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ANNEX

**Work programme for 2024 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 2024

1. Introduction

While the swift, decisive and coordinated response allowed the economy to rebound and tackle socio-economic consequences of the COVID-19 and Russia's war of aggression against Ukraine, showing that Europe works best when it works together, the continued presence of high risks and uncertainties, including as a result of the situation in the Middle East, confront the EU with structural challenges that require policy action at EU and national levels.

In its Annual Sustainable Growth Survey for 2024¹ (ASGS 2024), the Commission emphasised that the Technical Support Instrument (TSI), continues to play a pivotal role in shaping and implementing reform agendas in all Member States.

On 10 February 2021, a Technical Support Instrument (TSI) was established² 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 was deployed to support Member States in preparing, amending and implementing their recovery and resilience plans under the Recovery and Resilience Facility (RRF)³. 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 and thus helping EU navigate the energy crisis and avoid recession, welcome persons displaced from Ukraine following Russia's war of 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

¹ [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 2024, COM\(2023\)901 final.](#)

² 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.

³ 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.

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.), 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 received.

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 the RRF. 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 2024, 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 2023 all 27 Member States submitted a total of 604 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 twice the budget allocation for 2024. 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, more than half of the eligible requests were selected for funding under TSI 2024.

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 2024, together with the methods of budget implementation indicated in Part II below.

The Commission, under Article 12(1) of Regulation (EU) 2021/240, implements the instrument in accordance with Regulation (EU, Euratom) 2018/1046 (the ‘Financial Regulation’).⁴ In addition, Article 12(2) of Regulation (EU) 2021/240 provides that the related measures may be implemented either directly by the Commission or, indirectly, by persons or entities in accordance with Article 62(1) of the Financial Regulation. The support can take different forms, *inter alia*, grants, public procurement contracts, reimbursement of costs incurred by external experts, contributions to trust funds set up by international organisations and actions carried out through indirect management. In line with the room for manoeuvre granted under Article 12 of Regulation (EU) 2021/240, the Commission determines the most appropriate method of budget implementation in terms of needs and costs in order to ensure: an appropriately high level of technical expertise, determined by excellence, independence and pluralism; open, transparent, effective and proportionate related processes.

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 IT⁵ and corporate communication activities (based on the Corporate communication action in 2024 – 2027 under the Multiannual Financial Framework 2021 – 2027, C(2023)6467 - Communication to the Commission -; and with the DG BUDG note “IT implementation Plan 2024 Allocation of Resource and Allocation of IT corporate resources”)⁶ and other activities in line with Article 6(2) referred to above.

⁴ Regulation (EU, Euratom) 2018/1046 of the European Parliament and of the Council of 18 July 2018 on the financial rules applicable to the general budget of the Union, amending Regulations (EU) No 1296/2013, (EU) No 1301/2013, (EU) No 1303/2013, (EU) No 1304/2013, (EU) No 1309/2013, (EU) No 1316/2013, (EU) No 223/2014, (EU) No 283/2014, and Decision No 541/2014/EU and repealing Regulation (EU, Euratom) No 966/2012 ([OJ L 193, 30.7.2018, p. 1](#)).

⁵ IT development and procurement strategy choices will be subject to pre-approval by the European Commission Information Technology and Cybersecurity Board.

⁶ At the moment of the launch of the Inter-service consultation for the adoption of this Financing Decision, the ISC/2024/11866 for the adoption of the “IT implementation Plan 2024 – Allocation of IT corporate resources” is still ongoing.

2. Priority areas for intervention in 2024

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, 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, teachers, labour market policies, increased labour market participation of under-represented groups, up- and re-skilling in particular digital skills, media literacy, active citizenship, 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 health systems, mental health and well-being, health technology assessment, cancer prevention and screening, health system performance assessment,

(f) social security systems, care and welfare, childcare and demography;

(g) 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 particularly in the field of digital transition building skills for public servants, use of Artificial Intelligence based solutions, use of the EU space data, 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;

(h) 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;

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

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

(k) 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 2024 have been set on the basis of the Member State requests for technical support that are selected for funding.

Of the requests selected, 92% 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 to enhance resilience.

Climate and biodiversity mainstreaming

Under the work programme for 2024, 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 from 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 2024 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 26 Member States, related to tax and customs administration, tax and expenditure policy, tax compliance, public investment management and budget process, including performance budgeting, biodiversity financing, budget implementation, budget oversight, accounting reforms, Sustainable Development Goals (SDGs) implementation, public procurement, as well as macro-fiscal frameworks and national statistics.

a) Priorities for the year

The ASGS 2024 emphasises as a priority the sustainability and quality of public finances as well as the need for investments to support the green and digital transition, strengthen productivity and resilience. This follows the Fiscal Policy guidance for 2024⁷, which recommended Member States to ensure medium-term debt and fiscal sustainability while raising potential growth in a sustainable manner.

The general escape clause under the Stability and Growth Pact expired at the end of 2023, while recent geopolitical and macroeconomic shocks and headwinds have slowed economic activity in the EU. In this context, agile yet prudent and coordinated fiscal policies across the EU will help to ensure the stability of the European economy and facilitate the effective transmission of monetary policy in a high inflation environment, while raising potential growth.

At the same time, public investment needs to be maintained or increased to support long-term growth and the green transition. Creating fiscal space for productive spending, for example on green and digital investments, will thus require improvements in the quality and composition of public finances. These investments will help support the EU's commitment, underlined in the Granada declaration, to strengthening its long-term competitiveness and to building a resilient economic base by addressing its structural challenges.

Reforms are particularly important in the context of recovery from the COVID-19 pandemic and the ongoing effects of Russia's war of aggression against Ukraine. To this end, the RRF highlighted that improving macroeconomic stability and enhancing public investment are core priorities to be addressed and a majority of national recovery and resilience plans contain reform commitments in the area of budgetary and taxation policy.

The ASGS 2024 also refers to the Commission's proposals to reform the EU fiscal rules, presented on 26 April 2023. The reformed framework will create clarity and predictability for future fiscal policy, promoting debt sustainability and economic growth at the same time. Once the reformed fiscal framework has been adopted, Member States will start preparing their first medium-term fiscal-structural plans, outlining fiscal, structural and investment policies for the next 4 to 5 years.

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, digital and growth-enhancing investments, the technical support will contribute to the Union's digital and green transitions and its priority of improving competitiveness.

Support will focus on enhancing the institutional and technical capacities for management of **public investments, such as via public procurement, as well as budget processes and the performance budgeting frameworks** allowing for an improved composition and efficiency of medium-term public expenditure *inter alia* through the use of **gender mainstreaming, green budgeting and SDG implementation**. Support in this area will also facilitate the integration of **green public financial management practices** at both national and sub-national level, thereby contributing to the green transition and the protection of biodiversity in Member States. Further, measures will support Member States' **fiscal and debt sustainability** and promote more **transparent and effective fiscal policies** under the current fast-evolving and challenging economic circumstances.

⁷ COM(2023) 141 final.

Support for transitioning to **accrual accounting** in the context of IPSAS/EPAS⁸ 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. Improving the reliability of the underlying statistical data is another important avenue of technical support in this context.

Another priority area for support is improving **macro-fiscal and microeconomic modelling** and building analytical Member States' capacities for medium-term **forecasting and policy impact assessment**, including distributional analysis. 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 outlines that the quality and composition of public finances on both the revenue and expenditure sides require improvements, for instance by optimising the tax mix. Furthermore, the ASGS draws attention to the role of tax incentives in raising productivity and it asserts that a fair and SME-friendly business environment are key to a strong single market. Reducing the burden for taxpayers engaged in cross-border activities is expected to contribute to economic growth and a stronger single market. Furthermore, a majority of national recovery and resilience plans contain reform commitments in the area of budgetary and taxation policy.

European Semester country-specific recommendations in 2023 addressed the tax mix and tax expenditures, property taxation, tax compliance, the tax system, and the fight against aggressive tax planning. 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 broaden the tax base and to ensure fair, efficient and sustainable taxation, for instance in light of the economy's digitalisation. Support in this area will also focus on improving 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 **compliance with tax and customs rules**. This will assist revenue authorities and taxpayers, more precisely through new or improved approaches,

⁸ 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

inter alia through methods and strategies aimed at increasing voluntary compliance, managing non-compliance, minimising compliance costs and contributing to a level playing field for businesses.

A further area of support relates to measures aimed at tackling **tax and customs fraud and evasion**. The TSI will continue to provide support to limit tax and customs 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 administrative capacity in the field of international taxation, such as anti-tax avoidance measures and the fight against aggressive tax planning. The focus is furthermore 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. Support for simplification, modernisation, and green and digital transformation measures aims to improve compliance and raise higher revenue. Technical support will help to strengthen the EU Customs Union, through enhanced capacities and capabilities of the customs administrations in the Member States, also supporting *inter alia* EU budget and climate policy.

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 2030'⁹. Support measures would allow providing elaborated concepts and specifications for future-proof digital solutions, thus ensuring 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**.

In order to ensure sustainability in public spending, support will also be aimed at improving **public investment management** and **green and performance budgeting practices** across different layers of government. This will, *inter alia*, support the green transition and the EU's Biodiversity Strategy for 2030, as well as fulfilling the objectives of the Taxonomy

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

Regulation. Moreover, fiscal sustainability will be achieved through measures taken to strengthen **macroeconomic, fiscal and policy impact analysis and forecasting** by improving **economic modelling** capacities. 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, as well as enhancing the quality of statistical data production.

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

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 broadening the tax base and by shaping a greener tax mix. In the field of **revenue administration**, support will aim at 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 management and detection and investigation 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 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 analytics, compliance strategies and approaches, and digital reporting requirements in the context of the Commission's VAT in the Digital Age (ViDA) proposal. 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 with the objective of strengthening the EU Customs Union, *inter alia* by enhancing customs administrations' capacities and capabilities, operational as well as technological.

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. More informed spending decisions and evidence-based

formulation of policies will also be the result of enhanced **economic modelling** capabilities supporting policy impact assessment.

Moreover, support in the area of statistics and **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. 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 better **public investment management and green budgeting** 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 and biodiversity targets.

The expected results in the areas of **revenue administration and tax policy** are higher revenue collection and higher tax and customs compliance, supported by strengthened tax and customs authorities as well as by enhanced tax systems, also taking into account goals related to economic growth, the single market, the 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 compliance costs. With regard to the **fight against aggressive tax planning, tax fraud and tax evasion**, expected benefits include in particular a more effective implementation of anti-tax avoidance measures and an enhanced use of internationally exchanged tax information, bringing additional tax revenue, more tax fairness and strengthened cross-border cooperation. Finally, in the field of **customs**, actions are expected to contribute to enhanced customs-specific capabilities, resulting in a strengthened EU Customs Union and single market.

2.2. Governance and public administration

The TSI will support measures in at least 24 Member States, related to: centre of government capacity, better policy making, human resources and skills, digitalisation and AI, the functioning of the justice system, better regulation, multi-level governance, regional capacities and use of EU funds and instruments, (local) services provision, oversight authorities and auditing, the fight against corruption, as well as victim support and human rights.

a) Priorities for the year

The publication of the Commission Communication on *Enhancing the European Administrative Space*¹⁰ (ComPAct) frames several priorities for the year and beyond. This includes a focus on overall quality of public administration, with an emphasis on leadership,

¹⁰ https://reform-support.ec.europa.eu/public-administration-and-governance-coordination/enhancing-european-administrative-space-compact_en

skills, digital transformation of government and cooperation and knowledge exchange among Member States. TSI flagship proposals on *public administration for the future*, on *AI-ready public administration*, on *reinforcing democracy and the rule of law* and on *public administration cooperation and exchange (PACE)* corresponded well to Member States' needs and guided many of their requests.

Based on this, TSI requests for **governance** focussed on centre of government capacities to steer complex priorities, on design and monitoring public policies, on performance of oversight authorities, on effective human resources management in civil and judicial administrations, including development of skills. The TSI will thus help Member States improve multi-level governance, including for better strategic planning and decision making across national, regional and local government levels, and support regional development and better local service provision, including through better use of EU programmes and funds, as well as regional cooperation.

Several Member States' requests concern the **digital transformation** of national, regional and local civil and judicial administrations, and improvement of public services. This contributes to reaching the specific targets of the Digital Decade¹¹ in making all key digital public services available online by 2030, and of the Interoperable Europe Act¹² in making sure that these services are interoperable across borders and sectors. There has been a growing interest by Member States to integrate **artificial intelligence** (AI) technologies in the public administration to improve administrative performance, automate processes, increase accountability and deliver better services.

Requests related to the fight against **fraud and corruption** focussed on the design, improvement and implementation of comprehensive national anti-fraud strategies, with a focus on protecting national budgets and EU financial interests; analytical capacity, including the development of AI driven models, for auditing and corruption risk management; leveraging technology and innovation to develop effective integrity and oversight strategies and processes.

Effective justice systems strengthen people's trust in public institutions, and safeguard democracy. Requested support for **justice systems** includes enhancing the efficiency of courts management systems and improving the quality of justice, by introducing e-justice systems and improving access to justice especially for the most vulnerable groups.

Related to **democracy and rule of law**, requests targeted integrated support for victims of crime, and national preventative mechanisms against torture.

Coordination around public administration and good governance will be enhanced and further developed in the context of delivering **ComPAct** actions (see footnote 10). Support will increase and consolidate the knowledge on public administrations in 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 actions, while building European stakeholders' awareness in this area. Support will also cover the development of networks and cross-border exchanges of civil servants in the Member States to foster mutual learning.

¹¹ <https://digital-strategy.ec.europa.eu/en/policies/europes-digital-decade>

¹² https://commission.europa.eu/publications/interoperable-europe-act-proposal_en

b) Objectives pursued

On **governance**, the Commission aims to support Member States to improve the functioning of their administrations. It includes helping to build Member States' capacity to contribute to achieving EU policy goals by properly implementing EU legislation and successfully participating in EU programmes, as well as achieving progress toward the sustainable development goals and their specific national reform agendas in line with the European Semester process and country-specific recommendations (CSR). The specific objectives pursued include:

- enhancing capacities of centres of government to steer complex priorities, manage crisis, and adapt to future challenges;
- developing user-centric and efficient administrative processes;
- improving the quality of policy making and regulation;
- enhancing use of data and evidence to inform policy making as well as building monitoring systems and a culture of results and outcomes orientation;
- enhancing capacity to foster innovation, building organisational capabilities and a modern human resource management function, and improving the quality and skills of civil and judicial administrative staff;
- effective multi-level governance and coordination mechanisms in and between different government institutions and levels of government (national, regional and local), and enhancing capacity and quality of local government and local service provision;
- improving supervision and monitoring of administrative processes, policies, as well as the efficiency and performance of structures;
- enhancing cooperation and cross-country exchanges among Member States to foster mutual learning and to build administrative capacity across the public sector; and
- effective communication on the overall objectives and design of reforms and the supervision of their implementation.

Support measures for **eGovernment** and **digital public administration** aim to enhance public sector productivity, process improvement, accountability, digital service accessibility and quality by further advancing civil service digitalisation and process automation. A specific focus will be on local/regional services. Advancing civil service digitalisation will help Member States reduce the administrative burden on citizens/businesses and to modernise public administration overall. The consolidation of the ICT function and ICT infrastructure can lead to lower operating costs. A cross-cutting and specific objective is IT security. Emphasis will be on pioneering work of integrating AI applications into the work of public administration in different policy areas to achieve this. Support measures fully support and align with the Digital Europe Programme and the Digital Decade policy targets.¹³

The objectives of support measures for **anti-corruption and accountability** strategies are to make progress in the fight against corruption and fraud, by developing data-driven anti-corruption strategies and audit methodologies, by embedding technology and innovation to assess corruption risk and tackle fraud, and by designing hands-on integrity and transparency measures.

¹³ [Digital Europe Programme - European Commission \(europa.eu\)](https://european-council.europa.eu/media/en/press-room/pages/press-room.aspx?pid=102&tid=101)
[Europe's Digital Decade Targets – European Commission \(europa.eu\)](https://european-council.europa.eu/media/en/press-room/pages/press-room.aspx?pid=102&tid=101)

For the objective of building **better justice systems**, support targets improving the court administration to reduce the backlogs of cases, fostering optimal use of human and technical resources through long term judicial budgeting, improving the implementation of e-justice systems¹⁴ and the operational capacity of courts through modern human resources management and training of judges and court staff. In addition, support aims at accommodating the needs of vulnerable individuals so they can better access the justice system.

On **democracy and rule of law**, support measures aim to improve the treatment of victims of crime and will contribute to the human rights agenda by developing protocols against torture for vulnerable groups, including prison inmates and migrants.

The overall 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 aims to foster exchange and to 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 public administration** in Member States, which contributes to national and overall EU competitiveness, to citizen satisfaction and public trust. For example, a modernised human resources policy in civil and judicial administration is expected to generate greater efficiency, sustainability, better accountability. Better administration will reduce administrative burden for citizens and business and develop better public policies and investments. Better centre of government coordination of public-sector entities leads to stronger state capacity and resilience, and to better quality legislation. Better multi-level governance systems will balance responsibilities and resources at all levels of government, will avoid administrative overlaps, and will promote the effective allocation of public resources, quality of services, and foster regional and local development. Some support measures will also contribute to better implementation and performance of EU funds and programmes. Overall, the support is expected to contribute to better management at all levels of government and in the wider public sector.

The support measures for **e-Government/digital public administration** will improve the ICT maturity of Member States, enabling them to deliver better digital public services to citizens and businesses¹⁵ and to deploy suitable back-office solutions and process optimisation, supporting an efficient public service. Support to build better **cyber security**

¹⁴ 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 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>.

¹⁵ For example, easy-to-use, efficient, trustworthy, personalised, cross-border interoperable public services to be delivered or managed electronically in the Union, with high security and privacy standards.

systems in line with the EU's NIS directive¹⁶ will help build public trust and protect citizens and business. Integration of AI applications will enhance productivity, efficiency and effectiveness in the public sector.

In the **fight against corruption**, the support measures are expected to strengthen the capacity of oversight and anti-corruption authorities to embrace technology towards delivering measurable results in promoting accountability and transparency in public organisations, which contributes to protection national and EU financial interest against fraud.

Support measures will help improve the functioning, efficiency and quality of the overall **judiciary and of individual courts** in Member States. This will contribute to a better business environment and build citizens' trust, by automation and better service orientation, by reducing backlog of cases, and by speeding up the processing of court cases, making judgments more transparent, and creating more people centred justice systems. Finally, support will result in better protection of victims of crime, and of vulnerable individuals and populations.

The Commission's **enhanced coordination in the area of public administration** in the context of the ComPAct, as well as an increased number of cooperation and exchange missions between Member States administrations will promote knowledge sharing and enhance reform and problem-solving capacity across the EU.

2.3. Sustainable growth and business environment

The TSI will support measures in at least 25 Member States, related to competitiveness, including business environment, industrial policy and digital transition, as well as related to sustainability, including climate policy, energy policy and 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 2024 continues to focus on the four complementary dimensions of the EU's competitive sustainability's agenda, i.e. on macroeconomic stability, environmental sustainability, productivity and fairness. These dimensions, which are closely interrelated and are mutually reinforcing, continue guiding the Member States' reform and investment agendas. The ASGS 2024 emphasises in particular the commitment of the EU, as expressed in the Granada Declaration¹⁷, "*to strengthen its long-term competitiveness and build a resilient economic base by addressing its structural challenges*".

In the area of **competitiveness**, Member States have prioritised in their requests reforms aimed at sustainable economic growth, improving and greening the industrial base, digitalising the business environment, and increasing productivity and entrepreneurship at national, regional or local levels.

¹⁶ [NIS Directive — ENISA \(europa.eu\)](#)

¹⁷ <https://www.consilium.europa.eu/en/press/press-releases/2023/10/06/granada-declaration/>

A major priority is enhancing the competitiveness of Europe's net-zero industry and supporting the fast transition to climate neutrality in the EU. On 1 February 2023, the European Commission presented the Green Deal Industrial Plan¹⁸ to put Europe's net-zero industry in the lead based on four pillars: a predictable and simplified regulatory environment, speeding up access to finance, enhancing skills, and open trade for resilient supply chains.

Member States' priorities for technical support focus on strengthening national manufacturing base in line with the green and digital transition objectives, streamlining permitting processes and setting up innovation friendly regulation, including regulatory sandboxes, improving industrial policy and transformation, boosting the innovative entrepreneurship ecosystem and supporting SMEs. Member States have also prioritised the need to facilitate the digital transition of businesses and to improve the business environment through simplifying reporting requirements.

Sustainable mobility, in particular better management of road and rail networks, railway safety and interoperability as well as development of sustainable aviation capacities and value chains are also among the Member States priorities. Other priorities call for strengthening the resilience, preparedness, and crisis response capacity in civil protection, disaster risk reduction, better management of public real estate investments as well as improving housing policies.

Particular attention among Member States' priorities for technical support fall on the need to maintain fair competition practices and safeguard and strengthen the European Single Market, including through fighting bid rigging in public procurement, improving competition on digital markets and screening foreign direct investments.

Priorities for technical support at subnational level include promoting regional growth and development, including regional entrepreneurship through innovative technologies and AI in public services as well as enhancing risk-based regulatory delivery and inter-regional cooperation on food safety to increase regional development.

These priorities are also in line with strategic EU policy priorities, such as the RRF, the Single Market Strategy,¹⁹ the Digital Decade Policy Programme 2030, Digital Markets Act,²⁰ the new European Industrial Strategy,²¹ the 8th Cohesion Report: Cohesion in Europe towards 2050,²² as well as with the country-specific recommendations under the European Semester.

In the area of **sustainability**, the implementation of the European Green Deal continues to be at the forefront of the EU priorities, in the aftermath of the energy crisis caused by the Russian invasion of Ukraine, and after the adoption of landmark legislations in the areas of

¹⁸ https://ec.europa.eu/commission/presscorner/detail/en/ip_23_510

¹⁹ 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.

²⁰ https://digital-markets-act.ec.europa.eu/index_en

²¹ 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.

²² https://ec.europa.eu/regional_policy/information-sources/cohesion-report_en.

climate, energy and environment. The ASGS 2024 emphasises that the EU is moving away from fossil fuels, and that the implementation of the REPowerEU agenda, together with more ambitious national climate and energy policies, "*should be combined with efforts to reverse the loss of natural resources, develop sustainable agricultural practices, preserve ecosystem services and adapt better and faster to a more adverse climate, in particular in the area of water resilience*".

In line with these EU priorities, the TSI 2024 focuses on supporting the implementation of the European Green Deal²³ and the REPowerEU²⁴ agenda. This includes support to climate and energy policy priorities such as the implementation of the Social Climate Fund²⁵ and the EU Emission Trading System,²⁶ the development of hydrogen, increased uptake of renewable energy including offshore wind, improve international energy connection and capacity of national energy regulators and industrial decarbonisation, including of the steel industry.

Climate adaptation is also an important focus, with a particular emphasis on the water sector and the prevention of fires. Member States' priorities for technical support also include the Just Transition²⁷ as well as regional energy transition. Additionally, biodiversity, including the implementation of the Nature Restoration Law,²⁸ and water policy are important areas of focus, alongside the implementation of the SDGs.²⁹ Furthermore, priorities focus on better regulation, regulatory impact assessment, environmental enforcement and inspections, and regulatory delivery reform across the energy, environmental, food and veterinary inspections as well as support to environmentally sustainable and socially beneficial territorial planning for public real estate.

b) Objectives pursued

In the area of **competitiveness**, the technical support will address the objective to strengthen EU's industrial base and build resilient, green and digital manufacturing industry, *inter alia* by: preparing national industrial strategies, SMEs strategies as well as regional development strategies, building better conditions for entrepreneurship and innovation, especially for the SMEs, enabling compliance with reporting obligations, enhancing the smooth functioning of the Single Market through improved competition law enforcement on digital markets, improved compliance and competition for public contracts and better screening of foreign direct investments. The technical support will target reform policies to accelerate the digital transition, including uptake of AI and use of the EU space data.

²³ https://commission.europa.eu/strategy-and-policy/priorities-2019-2024/european-green-deal_en

²⁴ https://commission.europa.eu/strategy-and-policy/priorities-2019-2024/european-green-deal/repowereu-affordable-secure-and-sustainable-energy-europe_en

²⁵ https://climate.ec.europa.eu/eu-action/eu-emissions-trading-system-eu-ets/social-climate-fund_en

²⁶ https://climate.ec.europa.eu/eu-action/eu-emissions-trading-system-eu-ets_en

²⁷ https://commission.europa.eu/strategy-and-policy/priorities-2019-2024/european-green-deal/finance-and-green-deal/just-transition-mechanism_en

²⁸ https://environment.ec.europa.eu/topics/nature-and-biodiversity/nature-restoration-law_en

²⁹ https://international-partnerships.ec.europa.eu/policies/sustainable-development-goals_en

Furthermore, the technical support measures put in place under the TSI 2024 aim to help Member States in their efforts to move towards more sustainable mobility, better-connected and safer rail, road and air transport.

Measures are foreseen to support Member States towards developing capacities to better evaluate their regulatory frameworks and to improve food safety, housing and civil protection policies, as well as disaster risk reduction in public buildings and better management of public real estate investments.

In the area of **sustainability**, the overarching objective is to enable Member States to put in place reforms supporting the European Green Deal and the REPowerEU agenda, and to contribute 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 enable the timely preparation of national Social Climate Plans and the implementation of the EU Emissions Trading System, it will help to increase the uptake of hydrogen and accelerate renewable energy permitting, including wind, foster international energy connection, improve the capacity of national energy regulators, and accelerate industrial decarbonisation, including through one-stop-shop and regulatory sandboxes for the green transition. With regards to climate adaptation, the technical support will aim to support adaptation in the water sector and the prevention of fires. In addition, the support will aim to help achieve a just transition at national and regional level. Another objective will be to strengthen the sustainability through the implementation of SDGs, the implementation of the Nature Restoration Law, and improved water policy. Technical support will also aim to help Member States in their reform efforts to improve environmental protection enforcement, as well as food and veterinary compliance and safety.

c) Expected results

In the area of **competitiveness**, the support measures are expected to contribute to the efforts of Member States to build sustainable, resilient and digital industrial base, green manufacturing, innovative business environment and more competitive SMEs. In particular, the support measures are expected to contribute to the elaboration of more resilient and competitive national and regional strategies, build better conditions for entrepreneurship and innovation, and fair competition on the European Single Market, e.g. through better enforcement of competition law and protecting businesses from unfair competition from foreign investments. It is expected that the TSI 2024 will also contribute towards promoting the use of digital tools and processes, including AI, thus accelerating the digital transformation of businesses and the economy.

Furthermore, the support measures are expected to help Member States strengthen civil protection, resilience, preparedness, and crisis response capacity as well as disaster risk reduction for public buildings and better management of public real estate, improved housing policy and food safety. TSI 2024 will also help promote sustainable and safe mobility, including road, rail and air transport.

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, and help implement the REPowerEU agenda and the Just Transition. Technical support measures are expected to underpin reforms in Member States to accelerate the green transition. This will include, for example, timely implementation of the Social Climate Fund

and of the EU Emissions Trading System, a higher uptake of hydrogen and of renewable energy, including through faster permitting processes, including for wind energy, better international energy connections and improved capacity of national energy regulators, as well as a more advanced industrial decarbonisation. It is also expected that Member States will be better prepared for the inevitable impacts of climate change through climate change adaptation measures in the water sector and for preventing fires. Furthermore, the support measures are expected to help Member States advance towards a better implementation of the SDGs, improve the state of nature restoration and biodiversity, reach better water status, and improve the implementation of the environmental acquis, food and veterinary enforcement.

2.4. Labour market, education, health and social services

Based on requests from Member States, the TSI will provide support to at least 25 Member States in the areas of education, training and skills, active labour market and social policies, equality, social welfare systems, and health.

a) Priorities for the year

In the areas of education and skills, support measures will **foster skills development systems that are better adapted to the labour market**. The TSI flagship proposal on “Skills: Fostering skills development systems better adapted to the labour market” aims to support Member States to advance skills development through reforms to enable them to reach the EU 2030 headline targets of at least 60% of adults participating in training every year, and at least 78% of the working-age population being in employment.

The European Education Area⁴⁰ initiative also set targets on basic skills, tertiary education, green and digital skills and set strategic priorities such as, 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 and the Pact for Skills stress the need for Member States to better equip children, young people as well as the active population and the unemployed with the skills and competences that set the foundation for personal fulfilment, employability and active, responsible citizenship. Equipping Europeans with digital and green skills is key in order to increase the competitiveness of the Union and have the needed workforce for the digital and green economy.

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 Digital Education action plan (2021-2027) and the **Communication on Harnessing Talent in Europe's Regions**⁴¹ also reiterate the crucial role that skills, including digital and green skills, play in building competitiveness, cohesion and innovation. The 2022 Council recommendations on Individual Learning Accounts³⁰ and on Micro-Credentials³¹ aim at

³⁰ [Council recommendation on individual learning accounts to boost training of working-age adults - Consilium \(europa.eu\)](#)

³¹ [Council recommends European approach to micro-credentials - Consilium \(europa.eu\)](#)

enabling individuals to participate in labour-market relevant training, and to facilitate their access to employment as well as their ability to preserve their jobs. Other two Council recommendations were adopted in 2023 on improving the provision of digital skills and competences in education and training and on the key enabling factors for successful digital education and training³².

In line with these political priorities, the TSI will provide support to Member States to:

- develop national skills strategies and skills intelligence strategies, forecasting and governance systems better adapted market needs, higher education systems better adapted to the needs of the labour market,
- address teachers shortages, enhance teacher professional development in the digital transition of education (including digital skills) and better improve workforce planning of the teachers' workforce,
- raise the quality of early childhood education and care (ECEC) through monitoring & evaluation and a focus on design outcome-based ECEC frameworks,
- 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, introduce curricula reforms, combat segregation, and revise academic career frameworks, accompanying Member States in their implementation,
- support the design of micro-credentials systems and Individual Learning Accounts,
- foster wellbeing and mental health in schools, tackling gaming and gambling addictions and preventing substance abuse among youth,
- combat violence against children, including in an on-line environment, and support school desegregation,
- support green transition through development and implementation of green strategies and roadmaps.

Based on the requests from Member States, the TSI will support structural reforms in the **areas of labour market and social policies**. As demonstrated during the COVID-19 pandemic, it is crucial 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.

In the field of **labour market reforms**, Member States requests focus on strengthening public employment services and a better delivery of 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 facilitating employment for persons with disabilities.

In the field of **social protection and social security**, the Member States requests prioritise reforms aimed at strengthening the effectiveness of social assistance benefits, reforming the social housing policy, tackling demographic challenges, strengthening child protection and the implementation of the European Child Guarantee, and improving the quality and coverage of social services for vulnerable groups.

³² [Council Recommendation on improving the provision of digital skills and competences in education and training - Publications Office of the EU \(europa.eu\)](#)

In line with the Action Plan for the implementation of the European Pillar of Social Rights, the Council Recommendation on a European Child Guarantee³³ and the 2022 European Care Strategy,³⁴ the TSI will support 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, persons with disabilities, and others, including in the field of adoption policies, child protection systems, assessment of child disability, or the monitoring and evaluation of the implementation of the European Child Guarantee.

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 of pension systems through developing occupational pensions, and (iii) improving the quality and provision of integrated care and social services with a focus on children, youth, and persons with disabilities, but also the broader population. 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.

Member States also prioritised requests aiming to develop the **use of AI** in public administration in general and in the area of social welfare systems in particular in a way that complies with the EU values and principles set in EU acts. The specific objectives of support measures are to:

- uphold equality and non-discrimination in the use of AI by equality bodies and the public administration;
- strengthen the social protection capacity and enhancing labour market integration of the minimum income beneficiaries;
- increase the take-up of social benefits by their beneficiaries.

On **demography**, support measures will aim to address the negative demographic trends through innovative approaches and to facilitate the integration and independence of young people.

In **health**, in line with the Commission priority on mental health and the 2023 Communication on a comprehensive approach to mental health³⁵, many Member States prioritise requests that aim to strengthen the capacity of health, social and education systems to deal with mental health issues, including through increased availability, accessibility and quality of mental health services. Requests in this field, which were submitted under the TSI flagship proposal on mental health and well-being, also focus on integrating mental health care, well-being and physical activity into public health and educational programmes, and to improve the availability of mental health services in a cross-sectoral manner.

Based on the requests from Member States, the TSI will also support structural reforms to strengthen the resilience of health systems in line with the objectives of the European Health

³³ eur-lex.europa.eu/legal-content/EN/TXT/PDF/?uri=CELEX:52021DC0137

³⁴ [EUR-Lex - 52022DC0440 - EN - EUR-Lex \(europa.eu\)](https://eur-lex.europa.eu/legal-content/EN/TXT/PDF/?uri=CELEX:52022DC0440)

³⁵ [A comprehensive approach to mental health - European Commission \(europa.eu\)](https://eur-lex.europa.eu/legal-content/EN/TXT/PDF/?uri=CELEX:52023DC0001)

Union,³⁶ to support the implementation of Regulation (EU) 2021/2282 on Health Technology Assessment (HTAR), to improve prevention, treatment and aftercare for diseases such as cancer, in line with Europe's Beating Cancer Plan,³⁷ the Pharmaceutical strategy, and to help Member States with the implementation of the European Health Data Space,³⁸ 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.

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:

- enable Member States to implement the objectives of the Communication on a comprehensive approach to mental health by increasing the availability and affordability of mental health and well-being services, enhancing the quality of services and ensuring trained healthcare staff;
- enhance the governance, planning, monitoring, evaluation capacity and skills of the Ministries of Health and associated public entities in the areas of health promotion and disease prevention eHealth, health system performance assessment, and integrated care;
- enhance Member States' capacity to implement the HTAR;
- improve the efficiency of health systems through interoperable eHealth systems, more effective clinical governance, costing, accounting and payment systems, and use of human resources;
- improve access to and the quality of mental health services, eHealth, medicines, personalised medicine, cancer prevention and care, and ensure sustainable public investments in health systems.

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

- strengthen teachers' professional development in the digital, as well as teacher workforce planning,
- improve the quality of ECEC systems, including the governance monitoring and evaluation tools, and their capacity to support outcomes of early competence development,
- strengthen the capacity for curriculum reform design, implementation, monitoring and evaluation,

³⁶ [European Health Union \(europa.eu\)](https://european-council.europa.eu/media/en/press-operations/infographic-117236.pdf)

³⁷ [Europe's Beating Cancer Plan \(europa.eu\)](https://european-council.europa.eu/media/en/press-operations/infographic-117236.pdf)

³⁸ [Proposal for a regulation - The European Health Data Space \(europa.eu\)](https://european-council.europa.eu/media/en/press-operations/infographic-117236.pdf)

- develop skills strategies and reliable skills forecasting tools and skills governance mechanisms,
- address skills mismatches and improve adult participation in training through design and implementation of Individual Learning Accounts (ILA) and micro credentials systems, in line with the Council Recommendations on ILA and micro credentials,
- adapt VET and adult learning systems to the labour market needs,
- support green and digital transition through development and implementation of green roadmaps, tools and strategies,
- combat violence against children and support desegregation, foster mental health and wellbeing of children and youth.

The support measures for **labour market policies** will aim to strengthen the capacity of public employment services and help in the design and implementation of adequate ALMPs. More specifically, they aim to:

- tackle 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 public-private partnerships in the delivery of employment services,
- provide innovative formulas for the compatibility of unemployment benefits with work-based learning and income,
- promote the labour market integration of economically inactive people and persons with disabilities.

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 policies, including social protection**, will 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,
- facilitate the transition from institutional care to foster care or family reunification for children,
- strengthen the capacity of public administration to provide targeted social housing solutions to those in need,
- tackle demographic challenges linked, for instance, to aging and brain-drain,
- improve the quality and coverage of social services for vulnerable communities, including children, youth, and people with disabilities and long-term care needs.

c) Expected results

In the area of **health**, support measures are expected to contribute to: (i) the provision of strategic and operational tools for the governance, planning, monitoring and evaluation of health promotion and disease prevention measures and health services in the areas of mental health, eHealth, emergency medicine, health system performance assessment, health technology assessment, cancer screening, genomics and integrated 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 health systems, 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 effectiveness of education and training and contribute to: (i) an improved professional development of teachers and better workforce planning tools; (ii) an increased quality of ECEC through better tools for monitoring and evaluation and support of early competence development; (iii) enhanced capacity to design, implement, monitor and evaluate curriculum reforms, using a more evidence-based approach; (iv) enhanced skills (including green and digital) and better instruments to address skills mismatches and improve adult participation in education and training; (v) improved mental health and wellbeing of children and youth and improved school environment fostering inclusiveness and students' wellbeing.

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) developing innovative and flexible solutions to combine unemployment benefits with work-based learning and income; (iii) an increased administrative and analytical capacity of public employment services, including through more effective governance mechanisms and analytical tools to assess and anticipate labour market developments and profiling of job seekers, and public-private partnerships in the delivery of employment services.

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 tackle demographic challenges and deliver social protection benefits and services, especially to the most vulnerable populations such as children and young people, as well as people with disabilities and long-term care needs. In particular, these measures should contribute to strengthening child protection policies, including in the context of the European Child Guarantee, and facilitate the provision of social housing.

2.5 Financial sector and access to finance

The TSI will support measures in at least 20 Member States in areas including biodiversity and greenwashing, insolvency, occupational pensions supervision, insurance and financial literacy – notably digital financial literacy. Member States' involvement in the **EU Supervisory Digital Finance Academy (EU-SDFA)** is being reinforced. Work will continue to foster financial stability notably as regards the supervision of central counterparties and banks' resolution, and to enhance supervisors' skills, instruments, and capacity in applying and dealing with AI. Technical support will enable national promotional institutions to implement their mandates.

a) Priorities for the year

Financial markets have been early users and adopters of **digitalisation**, which is transforming the use and provision of financial services and products. While the increase in online services enables a smoother experience for customers, it is also resulting in a shift of frauds and thefts. Phishing, vishing (phishing through the phone, often targeted at elderly people), scams or identity thefts are on the rise and are becoming an increasing concern.

Higher general financial literacy and, within it, higher **digital financial literacy** of citizens must become the necessary corollary of the trends observed in the provision of financial services, where digital financial literacy is defined as “*a combination of knowledge, skills, attitudes and behaviours necessary for individuals to be aware of and safely use digital financial services and digital technologies with a view to contributing to their financial well-being*”. The ability to assess financial information provided through digital channels and a thorough knowledge of information and communication technologies (ICT) are prerequisites for their use. Specific support will be provided through TSI 2024 to enhance citizens ability to rip the full benefits of digitalisation of financial services and products whilst being aware and able to deal with its inherent risks. Ultimately, fostering digital financial literacy contributes to consumer protection, without replacing it.

Linked to, and consequence of, digitalisation, **AI** may reinforce the effectiveness of supervision. In that regard, support will be provided to Member States’ supervisory authorities in applying generative AI and in strengthening the regulatory and supervisory frameworks for its use, including within securities markets. Technical support will aim at improving supervisory authorities’ use and skills, notably in AI application to supervisory activities.

In that context, work will also continue as regards fostering a common digital culture among financial supervisors. More Member States’ supervisors will be joining the **EU SDFA**.

The agenda of the **European Green Deal**³⁹ continues to be at the forefront of the 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 framework⁴⁰ has a key role to play in delivering on the policy objectives of the European Green Deal. In line with the EU’s sustainable finance strategy,⁴¹ which sets out the operational steps for achieving such climate-neutrality by 2050, are urgently needed to embrace the sustainability challenges. In particular, Member States requested support in view of **addressing greenwashing risks in the financial sector**, in **assessing the net-zero commitments by corporates** and **identifying resources to be mobilised to protect biodiversity**.

Part of the 2024 budget will be allocated to support Member States in reinforcing their safety nets. Work will be developed to improve the functioning of **deposit guarantee schemes** and

³⁹ Communication from the Commission on the European Green Deal, COM(2019)640.

⁴⁰ ‘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.

⁴¹ https://ec.europa.eu/info/publications/210706-sustainable-finance-strategy_en

to establish specialised agencies to deal with **assets confiscated** in the context of illicit activities.

Central counterparties (CCPs) are important components of the financial market infrastructure and play a fundamental role in the functioning of markets by interposing themselves between buyers and sellers. A CCP intervenes between the counterparties to contracts traded on the financial markets, becoming the buyer to every seller and the seller to every buyer. They facilitate trading in markets by reducing counterparty risks that financial market participants face when they enter into transactions. An effective supervisory and resolution framework is therefore vital to ensure CCP's compliance with the regulatory requirements and to assess and address potential risks related to its activities, and more broadly to preserve financial stability, maintain the confidence of market participants and investors, and ultimately, attract new investments in a safe and sound environment. A part of TSI 2024 budget will be reserved to address Member States' requests to equip their authorities responsible for **supervision and resolution of CCPs** with instruments, knowledge and information necessary to better perform their mission.

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 and in reviewing procedures and methodologies.

Member States also sought support for reinforcing their supervisory capacity in the area of **insurance and occupational pensions**. Part of the 2024 TSI budget will be allocated to reinforcing conduct of business supervision in the insurance sector, and in fostering the implementation of relevant EU legislation in those areas.

National promotional institutions play a crucial role in sustaining businesses to grow. DG REFORM will continue supporting these institutions in moving their economies towards innovation, implementing new technologies and business models. This further contributes to the Capital Markets Union project.

b) Objectives pursued

Digitalisation will be addressed through various angles with an overall objective of better understanding its implications, risks, and opportunities. In what concerns **digital financial literacy**, technical support measures aim at increasing awareness to the risks and opportunities posed by digital financial services and products by empowering consumers with information, instruments and the set of skills needed to make proper informed decisions.

Assessing the implications and potential **use of AI in supervision** aims at fostering and rendering more effective financial supervision, more able to quickly react to the evolving market conditions and ultimately resulting in increased financial stability and investors' confidence. The continuous work of the EU-SDFA aims at sharing knowledge and fostering a common culture and understanding of the impact of digital in financial markets.

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 in increasing their capacity to monitor and address greenwashing practices and risks. The support will further include actions the objective of which is improving science-based target setting, disclosure and monitoring of the financial sector's commitments to net-zero and

monitoring an orderly green transition of the EU financial system and to promote protection of biodiversity.

Measures focusing on **deposit guarantee schemes, illicit assets management, CCPs supervision and resolution** aim at increasing responsible authorities' administrative capacity to implement their mandates.

The objective of the support measures within **Banking Union**, is to enhance the efforts of 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 addressing **insurance and occupational pensions supervision** aim at enhancing Member States supervisory authorities' capacity to monitor, assess, and tackle consumers' risks in the insurance market, and to contribute to the stability and resilience of occupational pension schemes and providers – to the benefit of occupational pensions beneficiaries.

Measures supporting **national promotional institutions** aim at enhancing the institution's ability to finance development the economy through financial instruments.

c) Expected results

In the **digital area**, support is expected to result in:

- improvements in digital financial literacy scores, a decrease of frauds and scams, an increase in digital financial inclusion and increased consumer understanding of digital financial products and related contractual obligations. In the longer term, this support is expected to contribute to financial stability and prosperity;
- improvements in the use of available data and ultimately in the efficiency of authorities in carrying out their supervisory tasks;
- deeper harmonisation and convergence of practices among supervisors, thus creating a community of digital experts within supervisory authorities across the EU.

In the area **sustainable finance**, support to Member States is expected to increase national supervisory authorities' administrative capacity to supervise financial market participants, in particular by identifying and tackling greenwashing risks and monitoring the effective achievement of financial institutions' net-zero commitments and in the mobilisation of resources to protect biodiversity. Support will ultimately result in enhanced supervisory processes and tools, increased capacity to handle risks that materialise, and it will ultimately contribute to sustainability and adequate investors' protection.

Measures addressing **safety nets** as described above are expected to increase administrative capacity of responsible authorities, ultimately resulting in better consumer protection, enhanced confidence, and financial stability. Reinforced capacities in seizing and freezing assets linked to illicit practices will ultimately result in their reduction.

Support as regards **central counterparties** will result in improved internal working procedures, methodologies and processes, thus contributing to financial stability through enhanced supervision and resolution of CCPs.

The expected result from the support measures provided to NRAs is to contribute to a consistent and coherent application of the **EU harmonised crisis management**, 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 insurance and pensions sectors, in particular through new and enhanced supervisory organisation, processes and tools.

Support provided to **national promotional institutions** will ultimately result in better financing conditions to the economy, thus fostering sustainable growth.

2.6 Border and migration policies, capacity building to absorb Union funds in relation to RRF and institutional reforms in relation to policy coordination and governance structures

The TSI will support measures in at least 10 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, combatting trafficking in human beings and institutional reforms in relation to policy coordination and governance structures, including measures to enhance structures for central government coordination and preparation of legislation as well as port and maritime affairs 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, implementation and coordination mechanisms, and the evaluation of the societal impact of the implementation of the recovery and resilience plans.

Based on requests from Member States, the TSI will provide support in the area of **migration management**. Safe and orderly migration is a key component of the New Pact on Migration and Asylum, which vows to foster orderly migration, combat trafficking in human beings and protect victims, enhance migrant integration, enhance their economic participation and make the EU more attractive to international talent. Such policies rely on strong, well-functioning institutions, well trained staff, solid processes and tools including digital tools. Support funded under the TSI will hence focus on rendering asylum processes more efficient, integrating migrants, attracting international talent, combatting human trafficking and operationalising relevant government structures. In view of the increasing importance to ensure **effective policy coordination and governance** structures, the TSI will support institutional reforms to develop strategies to enhance central government coordination, including the digitalisation of the legislative process, as well as enhance the administrative capacity of the authorities in the area of maritime affairs.

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 evaluation of the societal impact of their benefits.

The support measures in the area of **migration management** will aim at fostering orderly migration, protecting victims of trafficking in human beings, building Member States' labour market resilience by improving social integration, labour market inclusion of migrants and people with a migrant background as well as 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 institutional structures, administrative and analytical capacities of the administrative bodies in charge of border and migration policies.

The support measures in the area of institutional reforms for **policy coordination and governance structures** will aim at providing the required capacity building and respective tools so as to enable the central government to coordinate, monitor and implement the government's priorities: implement the digitalisation of the legislative process and ensure readiness to respond to maritime and port management challenges.

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 and coordination mechanisms, and the evaluation of the societal impact of their implementation.

The support measures in the area of **migration management** are expected to assist in the preparation, implementation and evaluation of migration management reforms and programmes, focusing on such areas as capacity building of national administrations (including support to digitalization), combatting trafficking of human beings, migrant integration and labour market inclusion, 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 victims of trafficking, refugees, beneficiaries of temporary protection especially children and families, the low-qualified, unemployed and inactive, or those subject to in-work poverty. The TSI support measures are expected to contribute to exchanges amongst practitioners across cities, regions and national authorities, and promote evidence-based policy making.

The support measures in the area of institutional reforms for **policy coordination and governance structures** are expected to increase the Member States capacity to effectively coordinate and implement reforms, optimise the implementation and transparency of the legislative process as well as enhance maritime management and safety at ports and sea.

2.7 Overview of the allocation of financial resources

In conclusion, and as to be 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 reforms in relation to policy coordination and governance structures	Total (EUR)
TOTAL (EUR)	21 245 748*	24 732 644*	26 880 752*	30 999 389*	10 923 748*	7 485 748*	123 229 347
1) Grants	1 090 000	1 610 000	500 000	1 100 000	140 000	430 000	4 870 000
2) Public procurement	7 445 000	6 431 900	8 890 003	4 350 000	3 308 000	1 850 000	32 274 903
3) Indirect management	12 160 748	16 690 744	17 490 749	25 549 389	4 425 748	5 205 748	81 523 126
4.1) Other expenditure (AA/SLA)	550 000	-	-	-	3 050 000	-	3 600 000
4.2) Other expenditure	961 318						961 318

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

Part II – Actions to be financed in 2024

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 2024 as follows:

- a) for grants (implemented under direct management) (section 2) EUR 4 870 000,
- b) for procurement (implemented under direct management) (section 3) EUR 32 274 903,
- c) for actions implemented under indirect management (section 4) EUR 81 523 126,
- d) for other actions or expenditure (section 5) EUR 4 561 318.

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 123 229 347

2. Grants

The global budgetary envelope reserved for grants under this work programme is EUR 4 870 000. 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 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, 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 identifying, assessing and selecting the most suitable policies and investments to deliver the green transition, as well as undertaking digital risk assessments 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 substantiated 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 International Bureau of Fiscal Documentation (IBFD)

Objectives pursued and expected results

The objective of the action is twofold (i) to improve the processes and procedures within

Cypriot and Maltese administrations in Transfer Pricing (TP) related areas of Advanced Pricing Agreements (APA), Mutual Agreement Procedures (MAP), and transfer pricing audit and risk assessment; and (ii) to deepen the knowledge and upskill capacity of the administrations in complex international taxation issues, in particular focusing on anti-tax avoidance measures (transposed to Cypriot and Maltese legislation from the Anti-Tax Avoidance Directives (ATAD I and II), double taxation treaties, and advanced transfer pricing issues.

The expected results of the action are the same for both Cyprus and Malta, (i) the creation of a specialised team dedicated to MAP and APA cases and improved capacity to ensure sustainability through train-the trainers programme, tools, and guidelines; (ii) strengthened administrative capacity of the respective tax departments to effectively deal with international taxation issues. In the mid and long run, the action will contribute to strengthening tax compliance, reducing aggressive tax planning, and ensuring the sustainability of the public finances into the future by raising additional tax revenue in Cyprus and Malta.

Description of the activities to be funded

Activities to be funded under this specific action entail:

A. Administrative / Structural Reform on the set up of TP, MAP and APA functions in Cyprus and Malta.

1. As-Is analysis (Diagnostic) report focus on the existing environment for transfer pricing related activities, including Advance Pricing Agreement, MAP TP audit, risk assessment etc.
2. Recommendations and practical guidelines, to include:
 - set up and content of all necessary procedures for all stages involved in the Advance Pricing Agreement process and its practical operation;
 - set up and content of all the necessary procedures for all stages involved in the MAP and its practical operation;
 - set up and content of an audit methodology/audit questionnaire concerning the TP and APA reviews/examinations/audits;
 - set up of the MAP and APA teams;
 - internal manuals for each of the topics above;
 - external guidelines to communicate the above to taxpayers (via website etc).
3. Development of risk assessment strategy and risk assessment tool for TP examinations.
4. A roadmap and action plan that covers at the same time the implementation plan for all the above and also includes a behavioural change management plan for a successful implementation of the new procedures.

B. Delivery of a Comprehensive Capacity Building Program:

1. Capacity building to strengthen the negotiating skills on tax disputes between the tax authority and other tax jurisdictions.
2. In person workshops on intermediate/advanced transfer pricing issues to include examination of case studies
3. Technical tax training in the format of a comprehensive training programme within a “train the trainer” framework in order to ensure sustainability of training covering international corporate tax issues including an overview of new and existing EU Anti-Tax Avoidance Rules and BEPS Actions; current European Commission proposals and double tax agreements.
4. Cross border exchange to share international practices with Member States.

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 power, on condition that the actions concerned do not fall within the scope of a call for proposals.

International Bureau of Fiscal Documentation (IBFD) is an independent (non-profit) foundation that carries out high-quality independent tax research.

The IBFD has extensive, specific, and applied expertise and experience in international tax matters, tax administration, and providing services to government including advice and capacity building on aggressive tax planning. Having vast practical experience in the action’s subject, the IBFD can tailor and provide highly specialised hands-on expertise necessary for the capacity building envisaged. Furthermore, the IBFD is in a position to involve a sufficient number of skilled staff to cover all objectives of the action.

The IBFD 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%

2.1.2. Direct grant to the Danish Research Institution for Economic Analysis and Modelling (DREAM)

Objectives pursued and expected results

The objective of the action is to strengthen the capacity of the Austrian Federal Ministry of Finance, the Belgian Federal Planning Bureau, the Finnish Ministry of Finance, the Italian Ministry of Economy and Finance and the Polish National Centre for Emissions Management (KOBiZE) to model the macroeconomic impacts of green policies and investments.

The expected result of the action is, via DREAM's computable general equilibrium (CGE) macroeconomic model, the ability to customise a "workhorse" CGE model based on national datasets. In the mid and long run, the action will contribute to improving the ability to identify, assess and select the most efficient and effective policies and investments to deliver the green transition.

Description of the activities to be funded

Activities to be funded under this specific action entail:

- Study visit and workshops for knowledge-sharing on the existing DREAM CGE model, including theoretical underpinnings and practical data collection considerations;
- Support for the collection and preparation of national-level datasets to be used for building a "workhorse" CGE model based on the DREAM model;
- Support for the construction of a workhorse CGE model, including baseline construction;
- Study visit and workshops focusing on the workhorse CGE model, focusing on model calibration and introduction of technology catalogues;
- Further support for tailoring the workhorse model to national context via the construction of sector-specific modules, upon demand.

Amount

EUR 340 000

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 DREAM, an independent quasi-governmental institution.

DREAM has extensive, specific and applied expertise and experience in: (1) providing economic research along with developing modelling tools (2) experience in integrating technology catalogues into macroeconomic models and (3) analysis and forecast of economic, technology and climate policies.

DREAM can tailor and provide highly specialised hands-on expertise necessary for the capacity building under this action. Furthermore, DREAM is in a position to involve sufficient number of skilled staff to cover all objectives of the action.

DREAM 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 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, a 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, anti-corruption.

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, artificial intelligence applications, 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 substantiated 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%

2.2.1 Direct grant to Victim Support Europe (VSE)

Objectives pursued and expected results

The objective of the action is to enhance the national strategies and frameworks to support victims of crimes in Estonia, Portugal and Malta. Over the last years, room for improvement has been identified for the provision of strategic and coordinated multi-disciplinary cooperative and victim-centered approach. Law enforcement, judiciary, healthcare professionals, administration, social services, victim support services – all these actors play different roles in supporting a victim to recover from their experience as much as possible, within the shortest period of time.

In the context of Estonia, the authorities have already benefited from technical support under the Structural Reform Support Programme (SRSP) - 20EE06 “Effective referral and assistance mechanisms of victims of crime for reducing the harm of victimization”, which resulted in the analysis of the current situation and recommendations to the Estonian authorities on how to improve internal processes and competences, especially in the health and police sectors. The proposed tools and solutions have been tested in the pilot in the Viru region. The objective of the follow up action is to roll out the piloted tools and practices in the whole country and to make them permanent through a national framework for victim support. The tools and solutions that have been tested in the pilot will be shared and adapted to the national context of other countries participating in the project. Therefore, the results of the

SRSP project will serve as a good practice and a model to be replicated to other Member States to the benefit of the millions of European victims.

The expected result is the improvement of capacity of the national authorities to establish and implement a strategic victim-centred system to protect and promote the rights of all victims of crime.

Description of the activities to be funded

The activities to be performed under this action include:

- Developing a proposal for a national strategy to protect and promote the rights of all victims of crime;
- Developing a capacity building program (train-the-trainer) for key professionals working with victims;
- Developing an awareness raising campaign and launch of the national strategies in the respective countries;
- Building capacity for international coordination and cooperation (incl. creating transnational senior experts panel meetings, thematic working groups and multi-country trainings on common issues).

Amount

EUR 1 610 000

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 VSE, which is the best-suited entity to implement the action for the following reasons:

- **Technical competence:** The organization is a strategic partner in promoting the development of victim rights and services throughout Europe. VSE was founded in 1990 and it has been working for almost 30 years on victims' rights and services. VSE works closely with the European Commission, the European Parliament and various EU Agencies such as the Fundamental Rights Agency (FRA). In addition, it has a formal consultative status with the UN's ECOSOC Committee. The results of the SRSP project implemented in Estonia, achieved with the help of the expertise of VSE, will serve as good practice for the roll out in the whole country through a national framework for victim support and a model to be replicated to other Member States participating in the project, to the benefit of the millions of European victims.
- **High degree of specialisation:** VSE represents 61 national member organisations, providing support and information services to more than 2 million people affected by crime every year in 31 countries. VSE supports knowledge exchange and good practices to help implement and monitor victims' rights, increase and improve the

delivery of local services, and develop new policies and practices. VSE has therefore been the leader of the development of victim-centered policies and has been a valued stakeholder during the negotiations and drafting of the EU’s Victims’ Rights Directive. VSE has worked on a range of projects in Europe. For example, VSE is, together with several other partners, developing the EU Centre of Expertise for Victims of Terrorism. Their VICToRIIA project (co-funded by the Justice programme) ensured that victims of crimes in Lithuania, Romania, Italy and Portugal gained access to and are offered tailored victim support services suited to their needs. VSE also participated in a DG REFORM project on building up capacities to foster the system of support and protection of victims of crime in Spain. In addition, VSE will draw from broader EU experiences to identify good practices and their pool of experts is comprised of professionals from all around the world who are experts in their respective fields.

- **Administrative capacity:** VSE has extensive experience in managing EU-funded grants with DG HOME, DG JUST, EEAS and FRA. Its experience covers all necessary administrative aspects for a successful project implementation, from identification and selection of appropriate expertise to management of missions, finance and accounting, monitoring and evaluation of projects, reporting and strategic follow-up.

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 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, 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 support public authorities in the implementation of the EU environmental legislation.

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 substantiated 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 Rijkswaterstaat

Objectives pursued and expected results

The European Commission's latest Environment Implementation Review for Malta highlights implementation gaps and growing demands for enhanced environmental monitoring (air, soil, water, biodiversity and noise), improved natural resource and waste management, improving the circularity of the economy, and better compliance with environmental permitting requirements. Several main challenges are highlighted: the urgent needs to accelerate waste management implementation, to enhance the protection of habitats and species under the Natura 2000, to strengthen the enforcement of the Nature Directives, to improve air quality in urban areas, and to address insufficient wastewater treatment.

Despite increased staff recruitment to bolster technical capacity, the rapid influx of employees with limited regulatory experience necessitates intensive training to ensure effective environmental compliance. In addition, there is a pressing need to streamline and enhance

regulatory practices for greater effectiveness and efficiency, reducing unnecessary burdens on both regulators and the regulated community. There is a pressing need to develop a modern and adaptable organisational structure in order to better contribute to strengthening and consolidating compliance with the EU environmental acquis, better compliance with environmental regulation for businesses, compliance with requirements of a modern and fit for purpose environmental regulator, definition of clearer and more efficient processes and practices, increased capacity for permission and inspection, compliance assurance and enforcement, enhanced transparency in environmental regulation and enhanced capacity to use e-governance.

The objectives of this action are:

- 1) to transform the environmental regulator into a learning organisation by establishing a policy that encourages continuous learning for staff, conducting a training needs analysis, and developing mentoring and coaching systems. Additionally, onboarding programmes for new employees, communities of practice, and specialised educational initiatives for new graduates and key units are planned.
- 2) to increase organisational flexibility through the introduction of a job rotation system for less specialised roles, the establishment of a succession planning system, and the formulation of cost-neutral work plans; and
- 3) to enhance strategic alignment by introducing a related policy, developing standard operating procedures, and implementing risk assessments to support this direction. A communication plan and strategies to ensure the long-term sustainability of project initiatives are also to be developed.

The expected results should further professionalise the Maltese Environment and Resources Authority in dealing with the environmental challenges in an efficient and effective way. The Environment and Resources Authority sees itself as a learning organisation, emphasising flexibility, dedication, and the promotion of continuous learning, open communication, knowledge sharing, and improved problem-solving. The Environment and Resources Authority aims to quickly adapt and respond to changes, enabling the adjustment of strategies, processes, and resource allocation. The organisation aspires to synchronise its goals, initiatives, and resources with its new strategic direction. Characterised by a workforce with flexibility, entrepreneurial spirit, initiative-taking abilities, and a strong sense of responsibility, the Environment and Resources Authority fosters collaboration among its employees.

Description of the activities to be funded

Activities to be funded under this specific action entail:

- Building a learning organisation. A policy is expected to be established to create a learning organisation, promoting ongoing learning for all staff at the Environment and Resources Authority. A comprehensive training needs analysis is requested to be conducted across the entire entity. A tailored mentoring and coaching system needs to be developed for employees of the Environment and Resources Authority and an introductory program is expected to be implemented for new employees. A community of practice is expected to be formed, focusing on priority or new subjects. A junior educational program has to be introduced for new graduates aspiring to work with the Environment and Resources Authority, particularly in relation to permitting. Furthermore, a training program with hands-on support will be initiated for the

- compliance and enforcement directorate and the permitting unit.
- Developing a more flexible organisation. The Environment and Resources Authority is requesting to implement a rotation system for positions, specifically designed for roles that do not require a high level of expertise. Additionally, a system will be developed for succession planning and cost-neutral work plans.
- Working with strategic alignment as a tool. The introduction of a new policy focused on strategic alignment is requested. New standard operating procedures will be developed to facilitate the implementation of this policy. Furthermore, a risk assessment method will be conducted to guide the implementation of the new policy on strategic alignment.
- To ensure long-term sustainability of the project, additional support measures are being proposed such as a communication plan devised for internal and external communication and the compilation of conditions to ensure and assure that the project's activities will continue running after the project's end date to ensure sustainability.

Amount

EUR 500 000

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.

Rijkswaterstaat is the executive agency of the Dutch Ministry of Infrastructure and Water Management. It actively collaborates internationally to address global challenges such as climate change, scarcity of resources, and the interconnected nature of water and traffic networks emphasising the creation of a sustainable living environment. Leveraging expertise and knowledge exchange with international partners, Rijkswaterstaat plays a pivotal role in advancing interdisciplinary solutions for environmental challenges such as extreme high-water levels, drought, the development of innovations like satellite-based monitoring of sea water quality and regulation, governance and enforcement of environmental law. Through extensive collaboration at local, regional, national, and international levels, Rijkswaterstaat addresses global challenges such as climate change and water management gathering knowledge from international partners to ensure effective solutions.

This entity 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%

2.4 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 substantiated 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 SEO Amsterdam Economics

Objectives pursued and expected result

The overarching objective of the action is to support three Member States (Luxembourg, Malta and Slovenia) with the implementation of the Regulation (EU) 2021/2282 on Health Technology Assessment (HTA Regulation), which will apply as of January 2025.

HTA is a scientific evidence-based process that allows to determine the relative effectiveness of new or existing health technologies (pharmaceuticals, medical devices or health interventions). The outcome of HTA is used as a decision-making process tool to inform decisions concerning the allocation of budgetary resources in the field of health, for example in relation to establishing the pricing or reimbursement levels of health technologies. Therefore, HTA is considered a valuable tool for ensuring the sustainability of health systems and stimulating innovation.

The HTA Regulation introduced a permanent framework for joint HTA at European level, substituting the previous voluntary cooperation among HTA bodies (i.e. HTA Network, EUnetHTA Joint Actions). The project has a multi-country dimension, because the HTA systems of the three selected Member States have common elements, namely limited resources and administrative capacity, and similar size of the pharmaceutical market.

The expected outcome is that the respective HTA bodies in the three Member States will have a fully-fledged HTA system which will allow them to use the joint European HTA reports and meet the requirements of the HTA Regulation.

Description of the activities to be funded

To achieve the objectives of the action, the following **activities** are to be implemented by the entity selected:

- Assessment of the current HTA processes and existing operational, methodological and legal requirements to build or strengthen the HTA system and conduct HTAs in line with the HTA Regulation;
- Support to the development of legislative frameworks and guidance to adapt existing material to the HTA Regulation, taking into account guidelines already developed at EU level;
- Support to the development of national HTA strategies and action plans;
- Organize exchange of practices with other Member States;
- Conduct capacity building activities to enable staff to acquire or increase their knowledge on HTA-related procedures.

Amount

EUR 1 100 000

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 SEO Amsterdam Economics, an independent organisation founded in 1949 which conducts applied economic research on behalf of both public and private sector clients.

SEO Amsterdam Economics (hereinafter SEO) is considered to be the best-suited body for this action, as it has the necessary specialised knowledge, the technical competence, high degree of specialisation, prior experience, and administrative capacity for completing the activities required.

As regards the technical competence, the healthcare cluster of SEO is specialised in performing cost-benefit analyses and assessing health interventions, which is the core of HTA. For example, upon the request of the Dutch Ministry of Health, Well-being and Sport, SEO wrote a guide for performing cost-benefit analyses in the social domain, including healthcare. Furthermore, as its approach often searches for interactions between science and policy, SEO has the capacity to ensure that research outputs can actually play an appropriate role in decision-making process. This will be extremely important in the project, given that the three Member States requested broader interventions at the level of governance, institutionalisation and processes.

SEO's high degree of specialisation in assessing health interventions is confirmed by its broad methodological portfolio related to HTA, which covers a wide range of tools and approaches ranging from, randomized control trials to experimental research, as well as econometric and statistics.

Thanks to its constant collaboration with Ministries, HTA bodies and institutions in the non-profit sector both internationally and nationally, SEO also has an **extensive network** to promote cross-country cooperation and exchange of good practices in a multi-country settings, which is exactly the dimension that the project will have. Importantly, SEO has a long-standing cooperation with the Dutch HTA body Zorginstituut (ZIN), whose system is considered one of the most advanced in the EU and at the forefront for the implementation of the HTA Regulation.

SEO possesses the **appropriate administrative capacity** to carry out the project, as it has a staff of about 40 people, which includes economists, researchers and project managers, all profiles that will be necessary for the implementation of the project. The core staff of SEO speaks fluent English, which is also the working language for the three Member States that were selected.

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 financial sector policies. 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 financial sector. 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 digital finance and AI;
- (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 AI applications to supervisory activities;
- (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 application of AI to the financial sector and services;
- (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 digitalisation;

- (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

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 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 substantiated 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 European University Institute (EUI)

Objectives pursued and expected results

The European financial supervisors play an essential role in supervising the financial systems, ensuring the stability and compliance of financial institutions with regulatory standards. This responsibility entails the analysis of a large and diverse data and information, both reported by

entities and available in the public domain. Financial supervisors identified innovation and the adoption of new technologies to enhance financial supervision as a fundamental cornerstone. Successfully integrating these AI technologies can significantly improve the efficiency and effectiveness of supervisory practices.

However, a major challenge for the financial supervisors lies in increasing their skills and capacity in AI and natural language processing (NLP), particularly with an emphasis on Large Language Models (LLM). These models are crucial for effectively analysing data and making reliable predictions, capabilities that are essential in monitoring financial activities. As data volume and complexity increase, the need for efficient and accurate management of this data becomes more pronounced.

To address these challenges, financial supervisors would significantly benefit from Advanced NLP/LLM Expert Training Programme that encompasses state-of-the-art techniques and involves different component. The Programme should enable the financial supervisor experts to better understand the practical challenges and limitations inherent in applying theoretical concepts to real-world scenarios, specifically will also involve the development and testing of two Proof of Concepts.

The involvement of executives in this training programme would also offer substantial benefits, not only bridging the gap between technology and strategic decision-making but also ensuring the ethical and effective integration of AI within the organisation. Additionally, organisation of technical knowledge-sharing event would significantly enhance this initiative by establishing a dynamic platform for networking and skill demonstration.

The support had been formally requested by one financial supervisor, but making some parts of the programme available for participation would also be beneficial for AI experts and executives from other financial supervisors, who are encountering similar challenges and have comparable levels of expertise. Therefore, both the event for executives and the technical knowledge-sharing parts should be open to a wider range of financial supervisors.

The European Union Digital Finance Supervisory Academy (EU-SDFA) currently offers support in AI knowledge and experience at both foundational and advanced levels. The new initiative aims to enhance the EUSDFAs assistance by extending its activities to encompass higher expert-level support, further advancing the depth and scope of AI expertise necessary.

Description of the activities to be funded

Activities to be implemented by the entity selected entail:

- Organise an executive coaching programme specifically focused on AI, particularly generative AI to cultivate a digital mindset enhancing executives' understanding of these technologies for effective supervision, and secondly, improving the oversight of AI applications within the supervised institutions.
- Organise a technical knowledge-sharing event to provide a dynamic and interactive environment for experts from various financial supervisors to network, exchange insights, and demonstrate their skills. Such event should not only foster interaction among AI professionals but also provide a valuable opportunity for hands-on experience and collaborative problem-solving.

Amount

EUR 140 000

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 University Institute (EUI) 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 applying AI solutions and related policy reforms.

The EUI has demonstrated experience in managing and implementing projects in the area of AI, in carrying out advanced academic research in the same area, and in training on the development of AI models for supervisory activities, specifically when performing activities for the European Union Digital Finance Supervisory Academy, for which a grant has already been awarded under the 2022 TSI Financing Decision.

This new grant will finance additional activities under the Digital Finance European Supervisory Academy that will complement the actions already implemented previously.

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 reforms in relation to policy coordination and governance structures

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 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

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 policy coordination and governance structures. 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 approaches for the digitalisation of the legislative process;
- 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;
 - (vi) training actions and capacity building to support the necessary professional skills and knowledge relating to the relevant reforms; e.g. design training courses for staff and provide capacity building through on the job training on introducing and processing legal data.
- 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 impact evaluation studies, and the development and publication of guides, reports and educational material; e.g. an intersectional analysis and research focused on the Recovery and Resilience Plan (RRP) impact in the areas of labour market, housing, digital and green ; and
- f) the establishment and execution of communication strategies for 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 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 substantiated 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 Vrije Universiteit Amsterdam and the Verwey-Jonker Instituut

Objectives pursued and expected results

The main objective of the action is to strengthen the capacity of the Netherlands to evaluate the recovery and resilience plan's effect on existing social inequalities, as well as to assess how RRP measures will impact different categories of population in the Dutch society,

focusing on four policy areas: labour market, housing market, digital transition and green transition. The monitoring of the societal impact will be done through an intersectional analysis and research focused on specific dimensions/forms of inequalities linked to: gender, ethnicity, disability, and education. The second objective of the action is to analyse and compare the unintended consequences arising from the RRF with a view to further maximise its impact. The third objective of the action is to evaluate the parameters and incorporate results into planned reforms and investments.

The expected result of the action is the establishment of a research program that will monitor the effects and impact of the RRP measures, focusing on identification and mitigation of potential negative consequences of some policies and/or reforms. The program will outline the societal impact of RRP related measures and highlight the unintentional adverse effects on specific groups of the Dutch society. This will provide the opportunity to the Independent Advisory Committee, established as part of this project, to generate knowledge and expertise to the Dutch government on how to tackle the adverse effects of the RRP measures.

Description of the activities to be funded

Activities to be funded under this specific action entail:

- Development of a proposal for a research program which would allow to monitor the societal effects of the RRP in the Netherlands
- Pilot of a research program on specific RRP reforms/investments
- Assessment of the results of the pilot and drafting a first report
- Evaluation and adjustment of the research program based on the findings in the pilot phase
- Development of recommendations on the implementation of the research findings into the policy development structure
- Design and implementation of a second proposed research phase and subsequently a second report
- Preparation of communication on the progress and outcomes
- Development of recommendations on the sustainability of the research program

Amount

EUR 300 000

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 **Vrije Universiteit Amsterdam (VUA)** and the **Verwey-Jonker Instituut (VJI)**.

The VUA has the required experience and technical competence for successfully implementing the support measures requested, which require a high degree of specialization and technical competence.

The VJI, with its extensive team of researchers, already has a proven track record of efficiently managing and conducting research across a wide array of societal themes. This includes the coordination of projects, handling data, policy advice, and ensuring the seamless execution of research tasks.

Both VUA and VJI are exceptionally suitable partners with the required expertise for the implementation of this action. Their extensive experience in investigating societal issues, especially in gender, ethnicity, disability, and education, aligns seamlessly with the focus of the aimed research on the unintended effects of the Dutch RRP. Importantly, the sustained collaboration between the VJI and the VUA brings an additional dimension to the partnership through their shared commitment and combined capacities. The VUA, being one of the largest universities in the Netherlands, hosts a considerable number of researchers specializing in addressing issues related to the topic of the project. The VJI has a longstanding reputation on policy/strategic and evaluation analysis of societal impact, which is being used to make adjustments in policies of organisations and governments. Such projects are financed by government bodies, including the European Commission.

VUA's societal engagement is evidenced by its top-tier ranking in terms of impact on the SDGs and initiatives such as "*A Broader Mind*". The "*A Broader Mind*" initiative, where students learn to approach societal challenges from diverse academic perspectives, illustrates the university's dedication to fostering a socially impactful educational environment. This commitment adds an extra layer of depth to the collaboration, ensuring a comprehensive approach to enhance the understanding of societal impacts. The close collaboration between the VJI and the VUA, combined with their joint capacities, establishes a robust foundation for the joint research on the unintended effects of the Dutch RRP.

Due to the exceptionally high degree of specialization and of technical competence required, and the extensive experience, these two institutions would be the best-suited entities 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%

2.6.2 Direct grant to the University of Cyprus

Objectives pursued and expected results

The main objective of this project is to support the Cypriot authorities with the preparation and operationalisation of a digital governmental platform for the preparation of legislation, and more specifically with the timely completion of the relevant tendering and project implementation process.

The expected result is the optimization and streamlining of the law making, law consolidation and law publication process, through modernization and digitalization, as well as improved citizens' access to legislation. This is expected to improve the operational effectiveness of the whole process and enhance transparency.

Description of the activities to be funded

Activities to be funded under this specific action entail:

- Technical support for the completion of the tenders' evaluation process;
- Project implementation supervision and management;
- Preparation of tender documents for the digitalization of files that will be imported into the governmental platform.

Amount

EUR 130 000

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 implementation of the action requires specialised knowledge, skills and experience with similar reforms, and experience linked to tender procurement and project implementation, in particular, a high degree of specialization in the areas of (1) preparation and evaluation of tenders, (2) project monitoring and implementation as well as (3) project evaluation at a continuous base and in a service with very little experience on this.

The University of Cyprus has the required experience and technical competence for successfully implementing the support measures requested which require a high degree of specialisation and of technical competence. The University would be the best-suited entity for this action.

On the basis of the activities identified above and to better meet the requirements of the project, the proposed beneficiary – the University of Cyprus - will undertake this initiative through the involvement of the SEIT lab, an integral part of its Department of Computer Science. SEIT specializes into the areas of Software Engineering and Internet Technologies, which constitute the fundamental core of the digital governmental platform in question. The SEIT team will evaluate the submitted tenders and monitor closely the implementation of the project as well as provide assistance in the follow up period. SEIT has been very active in undertaking practical research in the technical areas related to this project, having produced so far more than 200 publications in international journals and conferences. Members of SEIT have undertaken more than 100 projects of similar nature, funded by national and international bodies (including the Horizon program).

SEIT has a high degree of specialization in a number of scientific areas that are fundamental to the successful development and deployment of the digital governmental platform in question. Specifically, it masters the areas of Project Management, Software Development, Human Computer Interaction and Security, among many others. The combined specialized knowledge in all these areas is of paramount importance in securing the successful completion of the project. Furthermore, this combined expertise in a number of relevant technical areas, further strengthened with hands on experience, makes the SEIT lab rather unique within the

scientific landscape of Cyprus.

The University of Cyprus is the top academic establishment in Cyprus, and it undertakes close to 1000 projects, funded by the EU, national, as well as other international bodies. It has a strong administrative structure with very experienced staff in dealing with all aspects related to the management of a project. The academic faculty is continuously involved in various consultancy and other types of activities in close collaboration with many governmental bodies. Hence, both their experience as well as their understanding of the national context and complexities is very solid.

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 2024 is EUR 32 274 903.

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

General description of the contracts envisaged (*study / technical support / evaluation / survey / IT capacity building / 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. 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 and respect the principles set out under Article 160 of the Financial Regulation, *inter alia*, transparency, proportionality, equal treatment, and non-discrimination. By means of public procurement contracts as budget implementation instruments, the Commission assesses, among others, the need for a high level of technical expertise, the lack of an effective alternative that meets the Member States' identified needs, the ability to quickly respond to the Member States' needs as well as the available resources.

In addition, expenditure for activities such as audit and evaluation, analysis 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.

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 2026 (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;
- 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;
- Acceleration of renewable energy development, in particular through improved permitting processes;
- Implementation of Social Climate Plans of the EU Emission Trading System;
- Industrial decarbonisation and promotion of green tech manufacturing;
- Promotion of sustainable rail and air transport;
- Prevention of rural fires;
- Promotion of renewable energy;

- Support to the Just Transition;
- Improving deposit guarantee schemes, and assist authorities in improving their use and knowledge of AI;
- Building authorities' capacity and knowledge as regards banking resolution;
- Assisting authorities in enhancing investors' financial literacy, including digital financial literacy.

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 3 609 900.

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 81 523 126.

It includes contribution agreements⁴² 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 indirect management in view of the type of the implementing entity. Entities falling under Article 62(1)(c) of the Financial Regulation or Article 156(3) of the Financial Regulation, which have undergone an ex ante assessment of their procedures and systems, guaranteeing a level of protection of the EU 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) of the Financial Regulation 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:

⁴² Agreements with the World Bank are called administration agreements (equivalent to contribution agreements).

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 Regulation (EU) 2021/240.

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 and sustainability of (local) public financing through green budgeting, green public procurement, biodiversity financing and implementation of sustainable development goals (SDGs)

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.

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 Regulation (EU) 2021/240.

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:

- Improving connectivity for clean energy production
- Accelerating climate adaptation measures in water management
- Development of green hydrogen market
- Support for the uptake of renewable energy including faster permitting
- Supporting just transition regions
- Accelerating the green transition of manufacturing industry
- Improving regulatory impact assessment in the area of energy
- Implementation of Social Climate Plans of the EU Emission Trading System
- Preparation of national restoration plans
- Supporting environmental inspections
- Supporting innovation and investment in net-zero technologies
- Supporting water loss reduction

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 Regulation (EU) 2021/240.

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 Regulation (EU) 2021/240.

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

The actions will contribute to enhancing financial literacy, in particular digital financial literacy. The actions will also contribute to enhancing administrative capacity in handling and dealing with assets that are linked to illicit activities and reinforcing national promotional institutions' ability to implement their mandates and in using AI in supervisory tasks. The actions will also contribute to enhance supervisory authorities capacity to assess the net zero commitments by financial corporates.

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 policy coordination and governance structures.

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 Regulation (EU) 2021/240.

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 961 318

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 “C(2023)6467 - Communication to the Commission - Corporate communication action in 2024 – 2027 under the Multiannual Financial Framework 2021 – 2027, C(2020)9390 of 18 December 2020” and the DG BUDG note “IT implementation Plan 2024, DG REFORM will contribute to the financing of the corporate IT and the corporate communication activities in 2024.

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 in the area of insurance conduct of business and occupational pensions supervision

Amount

EUR 1 020 000

Description of actions

Action 1: Strengthening Insurance Conduct Supervision in Spain

This action to reinforce financial stability and promote consumer protection in the insurance market will support the Spanish insurance supervisory authority in enhancing its capacity to monitor, assess, and tackle consumers’ risks within the Spanish insurance market, in particular through the deployment and use of adequate data, tools and risk-based methodologies, as well as to understand and address persistent supply- and demand-side constraints causing low penetration and consumers’ trust rates in the relevant insurance market.

In recent years, the Spanish supervisory authority has implemented EU regulatory provisions aimed at protecting consumers in the insurance sector, and it has increased its cooperation with EIOPA so as to align its practice to higher standards. However, the authority shall make progress in establishing a sound, risk-based supervisory approach to effectively monitor compliance with the relevant regulatory framework, supported by adequate data, tools, and

processes. A robust supervisory framework would help addressing negative business practices by financial institutions, poor value for money for insurance policyholders/investors, negative outcomes for vulnerable consumers, and low rates of insurance penetration and trust.

In order to tackle these challenges, EIOPA will assist DG REFORM in supporting the Spanish supervisory authority by providing, among others, a diagnostic analysis of the conduct of business organization and supervisory methodologies in use for the insurance sector, with recommendations for its improvement based on good EU practices and EIOPA's guidance; supervisory handbooks and guidelines to establish a comprehensive risk-based approach to conduct supervision for the insurance sector, duly informed by evidence-based studies on consumers' risks arising from vulnerability, digitalisation, and sustainability issues; a mystery shopping methodology and supervisory staff guidance, and capacity building activities for supervisory staff.

Action 2: IORP II Implementation in Spain

This action to reinforce financial stability and promote the implementation of the IORP II Directive will support the Spanish supervisory authority in enhancing its capacity to monitor, assess, and tackle the risks posed by occupational pensions plans, in particular through the deployment and use of adequate data, tools and risk-based methodologies, and to monitor and assess the effective integration of ESG considerations in the risk management practices of pension funds managing entities.

The Spanish insurance and pensions supervisory authority (DGSFP) shall improve its risk-based supervisory framework to monitor and address the different risks to which occupational pension plans integrated into occupational pension funds are exposed. Indeed, the authority currently focuses only on certain categories of risks, as well as on governance, and operations of pension managing entities (PMEs), and it intends to establish a more granular approach to the risks faced by individual pension schemes. In addition, DGSFP shall establish a dedicated supervisory approach to monitor the integration of ESG considerations in PMEs' governance, risk management, and investment policies - an area which has gathered prominent attention in light of the EU Sustainable Finance Agenda.

In order to tackle these challenges, the EIOPA will assist DG REFORM in supporting the Spanish supervisory authority, in particular by analysing the current organisation of the supervision towards occupational pensions in Spain, having particular regard to both organisational and operational aspects, identifying good practices for carrying-out risk-based supervision towards occupational pensions, having regard to both organisational and operational aspects, as well as the collection and processing of data and information to monitor the integration of ESG considerations by supervised entities, based on which specific recommendations will be built, enabling the establishment of a comprehensive risk-based supervisory framework supporting the analysis, assessment and mitigation of risks posed by Spanish occupational pension schemes, and the monitoring and assessment of the effective integration of ESG considerations in the risk management practices of occupational pensions managing entities.

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 also providing evidence-based studies on consumers' risks potential arising from sustainability preferences.

5.2.2 Service-level agreement with the European Securities and Markets Authority (ESMA) for CCPs authorisation, supervision, recovery and resolution and for tackling greenwashing risks in the sustainable investment fund' market

Amount

EUR 2 030 000

Description of actions

Action 1: Capacity enhancement for CCPs authorisation, supervision, recovery and resolution in Greece, Portugal, Romania, Poland and Croatia

This action to contribute to the proper functioning of the financial markets and reinforce financial stability and investors' confidence, will support financial supervisory authorities in Croatia, Greece, Poland, Portugal, and Romania to enhance their capacity to effectively and efficiently authorise, supervise, and exercise recovery and resolution powers with respect to their domestic CCPs. In particular, the authorities will improve their supervisory practices to CCPs, implement recently adopted or upcoming EU legislation and adapt to their new responsibilities and enhance their staff capacity.

The topic of CCPs is complex and highly technical and subject to recent regulatory changes, thus making it difficult for the competent authorities to implement their tasks. Specifically, the authorities lack sufficient expertise, practical experience, and operational capacity to apply the relevant requirements from the EU legislation. The authorities need support to implement the EU legal framework for their responsibilities towards CCPs, to improve their practices and enhance the technical skills and expertise of its employees.

In order to tackle these challenges, ESMA will assist DG REFORM in supporting the said supervisory and resolution authorities by providing 1) Analytical activities including i) analysis of the current supervisory practices, ii) mapping of regulatory framework(s), iii) identification and analysis of good practices, iv) gap analysis against identified good practices, and v) development of recommendations for the enhancement of the current approaches at national level (including strategic guidance on their implementation, as needed) and 2) Capacity building activities, including training sessions on topics related to CCP supervision and resolution in the form of seminars and joint workshops.

Action 2: Support for tackling greenwashing risks in the sustainable investment fund market

This action to reinforce financial stability and promote investors protection and positive outcomes within the context of the EU sustainable finance regulatory framework, will support two financial supervisory authorities in preventing and mitigating risks of greenwashing practices within financial markets.

Since the entry into force of the Sustainability-related Disclosures Regulation (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, assess the consistency between investment funds’ portfolio composition and their sustainability claims and disclosures as per Articles 8 and 9 SFDR, to assess compliance with sustainable investments regulatory requirements, to engage with and challenge the asset portfolio composition methodologies used by supervised asset managers and providers to develop Articles 8 and 9 SFDR products, and to take appropriate supervisory actions where necessary.

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” 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) for DG REFORM contribution to EUROMOD maintenance

Amount

EUR 300 000

Description of actions

The main objective of the action is to provide the DG REFORM contribution for 2024-2026 under Administrative Arrangement to EUROMOD maintenance.

EUROMOD is the tax-benefit micro-simulation model of the EU. It is used to estimate, in a comparable manner, the effects of actual and prospective reforms of taxes and social benefits on income distribution, poverty, inequality and incentives to work at individual and household level, as well as government budgets. EUROMOD is the reference tool for fiscal and fairness analysis in Europe and has become a key model for the Commission services, in particular in the European Semester context.

DG REFORM has contributed to the development and maintenance of EUROMOD for years 2021-2023 (amendment to AA signed on 21/12/2021 – ARES(2021)7936254). Since 2021 and in the upcoming period from 2024 until 2026, several DGs are supporting

EUROMOD by contributing to its maintenance. Those DGs are DG EMPL together with DG ECFIN, DG TAXUD, DG REFORM, DG ESTAT and DG JRC.

DG REFORM enjoys several benefits by contributing to the AA for EUROMOD maintenance. DG REFORM is one of the members of the Steering Committee (SC) allowing next to the other partner DGs to feed in development needs with respect to technical support via TSI. The EUROMOD model has been very important for DG REFORM, as several Member State National Authorities have received structural reform support in relation to its use. The JRC has provided technical support to Member States in the area of tax and social policy reforms. For example, Romania, Lithuania and Slovakia have received support through the Technical Support Instrument for testing EUROMOD on real administrative data. In addition, DG JRC and DG REFORM will use EUROMOD in implementation of the project referred to in section 5.2.4.

5.2.4 Administrative/service level agreement with the Joint Research Centre (JRC) to build institutional modelling capacity and provide knowledge, as well as technical inputs to comprehensively assess the impacts of reforms, including distributional effects, dynamic effects on labour supply and budgetary impacts.

Amount

EUR 250 000

Description of actions

The main objective of the action is to boost the cooperation on the usage of distributional impact assessment through microsimulation.

The purpose of this multi-country action is to support the improvement of macro-fiscal and microeconomic modelling, as well as building the analytical capacities of Member States for medium-term forecasting and policy impact assessment, including distributional analysis. 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. Member States are in need of systematic and regular impact evaluation of the proposed legislation and policy measures. Regular impact assessment of reforms would enhance the policy design and implementation, add transparency distributional and fiscal impacts and contribute to improved decision making in various policies, including in relation to natural disasters that are linked to climate change.

As part of the action, the JRC will carry-out capacity building activities and provide guidance for the development of Member States' modelling capacity for distributional impact assessment. The JRC will be providing technical inputs and ensuring quality assurance support of the work carried out by the complementary implementing partner (indirect management).

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

- Capacity building for the development and adjustment of existing microsimulation model (EUROMOD), including collecting administrative data and adjusting EUROMOD to run

- on administrative data;
- Capacity building for the development of a labour supply model and linkage to the microsimulation model (EUROMOD);
 - Capacity building for the integration of microsimulation model with general equilibrium model used in the Ministry (i.e. Quest);
 - Capacity building: Country-specific and joint trainings and workshops in the use and adjustments of the models;
 - Providing light monitoring of the development of the models;
 - Providing quality assurance advice for capacity building on nowcasting.

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 contributing to evidence-based policy making, including systematic and regular impact evaluation of proposed legislation and policies, including those linked to climate and biodiversity.

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).