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ANNEX

**2023 work programme for the Technical Support Instrument under Regulation (EU) 2021/240 of the European Parliament and of the Council**

**Part I - The Technical Support Instrument (TSI) outlook for 2023**

**1. Introduction**

While the swift and coordinated policy action during the COVID-19 pandemic is paying off, the fallout of Russia's invasion of Ukraine confronts the EU economy and society with multiple new economic, social and geopolitical challenges that require policy action at EU and national levels.

In its Annual Sustainable Growth Survey for 2023<sup>1</sup> (ASGS 2023), the Commission emphasised that policy support at national and EU level will be crucial for recovery and that the immediate priority is for the Union to work with Member States to ensure decisive progress in putting together the right reform and investment priorities in line with European objectives, and then ensuring their effective implementation through high quality public administrations.

On 10 February 2021, a Technical Support Instrument (TSI) was established<sup>2</sup> and became available to all Member States. Through the TSI, the Commission can provide tailor-made expertise on the ground so that Member States have the necessary institutional and administrative capacity to develop and implement growth-enhancing reforms and make European economies more resilient thanks to efficient and well-functioning administrative structures. The TSI can also support Member States in preparing, amending and implementing their recovery and resilience plans under the Recovery and Resilience Facility (RRF)<sup>3</sup>. The TSI also allows to support Member States having to urgently adapt public institutions and processes to specific emerging needs. In April 2022, the TSI offered crucial technical support to Member States helping them urgently reduce dependency on Russian fossil fuels, welcome persons displaced from Ukraine following Russia's unprovoked and unjustified military aggression and enhance the harmonised implementation of sanctions.

Stronger and more efficient public institutions are crucial for building resilient and sustainable economic structures that foster job creation and inclusive growth. The overall successful implementation of reforms requires efficient and effective public administrations, as these administrations influence the performance of all public policy domains, including reform efforts. For this reason, addressing the structural challenges faced by public administrations (e.g. in terms of competences, mobility, incentives, changes to work processes, etc.),

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<sup>1</sup> Communication from the Commission to the European Parliament, the European Council, the Council, the European Central Bank, the European Economic and Social Committee, the Committee of the Regions and the European Investment Bank: Annual Sustainable Growth Survey 2023, COM(2022)780 final.

<sup>2</sup> Regulation (EU) 2021/240 of the European Parliament and of the Council of 10 February 2021 establishing a Technical Support Instrument, OJ L 57, 18.2.2021, p. 1 – 16.

<sup>3</sup> Regulation (EU) 2021/241 of the European Parliament and of the Council of 12 February 2021 establishing the Recovery and Resilience Facility, OJ L 57, 18.2.2021, p. 17–75.

especially by developing adequate institutional and administrative capacity, is crucial for well-functioning and sustainable economies and the success of structural reforms. In addition, strengthening Member States' administrative capacity is key in implementing EU policies and programmes, including the absorption of cohesion funds or funds made available through the RRF.

For the successful implementation of reforms, ownership by the Member State concerned is essential. The TSI offers interested Member States support to carry out reforms, but the decision on the design, structure and implementation of the reforms in question lies with the Member States themselves. It is up to each Member State benefitting from technical support to make the best use of the support provided.

### **TSI objectives and process**

Regulation (EU) 2021/240 sets up the TSI with the general objective to “*promote the Union's economic, social and territorial cohesion by supporting Member States' efforts to implement reforms*”.

This support is necessary to encourage investment, increase competitiveness and achieve sustainable economic and social convergence, resilience and recovery, as well as to back Member States' efforts to strengthen their institutional and administrative capacity, including at regional and local level. It is also needed to facilitate socially inclusive, green and digital transitions, to address effectively the challenges identified in the country-specific recommendations and to implement Union law.

As set out in Article 4 of Regulation (EU) 2021/240, the TSI specific objectives are to assist national authorities in improving their capacity to: (i) design, develop and implement reforms; as well as to (ii) prepare, amend, implement and revise recovery and resilience plans pursuant to Regulation (EU) 2021/241. These specific objectives are pursued in close cooperation with the Member States concerned, including through exchange of good practices, processes and methodologies, stakeholder involvement, where appropriate, and a more effective and efficient management of human resources.

In accordance with Article 9 of Regulation (EU) 2021/240, technical support under the TSI can be provided if a Member State so requests. Member States may submit requests for technical support for the following: “*(a) the implementation of reforms by Member States, undertaken on their own initiative and in accordance with the general objective and specific objectives set out in Articles 3 and 4 respectively; (b) the implementation of growth-sustaining and resilience-enhancing reforms in the context of economic governance processes, in particular the country-specific recommendations issued in the context of the European Semester or actions related to the implementation of Union law; (c) the implementation of economic adjustment programmes for Member States that receive Union financial assistance under existing instruments [...]; (d) the preparation, amendment and revision of recovery and resilience plans pursuant to Regulation (EU) 2021/241 and the implementation thereof undertaken by Member States*”. The fifth paragraph of that Article requests the Commission to come to an agreement with the Member States concerned on the priority areas, the objectives, an indicative timeline, the scope of the support measures to be provided and the estimated global financial contribution for such technical support. These elements provide the basis for this annual work programme and will be reflected for each Member State concerned in a cooperation and support plan.

In response to specific emerging needs of Member States, the Commission shall organise additional dedicated calls. Therefore, a limited proportion of the budget (not exceeding 10%) may be used for such additional dedicated calls. In addition, in the event of unforeseen and duly justified grounds of urgency requiring an immediate response, including a serious disturbance in the economy or significant circumstances seriously affecting the economic, social or health conditions pertaining in a Member State and going beyond its control, Article 12(7) of Regulation (EU) 2021/240 requires that a limited part of the maximum Union contribution be reserved for special measures. Therefore, to ensure the timely availability of resources in 2023, a limited proportion of the budget (not exceeding 10%) may be used for the adoption of special measures.

Pursuant to Article 9(1) of Regulation (EU) 2021/240, by 31 October 2022 all 27 Member States submitted a total of 530 requests for technical support to the Directorate-General for Structural Reform Support (DG REFORM).

After receiving any necessary clarifications from the Member States concerned, the Commission analysed the requests to determine their eligibility and ensure their compliance with the criteria and principles set out in Article 9(5) of Regulation (EU) 2021/240. This assessment also considered whether actions to be implemented under the TSI overlapped with those implemented under other Union instruments in the Member States concerned, in particular with measures financed by other Union funds; this was done to avoid double funding and to ensure complementarity.

The estimated cost of the support measures requested by the 27 Member States was approximately two and a half times the budget allocation for 2023. This led the Commission to strongly prioritise when selecting which requests to fund. This prioritisation was based on the criteria defined in the Regulation, bearing in mind the prioritisation made by the Member States themselves and the main challenges faced by the Member States, as indicated in the recovery and resilience plans under the RRF, the past country-specific recommendations, the country reports, relevant infringement cases, etc. The Commission also considered the link between requests and strategic Union priorities. In application of the principle of sound financial management, the most mature requests having the highest potential impact on the ground were prioritised over others.

As a result of this need to prioritise, around one third of the eligible requests were selected for funding under TSI 2023.

As the support measures ensuing from the selected requests are implemented, they may need to be adjusted together with the corresponding amounts initially allocated to them. This would be done through appropriate reprogramming, in order to reflect the prevailing circumstances in relation to the relevant needs, including follow-up activities directly linked to the subject matter of the support measures foreseen and which are indispensable to ensure the reforms' effectiveness. In addition, should additional funding become available during the year due to reprogramming, withdrawals of requests or cancellations of technical support measures, it may also be opportune and possible to select, later in the year, requests submitted by the Member States which could not be prioritised due to sufficient financial resources lacking when the initial selection was made.

Further to the above and in line with the needs expressed by the Member States, priority areas of intervention, objectives and expected results have been identified for TSI 2023 (see Section 2 below).

In line with Article 6(2) of Regulation (EU) 2021/240, DG REFORM will support the better coordination of policies on public administration and good governance, which is considered necessary for the management of the instrument and the achievement of its general and specific objectives. The main aims will be to achieve better synergy between Commission policy initiatives related to public administration and to develop the Commission methodology, country and thematic knowledge on the topic while ensuring that the respective initiatives are of good quality and that there is adequate capacity at domestic level for their implementation. This support will reinforce the expertise of the Commission in coordinating public administration policies and governance-related matters. It should stimulate more targeted dialogue on the topic with Member States in order to learn from one another and transfer knowledge, and it should also promote common principles, values and good practice for public administration and good governance. In addition, DG REFORM will finance corporate IT<sup>4</sup> and corporate communication activities (based on the Corporate communication action in 2021 – 2023 under the Multiannual Financial Framework 2021 – 2027, C(2020)9390 of 18 December 2020; and with the DG BUDG note “IT implementation Plan 2023 Allocation of Resource and Allocation of IT corporate resources”<sup>5</sup>.) and other activities in line with Article 6(2) referred to above.

## **2. Priority areas for intervention in 2023**

In accordance with Article 5 of Regulation (EU) 2021/240, the technical support for structural reforms may relate to the following broad public policy areas, among other areas:

- (a) public financial and asset management, budget process, including green and gender budgeting, macro-fiscal framework, debt and cash management, expenditure and tax policy, tax compliance, revenue administration and customs union, as well as fighting aggressive tax planning, tax fraud, tax evasion and tax avoidance;
- (b) institutional reform and efficient and service-oriented functioning of public administration and e-government including interoperability reinforcement, simplification of rules and procedures, auditing, enhancing capacity to absorb Union funds, promotion of administrative cooperation, effective rule of law, reform of the justice systems, capacity building of competition and antitrust authorities, strengthening of financial supervision and reinforcement of the fight against fraud, corruption and money laundering;
- (c) business environment, including for small and medium-sized enterprises, the self-employed, entrepreneurs and social economy enterprises, the re-industrialisation and relocation of production to the Union, private sector development, product and service markets, public and private investments including into physical and virtual infrastructure,

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<sup>4</sup> IT development and procurement strategy choices will be subject to pre-approval by the European Commission Information Technology and Cybersecurity Board.

<sup>5</sup> At the moment of the launch of the Inter-service consultation (ISC) for the adoption of that Financing Decision, the ISC/2022/11394 for the adoption of the “IT implementation Plan 2023 – Allocation of IT corporate resources” is still ongoing.

project promoters and nurseries, public participation in enterprises, privatisation processes, trade and foreign direct investment, competition, efficient and transparent public procurement, sustainable sectoral development, and support for research, innovation and digitisation;

(d) education, life-long learning and training, vocational education and training, youth policies, labour market policies, including social dialogue, for the creation of jobs, increased labour market participation of under-represented groups, up- and re-skilling in particular digital skills, media literacy, active citizenship, active ageing, gender equality, civil protection, border and migration policies, the promotion of social inclusion and the fight against poverty, income inequality and all forms of discrimination;

(e) accessible, affordable and resilient public healthcare, social security systems, care and welfare, and childcare;

(f) policies for the mitigation of climate change, the digital and just green transitions, e-government solutions, e-procurement, connectivity, data access and governance, data protection solutions, e-learning, use of Artificial Intelligence based solutions, the environmental pillar of sustainable development and environmental protection, climate action, transport and mobility, promoting the circular economy, energy and resource efficiency and renewable energy sources, achieving energy diversification, tackling energy poverty and ensuring energy security, and for the agricultural sector, soil and biodiversity protection, fisheries and the sustainable development of rural, remote and insular areas;

(g) financial sector policies and regulation, including financial literacy, financial stability, access to finance and lending to the real economy, in particular for small and medium-sized enterprises, the self-employed and entrepreneurs;

(h) the production, provision and quality monitoring of data and statistics;

(i) preparation for membership of the euro area; and

(j) early detection of and a coordinated response to substantial public health or security risks, as well as ensuring business and service continuity for essential public and private institutions and sectors.

Against this background, the priorities for support measures under the TSI work programme for 2023 have been set on the basis of the Member State requests for technical support that are selected for funding.

Of the requests selected, 98% concern support for implementing reforms that will help to achieve strategic policy priorities, as set out under the European Semester framework for policy coordination. This includes support for the amendment, implementation and revision of recovery and resilience plans under the RRF or under EU-wide policy initiatives such as the Green Deal, the Single Market Strategy, the Digital Single Market, the Energy Union, the Capital Markets Union, the European Pillar of Social Rights, or support for the implementation of Union law and the Better Regulation Agenda. It also includes actions and activities in support of reforms that may help Member States prepare for joining the euro area.

The remaining requests refer to Member State reforms to support recovery, sustainable economic growth, job creation and enhance resilience.

## **Climate and biodiversity mainstreaming:**

Under the work programme for 2023, the TSI will support the mainstreaming of climate and biodiversity objectives. Among others, it includes actions and activities to strengthen climate adaptation, promote climate mitigation and protect biodiversity; enhance policy coherence and alignment of EU funds and programmes with the “do no significant harm” (DNSH) principle; support the integration of sustainability considerations in the budget processes of Member States; re-direct private and public capital flows towards climate and environmental action, also in support of other EU instruments (e.g. Invest EU, Just Transition, RRF); integrate and mitigate risks stemming for the climate and environmental transition in the financial sector; implement green taxation reforms; and design holistic strategies engaging the regional, local and wider community on the changes needed for a successful transition.

Overall, the TSI priorities for 2023 reflect all 10 areas set out in Article 5 of Regulation (EU) 2021/240 and are as described below (grouped by thematic area). The TSI will also support Member States in the amendment, implementation and revision of recovery and resilience plans under the RRF.

### **2.1. Public financial management and revenue administration**

The TSI will support measures in at least 22 Member States, related to tax and customs administration, tax and expenditure policy, tax compliance, public investment management and budget process, including gender budgeting, budget implementation, budget oversight, the transition towards accrual accounting, as well as macro-fiscal frameworks and national statistics.

#### *a) Priorities for the year*

The ASGS 2023 emphasises as a priority the safeguarding of economic and financial stability, as well as preserving the sustainability of public finances, which is the foundation of growth and prosperity in the EU. The recent shocks emphasise the importance of strong coordination of sound fiscal policies and of building fiscal buffers during good times to be used during downturns. The prevailing economic conditions have underscored the importance of sound budgetary processes that allow fiscal policies to be agile when faced with rapidly changing circumstances and to set priorities that ensure a high quality of public finances, with due attention to investment. A **growth-friendly composition of public finances** is instrumental to enhance investment and support a fair, sustainable and inclusive recovery. The quality, composition and sustainability of public finances is important for ensuring macroeconomic stability and a crucial element of Member States’ fiscal policy.

Reforms are particularly important in the context of recovery from the COVID-19 pandemic. To this end, the RRF highlighted that improving macroeconomic stability and enhancing public investment are core priorities to be addressed, also important in the context of the energy crisis caused by Russia’s military aggression against Ukraine. Accordingly, a majority of national recovery and resilience plans contain reform commitments in the area of budgetary and taxation policy. While the RRF provides for substantial temporary support, the ASGS 2023 also calls on Member States’ national budgets to play their role in promoting investment by improving the **composition and quality of their public finances**, and to support sustainable and inclusive growth, as well as increase resilience in the medium term, while maintaining flexibility to tackle new challenges. The ASGS 2023 also refers to the

Commission orientation on possible changes in the EU economic governance framework. The foreseen reform of this framework should help build the green, digital and resilient economy of the future, while ensuring the sustainability of our public finances.

In this context, based on Member States' requests, the TSI will provide technical support in the field of **public financial management**. With a focus on improving the efficiency, effectiveness and sustainability of public spending to create further fiscal space for green investments and sustainable infrastructure, the technical support will contribute to the Union's digital and green transitions.

Support will focus on enhancing the institutional and technical capacities for management of **public investments**, as well as **budget processes** and the **performance budgeting framework** allowing for an improved composition and efficiency of medium-term public expenditure *inter alia* through the use of **spending reviews**. Support in this area will also facilitate the integration of the “**do no significant harm**” (**DNSH**) **principle** into public financial management practices and thereby contribute to green transition in Member States. Further, measures will contribute to Member States' Independent Fiscal Institutions (IFIs) to support **fiscal sustainability** and promote more **transparent and effective fiscal policies** under the current fast-evolving and challenging economic circumstances.

Support for transitioning to **accrual accounting** in the context of IPSAS/EPAS<sup>6</sup> remains a priority, as it will increase the financial transparency and comparability of financial reporting between and within Member States. Furthermore, this transition contributes to the Union's priorities of enhanced digitalisation of accounting practices as well as improved efficiency and effectiveness of financial reporting. A further priority area is enhancing the quality of **macroeconomic statistics** and improving the capacity of the national statistical authorities in line with the Union priority 'A Europe fit for the digital age', thus strengthening the Member States' administrative capacity to make better use of digital tools.

Another priority area for support is improving **macro-fiscal modelling** and building analytical Member States' capacities for medium-term **forecasting and policy impact assessment**. This will contribute to devising evidence-based policies and building capacity for effective monitoring of economic and fiscal policies, including the implementation of national recovery and resilience plans. This support will *inter alia* assess the economic and fiscal impact of green policies in line with the Fit for 55 Package.

The ASGS also emphasises that functioning and effective **tax systems** are one of the key determinants of an economy that works for people. The ASGS calls for attention to *inter alia* continued modernisation and digitalisation of tax administrations, an appropriate tax mix and effective revenue collection. Furthermore, the RRF calls for strengthening the administration of revenue, enhancing tax compliance and improving tax systems, including tackling aggressive tax planning. European Semester country-specific recommendations in 2022 focused on strengthening revenue administrations, enhancing tax compliance, and improving tax systems, including a better tax mix, simplification, and tackling aggressive tax planning.

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<sup>6</sup> Report from the Commission to the Council and the European Parliament “Towards implementing harmonised public sector accounting standards in Member States. The suitability of IPSAS for the Member States”, COM(2013) 114 final, <https://eur-lex.europa.eu/legal-content/EN/TXT/PDF/?uri=CELEX:52013DC0114&from=EN>.

Commission Staff Working Document “Reporting on the Progress as regards the European Public Sector Accounting Standards (EPSAS)”, SWD(2019) 204 final, [https://ec.europa.eu/eurostat/documents/9101903/9823491/EPAS\\_Progress\\_Report\\_2019.pdf](https://ec.europa.eu/eurostat/documents/9101903/9823491/EPAS_Progress_Report_2019.pdf).

These were addressed to 14 Member States. At a time when national administrations are striving to deliver more with less while needing to address the poly-crisis (for instance health, energy, climate, geopolitics, macroeconomy) and mega-trends (for instance demographic change, technological change, globalisation), increasing tax compliance and ensuring a fair and sustainable tax mix are essential. The envisaged technical support is in line with the Union priorities ‘Protecting our European way of life’, ‘An economy that works for people’, ‘A Europe fit for the digital age’ and ‘A European Green Deal’. It is furthermore in line with the Commission’s Package for fair and simple taxation and the action plan for the EU Customs Union.

In this context, based on Member States’ requests, the TSI will support measures to improve and rationalise **tax policy**, in particular through new or enhanced tax frameworks to ensure fair, efficient and sustainable taxation, through new or strengthened capacity and policy instruments to estimate and counteract tax gaps and economic activity hidden from taxation in the real economy, and through improved policy instruments to assess the impact of existing tax policies and possible tax reforms, including environmental tax reforms.

The TSI will support measures to enhance **tax compliance**. This will assist tax authorities and taxpayers, more precisely through new or improved approaches, *inter alia* through behavioural insights, methods and strategies aimed at increasing voluntary compliance, managing non-compliance, minimising tax compliance costs and contributing to a level playing field for businesses.

A further area of support relates to measures aimed at tackling **tax fraud and evasion** in line with Commission Communications, such as “An action plan for fair and simple taxation supporting the recovery strategy”<sup>7</sup> and “Business Taxation for the 21<sup>st</sup> Century”<sup>8</sup>. In this context, the TSI will continue to provide support to limit tax abuse and make better use of new technologies and analytical data-driven approaches.

The TSI will also support measures addressing **aggressive tax planning** in order to increase the effectiveness, efficiency and fairness of the tax system. The focus is on building the capacity of the administration in the field of international taxation, as well as on ensuring an effective and efficient exchange and usage of the tax information communicated between countries in the context of *inter alia* the Directive on Administrative Cooperation in the field of taxation.

The TSI will also support revenue administrations to design, develop and implement **reform strategies**, *inter alia* through the Tax Administration Diagnostic Assessment Tool (TADAT). Envisaged technical support will reinforce strategic planning and decision-making processes, strengthen reform capacity and capabilities, and improve the efficiency and effectiveness of the national tax and customs authorities’ core and supportive business functions. In particular, support for simplification, modernisation, and green and digital transformation measures aim to improve compliance and raise higher revenue. Technical support will help to strengthen the EU Customs Union, by supporting the Commission policy initiatives that enhance the capacity and capabilities of the customs administrations in the Member States.

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<sup>7</sup> Communication from the Commission to the European Parliament and the Council: An action Plan for Fair and Simple Taxation Supporting the Recovery Strategy, COM/2020/312 final.

<sup>8</sup> Communication from the Commission to the European Parliament and the Council: Business Taxation for the 21st Century, COM/2021/251 final.

Technical support will also be provided in the field of **digitalisation of revenue authorities** in line with the European priorities related to digital transformation, such as the ‘Digital Decade Policy Programme 2030’<sup>9</sup>. Measures allow providing elaborated concepts and specifications for future-proof digital solutions, which ensure a long-lasting impact on state services and society.

*b) Objectives pursued*

The overarching objective is to improve the efficiency, effectiveness and sustainability of public spending and increase the quality of public finances, with a view to facilitate the digital and green transitions, and to contribute to the achievement of the targets proposed in the national recovery and resilience plans.

The measures provided under the TSI to support public financial management will aim at supporting **fiscal policies** towards the achievement of prudent medium-term fiscal positions and ensuring fiscal sustainability. Member States will be supported in improving the composition and quality of their public finances as well as for their budget preparation processes, particularly through measures aimed at enhancing **spending efficiency and allocation** between different layers of government, also ensuring transition towards **fiscal decentralisation** and better local financial management where needed, with the aim to ensure a more balanced territorial development, facilitate the implementation of bottom-up investment strategies designed at all levels of government (national, regional, local) and increase cost-effectiveness also in a sectoral context.

In order to ensure sustainability in public spending, support will also be aimed at improving **public investment management**, in line with the “DNSH principle” enshrined in the EU Green Deal. This will contribute to climate mitigation supporting the green transition while contributing to the implementation of the RRF and CPR Regulations, as well as fulfilling the objectives of the Taxonomy Regulation. Moreover, fiscal sustainability will be achieved through measures taken to strengthen **macroeconomic and fiscal analysis and forecasting** by improving **economic modelling** capacities, also through enhancing the capacities of **independent fiscal institutions**. This will ultimately facilitate more informed decisions in the policy-making process. This goal will also be achieved through support for improving the quality and digitalisation of **national accounts**, with public accounting transitioning towards accrual accounting systems, in line with internationally accepted accounting practices and standards. Actions in this area will not only aim at improving accountability, transparency and decision-making processes, but also at ensuring the application of national budgetary laws. Furthermore, digitalisation of processes in national accounts will also be pursued through measures for enhancing the quality and timely availability of **macroeconomic statistics**, which play a key role for the monitoring of macroeconomic and fiscal policies.

The overarching objectives in the areas of **revenue administration and tax policy** are to boost revenue collection, increase tax compliance, enhance administrative cooperation across Member States, fight aggressive tax planning, tax fraud and tax evasion, and ensure fair, simple and sustainable taxation that is conducive to growth, investment and innovation.

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<sup>9</sup> Decision (EU) 2022/2481 of the European Parliament and of the Council of 14 December 2022 establishing the Digital Decade Policy Programme 2030.

The **tax policy** support measures under the TSI will aim at strengthening capacity and policy instruments used for assessing, informing and designing policy decisions and possible tax reforms with the key objective of contributing to **fair, efficient and sustainable taxation** *inter alia* by counteracting tax gaps and the shadow economy. In the field of **revenue administration**, support will aim at simplifying, modernising and digitally transforming the way in which tax and customs authorities operate. These authorities will be supported in improving their efficiency and effectiveness, in particular through measures aimed at strengthening analytical capacity and advancing operational and digital methods, tools and approaches for, *inter alia*, risk assessment and tax audit purposes. In addition, the transformation of tax and customs authorities will be achieved through support measures with the view of refocusing the strategic reform agenda through the use of, *inter alia*, the Tax Administration Diagnostic Assessment Tool (TADAT). Moreover, in order to ensure revenue collection and reduce the administrative burden for tax administration and taxpayers, support measures under the TSI will also aim at improving **tax compliance**, particularly through data-driven targeted interventions, behavioural insights and real-time reporting. Another key objective is the **fight against aggressive tax planning, tax fraud and tax evasion**. With a view on ensuring fair and effective taxation, support will aim at strengthening the implementation and functioning of the Directive on Administrative Cooperation in the field of taxation. Support measures under the TSI will furthermore aim at building capacity of tax administrations to curb aggressive tax planning and harmful tax practices, and at fostering information exchanges between Member States, also to assess cross-border spill-over effects and profit-shifting. Finally, in the field of **customs**, actions will be taken to enhance customs capabilities, reinforce information security, and enhance the strategic use of new technologies.

### *c) Expected results*

The expected results in the field of **public financial management** are higher efficiency and quality of public spending, supported by an optimised reallocation of resources and impact of public investment, also taking into account goals related to recovery and resilience plans. In this context, the support will contribute to improved **fiscal sustainability** in the medium and long term. The quality of public finances will also benefit from greater capacity of Member States to make better-informed decisions, based on enhanced **macroeconomic and fiscal analysis and forecasting** capacities. This will promote fiscal transparency and fiscal monitoring, as well as enhance the role and capacities of **independent fiscal institutions** to inform economic and budgetary decision-making processes. More informed spending decisions and evidence-based formulation of policies will also be the result of enhanced **macroeconomic modelling** capabilities. Moreover, support in the area of **public sector accounting** is expected to contribute to an alignment with international good practices on accrual accounting, with a view to also improving accountability, transparency and decision-making processes, and paving the way for a transition to digital accounting and **government finance statistics**. Furthermore, the support will also benefit the budget preparation with focus on integrating spending reviews and policy evaluations into the budget process and strengthening of medium-term expenditure frameworks. Support for mainstreaming of the DNSH principle in **public investment management** practices will contribute to enhanced capacities in Member State administrations to ensure that planned public investments and spending are in line with EU and national climate and climate neutrality targets.

The expected results in the areas of **revenue administration and tax policy** are higher revenue collection and higher tax compliance, supported by strengthened tax and customs authorities as well as by enhanced tax systems, also taking into account goals related to

recovery and resilience plans and European Semester country-specific recommendations. In this context, the support is expected to contribute to improved **tax policies and tax mixes**, with well-designed reforms that contribute to more coherent, environmentally friendly and fairer taxation. By strengthening capacity and capabilities of Member States' tax and customs authorities, support is expected to result in better performance and quality of **revenue administration**, with benefits for taxpayers, revenue authorities and state revenue. Similar benefits are expected in the area of **tax compliance**, notably through higher voluntary compliance, better managed non-compliance, and decreased tax compliance costs. With regard to the **fight against aggressive tax planning, tax fraud and tax evasion**, expected benefits include in particular an enhanced use of internationally exchanged tax information which ultimately brings additional tax revenue and tax fairness as well as facilitated cross-border cooperation. Finally, in the field of **Customs**, actions are expected to contribute to enhanced customs-specific IT capabilities.

## **2.2. Governance and public administration**

The TSI will support measures in at least 25 Member States, related to overall public administration, procurement, the management of Human Resources for civil services, eGovernment / digital public administration, the functioning of the justice system, ethics and the fight against corruption, auditing, crisis preparedness and response systems, democracy, strategic foresight and better regulation, as well as the increased cooperation among the different levels of governance and with the EU and other countries. Certain measures will help to better implement EU funds and programmes, especially in light of the RRF.

### *a) Priorities for the year*

Based on the requests from Member States, TSI support for **governance** will focus on better coordinating the work across relevant public administrations in Member States, in particular work related to the monitoring, coordination and implementation of reforms, as well as the supervision and implementation of EU-related priorities. Support funded under the TSI will focus on helping Member States improve the quality of public administrations at all levels of government (national, regional and local) and strengthen, among others, knowledge transfer and exchange of best practices, as well as the coordination of competencies within the different levels and with other government institutions and other countries. Additionally, the support will also focus on setting up governance platforms for delivering the sustainable development goals and increasing absorption rates of EU funds.

The support further includes work on evidence-informed policymaking, strategic foresight and better regulation, strategic policymaking, the modernisation of organisational structures, a focus on results and on client-oriented services, inclusiveness and transparency as well as work on organisational changes as well as the quality of human resources and their improved management. Additionally, it also includes support for civil protection and crisis preparedness, specifically addressing lessons from the Russian war of aggression against Ukraine, the COVID-19 pandemic, the resilience of critical infrastructures and general capacity-building actions.

Actions to improve the fight against **fraud and corruption** will address in particular:

- support for the design, improvement - where relevant - and implementation of national anti-corruption strategies and action plans;

- the development of monitoring methodologies to assess implementation of anti-corruption actions;
- the design or improvement of integrity frameworks including review of integrity legislation;
- the setting up of integrity standards;
- improved supervision and auditing of the work performed by State entities; and
- closer coordination and cooperation among national authorities.

The professionalisation of **public procurement** is one of the key priorities of the EU Directives on public contracts and concessions<sup>10</sup>. Support is to be provided to identify areas for improvement, enhance national administrative capacities, introduce innovative procurement practices, such as digital tools, use of data and innovation for public procurement. In addition, support will be provided to improve the efficiency, transparency, and competitiveness of public procurement markets, as well as to increase controls frameworks.

A large number of the requests received from Member States include a **digital** or ICT component to enable the transformation of national, regional and local public administrations. Funding for eGovernment / digital public administration will therefore support enabling actions for the successful implementation of national digital strategies, including the Member States' strategies to consolidate ICT systems and processes. Support will also help national administrations to assess the operational benefits of adopting new technologies in the administration. Support will also enable Member States to implement digital-ready approach to policy making; ensuring that digital technologies, data and interoperability are considered from policy design to implementation. Furthermore, Member States will also receive support to align with the guiding principles of the EU eGovernment action plan 2016-2020<sup>11</sup> the European Interoperability Framework<sup>12</sup>, the Tallinn Declaration on eGovernment<sup>13</sup> and develop digital public services that work across borders, sectors and different levels of government and are user-centric, inclusive and that respect the rights, needs and preferences of citizens. Support will develop digital administration as a vehicle for recovery from the COVID-19 crisis. Member States will be supported in the implementation of specific components of the recovery and resilience plans, and particularly the flagship initiative 'Modernise', which addresses the digitalisation of public administration and services. Also, Member States will be supported in reaching the specific targets of the Digital Decade<sup>14</sup>, in making all key digital public services available online by 2030 and Interoperable Europe Act<sup>15</sup> in making sure that these services are interoperable across borders and sectors.

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<sup>10</sup> Directive 2014/23/EU of the European Parliament and of the Council of 26 February 2014 on the award of concession contracts, OJ L 94, p. 1; Directive 2014/24/EU of the European Parliament and of the Council of 26 February 2014 on public procurement and repealing Directive 2004/18/EC, OJ L 94, p. 65; Directive 2014/25/EU of the European Parliament and of the Council of 26 February 2014 on procurement by entities operating in the water, energy, transport and postal services sectors and repealing Directive 2004/17/EC, OJ L 94, p. 243.

<sup>11</sup> Communication from the Commission to the European Parliament, the Council, the European Economic and Social Committee and the Committee of the Regions: EU eGovernment Action Plan 2016-2020 Accelerating the digital transformation of government, COM(2016) 179 final.

<sup>12</sup> Communication from the Commission to the European Parliament, the Council, the European Economic Social Committee and the Committee of the Regions: European Interoperability Framework - Implementation Strategy, COM(2017) 134 final.

<sup>13</sup> <https://digital-strategy.ec.europa.eu/en/news/ministerial-declaration-egovernment-tallinn-declaration>.

<sup>14</sup> <https://digital-strategy.ec.europa.eu/en/policies/europes-digital-decade>

<sup>15</sup> [https://commission.europa.eu/publications/interoperable-europe-act-proposal\\_en](https://commission.europa.eu/publications/interoperable-europe-act-proposal_en)

Effective justice systems support economic growth and safeguard fundamental rights. Support for **justice systems** will focus on two strands: 1) enhancing the efficiency of national justice systems; and 2) improving the quality of national justice, including for the development, improvement and provision of e-justice systems and improving access to justice and information.

Support will be provided for the **implementation of Union funds and programmes**, with a focus on national authorities' administrative capacity to make the best and timely use of the programmes and funds. In addition, support will also be given to national authorities to improve their management and control systems related to the use of EU funds, for example through the use of new technologies such as AI.

Coordination in the area of public administration and good governance will be enhanced and further developed. Support will increase and consolidate the knowledge on public administrations in the Member States and will develop assessment tools to identify areas of improvement. This work will be completed with analysis, studies and the development of communication while building European stakeholders' greater awareness in this domain. Support will also cover the development of networks and cross-border exchanges of civil servants in the Member States to foster mutual learning.

#### *b) Objectives pursued*

On **governance**, the Commission aims to help Member States improve the functioning of their administrations in terms of the value-for-money and quality of public services, including the achievement of sustainable development goals and their specific national agendas in line with the European Semester process and country-specific recommendations (CSR). Further, to support the setup of the national competent authorities and coordination mechanisms with national, regional and local authorities on cross-border interoperability matters. The objectives pursued include:

- development of user-centric and efficient administrative processes;
- improvement of the quality of policymaking and better regulation;
- enhanced strategic, evidence-informed and data-driven policymaking as well as monitoring, statistical analysis, and results and outcomes orientation;
- enhanced capacity to foster innovation, capacity building and improvement in the quality of human resources and their management;
- development and standardisation of internal audit and internal control (including performance-based audit);
- enhancement of cooperation and cross-border exchanges among Member States to build administrative capacity, as well as effective coordination mechanisms in and between different government institutions and levels of government (national, regional and local); better management and control of public sector organisations;
- enhanced civil protection and crisis preparedness, including in the context of the COVID-19 pandemic and the Russian war of aggression against Ukraine;
- improvement of the supervision and monitoring of administrative processes, policies as well as the efficiency and performance of structures; and
- effective communication on the overall objectives and design of reforms and the supervision of their implementation.

The objectives of support measures for **anti-corruption** strategies include better implementation of anti-corruption action plans, closer national coordination and cooperation, and improved risk-assessment processes, as well as financial control and auditing.

The measures supporting **the fight against fraud** aim to help relevant stakeholders increase their capacity to manage risks and find operational solutions.

Support for **procurement** aims to map the current situation in terms of resources and processes, identifying weaknesses, exchanging best practices and providing recommendations and training for the improvement, professionalization, efficiency, integrity, transparency, and competitiveness of national public procurement systems, with a focus on the use of digital tools, social and green procurement.

Support measures for **eGovernment and digital public administration** aim to enhance Member States' capacity to accelerate the digital transformation of public administrations by building on the expertise of more developed public administrations and institutions at all levels of government (central, regional and local). In particular, this will be done by implementing the vision<sup>16</sup> and guiding principles<sup>17</sup> of the eGovernment Action Plan 2016-2020 and the European Interoperability Framework and taking advantage of solutions developed by the Connecting Europe Facility (CEF) programme<sup>18</sup> and the Interoperability solutions for public administrations (ISA<sup>2</sup>) programme<sup>19</sup> now under Digital Europe<sup>20</sup> in order to ensure cross-border and cross-sectoral interoperability and thus seamless digital public service delivery. Support measures will also help Member States introduce advanced digital technologies (for example, artificial intelligence and blockchain) and digital policies (data sharing<sup>21</sup>, Interoperable Europe Act, data protection, cybercrime etc.). Measures should furthermore support Member States' efforts to implement the once-only principle across sectors and at all levels of administration, including the implementation of the once-only principle across borders following article 14 of the Single Digital Gateway Regulation<sup>22</sup>. This should help Member States to reduce the administrative burden on citizens/businesses and to better deliver on public administration modernisation efforts, by offering a responsive and high-quality ICT function. The consolidation of an ICT function and ICT infrastructure can lead not only to lower operating costs but, more importantly, to better ICT systems for civil servants and ultimately, better services for citizens, responding to their needs and preferences. To achieve this, support could be given to Member States to implement a digital-ready and interoperable-by-design approach to policy-making in order to provide more human-centric digital public services, respecting the rights, preferences and needs of citizens. Digital public

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<sup>16</sup> Public administrations and public institutions in the European Union should be open, efficient and inclusive, providing borderless, personalised, user-friendly, end-to-end digital public services to all citizens and businesses in the EU. Innovative approaches are used to design and deliver better services in line with the needs and demands of citizens and businesses. Public administrations use the opportunities offered by the new digital environment to facilitate their interactions with stakeholders and with each other.

<sup>17</sup> Digital by Default; Once only principle; Inclusiveness and accessibility; Openness & transparency; Cross-border by default; Interoperability by default; Trustworthiness & Security.

<sup>18</sup> [https://cinea.ec.europa.eu/programmes/connecting-europe-facility/about-connecting-europe-facility\\_en](https://cinea.ec.europa.eu/programmes/connecting-europe-facility/about-connecting-europe-facility_en).

<sup>19</sup> It supports the development of digital solutions that enable public administrations, businesses and citizens in Europe to benefit from interoperable cross-border and cross-sector public services. Further information is available at: [https://ec.europa.eu/isa2/home\\_en/](https://ec.europa.eu/isa2/home_en/).

<sup>20</sup> <https://joinup.ec.europa.eu/interoperable-europe>.

<sup>21</sup> In particular with reference to the provisions of Directive (EU) 2019/1024 of the European Parliament and of the Council of 20 June 2019 on open data and the re-use of public sector information and its implementing Regulation on High Value Datasets.

<sup>22</sup> Single Digital Gateway Regulation, <http://data.europa.eu/eli/reg/2018/1724/oj>.

services should be personalised or proactive if possible. Support could also be given to Member States to provide more inclusive digital public services, responding to the needs of vulnerable groups, such as individuals with disabilities. Building on the Annex of the Tallinn Declaration on eGovernment, support could also help Member States to provide more user-centric digital public services, including by engaging citizens in the creation of digital public services, or by providing mobile digital public services. A consolidated ICT function in the public administration also paves the way for taking advantage of technological innovations. Support could also be given to help public administrations use novel technologies (e.g. cloud, AI) to improve digital public services and decision-making in public sector.

Furthermore, the support will aim to help advance the design and provision of digital services to individuals and businesses in accordance with the vision, principles and actions of the eGovernment action plan 2016-2020<sup>23</sup>, as well as the objectives and user-centricity principles of the Tallinn Declaration on eGovernment<sup>24</sup>, the Berlin Declaration on Digital Society and Value-based Digital Government<sup>25</sup> and the Lisbon Declaration on Digital Democracy with a Purpose<sup>26</sup>.

Support will also help achieve the vision and targets of the Digital Decade Policy Programme 2030<sup>27</sup>, which entered into force in January 2023 and has identified the digitalisation of public services as one of four cardinal points that are essential for Europe's digital transformation. The Programme sets out ambitious targets, among others:

- 100% of key public services are available for European citizens and businesses online and, where relevant, it is possible to interact online with public administrations
- 100% of European citizens have access to electronic health records
- 100% of European citizens have access to secure online identification (eID) means that are recognised throughout the Union.

Moreover, Member States could be supported in the development and implementation of (cross-border) eIDs, better data management and trust services, in line with the revised European framework. The process and results will need to take into consideration reusability and interoperability. Further, the TSI project results will aim at being open to the widest setting possible. The principles of sharing and reuse of data will be considered and in case a TSI project will lead to the revamp of existing or the set-up of new digital public services, those will consider interoperability from the design phase and promote an interoperability assessment as proposed in the Interoperable Europe Act.

Support measures for **justice systems** aim in particular at: a) enhancing the efficiency of the justice systems of Member States, e.g. by reducing the backlogs of cases, improving the administration of courts; b) increasing the quality of justice systems, notably by improving the implementation of e-justice systems<sup>28</sup> and the operational capacity of courts through training

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<sup>23</sup> <https://digital-strategy.ec.europa.eu/en/policies/egovernment-action-plan>.

<sup>24</sup> <https://digital-strategy.ec.europa.eu/en/news/ministerial-declaration-egovernment-tallinn-declaration>.

<sup>25</sup> <https://digital-strategy.ec.europa.eu/en/news/berlin-declaration-digital-society-and-value-based-digital-government>.

<sup>26</sup> <https://www.lisbondeclaration.eu/>.

<sup>27</sup> [https://commission.europa.eu/strategy-and-policy/priorities-2019-2024/europe-fit-digital-age/europes-digital-decade-digital-targets-2030\\_en](https://commission.europa.eu/strategy-and-policy/priorities-2019-2024/europe-fit-digital-age/europes-digital-decade-digital-targets-2030_en).

<sup>28</sup> Also by taking advantage of solutions developed by the CEF programme in accordance with the strategy on European e-Justice and the multiannual European e-Justice action plan, such as the interconnection of national registers/databases towards increased transparency and efficient access to justice, or digitisation of certain judicial

of judges and court staff. In addition, support also aims at accommodating the needs of vulnerable individuals so they can better access the justice system.

The support measures for the **implementation of Union funds and programmes** aim to help the relevant national authorities improve the way in which they manage the funds and programmes – this also includes the management and control systems related to the use of EU funds.

The support for public administration and better governance will aim at achieving a better synergy between the various initiatives in this domain. It will also consolidate and further develop country and thematic knowledge on the topic and ensure that the respective initiatives are of good quality. The support should also stimulate a more targeted dialogue with and between Member States on public administration and good governance so they can learn from one another and transfer knowledge and promote common principles, values and good practice.

### *c) Expected results*

The technical support is expected to help improve the quality of the work on **public administration**, focusing, for example, on a modernised human resources policy, greater efficiency, sustainability, better accountability and innovation of public management, as well as a reduced administrative burden for citizens and business, and a better impact of public policies and investment. Better coordination of public-sector entities, better quality legislation and a focus on interoperability and better accessibility should, in turn, result in providing better services for citizens and businesses. Overall, the support is expected to contribute to better management at all levels of government and in the wider public sector.

In the **fight against corruption**, the support measures are expected to raise awareness among public and private sector organisations and increase the capacity to prevent, investigate and prosecute corruption. The measures are also expected to support the development of strategic frameworks, rules, methodologies and systems to instil greater integrity, detect and limit cases of corruption and fraud and improve the quality<sup>29</sup> of cooperation between the relevant entities at national and European levels.

The support for **procurement** is expected to increase the capacity of national contracting authorities to prepare, launch and monitor sound, transparent and competitive tendering procedures, possibly leading to better implementation of the relevant EU legislative framework. In particular, national public procurement experts should be in a position to design tendering procedures in a more strategic, but also sound and transparent, way. In addition to the above, they should be able to better deliver more specific and relevant dimensions of procurement, such as R&D, green or social procurement. National public procurement experts are invited to take advantage of the eProcurement infrastructure developed by the CEF programme<sup>30</sup> that provides for alignment with the Public Procurement Directives.

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proceedings via e-CODEX, the e-Evidence Digital Exchange System. For further details see: <https://ec.europa.eu/cefdigital/wiki/display/CEFDIGITAL/European+e-Justice+Portal>.

<sup>29</sup> Regulation (EU) 2021/694 of the European Parliament and of the Council of 29 April 2021 establishing the Digital Europe Programme and repealing Decision (EU) 2015/2240, OJ L 166, 11.5.2021, p. 1 – 34.

<sup>30</sup> <https://ec.europa.eu/cefdigital/wiki/display/CEFDIGITAL/eProcurement>.

The support measures for **e-Government/digital public administration** are expected to help improve the ICT maturity of Member States, enabling them to deliver better digital public services to citizens and businesses<sup>31</sup> and to deploy suitable back-office solutions supporting a transformed and efficient public service. The support measures will also contribute to Member States' readiness to provide services on the EU Single Digital Gateway, while respecting the Once-Only Principle. Support will also enable Member States to put all their key public services online, as envisaged by the Digital Decade. The support measures for eID/trust services will contribute to timely implementation of the Wallet and its integration with existing Identity means, schemes and trust frameworks. This will support the adoption of citizen-centric identity schemes that put citizen in control of their data through privacy-by-design (promoting European values). Furthermore, the measures will help achieve the Digital Decade target of 100% of European citizens having access to secure electronic identification (eID) means that are recognised throughout the Union, allowing the public and private sector take advantage of the exchange of digital identity attributes across borders, such as proof of age and ushering in a new wave of digital services.

The support measures for **justice systems** are expected to help improve the functioning of justice systems, e.g. through measures aimed to enhance the efficiency and quality of justice systems, in particular by helping to build the capacity of judicial institutions and better implement e-justice systems and services. The support is also expected to help improve the quality of the work of the judges and court staff. Finally, support should also help in achieving specific goals, in particular the protection of victims, and of vulnerable individuals and populations.

Some measures in these areas could contribute to a better implementation and performance of **EU funds and programmes**.

The support provided for public administration and good governance should help improve the quality of public administration in Member States, including the promotion of knowledge sharing across the EU and strengthen the capacity for coordination between ministries and the various levels of administration. This work should contribute to better quality both in the design and implementation of public policies in Member States.

### **2.3. Sustainable growth and business environment**

The TSI will support measures in at least 23 Member States, related to competitiveness, including business environment, industrial ecosystems and digital transition, as well as sustainability, including the implementation of the European Green Deal, climate mitigation and adaptation, energy and the green transition.

#### *a) Priorities for the year*

The EU has put forward an ambitious policy agenda to steer a sustainable, fair and inclusive recovery and to make the EU's economy more resilient to future shocks, while transforming our economies and societies in line with the ambition of the twin transitions. The ASGS 2023 continues to focus on the four complementary dimensions of the EU's competitive sustainability's agenda, i.e. on reforms that increase environmental sustainability, productivity

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<sup>31</sup> For example, e-services that are open, efficient and inclusive, borderless, interoperable, personalised, user-friendly and end-to-end.

growth, fairness and macro-economic stability while mitigating the socio-economic impact of the pandemic and laying the ground for a sustained recovery. These dimensions, which are closely interrelated and should be mutually reinforcing, have guided the Member States' reform and investment agendas over the past years and feature prominently among the objectives of the RRF.

In the area of **competitiveness**, Member States have prioritised in their requests the reforms aimed at sustainable recovery and growth, improving the business environment, and increasing productivity, resilience and stimulating innovation at national, regional or local levels.

A major priority is building more sustainable, resilient and digital industrial ecosystems in the EU. On 24 and 25 March 2022, the European Council agreed to continue building a more open and robust economic base, notably by reducing strategic dependencies and to ensure the functioning of the Single Market for the benefit of the European consumers. The Council Conclusions call, among others, to boost productivity and increase competitiveness of businesses, to enforce Single Market rules, to implement the industrial strategy, to better interconnect ecosystems across Member States and to secure diversified supply chains<sup>32</sup>. Member States have recognised the need to transition towards a cleaner, more digital, more resilient economic and industrial model, *inter alia* through the elaboration of horizontal and sectoral industrial strategies, including for enhanced mineral raw materials supply, the promotion of Intellectual Property (IP) Rights, including through better detection of IP infringements, the re-skilling and up-skilling of the workforce, and, in the tourism sector, the enhancement of national surveillance systems.

Furthermore, the priorities for technical support focus on strengthening national productivity, increasing the use and absorption capacity of EU funds at regional and national level as well as improving the business environment through licensing reforms and the systematic ex-post evaluation of the regulatory framework. Member States have also prioritised the need to facilitate the digital transition of businesses, including for the development of resilient and secure identification and authentication systems in port management, digital transformation in the agro-food sector and digitalisation of processes in the construction sector through BIM (Building Information Modelling). Other priorities call for optimising state assets management, promoting the green transition of businesses in line with competition rules and improving road safety for vulnerable users.

These priorities are also in line with strategic EU policy priorities, such as the RRF, the Single Market Strategy,<sup>33</sup> the Digital Decade Policy Programme 2030<sup>34</sup> and the Better Regulation agenda,<sup>35</sup> the new European Industrial Strategy,<sup>36</sup> the 2022 ASGS<sup>37</sup>, as well as with the country-specific recommendations under the European Semester.

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<sup>32</sup> Note on conclusions from the European Council meeting (24 and 25 March 2022), paragraphs 20 and 21 - <https://data.consilium.europa.eu/doc/document/ST-1-2022-INIT/en/pdf>.

<sup>33</sup> Communication from the Commission to the European Parliament, the Council, the European Economic and Social Committee and the Committee of the Regions on upgrading the Single Market: more opportunities for people and business COM/2015/550; and Communication from the Commission to the European Parliament, the Council, the European Economic and Social Committee and the Committee of the Regions on Long term action plan for better implementation and enforcement of single market rules COM(2020)94.

<sup>34</sup> Decision (EU) 2022/2481 of the European Parliament and of the Council of 14 December 2022 establishing the Digital Decade Policy Programme 2030.

<sup>35</sup> Communication from the European Commission to the European Parliament, the Council, the European Economic and Social Committee and the Committee of the Regions on Better Regulation: Joining forces to make better laws, COM(2021)219 final.

Other priorities stem from the 8<sup>th</sup> Cohesion Report: Cohesion in Europe towards 2050<sup>38</sup>, which identifies the need to overcome the barriers to growth in regions with stagnating development, in particular promoting sustainable integrated development of regions.

The agenda of the European Green Deal<sup>39</sup> continues to be at the forefront of EU priorities. In response to the global energy market disruption caused by Russia's invasion of Ukraine, there is a need to speed up the green transition. As emphasised by the 2023 ASGS, "*The current energy crisis has underlined the need for reliable and clean energy sources and well-functioning EU energy markets, also putting further emphasis on the EU's climate objectives.*" The ASGS also states that "*As climate change and environmental degradation are an existential challenge and dependence on fossil fuels puts our societies in jeopardy, the European Green Deal remains our compass.*" Key issues highlighted in the ASGS include the need for a quick roll-out of renewable energy, energy efficiency, climate mitigation and adaptation. Reforms and investments related to the implementation of the national recovery and resilience plans will play a key role in delivering this transition.

In line with these EU priorities, in the area of **sustainability**, the TSI 2023 will focus on delivering the agenda of the European Green Deal and supporting the REPowerEU agenda. This will include support to climate and energy policies, such as the implementation of the renovation wave, the development of positive energy districts and increased energy efficiency across sectors including transport, the acceleration of renewable energy deployment, in particular with improved permitting processes and a better integration between renewable energy sources and electricity systems, and improved energy markets, including for electricity and gas. Climate adaptation will also be an important focus, with the prevention and management of wildfires, the design of climate adaptation strategies and measures and the protection of coastal areas. Priorities will also include sustainable aquaculture, water and air policies, enhanced environmental enforcement, environmental inspections, the circular economy and the implementation of the Sustainable Development Goals, environmental enforcement.

#### *b) Objectives pursued*

In the area of **competitiveness**, the technical support will address the need to re-industrialise Europe and build resilient industrial ecosystems, *inter alia* by: preparing national, regional and sectorial industrial strategies, action plans and tools in priority areas to address strategic dependencies and specific ecosystems' challenges; enhancing the smooth functioning of the Single Market through enhanced market surveillance; building better conditions for entrepreneurship and innovation, including on a regional or local levels through *inter alia* better intellectual property protection or support provided to the market by the authorities; and developing and testing tools and schemes to upskill and reskill workers, innovators and entrepreneurs.

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<sup>36</sup> Communication from the Commission to the European Parliament, the Council, the European Economic and Social Committee and the Committee of the Regions on updating the 2020 New Industrial Strategy: Building a stronger Single Market for Europe's recovery, COM(2021)350.

<sup>37</sup> Communication from the Commission to the European Parliament, the European Council, the Council, the European Central Bank, the European Economic and Social Committee, the Committee of the Regions and the European Investment Bank, COM (2021)740.

<sup>38</sup> [https://ec.europa.eu/regional\\_policy/information-sources/cohesion-report\\_en](https://ec.europa.eu/regional_policy/information-sources/cohesion-report_en).

<sup>39</sup> Communication from the Commission to the European Parliament, the European Council, the Council, the European Economic and Social Committee and the Committee of the Regions on the European Green Deal, COM(2019)640.

Furthermore, the technical support measures put in place under the TSI 2023 aim to help Member States in their efforts to understand and improve business environment and economic productivity, boost long-term competitiveness, secure mineral raw materials supply, and ensure sustained economic growth. The technical support will target national reform policies to accelerate the digital transition in various sectors, including agro-food, construction through the implementation of BIM and port management through the development of resilient and secure identification and authentication systems. Measures are foreseen to support Member States towards developing capacities to better evaluate their regulatory frameworks and to improve the national and regional absorption rate of EU funds, as well as optimising the management of state-owned property. Technical support also aims to help Member States in their reform efforts to improve business environment through the streamlining of licensing procedures and the alignment of collaborative sustainability-driven business initiatives with competition law. Other objectives comprise the sustainable development of islands' economies through overcoming barriers to regional growth, the promotion of safe transport and mobility, by improving road safety for vulnerable users, providing support to the market in innovation and digitalisation on a regional and local levels, and the development of sustainable tourism through articulated and multi-sectoral valorisation and innovative management models.

In the area of **sustainability**, the overarching objective is to enable Member States to put in place reforms supporting the European Green Deal and REPowerEU and contributing to the objective of climate neutrality by 2050 and to sustainable development in general.

This includes, in particular, supporting reforms in the climate and energy sector. The support will aim at accelerating the development of renewable energy investments and projects, including by accelerating permitting processes and optimising the integration with energy grid systems; at facilitating the implementation of the renovation wave, including on public buildings and with the design of positive energy districts; at improving energy efficiency in key sectors such as buildings and transport; at improving energy markets, including for both electricity and gas; and at helping with adaptation to climate change, including by preventing and managing wildfires, protecting coastal areas and preparing climate adaptation strategies and measures at national, regional and local levels. In addition, the support will strengthen sustainability through the implementation of Sustainable Development Goals, improved water and air policies, enhanced environmental enforcement, environmental inspections, the circular economy and a more sustainable aquaculture sector.

#### *c) Expected results*

In the area of **competitiveness**, the support measures are expected to contribute to the efforts of the national authorities towards building sustainable, resilient and digital industrial ecosystems, in order to make EU industry more competitive globally, while enhancing Europe's strategic autonomy, e.g. by securing mineral raw materials supply. In particular, the support measures are expected to contribute to the elaboration of more resilient and competitive horizontal, regional and sectorial strategies, address strategic dependencies, build better conditions for innovation and entrepreneurship, e.g. through the promotion of IP rights, and support provided to the market by local and regional authorities, protect businesses from unfair competition and build the workforce for the green and digital industrial ecosystems of the future. It is expected that the TSI 2023 will also contribute towards promoting the use of digital tools and processes, thus accelerating the digital transformation of businesses and the economy, with a focus on specific sectors, for example construction, farming, port management. In addition, the technical support measures are expected to underpin reforms in

Member States to improve the business environment, by implementing licensing reforms and fostering legal certainty for businesses wishing to invest and cooperate on more sustainable technologies. Furthermore, the support measures are expected to help Member States strengthen data-based policy making and develop productivity and growth strategies, build capacity to better absorb EU funds and optimize the management of state-owned property, thus improving the efficiency of public spending, and also to create more resilient and innovative economic activities, including at regional level. TSI 2023 will also help promote better regulation, through the systematic ex-post evaluations of the national legal frameworks, as well as encourage safe and clean transport and sustainable tourism.

In the area of **sustainability**, it is expected that technical support will help improve Member States' preparedness to reach climate and energy objectives, in particular climate neutrality by 2050. This will include, for example, improved implementation and effectiveness in climate and energy policies, such as faster permitting processes, design of positive energy districts and effective support schemes for renewable energy and increase of their deployment, better preparedness for the inevitable impacts of climate change through climate adaptation, increased energy efficiency in buildings and other sectors such as transport, as well as improved energy markets. It is also expected that Member States will advance towards a better implementation of the Sustainable Development Goals as well as improved water and air policies, and the implementation of the circular economy. The support measures are also expected to help Member States to improve environmental enforcement and environmental inspections, prevent and manage wildfires, implement coastal protection and develop sustainable aquaculture.

## 2.4. Labour market, education, health and social services

The TSI will support measures in at least 20 Member States, related to health and care systems, education, training and skills, active labour market and social policies, and social welfare systems.

### *a) Priorities for the year*

In order to better support Member States' reforms while also advancing the Commission priorities, two Flagship initiatives were proposed to Member States for possible submission as requests for technical support. The flagship initiative **Youth First** aims to strengthen Member States' capacity to support children and youth wellbeing (healthy nutrition, obesity prevention and mental health), education, training, social protection and labour prospects. The flagship initiative **Towards person-centred integrated care** aims to reinforce Member States' capacity to provide high quality integrated care to Europeans through strengthening the cooperation and coordination between health, social and long-term care services. It also aims to strengthen the integration of the different levels of care provision, by putting the person at the centre of services to ensure better access and better quality of care at every stage of life.

Based on the requests from Member States, the TSI will support structural reforms in the **area of health** to strengthen the resilience of health systems in line with the objectives of the [European Health Union](#)<sup>40</sup>, to create synergies or help implement specific milestones and

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<sup>40</sup> [European Health Union \(europa.eu\)](https://europa.eu/european-council/en/european-health-union)

targets under the RRF and to support the implementation of the 2022 European Care Strategy<sup>41</sup> and Regulation (EU) 2021/2282 on health technology assessment.

Technical support requests from Member States in the field of **health** correspond to the Commission priorities, such as the European Health Union, which aims at strengthening coordination at EU-level when facing cross-border health threats and improving prevention, treatment and aftercare for diseases such as cancer, Europe's Beating Cancer Plan<sup>42</sup>, the Pharmaceutical strategy, that will address several challenges of the antimicrobial resistance including actions on improving healthcare professionals' and European citizens' awareness on antimicrobial resistance, or the European Health Data Space<sup>43</sup> which aims at offering a secure, trustworthy and efficient framework for the use of health data, including cross-border. Access to healthcare, with no person left behind (elderly, persons with disabilities, migrants and persons with poor socio-economic backgrounds) is a priority in the context of strengthening the Social Europe, as set in the European Pillar of Social Rights.

Based on the Member State requests, the TSI will support reforms in the areas of **labour market, skills, education and training** (including Vocational Education and Training and adult learning). Access to quality and inclusive education, training and lifelong learning is a right for all citizens, as enshrined within the European Pillar of Social Rights. The European Education Area<sup>44</sup> sets several strategic priorities: improving quality, equity, inclusion and success for all in education and training; making lifelong learning and mobility a reality for all; enhancing competences and motivation in the education profession; reinforcing European higher education; and supporting the green and digital transitions in and through education and training.

The European Skills Agenda, the Digital Education action plan (2021-2027) and the **Communication on Harnessing Talent in Europe's Regions**<sup>45</sup> also reiterate the crucial role that skills, including digital and green skills, play in building competitiveness, cohesion and innovation.

The European Pillar of Social Rights Action Plan<sup>46</sup> sets as a headline target that, by 2030, at least 78% of the population aged 20 to 64 be in employment and at least 60% of all adults participate in learning activities every year. Two new Council recommendations have been adopted in 2022 on Individual Learning Accounts and on Micro-Credentials, aiming at enabling individuals to participate in labour-market relevant training, and facilitate their access to employment as well as their ability to preserve their jobs.

In line with these political priorities, the TSI will provide support to Member States to: (i) address teachers shortages and better planning of the teachers' workforce, (ii) strengthen the links between school education and educational research, design monitoring and evaluation frameworks of educational policies and update IT tools used for data collection, (iii) introduce curricula reforms and revise academic career frameworks, accompanying Member States in their implementation, (iv) develop skills intelligence strategies to better adapt higher

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<sup>41</sup> [A European Care Strategy for caregivers and care receivers - Employment, Social Affairs & Inclusion European Commission \(europa.eu\).](#)

<sup>42</sup> [Europe's Beating Cancer Plan \(europa.eu\).](#)

<sup>43</sup> [Proposal for a regulation - The European Health Data Space \(europa.eu\).](#)

<sup>44</sup> Council Resolution on a strategic framework for European cooperation in education and training towards the European Education Area and beyond (2021-2030) 2021/C 66/01.

<sup>45</sup> [Inforegio - Harnessing talent in Europe's regions \(europa.eu\).](#)

<sup>46</sup> [The European Pillar of Social Rights Action Plan | European Commission \(europa.eu\).](#)

education systems to market needs, (v) strengthen the evaluation and quality assurance and support more inclusive education models for higher education and Vocational Education and Training (VET); and (vii) address skills mismatches, enforce skills governance mechanisms and support the design of micro-credentials systems.

The COVID-19 pandemic had a profound and measurable impact on employment and social outcomes, though this impact was mitigated by decisive policies taken by Member States. It is important for Member States to continue implementing policies that enhance the resilience of European labour markets and the adequacy of social protection systems, with a particular focus on people in vulnerable labour market and social situations, while facilitating labour market transitions to the digital and sustainable economy.

Another important area in which the TSI will provide support to Member States in the field of **labour market reforms** is related to reforms aimed at strengthening public employment services, developing relevant skills and tackling labour shortages as well as skills mismatches, and promoting targeted active labour market policies (ALMPs) focusing, for instance, on the labour market integration of long-term jobseekers and economically inactive people.

In the field of **social security and social welfare**, the TSI will support reforms aimed at strengthening the effectiveness of social assistance benefits, reforming the social housing policy, and improving the quality and coverage of social services for vulnerable groups.

In line with the Action Plan for the implementation of the European Pillar of Social Rights and the European Care Strategy, the TSI supports integrated interventions that cross sectoral boundaries. These interventions aim to strengthen the capacity of public administrations to design and implement inclusive social policies for children and young people, elderly persons, persons with disabilities, and others.

The TSI will support reforms aimed at: (i) enhancing the administrative capacity of social security and social welfare organisations at national and sub-national level; (ii) improving the adequacy of social protection systems, including pension systems, and (iii) improving the quality and provision of integrated care and social services for elderly persons and for children and youth. In line with the European Disability Rights Strategy for 2021-2030, technical support will be provided to de-institutionalise care provision for people with disabilities, including children, in favour of homecare and community-based care alternatives.

Overall, the measures selected for funding will therefore provide support across different social and labour market policy areas, in an integrated manner, in accordance with Union priorities and in view of addressing the most pressing societal issues faced by Member States.

#### *b) Objectives pursued*

The support measures for **health** aim to strengthen the resilience of the health systems, and support more effective and more integrated ways of delivering healthcare services. The specific objectives of support measures are to:

- enhance the governance, planning, monitoring, evaluation capacity and skills of health systems of the Ministries of Health and associated public entities in the areas of eHealth, health system performance assessment, health technology assessment, anti-microbial resistance and long-term care;
- improve the efficiency of health systems through interoperable eHealth systems, more effective clinical governance, costing and payment models, and use of human resources;

- improve access to and the quality of eHealth, medicines, long-term care services, personalised medicine, cancer prevention and care, and ensure sustainable public investments in health systems.

The envisaged support measures for **skills, education and training** will help Member States improve the quality, relevance, inclusiveness, efficiency and sustainability of their skills, education and training systems, in line with national objectives and EU targets. More specifically, they aim to:

- strengthen the capacity of the national, regional, and local actors for curriculum reform design, implementation and evaluation at all levels, using an evidence-based approach;
- strengthen the capacity of the national, regional, and local actors for building the digital skills and capacities that will enable the digital transformation;
- develop reliable forecasting tools and human resources management frameworks for teachers' workforce;
- develop inclusive support measures to improve access of pupils with special education needs to mainstream education and, more broadly, develop the education systems at all levels;
- build monitoring and evaluation systems for the quality of early childhood education and care;
- carry out educational reforms, such as institutionalising doctoral schools and consolidating the academic career framework or introducing all day school in lower secondary education and measuring effectiveness of digital investments in education; and
- improve the evaluation and quality assurance systems of higher education and vocational education and training and increase access to higher education for young people from disadvantaged socio-economic backgrounds.

The support measures under the TSI for **labour market policies** aim to:

- improve adults' participation in training;
- tackling labour market shortages and skills mismatches;
- support the digital and green upskilling and reskilling of workers and the unemployed;
- foster employability and labour market resilience by strengthening public employment services; and
- promote the labour market integration of long-term jobseekers and economically inactive people.

More broadly, the TSI support measures also aim at contributing to improving the administrative and analytical capacities of labour market administrations.

The support measures in the area of **social protection and social welfare** aim at helping Member States to:

- strengthen the capacity of public administrations to design, implement, monitor and evaluate social inclusion policies;
- improve the effectiveness of social protection and social assistance benefits; and
- improve the quality and coverage of social services for vulnerable communities, including children, the elderly, people with a migrant background, and people with disabilities and long-term care needs.

### *c) Expected results*

In the area of **health**, the measures are expected to contribute to: (i) the provision of strategic and operational tools for the governance, planning, monitoring and evaluation of health system resources in the areas of anti-microbial resistance, eHealth, emergency medicine, health system performance assessment, health technology assessment, cancer prevention, genomics and long-term care; (ii) the development and implementation of tools for improving the skills and expertise of the health workforce; (iii) recommendations and tools for improving the accessibility of healthcare and public health, and the effectiveness of payment models and (iv) the design and implementation of effective and efficient care delivery models.

The support measures in the areas of **skills, education and training** are expected to increase the quality, relevance and inclusiveness of education and training and contribute to: (i) an enhanced capacity of the central, regional and local authorities to design, implement and evaluate curriculum reforms, using a more evidence-based approach; (ii) better tools for short- and mid-term workforce planning, based on supply and demand for teachers; (ii) increased inclusiveness and quality of the education system and more equitable learning opportunities for students from disadvantaged socio-economic backgrounds (iii) improved monitoring and evaluation systems for assessing the quality of early childhood education and care and the impact of investments with regards to digitalisation of education; (iv) increased coherence, effectiveness and efficiency of the evaluation and quality assurance for VET and higher education; (v) consolidated academic career reform for enhanced impact and sustainability; (v) increased adults' participation in training.

The support measures supporting **labour market policies** are expected to contribute to: (i) help maintain a high-level of employment through improving the effectiveness of public employment services and the quality and coverage of ALMPs; (ii) an increased offer and availability, better quality and adequate quality assurance system for up and reskilling programmes, in particular in view of equipping people with digital and green skills and to better address labour market requirements and skills mismatches; (iii) increased administrative and analytical capacity of public employment services, including through the systematic collection of data needed for policy design and implementation purposes, more effective governance mechanisms and analytical tools to assess and anticipate labour market developments and profiling of job seekers.

The support measures for **social protection and social welfare** should increase the competent authorities' capacity to prepare, implement, monitor, and evaluate reforms of social policies and programmes. They should contribute to more integrated data collection, stronger analytical capacities and a more integrated administration and provision of benefits and services across various levels of government. The support measures are also expected to strengthen the capacity of the competent authorities to deliver social protection benefits and services, especially to the most vulnerable populations such as, for example, children, the unemployed, the elderly, as well as people with disabilities and long-term care needs.

## **2.5 Financial sector and access to finance**

The TSI will support measures in at least 23 Member States, related to the mitigation of environmental, social and governance (ESG) risks and, more broadly, financial stability risk in the financial sector, the development of financial markets, digital finance and Fintech, anti-money laundering, sanctions implementation, banking resolution and insolvency.

### a) *Priorities for the year*

The agenda of the European Green Deal<sup>47</sup> continues to be at the forefront of the European Union (EU) priorities. The EU has made a number of ambitious commitments, in particular to reach the EU objective of climate neutrality by 2050 and to implement a green transition. The EU sustainable finance framework<sup>48</sup> has a key role to play in delivering on the policy objectives of the European Green Deal. It does this by enabling public and private actors to channel finance to investments that reduce exposure to climate and environmental as well as social and governance risks. In line with the **EU's sustainable finance strategy**,<sup>49</sup> which sets out the operational steps for achieving a climate-neutrality by 2050, DG REFORM actions are urgently needed to embrace the sustainability challenges. In particular, Member States requested support in view of **addressing Environmental, Social and Governance (ESG) risks faced by the financial sector**, as the emerging regulatory framework on sustainable finance calls on financial supervisory authorities to ensure they are managed and supervised. Therefore, funding will support Member States to implement efficiently the EU sustainable finance framework in this area and to improve supervisory capacity. Member States also requested support in view of **reorienting capital flows towards sustainable activities and towards climate adaptation** as the estimated cost of decarbonising will require both public and private investments. Member States will have to define and put in place national frameworks that can promote the development of sustainable financial products and to monitor the compliance and support the application by the market participants of sustainability disclosure requirements laid down in the EU Taxonomy Regulation<sup>50</sup> and Sustainability-related disclosure in the financial services sector Regulation.<sup>51</sup> These efforts also contribute to the objectives of the **Capital Markets Union**<sup>52</sup> and helps to achieve a single market in financial services.

The **digitalisation** of financial markets provides growth opportunities for the future. The importance of ICT solutions in daily functions and operations of the financial sector implies an increasing reliance on their continued availability and integrity. Member States across the EU are seeking to make financial services more digital-friendly and to stimulate responsible innovation and safe and competitive financial services within the EU, in line with the objectives of the Commission's Digital Finance Strategy,<sup>53</sup> adopted in 2020. Part of the funding will be devoted to support the supervisory capacity in the area of financial innovation. Actions will address in particular: support with the use of modern technologies for monitoring of market abuse the use of the Supervisory Technology (SupTech) applications and enhancement authorisation process of innovative technology companies in the financial sector (fin-tech).

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<sup>47</sup> Communication from the Commission on the European Green Deal, COM(2019)640.

<sup>48</sup> 'Sustainable finance' generally refers to the process of taking due account of climate, environmental and social considerations in investment decision-making, leading to increased investments in longer-term and sustainable activities.

<sup>49</sup> [https://ec.europa.eu/info/publications/210706-sustainable-finance-strategy\\_en](https://ec.europa.eu/info/publications/210706-sustainable-finance-strategy_en).

<sup>50</sup> Regulation (EU) 2020/852 of the European Parliament and of the Council of 18 June 2020 on the establishment of a framework to facilitate sustainable investment. OJ L198, 22.6.2020, p. 13 – 43.

<sup>51</sup> Regulation (EU) 2019/2088 of the European Parliament and of the Council of 27 November 2019 on sustainability-related disclosures in the financial services sector. OJ L317, 9.12.2019, p. 1 – 16

<sup>52</sup> [https://ec.europa.eu/info/business-economy-euro/growth-and-investment/capital-markets-union/capital-markets-union-2020-action-plan\\_en](https://ec.europa.eu/info/business-economy-euro/growth-and-investment/capital-markets-union/capital-markets-union-2020-action-plan_en).

<sup>53</sup> [https://ec.europa.eu/info/publications/200924-digital-finance-proposals\\_en](https://ec.europa.eu/info/publications/200924-digital-finance-proposals_en)

Based on the requests of Member States, a portion of the funding will be used to support Member States in their **anti-money laundering and countering of financing of terrorism (AML/CFT)** efforts. Risks of money laundering and the financing of terrorism remain a major concern for the integrity of the Union's financial system and the security of its citizens. Combating money laundering remains a strong priority for the Union, as evidenced by the 2021 package of legislative proposals aimed at strengthening the AML/CFT framework.<sup>54</sup> Funding will be used to support Member State efforts to identify risks in this area as well as to strengthen the capacity of Financial Intelligence Units and supervisors to monitor, analyse and address such risks, especially amongst designated non-financial businesses and professions.

In the area of **sanction** implementation, Member States have witnessed the problem of lack of a harmonized approach, which may jeopardize the effectiveness and credibility of the EU's sanctions policy and the level playing field in the internal market. Therefore, support will be focused on enhancing harmonisation and sharing of good practices in the practical implementation of sanctions.

In the area of **insolvency**, the Commission will assist Member States to put in place fair and efficient insolvency procedures and building administrative capacity in this area. Based on the requests received from Member States, a portion of funding in 2023 will be utilised for support to the area of insolvency with a focus on financial institutions, bearing also in mind the interconnections with the harmonised EU crisis management and deposit insurance framework.

An important element of the **Banking Union**, the Single Resolution Mechanism, ensures timely and orderly resolution of failing financial institutions. The support in this area will focus on the operationalisation of resolution tools by the National Resolution Authorities (NRAs) to enhance their preparedness to implement resolution decisions for failing financial institutions. Support in this area will be directed towards procedural and organisational elements that will be integrated into national resolution handbooks.

Member States also sought support for implementing actions to reinforce broad **financial stability**. Support will help the Member States to implement efficiently EU legislation and guidance to improve supervisory capacity in the financial sector.

#### *b) Objectives pursued*

To achieve the ambition of the European Green Deal, significant investments are needed. In the area of **sustainable finance**, the objective of the support is to assist national authorities towards increasing the administrative capacity of the national authorities to monitor ESG risks and compliance of market participants' disclosure obligations, while also increasing consumers' and investors' awareness of the ESG impact of individual financial choices. The support will further include actions the objective of which is to increase the level of "green" financing through identification of new investment opportunities. Particular focus will be given to the usability questions and the identification of regulatory, institutional as well as market impediments that hinder the achievement of the said objective.

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<sup>54</sup> [https://ec.europa.eu/info/publications/210720-anti-money-laundering-countering-financing-terrorism\\_en](https://ec.europa.eu/info/publications/210720-anti-money-laundering-countering-financing-terrorism_en).

In recent years, an increasing number of innovative technologies and **digital** applications have changed the landscape of finance by giving rise to new business models, applications, processes and products. The unprecedented Covid-19 pandemic further amplified such advances, prompting citizens and businesses to increasingly manage their money and fulfil their financial needs through remote applications or online tools and stimulating the financial industry to invest further in innovation and digitalisation. As a result, regulators and supervisors face the challenge to keep pace with these developments. The objective of the support in the area of **digitalisation of financial markets** is to create a favourable environment for financial innovation, while ensuring appropriate supervisory capacity to identify and manage efficiently arising risks linked with these developments, through dissemination of knowledge on the use of innovative applications of technology in a supervisory practice and spreading of efficient and modern supervisory tools and practices.

Support measures addressing **anti-money laundering and countering of financing of terrorism (AML/CFT)** will aim to help Member States to identify and address material risks. Furthermore, support measures will be targeted at increasing the national authorities' administrative capacity to supervise anti-money laundering activities, implement the EU's legal AML/CFT framework in line with their national needs and to comply with international standards set by the Financial Action Task Force.

The support on **sanctions** will focus on more harmonization in implementing assets freezing measures and sectoral measures to identify key issues, which are understood and treated differently throughout Member States and examine how sanctions implementation is organized amongst national competent authorities with the aim of identifying good practices.

Measures put in place in the area of **insolvency** will have as their objective supporting Member States in their efforts to improve the functioning of their insolvency system by digitalizing the handling of insolvency cases and/or completing legislative efforts initiated during the pandemic. Besides, Member States will also put measures to enhance the consistency of the relevant framework with the financial stability legal framework, for effective liquidation and resolution of financial institutions, in alignment with the EU harmonised crisis management and deposit insurance framework.

The objective of the support measures within **Banking Union**, is to enhance the efforts of National Resolution Authorities (NRAs) to define and implement appropriate processes and methodologies for failing financial institutions. This will contribute to the operationalisation of resolution tools and practices at national level.

The support measures aimed at reinforcing **financial stability** at large will focus on enhancing Member States capacity to maintain financial stability, in particular by increasing the capacity of the authorities to identify and handle financial stability risks, including in the bank, insurance, pensions and capital markets sectors.

### *c) Expected results*

In the area **sustainable finance**, support to Member States is expected to increase national supervisory authorities' administrative capacity to supervise capital market entities, identify sustainable activities, climate and ESG related risks, in particular through an enhanced supervisory processes and tools and through increasing the authorities' capacity to handle

risks that materialise, to ultimately contribute to sustainability and climate objectives and adequate consumer protection. Furthermore, support is expected to contribute to the definition and ultimate adoption of comprehensive policy actions at national level to address the sustainable finance investment gap with public policy instruments, while ensuring private and public financing support the green transition.

With the fast development of **digital finance**, support actions will help the Member States to increase awareness on digital developments within the financial sector, and to support their effort to contribute to develop innovative, efficient and inclusive financial products for consumers and businesses across the EU, while enhancing financial market integration within the single market. The use of modern technologies and tools in daily practice will allow for a more comprehensive use of available data and to enhance the efficiency of supervision. In addition, the support provided through the EU Supervisory Digital Finance Academy, where requested, is expected to allow the creation of a community of digital experts within supervisory authorities across the EU.

Supporting Member States in addressing **money laundering and countering of financing of terrorism (AML/CFT)** is expected to contribute to an identification and reduction of such risks within national economies. This should ultimately lead to national authorities having a greater capacity to recognise and handle such risks in the future and to ensure effective law enforcement.

A more effective and harmonized practice of national competent authorities regarding implementation of **sanctions**, is expected to contribute to enhanced assets freezing, and more legal certainty for EU business operators, in so far as funds or economic resources of designated persons will be handled in the same way, no matter where they are located within the EU.

The expected result from the support measures in the area of **insolvency** is more efficient insolvency procedures by digitalizing the handling of cases, reducing costs, shortening the overall length of proceedings, increasing debt restructurings (vis-à-vis liquidations) and increasing the recovery rates for creditors. Besides, the support measures will also aim at designing a specific and clear legal framework about the insolvency procedure of credit institutions, bearing also in mind the interconnections with the harmonised EU crisis management and deposit insurance framework. The targeted identification of impediments should result in a better understanding by the national authorities of potential areas for improvement and scope of intervention.

The expected result from the support measures provided to National Resolution Authorities (NRAs) is to contribute to a consistent and coherent application of the **EU harmonised crisis management and deposit insurance framework**, reduction of operational and other risks in its practical implementation, maintaining financial stability and better protection of public funds while minimizing the potential impacts on the real economy.

Support measures to reinforce financial stability are expected to allow for improved oversight of risks in the bank, insurance, pensions and capital markets sectors, in particular through new and enhanced supervisory organisation, processes and tools.

## **2.6 Border and migration policies, capacity building to absorb Union funds in relation to RRF and institutional reform in relation to disinformation management**

The TSI will support measures in at least 14 Member States, related to general capacity building support for the implementation of the recovery and resilience plans, migration management, including measures on integration and inclusion attracting and retaining international talent and institutional reform in relation to disinformation management.

### *a) Priorities for the year*

Based on the requests from Member States, the TSI will enhance the **general capacity for the implementation of national recovery and resilience plans**. The RRF requires Member States to put in place arrangements for an effective overall monitoring and implementation of the recovery and resilience plans, including the proposed milestones and targets, and the related indicators. Support funded under the TSI will hence focus on providing general capacity building for enhancing the monitoring, reporting, audit and control mechanisms, the governance structures, the application of the “Do No Significant Harm” principle and the communication strategy for the implementation of the recovery and resilience plans.

Also, based on requests from Member States, the TSI will provide support in the area of **migration management**. Safe and orderly migration is at the heart of the New Pact on Migration and Asylum, which vows to foster migrant integration and enhance their economic participation. Migrants and refugees have been among those most impacted by the Covid-19 pandemic because of, inter alia, job losses in sectors affected by lock-down measures, barriers to access to social care and adequate jobs. Challenges in integration and labour market inclusion have been exacerbated by the arrival of people fleeing Ukraine in the immediate aftermath of Russia’s military aggression. Since 24 February 2022, the EU welcomed over seven million persons displaced from Ukraine. Notwithstanding efforts to strengthen integration and inclusion, as well as notable improvements, much of the potential that migrants and refugees bring with them stays unused. Despite objective opportunities offered by the labour market for skilled work in some sectors, labour market gaps remain, and many migrants and refugees work in jobs below their level of qualification. Administrative and regulatory barriers, discrimination and lack of coordination among national stakeholders make it harder to bridge the integration gap.

In view of the increasing importance to ensure **management of disinformation** within the Union, which is also paramount to issues such as migration and the securing of EU external borders, the TSI will support for institutional reforms to develop strategies and structures to address disinformation campaigns originating from abroad but also within the EU.

### *b) Objective pursued*

Support measures for the **implementation of the recovery and resilience plans** will aim to build capacity to enhance the overall mechanisms set by Member States for the implementation of the recovery and resilience plans as well as for the communication of their benefits.

The support measures in the area of **migration management** will aim at fostering social cohesion, building Member States’ labour market resilience by improving the social

integration and labour market inclusiveness of migrants and people with a migrant background as well enabling European countries to attract and retain international talent. The measures will also take the regional, national and local contexts into account and seek to promote exchanges of practices between Member States in these areas. The TSI support measures also aim at contributing towards improving the administrative and analytical capacities of the administrative bodies in charge of migration management, migrant integration and inclusion, talent attraction and retention policies.

The support measures in the area of **disinformation management** will aim to develop a mechanism with the required tools as well as build capacity for handling disinformation and fake news, in topics related to foreign affairs and diplomacy.

### *c) Expected results*

The support measures for the **implementation of the recovery and resilience plans** are expected to increase Member States' general capacity to implement the national recovery and resilience plans by providing advice on how to enhance the monitoring, reporting, audit and control mechanisms, governance structures, the application of the "Do No Significant Harm" principle and the communication strategy necessary for its implementation.

The support measures in the area of **migration management** are expected to assist in the preparation, monitoring, and evaluation of migration management reforms and programmes, focusing on such areas as migrant integration and inclusion in the labour market, talent attraction and retention. The support measures are therefore expected to strengthen the capacity of the competent authorities to coordinate and to deliver enhanced services to migrants and people with a migrant background, especially to the most vulnerable populations such as refugees, beneficiaries of temporary protection, the low-qualified, unemployed and inactive, or those subject to in-work poverty. The support measures are further expected to contribute to the design and implementation of policies aimed at fighting anti-migrant discrimination. The TSI support measures are expected to contribute to more interoperable and integrated data collection, stronger analytical capacities across various levels of government, exchanges amongst practitioners across cities, regions and national authorities, and promote evidence-based policy making.

The support measures in the area of **disinformation management** are expected to increase the Member States capacity to swiftly react in identifying and debunking disinformation and false narratives on foreign policy topics.

## **2.7 Overview of the allocation of financial resources**

In conclusion, and as explained in Part II, the indicative allocation of financial resources for support measures by thematic area is summarised in the following table:

	Public Financial Management and Revenue Administration	Governance and Public Administration	Sustainable Growth and Business Environment	Labour market, education, health and social services	Financial sector and access to finance	Border and migration policies, capacity building to absorb Union funds in relation to RRF and institutional reform in relation to disinformation management	Total (EUR)
<b>TOTAL (EUR)</b>	<b>17 141 908.00*</b>	<b>31 969 138.00*</b>	<b>27 401 908.00*</b>	<b>20 961 907.00*</b>	<b>15 984 907.00*</b>	<b>5 066 907.00*</b>	<b>119 693 156.59</b>
1) Grants	660 000.00	1 300 000.00	1 380 000.00	1 450 000.00	4 000 000.00	150 000.00	<b>8 940 000.00</b>
2) Public procurement	10 565 000.00	11 277 230.00	13 815 000.00	5 590 000.00	7 185 000.00	3 100 000.00	<b>51 532 230.00</b>
3) Indirect management	5 316 908.00	19 391 908.00	12 206 908.00	13 921 907.00	3 666 907.00	1 816 907.00	<b>56 321 445.00</b>
4.1) Other expenditure (AA/SLA)	600 000.00	-	-	-	1 133 000.00	-	<b>2 899 481.59</b>
4.2) Other expenditure	1 166 481.59						

\* Total is including amounts included in rows 1), 2), 3) & 4.1)

## Part II – Actions to be financed in 2023

### 1. Introduction

On the basis of the objectives laid down in Regulation (EU) 2021/240, this work programme contains the actions to be financed and the budget breakdown for year 2023 as follows:

- a) for grants (implemented under direct management) (point 2) EUR 8 940 000,
- b) for procurement (implemented under direct management) (point 3) EUR 51 532 230,
- c) for actions implemented under indirect management (point 4) EUR 56 321 445,
- d) for other actions or expenditure (point 5) EUR 2 899 481.59.

Legal basis

Regulation (EU) 2021/240 of the European Parliament and of the Council of 10 February 2021 establishing a Technical Support Instrument (OJ L 57, p.1)

Budget line

06.02.02.00 EUR 119 693 156.59

### 2. Grants

The global budgetary envelope reserved for grants under this work programme is EUR 8 940 000. It includes a) grants to be directly awarded based on the type of applicants and the criteria indicated in this Financing Decision and b) grants to be directly awarded to entities already identified in this Financing Decision.

#### 2.1 Direct grants to support structural reforms in the area of public financial management and revenue administration

Priorities for the year, objectives pursued and expected results

The priorities for the year, objectives pursued and expected results of these grants are those of point 2.1 of Part I.

Type of applicants targeted by the direct award/eligible applicants

Direct grants may be awarded to International Financial Institutions (IFI) and other international organisations (to the extent that the current provisions and framework agreements allow the conclusion of grant agreements), Member State ministries and public bodies, not-for-profit international or European expertise associations and networks, and other bodies with a public service mission, private bodies, which, in view of the nature of the action, have specific and recognised competencies, experience and leadership, a high degree of specialisation or administrative power in the field of budget preparation, budget implementation, public financial management and revenue administration reform. Such entities will be identified on the basis of their specific experience in providing support in the fields of budget preparation, budget implementation, reform of public finance management systems, macroeconomic statistics and National Accounts, fiscal policy analysis and modelling, or in supporting tax or customs administration reform processes in

recent years in European or neighbouring countries and proven knowledge of the local context. Direct grants may be awarded also to entities which are in a *de jure* or *de facto* monopoly position.

Description of the activities to be funded by the grant(s) awarded without a call for proposals on the basis of Article 195 of the Financial Regulation.

Support will be provided to carry out the following activities, among others:

- a) the provision of expertise related to policy advice, policy change, formulation of strategies and reform roadmaps, as well as expertise related to legislative, institutional, structural and administrative reforms, such as support in the definition and implementation of a comprehensive tax or customs administration reform or processes; or in the field of fiscal policy analysis and modelling;
- b) the short-term or long-term provision of experts, including resident experts, to perform tasks in specific domains or to carry out operational activities, where necessary with interpretation, translation and cooperation support, administrative assistance and infrastructure and equipment facilities, such as support to improve the budget preparation process and its articulation with spending reviews or to improve the budget implementation process;
- c) institutional, administrative or sectoral capacity building and related supporting actions at all governance levels, also contributing to the empowerment of civil society, including social partners, as appropriate, in particular:
  - (i) seminars, conferences and workshops with, where appropriate, stakeholder involvement;
  - (ii) exchanges of best practices, including, where appropriate, working visits to relevant Member States or third countries to enable officials to acquire or increase their expertise or knowledge in relevant matters;
  - (iii) training actions and the development of online or other training modules to support the necessary professional skills and knowledge relating to the relevant reforms;
- d) the collection of data and statistics, development of common methodologies, including on gender and climate mainstreaming and tracking, and, where appropriate, indicators or benchmarks;
- e) IT capacity building, including expertise related to the development, maintenance, operation and quality control of the IT infrastructure and applications needed to implement the relevant reforms, cybersecurity, open source software and hardware solutions, data protection solutions as well as expertise related to programmes geared towards the digitalisation and interoperability of public services, in particular related to the key public services stipulated by the Digital Decade target as well as in services such as healthcare, education or the judiciary, notably with regard to Financial Management Information System (FMIS) or IT systems dedicated to revenue administration or reform of public financial management processes;
- f) the carrying out of studies, including feasibility studies, research, analyses and surveys, evaluations and impact assessments, including gender impact assessments, and the development and publication of guides, reports and educational material, for example in the field of risk management, audit or other core processes of tax or customs administration;

- g) the establishment and execution of communication projects and strategies for learning, including e-learning, cooperation, awareness-raising, dissemination activities and exchange of good practices, organisation of awareness-raising and information campaigns, media campaigns and events, including corporate communication and, when appropriate, communication through social networks or platforms.

#### Implementation

Directly by DG REFORM

Climate and biodiversity mainstreaming contribution - description of how this action contributes to climate and biodiversity mainstreaming in qualitative and quantitative ways

This action will contribute qualitatively to climate and biodiversity mainstreaming by increasing the quality and efficiency of public administrations in the EU and reducing their impact on climate and biodiversity. In particular, the action should help develop capacities for digital risk assessment and audits in tax administrations.

#### *I. Essential eligibility, selection and award criteria*

Grants may be awarded to entities as set out in Article 12 (3) of Regulation (EU) 2021/240.

Grant beneficiaries will demonstrate their financial capacity by proving that they have stable and sufficient sources of funding to maintain their activity during the period of the grant. Operational capacity will be assessed based on thematic experience in the policy field linked to the action.

In accordance with Article 198(5)(c)(d) of the Financial Regulation, the financial capacity of those beneficiaries that are public bodies, including Member States organisations, or international organisations will not be verified.

The award of grants without a call for proposals in accordance with Article 195, first paragraph, letters (c) or (f) and third paragraph of the Financial Regulation will be duly justified in the award decision. The potential beneficiary will be invited to submit an application, which will be evaluated according to the following main award criteria:

- The extent to which the proposed action is in line with the objectives pursued and the extent to which the proposed outputs present added value in this context; and
- The financial quality of the proposal including a reasonable and realistic budget as well as a sound cost-efficiency ratio.

#### *II. Maximum possible rate of co-financing of the eligible costs: 100%*

### **2.1.1. Direct grant to the Swedish Tax Administration**

*Objectives pursued and expected results*

The objective of the action is to help build the capacity of Greece's Independent Authority for Public Revenue to institutionalise advanced data-driven approaches and skills in the areas of tax auditing, risk management and e-commerce control.

The expected results of the action are enhanced analytical and operational capacities of the auditors and improved efficiency and effectiveness of the tax audits. In the mid and long run, the action will contribute to strengthening tax compliance, reducing the grey economy and tax gap, and ensuring the sustainability of the public finances in Greece.

*Description of the activities to be funded*

Activities to be funded under this specific action entail:

- Analyses of the current data-driven approaches, tools and techniques, tax audit and risk analysis practices, and control over new business models and activities;
- Hands-on capacity building on improving the use of Member State's data warehouse for tax audit purposes;
- Hands-on capacity building on improving Member State's methods and tools for risk analysis and audit case selection;
- Hands-on capacity building on monitoring and auditing e-commerce business activities as well as other new business activities;
- Manual on monitoring and auditing e-commerce;
- Exchange of good practices.

*Amount*

EUR 660 000

Grant beneficiary:

*According to Article 195 (f) of the Financial Regulation, grants may be awarded without a call for proposals to particular bodies for actions with specific characteristics that require a particular type of body on account of its technical competence, its high degree of specialisation or its administrative power, on condition that the actions concerned do not fall within the scope of a call for proposals.*

The grant is to be awarded to the Swedish Tax Agency ("Skatteverket"), the public authority responsible for tax administration in Sweden.

The Swedish Tax Agency has extensive, specific and applied expertise and experience in the core functions and core processes of tax administrations notably in leveraging advanced data-driven approaches and tools for tax risk assessment and tax audits. Having vast practical experience in the action's subject matter, the Agency can tailor and provide highly specialised hands-on expertise necessary for the capacity building under this action. Furthermore, the Agency is in a position to involve sufficient number of skilled staff to cover all objectives of the action.

The Swedish Tax Agency is the best suited entity for this action given its operational and technical capacities, as well as its high degree of specialisation that is required.

The award decision justifying the direct award will be adopted at a later stage.

Implementation: Directly by DG REFORM

Maximum possible rate of co-financing of the eligible costs: 100%

## 2.2 Direct grants to support structural reforms in the area of governance and public administration

Priorities for the year, objectives pursued and expected results

The priorities for the year, objectives pursued and expected results of these grants are those of point 2.2 of Part I.

Type of applicants targeted by the direct award/eligible applicants

Direct grants may be awarded to international organisations (to the extent that the current provisions and framework agreements allow the conclusion of grant agreements) or Member-State ministries and public bodies, other bodies, including private, which in view of the nature of the action, have recognised and relevant technical competence, high degree of specialisation or administrative power in the field of governance and public administration and, more precisely, in the areas of reform of human resources, state organisation, judicial reform, e-government, emergency preparedness, inclusiveness and transparency (including ethics and public procurement). Such entities will be identified on the basis of their specific experience in supporting structural reforms in European and neighbouring countries in recent years in the areas mentioned above, and on the basis of proven knowledge of the local context. Direct grants may be awarded also to entities that are in a de jure or de facto monopoly situation.

Description of the activities to be funded by the grant awarded without a call for proposals on the basis of Article 195 of the Financial Regulation

Support will be provided to carry out the following activities, among others:

- (a) the provision of expertise related to policy advice, policy change, formulation of strategies and reform roadmaps, as well as to legislative, institutional, structural and administrative reforms; e.g.: provision of policy inputs on improvement of human resources management in the public administration;
- (b) the short-term or long-term provision of experts, including resident experts, to perform tasks in specific domains or to carry out operational activities, where necessary with interpretation, translation and cooperation support, administrative assistance and infrastructure and equipment facilities;
- (c) institutional, administrative or sectoral capacity building and related supporting actions at all governance levels, also contributing to the empowerment of civil society, including social partners, as appropriate, in particular:
  - (i) organisation of seminars, conferences and workshops, with, where appropriate, stakeholder involvement;
  - (ii) exchange of best practices, including, where appropriate, working visits to relevant Member States or third countries to enable officials to acquire or increase their expertise or knowledge in relevant matters; e.g. visit to Member States to exchange views and good practices on back-office consolidation experiences;
  - (iii) training actions and the development of online or other training modules to support the necessary professional skills and knowledge relating to the relevant reforms; e.g. design training maps, respectively, for auditors and for staff operating at

- the local level;
- (d) IT capacity building, including expertise related to development, maintenance, operation and quality control of the IT infrastructure and applications needed to implement the relevant reforms, cybersecurity, open source software and hardware solutions, data protection solutions as well as expertise related to programmes geared towards the digitalisation and interoperability of public services, in particular related to the key public services stipulated by the Digital Decade target and the interoperability assessments according to the Interoperable Europe Act as well as in services such as healthcare, education or the judiciary;
  - (e) the carrying out of studies, including feasibility studies, research, analyses and surveys, evaluations and impact assessments, including gender impact assessments, and the development and publication of guides, reports and educational material; e.g. a detailed analysis of the institutional framework of public-sector organisations, with a view to rationalising them and decreasing their number; and
  - (f) the establishment and execution of communication projects and strategies for learning including e-learning, cooperation, awareness-raising, dissemination activities and exchange of good practices, organisation of awareness-raising and information campaigns, media campaigns and events, including corporate communication and, when appropriate, communication through social networks or platforms; e.g. design of targeted communication (web conferences, seminars) to inform stakeholders of new developments in the area of public administration reform and human resource management.

## Implementation

Directly by DG REFORM

Climate and biodiversity mainstreaming contribution - description of how this action contributes to climate and biodiversity mainstreaming in qualitative and quantitative ways

This action will contribute qualitatively to climate and biodiversity mainstreaming by increasing the quality and efficiency of public administrations in the EU and reducing their impact on climate and biodiversity. In particular, the action should help improve auditing capacities and the absorption of EU funds, which should lead to more sustainable policy planning and investments.

### *I. Essential eligibility, selection and award criteria*

Grants may be awarded to entities as set out in Article 12 (3) of Regulation (EU) 2021/240.

Grant beneficiaries will demonstrate their financial capacity by proving that they have stable and sufficient sources of funding to maintain their activity during the period of the grant. Operational capacity will be assessed based on thematic experience in the policy field linked to the action.

In accordance with Article 198(5)(c)(d) of the Financial Regulation, the financial capacity of those beneficiaries that are public bodies, including Member States organisations, or international organisations will not be verified.

The award of grants without a call for proposals in accordance with Article 195, first paragraph, letters (c) or (f) and third paragraph of the Financial Regulation will be duly justified in the award decision. The potential beneficiary will be invited to submit an application, which will be evaluated according to the following main award criteria:

1. The extent to which the proposed action is in line with the objectives pursued and the extent to which the proposed outputs present added value in this context; and
2. The financial quality of the proposal, including a reasonable and realistic budget as well as a sound cost-efficiency ratio.

*II. Maximum possible rate of co-financing of the eligible costs: 100%*

## **2.2.1 Direct grant to the Agency for Economic Development<sup>55</sup>**

### *Objectives pursued and expected results*

#### **Further development of Internal Control System and Internal Audit in the public administration of the Republic of Latvia – Phase II**

The objective of the action, which is a second phase of the SRSP project 20LV07 “Further development of Internal Control System and Internal Audit in the public administration of the Republic of Latvia”, is to provide subsequent technical support to the Ministry of Finance of Latvia for the implementation of outputs developed during the first phase: the strategy for long term development of Public Internal Audit 2022-2026 and the related action plan; the reform of the national certification system of internal auditors in the public sector; and the work methodology for performance auditing. In addition, the action aims at providing support to Latvia in introducing internal audit in local governments in order to comply with a new legal requirement – the mandatory establishment of internal control and internal auditing in local governments as of 1 January 2024.

A strengthened professional public internal audit will ensure a better monitoring and supervision of activities of the public administration at both central and local level, thus improving the functioning of the administration and the transparent, efficient and effective

<sup>55</sup> European Commission, Directorate-General for Employment, Social Affairs and Inclusion, Union of equality: strategy for the rights of persons with disabilities 2021-2030, Publications Office, 2021, <https://data.europa.eu/doi/10.2767/31633>.

management of public finances. In particular, the shift from compliance to performance audits can improve administrative procedures and create budgetary savings.

### **Improve Efficiency of the ESI Funds Absorption Processes in Slovenia**

The objective of the action is to address the challenge of improving ESI Fund absorption in 2021-2027, currently hindered from demanding and gold plated procedures, long duration for relating projects to be assigned and reimbursed to beneficiaries, fragmented approaches for each intermediate body etc. The challenge will be addressed through providing technical support to the Association of Urban Municipalities of Slovenia (ZMOS) to improve the performance of the Integrated Territorial Investments (ITIs). With this multi-level governance instrument (ITI) spanning across multiple organizations and topics, a representative approach to the envisaged reform is expected to be achieved.

The reform will be applied across intermediate bodies, mechanisms, and beneficiaries. Streamlining the processes at all levels of governance will lower administrative burden, decrease turnaround times, speed up absorption of ESI Funds and decrease the required capacity by increasing efficiency. As a broader aspect, the change would directly boost the local economy due to the influx of investment funds.

*Description of the activities to be funded*

## **Further development of Internal Control System and Internal Audit in the public administration of the Republic of Latvia – Phase II**

- Implementation of the new strategy and action plan for long-term development of Public Internal Audit 2022-2026:
  - Provision of experts for the implementation of the measures identified in the strategy and action plan 2022-2026.
  - Further improvement of methodological tools of internal audit (manual and methodology) in order to strengthen the efficiency of public internal audit.
- Development of the internal control system and introduction of internal audit in local governments:
  - Development and implementation of methodological tools for internal auditing in order to introduce the internal audit in local governments.
  - Designing training programmes and materials for internal auditors in local governments.
  - Raising the awareness of the importance of further development of internal control system and usefulness of introduction of internal audit in local governments.
- Implementation of the reform of the national certification system of internal auditors in the public sector:
  - Piloting the national certification system for internal auditors in the public sector, taking into account the international frameworks, standards and EU best practices, train-the-trainer's courses.
- Capacity building on internal auditing, with a focus on performance audits, for Latvian institutions responsible for the implementation of the national recovery and resilience plan:
  - Designing of training curricula and materials for internal auditors, including the practical case studies and on job training materials; train-the-trainers programme.

## **Improve Efficiency of the ESI Funds Absorption Processes in Slovenia**

- Analysis of ITI 2014-2020(2023)
  - Leading data analyses and analyses of the organizational processes at both levels of governance to determine bottlenecks and areas for improvement.
  - Organising study visits.
- Support the development of the ITI 2021-27 Implementation Strategy.
  - Determining ITI organisational structure and processes incorporating good practice input of experience exchange (AT) and external expert' expertise.
- ITI 2021-27 Implementation Action plan and training materials.
  - Supporting the definition of the new implementation structure and systems, required training, and digital support improvements.
  - Preparing ITI training materials for managerial and operational level.
- Training for ITI 2021-27 capacity building.
  - Implementation of training for ITI capacity building for managerial and operational level, at national and municipal governance levels.
- Reform Concept and Guidelines to improve efficiency of the ESI Funds absorption processes in Slovenia.
  - Supporting the development Guidelines for a reform to improve efficiency of absorption processes in Slovenia.
- Roadmap for a possible representation<sub>4</sub> of ZMOS/Slovene Urban municipalities in Brussels.

Feasibility and a roadmap for a possible representation of ZMOS/Slovene Urban municipalities in Brussels.

*Amount*

EUR 900 000
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Grant beneficiary:

*According to Article 195 (f) of the Financial Regulation, grants may be awarded without a call for proposals to particular bodies for actions with specific characteristics that require a particular type of body on account of its technical competence; its high degree of specialisation or its administrative powers, on condition that the actions concerned do not fall within the scope of a call for proposals.*

The grant is to be awarded to the Agency for Economic Cooperation and Development (AED) from Austria.

AED is an Austrian platform offering a range of expert services focused on advising governments, public and semi-public institutions as well as on assisting reform projects in the various sectors. It promotes sustainable international relations, advises donor institutions and beneficiaries and is a recognised partner for the implementation of international projects. Among other, AED's expertise covers good governance, European integration, democratisation and administrative reform, e-government interoperability of cross-border digital public services, digitalisation and regional development (cross border Interregional projects involving Hungary, Slovenia, Italy among others).

#### **Support in the area of internal audit:**

The specific nature of the action and the high degree of political and technical complexity requires that the provider of expertise is an equivalent institution from a Member State. Technical knowledge under this action will be transferred by experts from the Austrian Ministry of Education, Science and Research (MoESR) and the Austrian Ministry of Finance (MoF), while the management of the action will be carried out by AED.

The first phase of the action in Latvia has been successfully implemented by AED. Since the present action is a continuation of a work started in the first phase, the same provider would ensure continuity.

Moreover, AED has successfully delivered, under the same scheme of collaboration with MoESR and MoF, projects in Romania. These projects aimed at reforming the internal audit function in the public sector at central and local level. The combined activities of these projects are similar (or even identical) to the support requested by the Latvian authorities under the current action.

In light of its technical and managerial prerequisites in order to implement a successful reform support and ensure continuity, AED is the best suited body to undertake this technical support action. The award decision justifying the direct award will be adopted at a later stage.

#### **Support in the area of management of EU funds:**

The specific nature of the action and the high degree of political and technical complexity requires that the provider of expertise is an equivalent institution from a Member State. Austria has a relatable and comparable environment to Slovenia (in terms of historical, cultural and geographic proximity).

Technical knowledge under this action will be transferred by experts from the Austrian Association of Municipalities and the Austrian Association of Cities, which could contribute their extensive expertise in supporting similar initiatives in EU countries, while the management of the action will be carried out by AED. AED is best suited to build a close relationship with AT municipalities and cities and ensure that their expertise on best practices can be replicated in Slovenia.

Developing a long-lasting partnership with Austrian entities would transcend the scope of the TSI support measures and would enable future exchanges of best practices and informal learning between cross-border institutions.

In light of its technical and managerial prerequisites in order to implement a successful action and ensure continuity, AED is the best suited body to undertake this technical support action. The award decision justifying the direct award will be adopted at a later stage.

*Implementation:* Directly by DG REFORM

## 2.2.2 Direct grant to European Institute of Public Administration (EIPA) for organising the European Public Sector Award (EPSA)

### *Objectives pursued and expected results*

The objective of the action is to help increase the institutional capacity of public authorities by highlighting exemplary models of innovative public performances and building capacities in public administrations in setting the frame in which other actors (citizens, business and communities) may act. The action is expected to deliver a next edition of the EPSA and result in the exchange of knowledge and the development of a knowledge infrastructure so that acquired knowledge on modernisation of the public sector can be shared in order for others to learn from the European leading edge. The ultimate objective is to strengthen good governance in Europe through highlighting good practices from the public sector and making available the lessons learned.

### *Description of the activities to be funded*

A direct grant will be awarded to the European Institute of Public Administration (EIPA) in order to cover expenses (including the reimbursement of independent experts for the evaluation of projects and the organisation of the final event and of knowledge sharing events) of the seventh edition of the European Public Sector Award (EPSA) 2023 and to support the development of a digital way of disseminating good European practices on public administration reform.

The activities to be performed under this action include, among others:

- Organisation of a call for collection of good practices in public administration reforms;
- Organisation of the evaluation of and jury decision on the good practices that will receive the award;
- Organisation of the award event;
- Knowledge sharing of the good practices through organisation of webinars, workshops and through the use of modern, digital means;
- Stakeholders' engagement, participation and communication.

### *Amount*

EUR 400,000

### Grant beneficiary:

*According to Article 195 (f) of the Financial Regulation, grants may be awarded without a call for proposals to particular bodies for actions with specific characteristics that require a particular type of body on account of its technical competence, its high degree of specialisation or its administrative power, on condition that the actions concerned do not fall within the scope of a call for proposals.*

The grant is to be awarded to EIPA who has been the organiser of the EPSA since 2007. EPSA is the only European wide public sector award and EIAP has therefore gained unique expertise and experience in this area. EIPA is the best-suited entity for this action because of

its high degree of specialisation, its experience in supporting public administration reform, its excellence in knowledge sharing and its administrative power. The award is further financially supported by a number of Member States and other sponsors.

The European Commission has co-funded all previous EPSA awards (2007, 2009, 2011, 2013, 2015, 2017, 2019 and 2021).

The award decision justifying the direct award will be adopted at a later stage.

*Implementation:* Directly by DG REFORM

*Maximum possible rate of co-financing of the eligible costs:* 100%

### **2.3 Direct grants to support structural reforms in sustainable growth and business environment**

Priorities for the year, objectives pursued and expected results

The priorities for the year, objectives pursued and expected results of these grants are those of point 2.3 of Part I.

Type of applicants targeted by the direct award/ eligible applicants

Direct grants may be awarded to international organisations (to the extent that the current provisions and framework agreements allow the conclusion of grant agreements) or Member-State ministries and public bodies, other bodies, including private, which in view of the nature of the action, have recognised and relevant technical competence, a high degree of specialisation or administrative power in the field of investment climate, public assets, natural resources, energy and climate. Such entities will be identified on the basis of their specific experience in supporting structural reforms in European and neighbouring countries in recent years in the areas mentioned above, and on the basis of their proven knowledge of the local context. Direct grants may be awarded also to entities that are in a de jure or de facto monopoly situation.

Description of the activities to be funded by the grant awarded without a call for proposals on the basis of Article 195 of the Financial Regulation.

Support will be provided to carry out the following activities, among others:

- a) the provision of expertise related to policy advice, policy change, formulation of strategies and reform roadmaps, as well as to legislative, institutional, structural and administrative reforms; e.g.: provision of policy inputs on improvement of human resources management in the public administration;
- b) the short-term or long-term provision of experts, including resident experts, to perform tasks in specific domains or to carry out operational activities, where necessary with interpretation, translation and cooperation support, administrative assistance and infrastructure and equipment facilities;
- c) institutional, administrative or sectoral capacity building and related supporting actions at all governance levels, also contributing to the empowerment of civil society, including social partners, as appropriate, in particular:
  - (i) organisation of seminars, conferences and workshops, with, where appropriate, stakeholder involvement;

- (ii) exchange of best practices, including, where appropriate, working visits to relevant Member States or third countries to enable officials to acquire or increase their expertise or knowledge in relevant matters; e.g. visit to Member States to exchange views and good practices on back-office consolidation experiences;
- (iii) training actions and the development of online or other training modules to support the necessary professional skills and knowledge relating to the relevant reforms; e.g. design training maps, respectively, for auditors and for staff operating at the local level;
- d) IT capacity building, including expertise related to development, maintenance, operation and quality control of the IT infrastructure and applications needed to implement the relevant reforms, cybersecurity, open source software and hardware solutions, data protection solutions as well as expertise related to programmes geared towards the digitalisation and interoperability of public services, in particular related to the key public services stipulated by the Digital Decade target as well as in services such as healthcare, education or the judiciary;
- e) the carrying out of studies, including feasibility studies, research, analyses and surveys, evaluations and impact assessments, including gender impact assessments, and the development and publication of guides, reports and educational material; e.g. a detailed analysis of the institutional framework of public-sector organisations, with a view to rationalising them and decreasing their number; and
- f) the establishment and execution of communication projects and strategies for learning including e-learning, cooperation, awareness-raising, dissemination activities and exchange of good practices, organisation of awareness-raising and information campaigns, media campaigns and events, including corporate communication and, when appropriate, communication through social networks or platforms; e.g. design of targeted communication (web conferences, seminars) to inform stakeholders of new developments in the area of public administration reform and human resource management.

## Implementation

Directly by DG REFORM

Climate and biodiversity mainstreaming contribution - description of how this action contributes to climate and biodiversity mainstreaming in qualitative and quantitative ways

This action will contribute qualitatively to climate and biodiversity mainstreaming by supporting the public authorities improving adaptation of coastal areas to climate change.

### *I. Essential eligibility, selection and award criteria*

Grants may be awarded to entities as set out in Article 12(3) of Regulation (EU) 2021/240.

Grant beneficiaries will demonstrate their financial capacity by proving that they have stable and sufficient sources of funding to maintain their activity during the period of the grant. Operational capacity will be assessed based on thematic experience in the policy field linked to the action.

In accordance with Article 198 (5)(c)(d) of the Financial Regulation, the financial capacity of those beneficiaries that are public bodies, including Member State organisations, or international organisations will not be verified.

The award of grants without a call for proposals in accordance with Article 195, first paragraph, letters (c) or (f) and third paragraph of the Financial Regulation will be duly justified in the award decision. The potential beneficiary will be invited to submit an application, which will be evaluated according to the following main award criteria:

- the extent to which the proposed action is in line with the objectives pursued and the extent to which the proposed outputs present added value in this context; and
- the financial quality of the proposal including a reasonable and realistic budget as well as a sound cost-efficiency ratio.

*II. Maximum possible rate of co-financing of the eligible costs: 100%*

### **2.3.1 Direct grant to Coastal and Marine Union (EUCC)**

#### *Objectives pursued and expected results*

Coastal erosion and risks to coastal heritage in the context of climate change are an area where governance problems of locally inherent hazards acting in combination with climate change threaten environmental social and economic well-being in Malta. This challenge needs broad scale models and assessments for embedding the local context in the wider multi-hazard climate risk scenario. However, coastal protection data required to develop these effectively is fragmented across entities and missing in many areas. This is aggravated by the overall lack of reliable data and intelligence on many other environment protection aspects in Malta.

The objective of this action is to connect different levels and types of data and planning instruments to strategically enhance the resilience of key assets that are receptors of the combined risks in practice. In order to provide a basis for concrete adaptation actions, the action needs to combine high-level vulnerability risk assessment with a more refined approach to coastal-climate risks, and then to connect to the more vertical specialised and sector-specific concerns for climate impacts on key assets and values (such as the impacts and vulnerability of coastal heritage assets).

The expected results should lead to a more rationalised and consistent monitoring of coastal changes in the context of the much wider climate change governance challenges. These are expected to fit into an integrated and coherent policy framework with a focus on climate adaptation planning.

#### *Description of the activities to be funded*

Activities to be funded under this specific action entail:

- Development of elements and mechanisms for an umbrella framework, to bridge multi-level planning instruments for Coherent Adaptation Policy and Planning with Integrated Knowledge and Governance for Climate Change (Climate-CAPPING horizontal component). This activity will link broad level risk assessments, data and information, and policy to other levels off climate action linked planning initiatives;
- Development of Collaborative Management and Monitoring approach for coastal areas

(CoMMon Coast component). This activity will build technical and cooperation capacity for surveillance across different entities and disciplines; and

- Detailed and specialised approach to address climate and other impacts through structural vulnerability analysis of buildings to focus on Coastal Heritage and Safeguards against Hazards (CHerISH vertical component). This activity will develop diverse and specialised analysis of the structural properties and vulnerability of different heritage assets at risk from coastal-climate changes and other hazards in a multi-risk environment.

*Amount*

EUR 750 000

**Grant beneficiary:**

*According to Article 195 (f) of the Financial Regulation, grants may be awarded without a call for proposals to particular bodies for actions with specific characteristics that require a particular type of body on account of its technical competence, its high degree of specialisation or its administrative powers, on condition that the actions concerned do not fall within the scope of a call for proposals.*

The **Coastal and Marine Union** (EUCC) is a non-profit organisation with extensive international experience and expertise in coastal conservation. It was founded in 1989 with the aim of promoting an interdisciplinary, European approach to coastal conservation by bridging the gap between scientists, environmentalists, site managers, planners and policy makers. It is the largest network of coastal and marine experts in Europe and neighbouring areas, with 500 member organisations, and has sufficient capacities, including five offices in the EU (an international Secretariat in Leiden (Netherlands), and regional offices in Lithuania, Germany, Spain and France), plus a series of national branches and focal points.

Since 1991, EUCC has worked on Integrated Coastal Zone Management (ICZM), providing policy advice and supporting the implementation of legislation based on the experience of ICZM principles applied to coastal management, especially considering land-sea interactions in the context of coastal and marine policies and best practices for Marine Spatial Planning (MSP) projects.

This body is the best suited for this action since it has the administrative power, the operational and technical competence as well as the degree of specialisation required.

The award decision justifying the direct award will be adopted at a later stage.

*Implementation:* Directly by DG REFORM

*Maximum possible rate of co-financing of the eligible costs:* 100%

### **2.3.2 Direct grant to University of Genoa**

*Objectives pursued and expected results*

The 8<sup>th</sup> Report on Economic, Social and Territorial Cohesion identifies Liguria region among the regions suffering from economic stagnation and/or decline for 15-19 years since 2000, suggesting that the region is in a development trap. The COVID-19 pandemic aggravated the

situation, particularly affecting the tourism sector, a crucial component of the region's economy as well as an important source of employment. The competitiveness of Liguria region is intrinsically connected with the smooth functioning and development of the local infrastructure and the governance coordination among different levels of administration. Employment contraction represents a structural issue in Liguria region, with youth unemployment being particularly severe. The situation is worsened by the aggravated effects of the climate change, including more frequent droughts, and the energy crisis.

This action supports Liguria region in promoting sustainable tourism. It supports reforms of the regional and local authorities to put in place an innovative management model for tourism as a driving force for the neighbouring coastal area and the entire Liguria region. Based on sound evidence, the action will help the authorities to develop eco-friendly tourism and tourism jobs at the island for the resilience of the entire territory. The findings and recommendations will provide important lessons for other territories (islands, closed bays, stretches of the seabed) characterised by similar natural and cultural value.

The action will provide an analysis of the competitive advantages of the region and innovative potential, combined with the appropriate management model as a driving force for the neighbouring coastal area and the entire Liguria region. In this context, long-term growth requires an upskilled labour force and a stronger capacity to innovate. Technical support is expected to enhance the unexplored potential of the coastal parts, with positive implications for the overall region.

#### *Description of the activities to be funded*

Activities to be funded under this specific action entail:

- Preliminary analysis as regards the feasibility of developing sustainable tourism in a local coastal area (Gallinara Island), including recommendations in relation to upskilled labour force
- Report containing strategies and reform roadmaps in relation to sustainable tourism and employability
- Survey on climate change adaptation actions
- Provision of expertise in the drafting of technical specifications and handling of a public procurement procedure on the executive design of natural assets
- Training initiatives for capacity building
- Development of guidance on monitoring the implementation of the sustainable tourism development model
- External communication

#### *Amount*

EUR 520 000

Grant beneficiary:

*According to Article 195 (f) of the Financial Regulation, grants may be awarded without a call for proposals for actions with specific characteristics that require a particular type of body on account of its technical competence and its high degree of specialisation or its administrative powers, on condition that the actions concerned do not fall within the scope of a call for proposals.*

The **University of Genoa** presents the multidisciplinary expertise and knowledge in the development of numerous projects in line with the topics addressed by this action. The University is also part of the "Transition Institute", a memorandum of understanding for the creation of a permanent high-level training and planning laboratory designed to achieve the goals of sustainability, social innovation, economic and territorial development of the city of Genoa, as well as the regional territory of Liguria. The University of Genoa is collaborating with the International Center of Environmental Monitoring (CIMA) foundation, a non-profit research organisation that aims to promote study, scientific research, technological development and higher education in engineering and environmental sciences for public health protection, civil protection and safeguarding ecosystem.

The University is best suited for this action as it has the necessary operational and technical capacity, the particular regional knowledge and understanding of local economic and sustainable context, as well as the required experience in providing analytical, scientific and practical assistance to support this action. The competences of the various departments of the University include, inter alia: estimation of the value of natural capital of species or habitats and of ecosystem services in biophysical and monetary terms and mapping, assessments of the level of environmental sustainability of human activities and the impact they generate on natural capital, assessments of the health status of ecosystems and their trophic network, environmental economics and statistical methods for environmental data analysis aimed at implementing economic strategies to boost the emerging of "Green Communities" as a form of active territorial protection; data collection and data analysis in social analyses; measures and indicators for economic and environmental performances; technical support for the assessment of the willingness-to-pay for high quality environmental products. The University has implemented similar actions in the past. For instance, the University department specialised in science and technology for the environment and technology (e.g. marine biology and ecology), as well as environmental and applied botany, managed the reorganisation and relaunch of the Hanbury Botanical Garden in Imperia (Liguria region) and it is currently coordinating the functioning of such botanical garden. Moreover, the University department specialised in transports logistic and infrastructures successfully collaborates with DG REFORM as provider for the support measure under the SRSP on "New Economic Regulation for Transport in case of Emergency Events" for emergency situations affecting the transportation and logistics system, such as the 2018 fall of the Morandi bridge.

In light of the above, the University is the best suited for this action since it has the operational and technical capacity, as well as the degree of specialisation required.

The award decision justifying the direct award will be adopted at a later stage.

Implementation: Directly by DG REFORM

Maximum possible rate of co-financing of the eligible costs: 100%

### **2.3.3 Direct grant to Halle Institute of Economic Research**

#### *Objectives pursued and expected results*

Higher labour productivity growth is a key factor in raising living standards in advanced economies. However, labour productivity growth in Europe has for long been low. Aggregate labour productivity in major Member States is lagging behind that of frontier

countries.

Policymakers and researchers traditionally have focused on macro-based statistics and indicators, particularly in an international context (e.g. Eurostat data based on national accounts) to understand what is driving this productivity slowdown. However, these statistics and indicators provide only an aggregate picture of productivity growth within and across countries and are not suited to analyse the potentially heterogeneous causal effects of policies on productivity at firm level. The problem is persistent across Europe, hence, six Member States (France, Germany, Latvia, Portugal, Slovakia and Slovenia) have requested technical support under the TSI 2022 call. Austria intends to join them in order to get access to large amounts of harmonized micro-data and exchange expertise for a more effective analysis and design of productivity policies.

The ultimate objective of the action is to provide high quality data that will enhance the capacity and tools of the Austrian Productivity Board (Produktivitätsrat), national ministries and relevant public analytical bodies to carry out productivity analyses. Understanding the drivers of productivity growth and the factors that can explain its secular decline is crucial as the European Union is paving the way for an economic recovery.

#### *Description of the activities to be funded*

Activities to be funded under this specific action entail the development of the micro-data infrastructure with remote execution / access, and featuring the following characteristics:

- the harmonisation of the raw firm-level data using consistent nomenclature of the variables included in the dataset, ensuring homogenous treatment of outliers, and applying identical confidentiality maintenance rules.
- the linkage of the data across different surveys and datasets using firm identifiers at the national level.
- the anonymisation and aggregation of the data using commonly agreed pre-programmed output tools, and confidentiality routines.
- the training of the National Productivity Boards' staff / national ministries to ensure that they can fully exploit the potential of the micro-data infrastructure. By the end of the action, National Productivity Boards / national ministries would develop capacities to use and process data, through the remote access function of the infrastructure.

#### *Amount*

EUR 110 000

#### *Grant beneficiary:*

*According to Article 195 (f) of the Financial Regulation, grants may be awarded without a call for proposals to particular bodies for actions with specific characteristics that require a particular type of body on account of its technical competence; its high degree of specialisation or its administrative powers, on condition that the actions concerned do not fall within the scope of a call for proposals.*

The Halle Institute for Economic Research (IWH) is the host of the Competitiveness Research Network (CompNet) that produces a unique micro-founded dataset covering productivity indicators. IWH is best suited for this action as it has the necessary operational and technical capacity, as well as the required experience in providing analytical, scientific

and practical assistance to support micro-data infrastructure. Since 2012, IWH has provided through CompNet a forum for policy-oriented research in the areas of competitiveness and productivity, taking a firm-level, a macro, and a cross-country perspective. It has an extensive experience in creating, managing and improving a unique dataset with information at firm level featuring a selection of competitiveness-related indicators covering 20 Member States. The dataset, which is currently at its 8<sup>th</sup> vintage, is widely used globally by universities and research teams of European and international organisations. The Commission uses granular information produced by IWH through CompNet in its country monitoring and surveillance activities. IWH is already providing through CompNet technical support on similar TSI 2022 support measures to the National Productivity Boards of six Member States (France, Germany, Latvia, Portugal, Slovakia, Slovenia).

IWH is well placed to i) provide a forum for high-level, policy-oriented research in the areas of competitiveness and productivity (taking a firm-level and a cross-country perspective), and ii) create, manage and enhance a novel firm-level dataset including a selection of fundamental competitiveness-related indicators covering a large number of Member States.

This body is the best suited for this action since it has the operational and technical capacity, as well as the degree of specialisation required.

The award decision justifying the direct award will be adopted at a later stage.

*Implementation:* Directly by DG REFORM

*Maximum possible rate of co-financing of the eligible costs:* 100%

## **2.4 Direct grants to support structural reforms in the area of labour market, education, health and social services**

Priorities for the year, objectives pursued and expected results

The priorities for the year, objectives pursued and expected results of these grants are those of point 2.4 of Part I.

Type of applicants targeted by the direct award/eligible applicants

Direct grants may be awarded to the national authorities, the European Investment Bank group, international organisations, public or private bodies and entities legally established in Member States or the European Free Trade Association countries which are party to the European Economic Area Agreement, Member State ministries, agencies and bodies, other bodies with a public service mission, private bodies and non-for profit international or European expertise associations and networks, which, in view of the nature of the action, have specific and recognised competencies, experience and leadership, high degree of specialisation or administrative power in the field of labour market, emergency preparedness in migration management, health, social services and education.

Such entities will be identified on the basis of their specific experience in supporting structural reforms in European and neighbouring countries in recent years in health care systems, emergency preparedness in migration management, education and training, the labour market and social security and social welfare and on the basis of proven knowledge of the local context. Direct grants may be awarded also to entities that are in a de jure or de facto monopoly situation.

Description of the activities to be funded by the grant awarded without a call for proposals on the basis of Article 195 of the Financial Regulation

Support will be provided to carry out the following activities, among others:

- (a) the provision of expertise related to policy advice, policy change, formulation of strategies and reform roadmaps, as well as legislative, institutional, structural and administrative reforms, for example: setting up a cancer strategy; support to design and implement digital upskilling strategies; support to design quality assurance systems; advice on the reform of the policy and legal framework for interventions for children and adults with disabilities;
- (b) the short-term or long-term provision of experts, including resident experts, to perform tasks in specific domains or to carry out operational activities, where necessary with interpretation, translation and cooperation support, administrative assistance and infrastructure and equipment facilities, for example: provision of specific expertise to support curriculum reform implementation; provision of experts to design university, research and business cooperation strategies; provision of experts to ensure digital transition in education institutions;
- (c) organisation of seminars, conferences and workshops, for example: workshops and exchange of best practice on digital upskilling; conference to define good practices on social inclusion of people with a disadvantaged socio-economic background; multilevel consultation on law implementation;
- (d) exchanges of best practices, including where appropriate, working visits to relevant Member States or third countries, for example: study visits to countries with effective cancer strategies; study visits to gather information about relevant experience of another Member State on reforming its school curricula;
- (e) training actions and the development of online or other training modules, for example: digital skills training for teacher educators;
- (f) the collection of data and statistics, development of common methodologies, including on gender and climate mainstreaming and tracking, and, where appropriate, indicators or benchmarks; development of a framework for the collection and processing of administrative data as well as the strengthening of analytical capacities and tools to design, implement, monitor and evaluate policies;
- (g) IT capacity building, including: expertise in the development, maintenance, operation and quality control of the IT infrastructure and applications needed to implement the reforms, as well as expertise in programmes geared towards the digitalisation of public services;
- (h) studies, research, analyses and surveys, evaluations and impact assessments, and the development and publication of guides, reports and educational material, for example: in-depth assessment of the provision of social services for vulnerable populations;
- (i) communication projects for learning, cooperation, awareness raising, dissemination activities and the exchange of good practices; organisation of awareness-raising and information campaigns, media campaigns and events, including corporate communication and communication.

Implementation

Directly by DG REFORM

Climate and biodiversity mainstreaming contribution - description of how this action contributes to climate and biodiversity mainstreaming in qualitative and quantitative ways

Not applicable.

### *I. Essential eligibility, selection and award criteria*

Grants may be awarded to entities as set out in Article 12(3) of Regulation (EU) 2021/240.

Grant beneficiaries will demonstrate their financial capacity by proving that they have stable and sufficient sources of funding to maintain their activity during the period of the grant. Operational capacity will be assessed based on thematic experience in the policy field linked to the action.

In accordance with Article 198(5)(c)(d) of the Financial Regulation, the financial capacity of those beneficiaries that are public bodies, including Member States organisations, or international organisations will not be verified.

The award of grants without a call for proposals in accordance with Article 195, first paragraph, letters (c) or (f) and third paragraph of the Financial Regulation will be duly justified in the award decision. The potential beneficiary will be invited to submit an application, which will be evaluated according to the following main award criteria:

- the extent to which the proposed action is in line with the objectives pursued and the extent to which the proposed outputs present added value in this context; and
- the financial quality of the proposal, including a reasonable and realistic budget as well as a sound cost-efficiency ratio.

*II. Maximum possible rate of co-financing of the eligible costs: 100%*

## **2.4.1 Direct grant to the European Agency for Special Needs and Inclusive Education (EASNIE)**

### *Objectives pursued and expected results*

The action is linked to priorities in the context of the European Education Area, namely the 2022 Council Recommendation on Pathways to School Success<sup>56</sup>, and the European Strategy on the Rights of Persons with Disabilities<sup>57</sup>. The overall objective of the action is to help Finland and Ireland to promote more equitable learning opportunities, by improving access to mainstream education for pupils with special education needs. In Finland, the action will specifically address existing regional and local disparities in the assessment and attribution of

<sup>56</sup> Council Recommendation of 28 November 2022 on Pathways to School Success and replacing the Council Recommendation of 28 June 2011 on policies to reduce early school leaving (Text with EEA relevance) 2022/C 469/01.

<sup>57</sup> European Commission, Directorate-General for Employment, Social Affairs and Inclusion, Union of equality: strategy for the rights of persons with disabilities 2021-2030, Publications Office, 2021, <https://data.europa.eu/doi/10.2767/31633>.

intensified and special support to children and pupils from early childhood to lower-secondary education; whereas in Ireland the focus will be given to increase participation of students with complex special education needs in mainstream classes and schools in primary and post-primary education. The planned activities will help member states identify and address gaps in the delivery of support measures to pupils with special education needs, with a view to reduce the number of children being educated in segregated environments. Through the action, Finland expects to ensure equity in education across regions and Ireland expects to develop a model of inclusion to respond effectively to children's needs and fight segregationist tendencies towards disability. Both member states expect to foster stakeholders' engagement and improve understanding of the concept of inclusive education, as well as to increase teachers' capacity regarding inclusive education and practices. In the course of the action, Finland and Ireland will benefit from peer learning and international best practice at European level, which will enable the development of sustainable and effective inclusive education systems, adjusted to each country's specificities and context.

*Description of the activities to be funded*

Activities to be implemented by the entity selected entail:

- Review of existing legal framework and recommendations in the field of special education and current supports in this regard;
- Mapping of gaps/barriers and stocktaking of the training programmes and support in place for teachers and school leaders;
- Stakeholder consultation, to collect feedback on existing inclusive education support, and presentation of good practices from Member States and exchanges with selected Member States;
- Designing of an action plan/roadmap to detail goals and actions, including upskilling of teacher profession;
- Communication and capacity building actions.

*Amount*

EUR 1 000 000

Grant beneficiary:

*According to Article 195 (f) of the Financial Regulation, grants may be awarded without a call for proposals to particular bodies for actions with specific characteristics that require a particular type of body on account of its technical competence; its high degree of specialisation or its administrative power, on condition that the actions concerned do not fall within the scope of a call for proposals.*

The grant is to be awarded to the European Agency for Special Needs and Inclusive Education ("the Agency"), which is the best-suited institution to provide the requested support, having the recognised technical competence, operational capacity on the ground and expertise for completing the activities required in the field of inclusive education and related policy reforms. Moreover, the Agency disposes of an extensive network of national experts from all its member countries, which provide advice and can bring in specific knowledge and peer learning elements.

The Agency is an independent European organisation, set-up and led by a group of European ministries of education, with the mandate to act as its member states' platform for collaboration in the field of special needs and inclusive education, maintaining co-operative relationships with other key European and international bodies in this field. Its main aim is to help member countries improve their inclusive policy and practice in the field of education, in line with the European Union's policies, to ensure every learner's right to inclusive and equitable educational opportunities, particularly those with disabilities and/or special education needs, who are more vulnerable to exclusion and segregation. To achieve its aim, the Agency relies on country networks and expert participation, thus combining the perspectives of policy, practice and research, to provide its member countries and stakeholders at European level with evidence-based information and comprehensive recommendations.

The choice of the Agency is further justified by its capacity to promote quality and equity in education, by maintaining extended European collaboration and facilitating effective exchange of knowledge and experience among its member countries, through the development of projects and thematic activities based on peer learning, involving them. Finland and Ireland are members since the beginning of the Agency and have participated in all country policy review and analysis reports, as well in other reports on key priorities in inclusive education, such as *Key Principles – Supporting policy development and implementation of inclusive education, Teacher professional learning for inclusion, the changing role of specialist provision to support inclusive education*<sup>58</sup>.

The Agency has a high degree of specialization in the field of inclusive education policy and practices, as well as vast experience in supporting policy reform in European countries, notably providing assistance to the development of models of inclusion tailored to their specific context. The Agency will therefore be a knowledgeable provider to carry out the activities envisaged in the action.

The award decision justifying the direct award will be adopted at a later stage.

Implementation: Directly by DG REFORM

Maximum possible rate of co-financing of the eligible costs: 100%

### **2.4.3 Direct grant to Maastricht University Medical Centre+**

#### *Objectives pursued and expected results*

The overall objective is to achieve a reorganisation and digital transformation of pathology services in Austria to improve health outcomes and the integration and coordination of services.

To modernise pathology services, the region of Lower Austria needs to develop a new service model. This new service model must meet the needs of the patient population but also improve working procedures and thus the attractiveness of the work environment for clinicians, other health professions, managers and support staff. Lower Austria is seeking support from the Commission to develop a process model and implementation roadmap as well as support capacity building.

<sup>58</sup>

<https://www.european-agency.org/resources/publications>.

The action is linked to the priority of supporting the digitalisation of health systems under the European Health Data Space, as well as the implementation of Europe’s Beating Cancer Plan.

The expected result of the requested support is the rollout of a new process model in pathology as well as the full preparation of the digitalization of the pathology system within the lower Austrian region. In the long run, this will contribute to improving the overall resilience of the health system.

*Description of the activities to be funded*

Activities to be funded under this specific action entail:

- Mapping of current processes, requirements and expectations for pathology services
- Development of a new, digital process model for pathological services
- Support to the development of an implementation roadmap
- Support and capacity building for the drafting of tender documents to procure soft- and hardware solutions for digital pathology
- Train-the-trainers courses to build capacity among clinical and administrative staff involved in organizing and providing pathology services
- Facilitation of the exchange of good practices with other Member States.

*Amount*

EUR 450 000

Grant beneficiary:

*According to Article 195 (f) of the Financial Regulation, grants may be awarded without a call for proposals to particular bodies for actions with specific characteristics that require a particular type of body on account of its technical competence; its high degree of specialisation or its administrative power, on condition that the actions concerned do not fall within the scope of a call for proposals.*

The grant is to be awarded to Maastricht University Medical Centre+ (“MUMC+”). MUMC+ is a public university hospital in the city of Maastricht and a partnership between Maastricht University Hospital and Maastricht University's Faculty of Health, Medicine & Life Sciences. Maastricht University is a public institution of higher education established in 1976 by the Dutch government and a leading European university. The specific action will be implemented by the Department of Pathology within MUMC+.

MUMC+, and specifically its Department of Pathology, is the organisation best suited to provide the requested support, due to its nature as a leading entity in pathology and its administrative capacity to carry out the action in question.

The Department of Pathology of MUMC+ has a high degree of specialisation in the field of digital pathology as proven by its scientific publications. It can also rely on a large team of experts, which have both a strong academic and clinical background as well as extensive experience in the implementation and use of digital pathology services, including in three Dutch hospitals, thereby enabling MUMC+ to perform the actions.

The award decision justifying the direct award will be adopted at a later stage.

Implementation: Directly by DG REFORM

Maximum possible rate of co-financing of the eligible costs: 100%

## **2.5 Direct grants to support structural reforms in the area of financial sector and access to finance**

Priorities for the year, objectives pursued and expected results

The priorities for the year, objectives pursued and expected results of these grants are those of point 2.5 of Part I.

Type of applicants targeted by the direct award/eligible applicants

Direct grants may be awarded to the national authorities, the European Investment Bank group, international organisations, public or private bodies legally established in Member States or the European Free Trade Association countries which are party to the European Economic Area Agreement, Member State ministries, agencies and bodies, other bodies with a public service mission, private bodies and non-for profit international or European expertise associations and networks, which, in view of the nature of the action, have specific and recognised competencies, experience and leadership, high degree of specialisation or administrative power in the field of labour market, emergency preparedness in migration management, health, social services and education. Such entities will be identified on the basis of their specific experience in supporting structural reforms in European and neighbouring countries in recent years in health care systems, emergency preparedness in migration management, education and training, the labour market and social security and social welfare and on the basis of proven knowledge of the local context. Direct grants may be awarded also to entities that are in a de jure or de facto monopoly situation.

Description of the activities to be funded by the grant awarded without a call for proposals on the basis of Article 195 of the Financial Regulation

Support will be provided to carry out the following activities, among others:

- (a) the provision of expertise related to policy advice, policy change, formulation of strategies and reform roadmaps, as well as legislative, institutional, structural and administrative reforms, in particular with regard to possible regulatory developments in the area of sustainable finance;
- (b) the short-term or long-term provision of experts, including resident experts, to perform tasks in specific domains or to carry out operational activities, where necessary with interpretation, translation and cooperation support, administrative assistance and infrastructure and equipment facilities;
- (c) organisation of seminars, conferences and workshops, with, where appropriate, stakeholder involvement; for example: workshops and exchange of best practice on supervisory approaches to ESG risks and related methodologies;
- (d) exchanges of best practices, including where appropriate, working visits to relevant Member States or third countries, to enable officials to acquire or increase their expertise or knowledge in relevant matters;
- (e) training actions and the development of online or other training modules, in particular

concerning ESG regulatory requirements and risks;

- (f) the collection of data and statistics, as well as the development of common methodologies and, where appropriate, indicators or benchmarks; the development of a framework for the collection and processing of administrative data as well as the strengthening of analytical capacities and tools to design, implement, monitor and evaluate financial sector risks;
- (g) IT capacity building, including: expertise in the development, maintenance, operation and quality control of the IT infrastructure and applications needed to implement reforms, as well as expertise in programmes geared towards the digitalisation of supervisory activities with a focus on sustainable finance supervision;
- (h) studies, research, analyses and surveys, evaluations and impact assessments, and the development and publication of guides, reports and educational material;
- (i) communication projects and strategies for learning, including e-learning, cooperation, awareness raising, dissemination activities and the exchange of good practices; organisation of events, including corporate communication and communication.

## Implementation

Directly by DG REFORM

Climate and biodiversity mainstreaming contribution - description of how this action contributes to climate and biodiversity mainstreaming in qualitative and quantitative ways

This action will contribute qualitatively to climate and biodiversity mainstreaming, by promoting transparency on financial markets through the monitoring of ESG risks in the financial sector and compliance with the EU sustainable finance regulatory framework, while also increasing consumers and investors' awareness of sustainability risks and opportunities.

### *I. Essential eligibility, selection and award criteria*

Grants may be awarded to entities as set out in Article 12(3) of Regulation (EU) 2021/240.

Grant beneficiaries will demonstrate their financial capacity by proving that they have stable and sufficient sources of funding to maintain their activity during the period of the grant. Operational capacity will be assessed based on thematic experience in the policy field linked to the action.

In accordance with Article 198(5) of the Financial Regulation, the financial capacity of those beneficiaries that are public bodies or international organisations will not be verified.

The award of grants without a call for proposals in accordance with Article 195, first paragraph, letters (c) or (f) and third paragraph of the Financial Regulation will be duly justified in the award decision. The potential beneficiary will be invited to submit an application, which will be evaluated according to the following main award criteria:

- the extent to which the proposed action is in line with the objectives pursued and the extent to which the proposed outputs present added value in this context; and
- the financial quality of the proposal, including a reasonable and realistic budget as well as a

sound cost-efficiency ratio.

*II. Maximum possible rate of co-financing of the eligible costs: 100%*

**2.5.1 Direct grant to a consortium of universities composed of i) Università Ca' Foscari Venezia (UNIVE) (project lead), ii) University of Zurich (UZH), and iii) Leibniz-Institut für Finanzmarktforschung SAFE e.V. (SAFE)**

*Objectives pursued and expected results*

In recent years, the interplay between the financial system and ESG concerns has gathered increased relevance and attention. The financial sector clearly plays a pivotal role in managing the effects of ESG risks, while being itself exposed to their impacts under multiple dimensions. Among such risks, environmental ones have become the most urgent, given the increased occurrence, severity and geographical spread of climate change-related natural disasters, the need to account for political commitments to climate neutrality, and the massive resources needed to turn economy into “sustainable”.

In the context of a dynamically evolving EU sustainable finance regulatory framework, the national financial supervisory authorities are facing challenges with respect to identifying, monitoring and assessing the impact of ESG risks on supervised entities and the entire financial sector, overseeing compliance with ESG-related obligations (including disclosure and reporting requirements), and adopting appropriate supervisory responses. To address these issues, financial supervisory authorities need to implement a holistic, data-driven supervisory approach in all ESG-related aspects, with a view to safeguard financial stability, resilience and transparency of individual institutions, prevent greenwashing and support the development of green finance.

DG REFORM selected 12 requests for the “ESG risk management framework for the Financial sector” flagship initiative proposed to Member States for submission as technical support requests, from 11 Member States (BG, CY, EL, FI, FR, HR, IE, IT, LV, RO, SI), covering different combinations of the proposed 12 support measures proposed in this flagship. [Out of the 12 selected requests, 11 fall within the scope of the activities of this grant.]

*Description of the activities to be funded*

Activities to be implemented by the entities selected entail:

- Data sources and analysis: the selected entity will support the beneficiary authorities in:
  - Identifying data available for the exercise of supervisory functions related to the ESG regulatory framework;
  - Addressing existing data gaps for the efficient and effective exercise of supervisory functions related to the ESG regulatory framework, based on international best practices, taking also into account existing and prospective reporting obligations from relevant financial sectors and institutions;
  - Implementing disclosure and reporting requirements and obligations, taking into account existing data availability and quality, as well as current reporting systems, advising – as appropriate – on possible ways to streamline the collection, processing, and analysis of data;
  - Advising on the development of innovative supervisory analytical tools aimed at overseeing disclosure and reporting obligations by relevant financial institutions and companies;
- Development of methodologies and tools: the selected entities will support the beneficiary authorities in:
  - Developing suitable prudential metrics for the monitoring of ESG risks concerning specific markets, sectors, or groups of financial institutions;
  - Integrating advanced ESG risk assessment methodologies and stress-testing scenarios within financial supervisory authorities' existing supervisory review processes and cycles;
  - Developing internal supervisory handbooks, methodologies, and tools, as appropriate, to enable the monitoring and assessment of the application by supervised institutions of sustainability-related provisions in the designing and marketing of financial products;
  - Developing internal supervisory guidance and/or expectations addressed to supervised institutions and/or other obliged entities, as appropriate, for the design and implementation of adequate governance arrangements to manage ESG risks;
  - Providing to a specific sub-set of concerned authorities an evidence-based assessment of the insurance protection gap with regard to natural disasters, and recommendations to tackle the relative causes;
- Capacity building and awareness raising: the selected entities will support the beneficiary authorities in:
  - Assessing stakeholders' capacity to understand, identify and respond to ESG risks, opportunities and challenges, providing recommendations to raise awareness and drive change;
  - Organizing cross-sectoral capacity building exchanges among competent authorities, including workshops, study visits and personnel exchanges, with a view to promote convergence and dissemination of emerging assessment and management standards for ESG risks; and
  - Organizing conferences and/or public events to raise awareness.

*Amount*

EUR 4 000 000

Grant beneficiary:

*According to Article 195 (f) of the Financial Regulation, grants may be awarded without a call for proposals to particular bodies for actions with specific characteristics that require a particular type of body on account of its technical competence; its high degree of specialisation or its administrative power, on condition that the actions concerned do not fall within the scope of a call for proposals.*

The grant is to be awarded to the consortium of universities composed of i) Università Ca' Foscari Venezia (UNIVE) (project lead), ii) University of Zurich (UZH), and iii) Leibniz-Institut für Finanzmarktforschung SAFE e.V. (SAFE) (hereinafter "the Consortium"), which is best-suited to provide the requested support, having the recognised technical competence and expertise for completing the activities required in the field of sustainable finance and related policy reforms.

The Consortium encompasses a group of universities that have a demonstrated experience in managing and implementing projects in the area of sustainable finance, in carrying out advanced academic research in in the same area, and in the development of suitable models for the monitoring and assessment of risks for the financial sector and the economy pertaining to sustainability.

In particular, it is noted that:

i) The Consortium has a strong common track record and technical expertise in the field of sustainable finance, climate finance and ESG topics in the financial sector covering amongst others climate credit risks, ESG disclosures or ESG credit ratings as confirmed by many **research projects**, funded by the European Union under the Horizon 2020 framework programme, Life programme as well as other international and national institutions.

ii) The Consortium's stands in the front of **bringing the first scientific evidence** of the relation between climate risks, ESG risks and credit risks and on this basis also leads in the **development and application of science-based methodologies** for ESG and climate-finance risk assessment that have been used by the European Central Bank (ECB), European Investment Bank (EIB), the European Insurance and Occupational Pensions Authority (EIOPA) or the European Banking Authority (EBA).

iii) The Consortium's research, methodological work and **joint publications** have been also used by or contributed to the work of several EU Member States' and third country supervisory authorities as well as international organisations such as International Monetary Fund (IMF), World Bank (WB) or G20.

iv) Finally the Consortium has a comprehensive track record in **facilitating a joint annual academic conference** on sustainable finance topics, where since 2019 the Consortium's representatives are part of the scientific committee and provide advice on the various topics of sustainable finance in the concept design of the conference.

The award decision justifying the direct award will be adopted at a later stage.

Implementation: Directly by DG REFORM

Maximum possible rate of co-financing of the eligible costs: 100%

## **2.6 Direct grants to support structural reforms in the area of border and migration policies, capacity building to absorb Union funds in relation to RRF and institutional reform in relation to disinformation management**

Priorities for the year, objectives pursued and expected results

The priorities for the year, objectives pursued and expected results of these grants are those of point 2.6 of Part I.

Type of applicants targeted by the direct award/eligible applicants

Direct grants may be awarded to international organisations (to the extent that the current provisions and framework agreements allow the conclusion of grant agreements) or Member-State ministries and public bodies, other bodies, including private, which in view of the nature of the action, have recognised and relevant technical competence, a high degree of specialisation or administrative power in the field of border and migration policies, recovery and resilience as well as institutional reform in relation to disinformation management. Such entities will be identified on the basis of their specific experience in supporting structural reforms in European and neighbouring countries in recent years in the areas mentioned above, and on the basis of their proven knowledge of the local context. Direct grants may be awarded also to entities that are in a de jure or de facto monopoly situation.

Description of the activities to be funded by the grant(s) awarded without a call for proposals on the basis of Article 195 of the Financial Regulation.

Support will be provided to carry out the following activities, among others:

- a) the provision of expertise related to policy advice, policy change, formulation of strategies and reform roadmaps, as well as to legislative, institutional, structural and administrative reforms; e.g.: provision of policy inputs to develop strategic approach to managing disinformation;
- b) the short-term or long-term provision of experts, including resident experts, to perform tasks in specific domains or to carry out operational activities, where necessary with interpretation, translation and cooperation support, administrative assistance and infrastructure and equipment facilities;
- c) institutional, administrative or sectoral capacity building and related supporting actions at all governance levels, also contributing to the empowerment of civil society, including social partners, as appropriate, in particular:
  - (iv) organisation of seminars, conferences and workshops, with, where appropriate, stakeholder involvement;
  - (v) exchange of best practices, including, where appropriate, working visits to relevant Member States or third countries to enable officials to acquire or

increase their expertise or knowledge in relevant matters; e.g. visit to Member States to exchange views and good practices on back-office consolidation experiences;

- (vi) training actions and the development of online or other training modules to support the necessary professional skills and knowledge relating to the relevant reforms; e.g. design training courses for staff of the Ministry of Foreign affairs;
- d) IT capacity building, including expertise related to development, maintenance, operation and quality control of the IT infrastructure and applications needed to implement the relevant reforms, cybersecurity, open source software and hardware solutions, data protection solutions as well as expertise related to programmes geared towards the digitalisation of public services;
- e) the carrying out of studies, and the development and publication of guides, reports and educational material; e.g. an analysis identifying, elaborating and rebutting disinformation and false narratives in topics related to foreign affairs and public diplomacy, in line with the respective EU guidance; and
- f) the establishment and execution of communication projects and strategies for learning including e-learning, cooperation, awareness-raising, dissemination activities and exchange of good practices, organisation of awareness-raising and information campaigns, media campaigns and events, including corporate communication and, when appropriate, communication through social networks or platforms; e.g. design of targeted communication (web conferences, seminars) to inform stakeholders of new developments in the area of managing disinformation.

## Implementation

Directly by DG REFORM

Climate and biodiversity mainstreaming contribution - description of how this action contributes to climate and biodiversity mainstreaming in qualitative and quantitative ways

This action will contribute qualitatively to climate and biodiversity mainstreaming by increasing the quality and efficiency of public administrations in the EU and reduce their impact on climate and biodiversity.

### *I. Essential eligibility, selection and award criteria*

Grants may be awarded to entities as set out in Article 12 (3) of Regulation (EU) 2021/240.

Grant beneficiaries will demonstrate their financial capacity by proving that they have stable and sufficient sources of funding to maintain their activity during the period of the grant. Operational capacity will be assessed based on thematic experience in the policy field linked to the action.

In accordance with Article 198(5)(c)(d) of the Financial Regulation, the financial capacity of those beneficiaries that are public bodies, including Member States organisations, or international organisations will not be verified.

The award of grants without a call for proposals in accordance with Article 195, first paragraph, letters (c) or (f) and third paragraph of the Financial Regulation will be duly justified in the award decision. The potential beneficiary will be invited to submit an application, which will be evaluated according to the following main award criteria:

- The extent to which the proposed action is in line with the objectives pursued and the extent to which the proposed outputs present added value in this context; and

- The financial quality of the proposal including a reasonable and realistic budget as well as a sound cost-efficiency ratio.

*II. Maximum possible rate of co-financing of the eligible costs: 100%*

## **2.6.1 Direct grant to the Aristotle University of Thessaloniki**

### *Objectives pursued and expected results*

The objective of the action is to strengthen the capacity of the Greek Ministry of Foreign Affairs (MFA) in handling disinformation and fake news by optimally using existing (EU) tools in an efficient and coordinated manner.

The expected result is the setting up of a disinformation response Unit/Task Force within the MFA with the task of identifying, elaborating and rebutting disinformation and false narratives in topics related to foreign affairs and public diplomacy, in line with the respective EU guidance. The data will be collected with the help of the existing Media Monitoring tools of the MFA and the Press Services of the Greek Embassies abroad. The task force will also be capacitated to provide a coordinated response to disinformation campaigns.

Activities to be funded under this specific action entail:

- Development of a strategy for handling disinformation and fake news and proposal for the optimal use of existing tools in an efficient and coordinated manner;
- Development of a reporting tool calibrated to the needs of the Greek authorities;
- Proposal for the set-up of a disinformation response Unit/Task Force within the MFA;
- Guidance and recommendations for the setting up of a pilot Osint (Open Source Intelligence Software) unit;
- Trainings and capacity building activities of the staff of the MFA (Diplomatic Corps, Press Councillors etc) with the topic and forms of disinformation, the negative impact of ‘fake news’ mechanisms and the risks related to foreign manipulation in the current digital information ecosystem.

*Description of the activities to be funded*

Amount

EUR 150 000

Grant beneficiary:

*According to Article 195 (f) of the Financial Regulation, grants may be awarded without a call for proposals to particular bodies for actions with specific characteristics that require a particular type of body on account of its technical competence, its high degree of specialisation or its administrative power, on condition that the actions concerned do not fall within the scope of a call for proposals.*

The grant is to be awarded to the Aristotle University of Thessaloniki.

The University of Thessaloniki, and, in particular their Peace Journalism Lab in the department of School of Journalism and Mass Communications, has been very active in the field of fighting disinformation in Greece. They have very specific and unique profiles and expertise that is tailored to this action, specifically in developing a strategy and providing capacity building to the MFA staff that will form part of this disinformation Task Force. The University has an ongoing cooperation with the MFA and hence possesses a very good knowledge of the technical support needs of the Ministry.

It is a Center of Excellence with extensive experience in the field of disinformation management. The Peace Journalism Lab, accredited and part of the UN Academic Impact Network, has been the only university in the EU whose experts have been involved in the elaboration and upscaling of the tools to address disinformation in Greece and they have a proven expertise in tackling disinformation through past experience in training Greek journalists or through the development of networks in order to tackle disinformation. The University has also been active in the Fake News Hunters initiative in 7 countries (Greece, Italy, Armenia, Romania, Kosovo, Georgia, N. Macedonia) to analyse/tackle disinformation narratives in these countries and has been involved in the development of new tech tools in order to fight disinformation. The University is also part of the Mediterranean Digital Media Observatory (MEDMO) and has developed an open source of intelligence unit to address modern challenges.

Due to the exceptionally high degree of specialization and of technical competence required, and the extensive experience, this would be the best-suited entity for this action.

The award decision justifying the direct award will be adopted at a later stage.

Implementation: Directly by DG REFORM

Maximum possible rate of co-financing of the eligible costs: 100%

In case the actions set out for implementation through grants (direct management) in Section 2 cannot be implemented under this delivery mode, they will be implemented through public procurement (direct management) within the procurement activities set out in point 3.1 (Procurement activities for implementation of Technical Support Instrument).

### 3. Procurement

The global budgetary envelope reserved for procurement contracts in year 2023 is EUR 51 532 230.

#### 3.1. Procurement activities for implementation of the Technical Support Instrument

General description of the contracts envisaged (*study / technical support / evaluation / survey / IT / communication services/etc.*)

Based on the requests of the Member States, specific technical support measures will be undertaken in the policy areas referred to in Article 5 of the Regulation (EU) 2021/240 of the European Parliament and of the Council of 10 February 2021 establishing a Technical Support Instrument. The contracts may, *inter alia*, be used for studies, provision of technical support, carrying out surveys, monitoring, evaluation, etc.

These activities will support Member States national authorities in their efforts to implement reforms. The contracts will serve the priorities and objectives referred to in Part I of this document.

Type of contracts:

- 1) direct contracts;
- 2) specific contracts based on existing or new framework contracts, including framework contracts for the provision of technical support for the implementation of structural reforms under the Instrument.

Current DG REFORM Multiple Framework contract

The maximum amount for the current multiple framework contract is EUR 350 000 000 and it may be used until 25 May 2024 (with a possible increase of the ceiling following a negotiated procedure).

#### Implementation

Directly by DG REFORM

Climate and biodiversity mainstreaming contribution - description of how this action contributes to climate and biodiversity mainstreaming in qualitative and quantitative ways

This action will contribute qualitatively to climate and biodiversity mainstreaming, by increasing the quality and efficiency of public administrations in the EU and reduce their impact on climate and biodiversity. In particular, the action should help improve the following aspects:

- Capacity to better integrate sustainable development in the functioning of public administrations
- Promotion and development of digital administration, in particular at local level
- Development smart cities and better local democracy, thus improving the assessment of local challenges
- Promotion of evidence-based policy
- Foresight and crisis preparedness
- Integration of the Do No Significant Harm principle in public investment management

processes at level of Member State administrations

- Developing capacity to macro-economic impacts of climate risks
- Adapting higher education and Vocational Education and Training curricula to the market needs, including the need to develop green competences
- Upskilling of workers on green skills, in particular in tourism sector
- Develop capacity to communicate the benefits of the recovery and resilience plans to the general public, including for reforms or investments linked to climate and biodiversity mainstreaming;
- Enhance the application of the Do-No-Significant-Harm principle in RRP investments.
- Energy renovation of buildings
- Acceleration of renewable energy development, in particular through improved permitting processes
- Prevention of wildfires
- Implementation of climate adaptation strategies and measures
- Enhance monitoring of ESG risk in the financial sector

Type of contracts: direct contracts and specific contracts based on existing and new framework contracts, including framework contracts for the provision of technical support for the implementation of structural reforms under the TSI.

By DG NEAR under co-delegation for the provision of technical assistance under TAIEX to institutions in those Member States that have requested support (e.g. expert missions) up to EUR 4 337 230.

In case the actions set out for implementation through public procurement (direct management) cannot be implemented under this delivery mode, due to circumstances outside of the control of the Commission, they will be implemented through indirect management in accordance with the criteria set out in Section 4 (Actions implemented in indirect management in accordance with Article 62(1)(c) of the Financial Regulation).

#### **4. Actions implemented under indirect management**

The global budgetary envelope reserved for indirect management under this work programme is EUR 56 321 445.

It includes contribution agreements<sup>59</sup> to be signed with entities selected on the base of the criteria indicated in this Financing Decision to the extent that the current provisions and framework agreements allow the conclusion of agreements under indirect management.

In line with the Financial Regulation the following activities will be implemented under the indirect management mode in view of the type of the implementing entity. Entities falling within Article 62(1)(c) of the Financial Regulation or Article 156(3) of the Financial Regulation, which have undergone an ex ante assessment (i.e. pillar assessment of the relevant entity) of their procedures and systems, guaranteeing a level of protection of the EU

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<sup>59</sup> Agreements with World Bank are called administration agreements (equivalent to contribution agreements).

financial interests equivalent to that guaranteed by the Commission when it implements the EU budget directly or have been exempted by the Commission from the pillar assessment requirement in accordance with Article 154(6) FR will act under indirect management for the tasks they will undertake to implement the actions.

#### **4.1. Contribution agreements to support structural reforms in the area of public financial management and revenue administration**

Criteria for selecting an implementing entity:

Article 110(f) of the Financial Regulation provides for setting out of the criteria for selecting an entity in the Financing Decision. The criteria to be used for selecting an implementing entity, considering the nature of the action, are as follows:

1. The entity satisfies the requirements set out in Article 154(4) of the Financial Regulation. When the entities concerned comply only partially with Article 154(4) of the Financial Regulation, the Commission shall take appropriate supervisory measures as provided for in Article 154(5) of the Financial Regulation;
2. The entity's financial and operational capacity is adequate;
3. The entity has specific knowledge and recognised competencies in the relevant field;
4. The entity has extensive experience and leadership in the domain; and
5. The entity is active in the subject area in the European Union or in any other European country.

Description

The objectives pursued and expected results of the actions are those of point 2.1 of Part I.

The actions that can be financed through indirect management are outlined in Article 8 of the Regulation (EU) 2021/240 of the European Parliament and of the Council of 10 February 2021 establishing a Technical Support Instrument (OJ L 57, p. 1).

Climate and biodiversity mainstreaming contribution - description of how this action contributes to climate and biodiversity mainstreaming in qualitative and quantitative ways

This action will contribute qualitatively to climate and biodiversity mainstreaming by increasing the quality and efficiency of public administrations in the EU and reduce their impact on climate and biodiversity. In particular, the action should help improve the following aspects:

- Promotion and development of digital tax and customs administrations
- Increasing institutional efficiency and effectiveness
- Improving the quality of public financing
- Increasing housing affordability and compliance with up-to-date energy standards

#### **4.2. Contribution agreements to support structural reforms in the area of governance and public administration**

Criteria for selecting an implementing entity:

Article 110(f) of the Financial Regulation provides for setting out of the criteria for selecting an entity in the Financing Decision. The criteria to be used for selecting an implementing entity, considering the nature of the action are as follows:

1. The entity satisfies the requirements set out in Article 154(4) of the Financial Regulation. When the entities concerned comply only partially with Article 154(4) of the Financial Regulation, the Commission shall take appropriate supervisory measures as provided for in Article 154(5) of the Financial Regulation;
2. The entity's financial and operational capacity is adequate;
3. The entity has, specific knowledge and recognised competencies in the relevant field;
4. The entity has extensive experience and leadership in the domain;
5. The entity is active in the subject area in the European Union or in any other European country.

#### Description

The objectives pursued and expected results of the actions are those of point 2.2 of Part I.

The actions that can be financed through indirect management are outlined in Article 8 of the Regulation (EU) 2021/240 of the European Parliament and of the Council of 10 February 2021 establishing a Technical Support Instrument (OJ L 57, p. 1).

Climate and biodiversity mainstreaming contribution - description of how this action contributes to climate and biodiversity mainstreaming in qualitative and quantitative ways

This action will contribute qualitatively to climate and biodiversity mainstreaming, by increasing the overall quality and efficiency of the public administration and reduce their impact on climate and biodiversity. In particular, it will help improve the following elements: better regulation and evidence informed policy making, procurement, integrity and democracy.

### **4.3. Contribution agreements to support structural reforms in the sustainable growth and business environment**

#### Criteria for selecting an implementing entity

Article 110(f) of the Financial Regulation provides for setting out of the criteria for selecting an entity in the Financing Decision. The criteria to be used for selecting an implementing entity, considering the nature of the action are as follows:

1. The entity satisfies the requirements set out in Article 154(4) of the Financial Regulation. When the entities concerned comply only partially with Article 154(4) of the Financial Regulation, the Commission shall take appropriate supervisory measures as provided for in Article 154(5) of the Financial Regulation;
2. The entity's financial and operational capacity is adequate;
3. The entity has specific knowledge and recognised competencies in the relevant field;
4. The entity has extensive experience and leadership in the domain;
5. The entity is active in the subject area in the European Union or in any other European country.

## Description

The objectives pursued and expected results of the actions are those of point 2.3 of Part I.  
The actions that can be financed through indirect management are outlined in Article 8 of the Regulation (EU) 2021/240 of the European Parliament and of the Council of 10 February 2021 establishing a Technical Support Instrument (OJ L 57, p. 1).

Climate and biodiversity mainstreaming contribution - description of how this action contributes to climate and biodiversity mainstreaming in qualitative and quantitative ways

This action will contribute qualitatively to climate and biodiversity mainstreaming by improving the following aspects:

- Acceleration of renewable energy development, in particular through improved permitting processes
- Prevention of wildfires
- Implementation of Sustainable Development Goals, including on climate change and biodiversity

#### **4.4. Contribution agreements to support structural reforms in the area of labour market, education, health and social services**

Criteria for selecting an implementing entity

Article 110(f) of the Financial Regulation provides for setting out of the criteria for selecting an entity in the Financing Decision. The criteria to be used for selecting an implementing entity, considering the nature of the action are as follows:

1. The entity satisfies the requirements set out in Article 154(4) of the Financial Regulation. When the entities concerned comply only partially with Article 154(4) of the Financial Regulation, the Commission shall take appropriate supervisory measures as provided for in Article 154(5) of the Financial Regulation;
2. The entity's financial and operational capacity is adequate;
3. The entity has specific knowledge and recognised competencies in the relevant field;
4. The entity has extensive experience and leadership in the domain;
5. The entity is active in the subject area in the European Union or in any other European country.

## Description

The objectives pursued and expected results of the actions are those of point 2.4 of Part I.  
The actions that can be financed through indirect management are outlined in Article 8 of the Regulation (EU) 2021/240 of the European Parliament and of the Council of 10 February 2021 establishing a Technical Support Instrument (OJ L 57, p. 1).

Climate and biodiversity mainstreaming contribution - description of how this action contributes to climate and biodiversity mainstreaming in qualitative and quantitative ways

This action will contribute qualitatively to climate and biodiversity mainstreaming, by

increasing the housing affordability and compliance with up-to-date energy standards.

#### **4.5. Contribution agreements to support structural reforms in the area of financial sector and access to finance**

Criteria for selecting an implementing entity

Article 110(f) of the Financial Regulation provides for setting out of the criteria for selecting an entity in the Financing Decision. The criteria to be used for selecting an implementing entity, considering the nature of the action are as follows:

1. The entity satisfies the requirements set out in Article 154(4) of the Financial Regulation. When the entities concerned comply only partially with Article 154(4) of the Financial Regulation, the Commission shall take appropriate supervisory measures as provided for in Article 154(5) of the Financial Regulation;
2. The entity's financial and operational capacity is adequate;
3. The entity has specific knowledge and recognised competencies in the relevant field;
4. The entity has extensive experience and leadership in the domain;
5. The entity is active in the subject area in the European Union or in any other European country.

Description

The objectives pursued and expected results of the actions are those of point 2.5 of Part I. The actions that can be financed through indirect management are outlined in Article 8 of the Regulation (EU) 2021/240 of the European Parliament and of the Council of 10 February 2021 establishing a Technical Support Instrument (OJ L 57, p. 1).

Climate and biodiversity mainstreaming contribution - description of how this action contributes to climate and biodiversity mainstreaming in qualitative and quantitative ways

One of the actions will contribute qualitatively to climate and biodiversity mainstreaming, by promoting transparency in stock market financing as regards the identification of "green" companies and investments for final investors in line the EU Regulation and guidance on the classification of sustainable environmental economic activities (taxonomy) and on the disclosure of sustainability risks.

#### **4.6. Contribution agreements to support structural reforms in the area of border and migration policies, capacity building to absorb Union funds in relation to RRF and institutional reform in relation to disinformation management**

Criteria for selecting an implementing entity

Article 110(f) of the Financial Regulation provides for setting out of the criteria for selecting an entity in the Financing Decision. The criteria to be used for selecting an implementing

entity, considering the nature of the action are as follows:

1. The entity satisfies the requirements set out in Article 154(4) of the Financial Regulation. When the entities concerned comply only partially with Article 154(4) of the Financial Regulation, the Commission shall take appropriate supervisory measures as provided for in Article 154(5) of the Financial Regulation;
2. The entity's financial and operational capacity is adequate;
3. The entity has specific knowledge and recognised competencies in the relevant field;
4. The entity has extensive experience and leadership in the domain;
5. The entity is active in the subject area in the European Union or in any other European country.

#### Description

The objectives pursued and expected results of the actions are those of point 2.6 of Part I.

The actions that can be financed through indirect management are outlined in Article 8 of the Regulation (EU) 2021/240 of the European Parliament and of the Council of 10 February 2021 establishing a Technical Support Instrument (OJ L 57, p. 1).

Climate and biodiversity mainstreaming contribution - description of how this action contributes to climate and biodiversity mainstreaming in qualitative and quantitative ways

Not applicable

In case the actions referred to under Section 4 'Actions implemented in indirect management' cannot be implemented under this method of implementation due to circumstances outside of the control of the Commission (e.g. not revised framework agreement, pending pillar assessment), they will be implemented through public procurement (direct management) within the procurement activities set out in point 3.1 (Procurement activities for implementation of Technical Support Instrument).

## 5. Other actions or expenditure

### 5.1. Information and Communication Technology (ICT) and other expenditure

*Amount*

EUR 1 166 481.59
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Expenditures for information and communication actions, including corporate communication, expenditures linked to IT networks, focusing on information processing and exchange, including corporate information technology tools. In addition, expenditures for activities such as audit and evaluation, analyses and surveys, meetings of experts, publications, awareness-raising and dissemination activities, as well as to any other activities in support of the general and specific objectives of the Technical Support Instrument.

In line with Article 6(2) of Regulation (EU) 2021/240, the Commission decision “Corporate communication action in 2021 – 2023 under the Multiannual Financial Framework 2021 – 2027, C(2020)9390 of 18 December 2020” and the DG BUDG note “IT implementation Plan 2023 – Allocation of IT corporate resources”<sup>60</sup>, DG REFORM will contribute to the financing of the corporate IT and the corporate communication activities in 2023.

IT development and relevant procurement choices will be subject to pre-approval by the European Commission Information Technology and Cybersecurity Board.

### 5.2. Administrative/service-level agreements

#### 5.2.1 Service-level agreement with the European Insurance and Occupational Pensions Authority (EIOPA) for increasing supervisory capacity to prevent and mitigate greenwashing risks within financial markets

*Amount*

EUR 287 000
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Description of actions

#### **Support for the development of supervisory methodologies and tools to tackle greenwashing risks within EU financial markets**

This action to reinforce financial stability and promote investors protection and positive outcomes within the context of the emerging EU sustainable finance regulatory framework, will support financial supervisory authorities in preventing and mitigating risks of greenwashing practices within financial markets, as part of the broader multi-country action on ESG risk management framework for the financial sector.

Since the entry into force of the Sustainable Finance Disclosure Regulation (SFDR), financial supervisory authorities face challenges with respect to their capacity to ensure that investors

<sup>60</sup> At the moment of the launch of the Inter-service consultation (ISC) for the adoption of that Financing Decision, the ISC/2022/11394 for the adoption of the “IT implementation Plan 2023 – Allocation of IT corporate resources” is still ongoing.

and policyholders receive consistent, comprehensive, and truthful information with regard to different types of financial products that promote – among others – environmental or social characteristics, or that have sustainable investment as their objective.

In order to tackle these challenges, EIOPA will assist DG REFORM in supporting the development of methodologies and supporting analytical tool(s) enabling to, among others, retrieve, analyse, and process relevant reporting and product data, identify inconsistencies and missing information, and/or spot potential greenwashing practices by supervised insurance undertakings.

The action is expected to help supervisory authorities for the insurance sector to tackle the concerning phenomenon of greenwashing, with a view to prevent mis-selling risks, reinforce trust in sustainable finance, and contribute to the achievement of the objectives of the EU Sustainable Finance Strategy by strengthening supervisory capacity in this area.

Climate and biodiversity mainstreaming contribution - description of how this action contributes to climate and biodiversity mainstreaming in qualitative and quantitative ways

This action will contribute qualitatively to climate and biodiversity mainstreaming, by promoting transparency on financial markets through the identification of "green" companies and investments and supporting financial supervisory authorities in preventing and mitigating risks of greenwashing practices within financial markets.

### **5.2.2 Service-level agreement with the European Securities and Markets Authority (ESMA) for increasing supervisory capacity to prevent and mitigate greenwashing risks within financial markets**

*Amount*

EUR 520 000

Description of actions

#### **Support for the development of supervisory methodologies and tools to tackle greenwashing risks within EU financial markets**

This action to reinforce financial stability and promote investors protection and positive outcomes within the context of the emerging EU sustainable finance regulatory framework, will support the financial supervisory authorities in preventing and mitigating risks of greenwashing practices within financial markets, as part of the broader multi-country project on ESG risk management framework for the financial sector.

Since the entry into force of the SFDR, financial supervisory authorities face challenges with respect to their capacity to ensure that investors and policyholders receive consistent, comprehensive, and truthful information with regard to different types of financial products that promote – among others – environmental or social characteristics, or that have sustainable investment as their objective.

In order to tackle these challenges, ESMA will assist DG REFORM in supporting the development of methodologies and supporting analytical tool(s) enabling to, among others,

retrieve, analyse, and process relevant reporting and product data, identify inconsistencies and missing information, and/or spot potential greenwashing practices by supervised financial markets' institutions.

The action is expected to help supervisory authorities for capital markets to tackle the concerning phenomenon of greenwashing, with a view to prevent mis-selling risks, reinforce trust in sustainable finance, and contribute to the achievement of the objectives of the EU Sustainable Finance Strategy by strengthening supervisory capacity in this area.

Climate and biodiversity mainstreaming contribution- description of how this action contributes to climate and biodiversity mainstreaming in qualitative and quantitative ways

This action will contribute qualitatively to climate and biodiversity mainstreaming, by promoting transparency on financial markets through the identification of "green" companies and investments and supporting financial supervisory authorities in preventing and mitigating risks of greenwashing practices within financial markets.

### **5.2.3 Administrative/service level agreement with the Joint Research Centre (JRC) to strengthen supervisory capacity to monitor and address ESG risks in the financial sector**

*Amount*

EUR 326 000

Description of actions

## **ESG risk management framework for the financial sector**

The purpose of a multi-country action is to help financial supervisory authorities and central banks to strengthen their capacity to monitor and address ESG risks within the financial sector. This multi-country action will provide modular technical support with a view to cater to the different perspectives and domains that supervisory authorities need to consider when addressing the challenges of ESG risks, such as micro- and macro-prudential considerations, financial stability impacts and potential detriment to financial customers, consumers and investors.

In the context of dynamically evolving EU sustainable finance regulatory framework, the national authorities are facing challenges with respect to identifying, monitoring and assessing the impact of ESG risks on supervised entities and the entire financial sector, overseeing compliance with ESG-related obligations (including disclosure and reporting requirements), and adopting appropriate supervisory response. To address these issues, they need to implement a holistic data-driven supervisory approach in all ESG-related aspects, safeguarding financial stability, resilience and transparency of individual institutions, preventing greenwashing and supporting the development of green finance.

For this purpose, the JRC will contribute to the overall successful implementation of the action, as managed by DG REFORM and implemented via a grant, by supporting and complementing the work carried out by the grant beneficiary(-ies), by providing technical inputs and advice to ensure the policy relevance and practical implementability along the following three modules of the project: 1) data sources and analysis, 2) methodologies and 3) capacity building and training activities.

With respect to capacity building, the JRC will support the team of experts in the organization of conferences/workshops/dissemination events/trainings to raise awareness in the area of sustainability risks. The final objective will be to discuss challenges and opportunities for the financial sector bringing together academics, policymakers and professionals working in the field. The JRC will leverage its experience with the organization of the annual JRC Sustainable Finance Summer School. Moreover, the JRC has just launched the Sustainable Finance Research Forum, which aims precisely at providing scientific and technical support to the financial industry on sustainable financing and ESG risks.

The action is expected to strengthen the capacity of the participating authorities to identify and assess ESG risks in the financial sector, better calibrate the prudential measures related to ESG risks, monitor the management of these risks by supervised institutions and their compliance with the EU sustainable finance regulatory framework, while also increasing consumers and investors' awareness of sustainability risks and opportunities.

The action would ultimately contribute to enhancing the level of resilience of the financial system on a national and cross-border basis, and fostering the green transition in the EU. In addition, the adoption of innovative tools for the monitoring of ESG risks and compliance with the EU sustainable finance regulatory framework could create positive spill-over effects by encouraging the digital transition beyond ESG issues.

Climate and biodiversity mainstreaming contribution - description of how this action contributes to climate and biodiversity mainstreaming in qualitative and quantitative ways

This action will contribute qualitatively to climate and biodiversity mainstreaming, by promoting transparency on financial markets through the monitoring of ESG risks in the financial sector and compliance with the EU sustainable finance regulatory framework, while also increasing consumers and investors' awareness of sustainability risks and opportunities.

#### **5.2.4 Administrative/service level agreement with the Joint Research Centre (JRC) to build capacity in revenue administrations for strengthening tax compliance by implementing behavioural insights**

*Amount*

EUR 200 000

Description of actions

Strengthen tax compliance by implementing behavioural insights in revenue administrations

This action aims to design and implement innovative approaches, based on behavioural insights, for strengthening tax compliance for the revenue administrations of Belgium, Austria and Portugal. Behavioural insights define how people perceive things, how they decide, and how they behave, help organisation anticipate people's reactions to policy interventions. They can be conducive to the design of powerful tools to support revenue authorities in addressing the taxpayers' behavioural responses and become more customer-oriented when collecting outstanding tax payments.

Tax administrations experience a similar situation in which they face non-compliant debtors with small tax debts that result in an overall sizeable amount of unpaid tax. These tax debts accumulate a significant amount of non-collected revenues in total. The recovery of those debts is a very time- and resource-intensive process. Therefore, the revenue authorities of Belgium, Austria and Portugal aim to build their capacity, develop and implement new tools that provide real-time compliance data across segments of taxpayers to help them design targeted interventions based on behavioural insights. The design of a comprehensive digital compliance dashboard – integrating behavioural insights - should allow these revenue administrations to have a constant monitoring of compliance trends, characteristics of different target groups (compliant and non-compliant) and the opinions and motivations behind the behaviour of the taxpayer. This additional information will feed into the compliance strategy of the participating Tax Administrations and will help define policy instruments and behavioural interventions to raise tax compliance (payment and filing compliance), ultimately bringing in extra revenue. It strengthens an evidence-based policy making that puts efficiency, trust-building and segmentation at the centre.

As part of the action, the JRC will provide the following work packages:

- a. Support for the procurement process and award of service provider through (1) providing technical input and advise for the elaboration of detailed requirements – request for service, under the Framework contract of DG REFORM, and (2) evaluation of technical and financial offers under the FWC.

- b. Quality assurance of the technical deliverables on behavioural insights including (1) providing expert opinion and advice during the implementation of the action by participating in project management and technical meetings, and (2) reviewing and providing recommendations on the deliverables produced by the service provider.
- c. Contribute to technical support activities such as the design of a survey on opinions, attitudes, and motivations for tax compliance, deliver awareness and in-debt trainings on behavioural insights to the participating countries, contribute to establishing a knowledge database on behavioural insights.

The action is expected to lead to the following results:

- Strengthened capacity of the participating Member States on implementation and leveraging behavioural tools and approaches;
- A behavioural insights dashboard within the institutional framework of each participating Member States;
- Reinforced customer-oriented approach through implementation of behavioural dashboard for monitoring different taxpayers' segments;
- Reduced administrative burden for taxpayers and tax authorities;  
Strengthened tax compliance and increased revenues for the budget.

Climate and biodiversity mainstreaming contribution - description of how this action contributes to climate and biodiversity mainstreaming in qualitative and quantitative ways

This action will contribute qualitatively to climate and biodiversity mainstreaming, by supporting the strengthening of customer orientation of tax administrations.

**5.2.5 Administrative/service level agreement with the Joint Research Centre (JRC) to build capacity, promote horizontal coordination and provide technical inputs and knowledge on DNSH for benefit of all EU Member State authorities**

*Amount*

EUR 400 000

Description of actions

Integration of environmental dimensions in public finances – Implementing the ‘Do No Significant Harm’ (DNSH) principle in public funding programmes

The purpose of this multi-country action is to support the development and piloting of national guidelines for the application of the DNSH principle, the integration of the DNSH principle into national public financial management processes, good practice exchanges and peer-learning. The aim is that this action contributes to the efforts of Member States to improve their capacity to apply the DNSH principle to public investments from EU and national funds and programmes, including from the RRF, and in line with the EU Green Deal. The purpose of this multi-country action is to support the development and piloting of national guidelines for the application of the DNSH principle, the integration of the DNSH principle into national public financial management processes, good practice exchanges and peer-learning. The aim is that this action contributes to the efforts of Member States to improve their capacity to apply the DNSH principle to public investments from EU and

national funds and programmes, including from the RRF, and in line with the EU Green Deal.

As part of the action, the JRC will contribute to the overall successful implementation of the action, as managed by DG REFORM and implemented via the DG REFORM framework contract. This entails supporting the coordination within the European Commission aiming to ensure alignment/mainstreaming in guidance on application of the DNSH principle. JRC will also support the development of a 'knowledge hub' on DNSH to the benefit of all 27 Member State authorities as well as the Commission services, with the aim of making DNSH related practices and guidance available to a wider set of DNSH stakeholders within the EU. The JRC will be providing technical inputs and ensuring quality assurance support of the work carried out by the team of experts (e.g. consistency with principles, methodologies etc. applied across EU Programmes).

Specifically, these tasks and technical inputs will be evolving around the following seven deliverables of the action to be produced by selected contractor(s):

1. Assessment of the extent to which and how the DNSH principle is to be applied to different EU and national funds and programmes and defining the scope of application for the TSI support measures
2. Review of existing legal framework and guidelines at national level for the application of DNSH for related EU and national funds and programmes
3. Development of national guidelines for implementing the DNSH principle in practice in EU and/or national funds and programmes defined in the first work package
4. Pilot implementation of national DNSH guidelines in a selected number of investments/sectors
5. Development of in-depth sector-specific case studies on operationalizing the DNSH principle, building upon the RRF DNSH Technical Guidance
6. Identification of options for further integration of the DNSH principle in public financial management systems
7. Peer-learning and exchange of practices between Member States

Climate and biodiversity mainstreaming contribution - description of how this action contributes to climate and biodiversity mainstreaming in qualitative and quantitative ways

This action will contribute qualitatively to climate and biodiversity mainstreaming, by supporting the integration of the Do-No-Significant-Harm principle into public financial management practices in EU administrations.

In case the actions referred to under section 5.2 Administrative/service-level agreements cannot be implemented due to circumstances outside of the control of the Commission, they will be implemented through indirect management in accordance with the criteria set out in Section 4 (Actions implemented in indirect management in accordance with Article 62(1)(c) of the Financial Regulation).