

2.6 Capacity building on tax administration and management. This will be comprised of a series of national and international certification/diploma programmes, which will involve indicatively EU and World Bank experts on tax administration, information technology and management areas. This capacity building program could be linked to the career management framework. The topics will include *inter alia* tools for strategic planning, project management, monitoring and evaluation, tax compliance and risk management.

Activities related to Outputs of Outcome 3. Strengthened institutional capacity for revenue mobilisation oversight. This is expected to strengthen the capacity of the MINFIN to perform its functions of designing tax policy and overseeing tax administration, using an evidence-based approach to ensure fiscal sustainability and inclusive growth. The following indicative activities will be covered:

Activities related to Output 3.1: Enhancements in monitoring and evaluation methodologies and tools. This will strengthen the MINFIN's capacity to produce strategic tax policy and administration analysis using an evidence-based approach, analytics and artificial intelligence tools. It will also include the design of strategic dashboards and monitoring tools.

3.2 Production and publication of strategic tax studies. This will provide policy and operational recommendations to improve DRM, reduce income inequalities and regressivity of the tax system. Also, it will provide recommendations for supporting administrative and fiscal reforms, considering groups living in vulnerable situations, disability equality, gender, social and economic inequalities across different marginalised groups and climate change perspectives. Studies will be advised by international and national experts.

3.3 Improving statistical information production for data-driven decision-making, including data disaggregated by sex, age, disability, ethnicity (indigenous background), among others. This will provide technical assistance on methodologies and tools to design an Economic Census. Under this activity, technical assistance will be provided to the INE to conduct feasibility studies, design the methodology for the Economic Census, and pilot the Economic Census.

3.4 Assigning a Tax Ombudsman function and improving dialogue consultations with key stakeholders. This will prepare a feasibility study for the creation of a Tax Ombudsman, as an independent redress channel for taxpayers who have exhausted the normal mechanisms to resolve service, procedural or administrative complaints. Moreover, it will monitor and follow up continuous dialogue and consultations with key stakeholders, in particular with private sector and civil society organisations in the framework of the action's steering committee, to which representatives of these organisations will be invited to join.

3.3. Mainstreaming

Mainstreaming in AAP is very general and provided possibly before the mandatory analysis at action level are realised. This sections is based on the mainstreaming annex. We suggest to keep it.

Environmental Protection & Climate Change

Outcomes of the SEA screening (relevant for budget support and strategic-level interventions)

The Strategic Environmental Assessment (SEA) screening concluded that no further action was required.

Outcomes of the EIA (Environmental Impact Assessment) screening (relevant for projects and/or specific interventions within a project)

The EIA (Environment Impact Assessment) screening classified the action as Category C (no need for further assessment).

Outcome of the CRA (Climate Risk Assessment) screening (relevant for projects and/or specific interventions within a project)

The Climate Risk Assessment (CRA) screening concluded that this action is no or low risk (no need for further assessment).

Guatemala is extremely vulnerable to natural disasters, including earthquakes, volcanic activity and hurricanes and is one of the most vulnerable countries to climate change in the world. In this regard, activity 3.2 within Output 3 will provide policy and technical recommendations for pricing and taxing carbon and domestic energy