

investment, and creating a predictable regulatory framework and business environment that attracts FDI from Europe.

The proposed action will contribute to the implementation of the EU-LAC Digital Alliance in Guatemala, in particular its Pillar 1: Promoting good governance, transparency, participation and accountability, and the Global Gateway Investment Agenda (GGIA) pillar related to inclusive digital transformation in Guatemala. In that sense, the action will take into account the operational takeaways of the EU-LAC High level Policy Dialogue on e-governance (held in San José, Costa Rica in May 2024) supporting the regional activities listed in the takeaways and leveraging their outputs to design/implement national activities. Moreover, the action will support the Global Gateway Strategy², mobilizing resources to ensure that the interventions help implementing the roadmap for the EU-CELAC roadmap 2023 to 2025³. This action is in line with Guatemala's Digital Government Plan 2021-2026. It is also a priority for the new pro-development and anti-corruption government offering a window of opportunity to work on much-needed reforms related to governance. Digitalization serves as an excellent tool to promote international standards in public administration and transparency, combat corruption, and implement essential reforms that enhance the business environment and attract investment. Additionally, incorporating a strong digitalization component in public finance reform is crucial for improving the efficiency of public spending.

In addition, the action contributes to priority area 2 and 3 of the MIP 2021-2027: "Stronger institutions for stronger social cohesion among regions and generations". Namely, to the Government and Civil Society-General (DAC Code 151) sector. It supports achieving mainly Sustainable Development Goal (SDG) 16 "Peace, Justice and Strong Institutions". As well as SDG 17 "Partnerships for the Goals", SDG 13 "Climate action", SDG 5 "Gender equality", SDG 10 "Reduced Inequalities", SDG 1 "No Poverty", SDG 8 "Decent Work and Economic Growth" and SDG 9 "Industry, Innovation and Infrastructure".

The action will also contribute to the realisation of the EU Gender Action Plan 2021-2025 GAP III⁴, in particular to its thematic area of engagement "Addressing the challenges and harnessing the opportunities offered by the green transition and the digital transformation, Digitalisation, Climate change and environment". Likewise, it will contribute to the implementation of the EU's Action Plan on Human Rights and Democracy 2020-2024⁵.

The Overall Objective of this action is to promote e-governance, public administration modernization and enhance efficiency, transparency and accountability of public spending by supporting digital transformation and e-government solutions for an improved digital ecosystem and boosting investments.

Specific Objectives (SO) 1, SO2 and SO3 aim to support the Government of Guatemala (GoG) on its path towards digital governance and public administration modernization, in alignment with European and worldwide good governance practices. This entails supporting the GoG with digital government transformation process, updating enabling regulatory frameworks, developing e-government architecture concept, developing interoperability framework, piloting a set of digital public services, conducting an interoperability pilot, and supporting with digital engagement and digital skills development.

Specific Objectives (SO) 4, SO5 and SO6 aim to enhance efficiency, transparency and accountability of public spending in Guatemala. The activities under these objectives will contribute to bringing the EU and Guatemala digital markets closer together through fostering good governance, transparency, participation and accountability and promoting digital solutions and e-government initiatives. More in detail:

- SO4 will contribute to modernizing the PFM digital platform known as "*Sistema Integrado de Administracion Financiera*" – SIAF, which is critical for the efficient and transparent management of public resources in Guatemala. Specific digital interventions will include: supporting the GoG to carry out a PFM system diagnostic and reform strategy, including assessing information exchange and interoperability requirements between core and support PFM processes; strengthening PFM governance, including a data governance model

² The Global Gateway, JOIN(2021) 30 (final) of 01.12.2021.

³ [EU CELAC ROADMAP 2023 to 2025 | EEAS \(europa.eu\)](#)

⁴ EU GENDER ACTION PLAN (GAP) III – AN AMBITIOUS AGENDA FOR GENDER EQUALITY AND WOMEN'S EMPOWERMENT IN EU EXTERNAL ACTION, SWD(2020) 284 final

⁵ EU ACTION PLAN ON HUMAN RIGHTS AND DEMOCRACY 2020 – 2027 | EEAS (europa.eu)