countries in Sub-Saharan Africa, substantial disparities between north and south and urban versus rural areas.

Despite its remarkably young age structure, its potential to contribute to the country's socio and economic development is far from being reached. Rapid population growth is exerting extra pressure on job creation and service delivery. In order to unleash the full potential of the youth, Mozambique needs to kick-start its digital transformation. Although the country has made some visible progress over the last years, there are still major constraints such as little investment in connectivity and weak capacities of the government, fragile legal and regulatory digital framework and corresponding enforcement, lack of digital literacy, gender and urban-rural divides, low affordability of broadband-enabled devices, low education levels and low electrification rate. Furthermore, Mozambique's digital ecosystem for enterprises is dynamic, but the opportunities for start-ups are limited due to financial and business enabling environment constraints.

<sup>2</sup> Ranked 181(out of 188) in the 2019 Human Development Index.

<sup>3</sup> Gini-coefficient rose to 0.56 (2014/15) from 0.47 (2008/9), placing Mozambique among the most unequal countries in Sub-Saharan Africa.