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ANNEX

**Work programme for the year 2020 for the Structural Reform Support Programme
under Regulation (EU) 2017/825 of the European Parliament and of the Council**

Part I - The SRSP outlook for 2020

1. Introduction

Even though Europe's economy is in its seventh consecutive year of growth, "*prospects have weakened*"¹, as growing challenges and global uncertainty remain. The Annual Sustainable Growth Strategy 2020 (ASGS 2020) emphasised that "*an economy must work for the people and the planet. Climate and environmental concerns, technological progress and demographic change are set to transform our societies profoundly. The European Union and its Member States must now respond to these structural shifts with a new growth model that will respect the limitations on our natural resources and ensure job creation and lasting prosperity for the future*". With the start of the Von der Leyen Commission, "*Environmental sustainability, productivity gains, fairness and macro-economic stability will be the four dimensions of [...] economic policy in the years to come. These dimensions [...] should guide structural reforms, investments and responsible fiscal policies across all Member States*".

On 11 December 2019, the Commission adopted a Communication² on the European Green Deal, setting out its roadmap towards a new growth policy for Europe. Subsequently, on 14 January 2020, the Commission presented a Communication³ on building a strong social Europe for just transitions and proposed⁴ the establishment of the Just Transition Fund (JTF), as a key tool to support the territories most affected by the transition towards climate neutrality.

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 the latter influence the performance of all public policy domains, including reform efforts. For this reason, addressing the structural challenges of public administrations (e.g. in terms of competences, mobility, incentives, changes to work processes, etc.), especially developing

¹ Communication from the Commission to the European Parliament, 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 Strategy 2020, COM(2019) 650 final.

² Communication from the Commission to the European Parliament, the European Council, the Council, the European Economic and Social Committee, the Committee of the Regions –The European Green Deal COM(2019) 640 final.

³ Communication from the Commission to the European Parliament, the Council, the European Economic and Social Committee and the Committee of the Regions: A strong social Europe for just transitions, COM(2020) 14 final

⁴ Proposal for a Regulation of the European Parliament and of the Council establishing the Just Transition Fund COM(2020) 22 final.

adequate institutional and administrative capacity, is crucial for well-functioning and sustainable economies and for underpinning the success of structural reforms. In addition, helping to address the economic, environmental and social effects for the most affected Member States and regions is important for a just transition towards a green economy.

Ownership of structural reforms by the Member State concerned is essential for their successful implementation. The Structural Reform Support Programme (the "SRSP") offers interested Member States support to carry out reforms, but ultimate decisions on design, structure and implementation of the reforms in question belong to the Member States themselves. It is up to the Member States benefitting from the technical support to make the best use of the support provided to them.

SRSP objectives and process

Regulation (EU) No 2017/825, as amended by Regulation (EU) 2018/1671 (the SRSP Regulation) set up the SRSP, with the general objective of contributing *"to institutional, administrative and growth-sustaining structural reforms in the Member States by providing support to national authorities [...]"*.

This support is intended to help reform and strengthen institutions, governance, public administration, and economic and social sectors in response to economic and social challenges, with a view to enhancing cohesion, competitiveness, productivity, sustainable growth, job creation, investment and social inclusion and to contributing to real convergence in the Union, which may also prepare for participation in the euro area, in particular in the context of economic governance processes, including through assistance for the efficient, effective and transparent use of the Union funds.⁵

The specific objectives of the SRSP vis-à-vis the national authorities, as set out in Article 5(1) of the SRSP Regulation, are to: (i) support their initiatives to design their reforms according to their priorities; (ii) enhance their capacity to formulate, develop and implement reform policies and strategies and pursue an integrated approach; (iii) support their efforts to define and implement appropriate processes and methodologies; and (iv) assist them to enhance the efficiency and effectiveness of human resources management. The support therefore covers all stages of reforms, from inception to implementation and to evaluation of results.

Since the entry into force of the amendment to the SRSP Regulation, the SRSP may also finance actions and activities in support of reforms that may help Member States in their preparation to join the euro area.⁶

In accordance with Article 7 of the SRSP Regulation, support under the SRSP can be provided only upon request from a Member State. Requests for support *"may be submitted regarding the following: (a) the implementation of reforms by Member States undertaken at their own initiative, in particular to achieve sustainable economic growth and job creation; (b) the implementation of economic adjustment programmes [...]; and (c) the implementation*

⁵ Regulation (EU) 2017/825 of the European Parliament and of the Council of 17 May 2017 on the establishment of the Structural Reform Support Programme for the period 2017 to 2020 and amending Regulations (EU) No 1303/2013 and (EU) No 1305/2013, as amended by Regulation (EU) 2018/1671, OJ L 129, 19.5.2017, p. 1–16, Art. 4.

⁶ Regulation (EU) 2018/1671 of the European Parliament and of the Council of 23 October 2018 amending Regulation (EU) 2017/825 to increase the financial envelope of the Structural Reform Support Programme and adapt its general objective, OJ L 284, 12.11.2018, p. 3–5, Art. 1 (2).

of growth-sustaining reforms in the context of economic governance processes, in particular of country-specific recommendations in the context of the European Semester, or of actions related to the implementation of Union law."

In accordance with Article 7(1) of the SRSP Regulation, by 31 October 2019, 27 Member States submitted 609 requests to the Directorate General for Structural Reform Support (former Structural Reform Support Service) for the provision of technical support under the SRSP.

The requests, following clarifications - where needed - with the Member State concerned, have been analysed in terms of their eligibility and compliance with the criteria and principles set out in Article 7(2) of the SRSP Regulation.

This assessment also took into account whether actions to be implemented under the SRSP overlap with those implemented under other Union instruments in the Member States concerned, in particular with measures financed by Union funds, with a view to avoiding double funding and ensuring complementarity.

Despite the increase of the SRSP budget in 2018⁷, the estimated cost of the support measures requested by the 27 Member States was three times the budget allocation for 2020 (EUR 84.9 million);⁸ which led to a strong prioritisation exercise by the Commission in the selection of the requests for funding. 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 for the Member States indicated in the 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 exercise, around one third of the eligible requests are being proposed for funding under SRSP 2020.

In accordance with Article 7(2) second paragraph of the SRSP Regulation, the Commission should 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 support. These elements, reflected for each Member State concerned in a Cooperation and Support Plan, provide the basis of this Annual Work Programme.

In accordance with Article 14 of the SRSP Regulation, the Commission and the beneficiary Member States, within their respective responsibilities, have to foster synergies and ensure effective coordination between actions under the SRSP and actions under other Union programmes and instruments.

⁷ Regulation (EU) 2018/1671 of the European Parliament and of the Council of 23 October 2018 amending Regulation (EU) 2017/825 to increase the financial envelope of the Structural Reform Support Programme and adapt its general objective, OJ L 284, 12.11.2018, p. 3–5, Art. 1 (3).

⁸ In addition, part of the budget has been set aside for a thematic call, which shall be launched in the beginning of 2020 to select requests from Member States for support measures aimed to help the climate and energy transition of their economies towards environmental neutrality.

As the estimated cost of the support measures requested by the 27 Member States was more than three times the budget available, only 227 requests were proposed for funding under the SRSP 2020. In the course of the implementation of the support measures ensuing from the selected requests, it is possible that such support measures and the corresponding amounts initially allocated to them would need to be adjusted to reflect the prevailing circumstances in relation to the relevant needs through appropriate reprogramming. In addition, in case amounts would become available during the year due to reprogramming, withdrawals and cancellations of support measures, it could also be opportune and possible to select, later in the year, requests which had been submitted by the Member States but which could not be prioritised due to lack of sufficient financial resources at the time of the initial selection.

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 SRSP 2020 (see section 2 below).

Furthermore, the SRSP will support Member States in the preparation of territorial transition plans as well as other reforms in order to ensure a just transition. DG REFORM will launch a new call for requests for supporting Member States and regions in the preparation of the territorial transition plans.

2. Priority areas for intervention in 2020

In accordance with Article 5(2) of the SRSP Regulation, the technical support in relation to structural reforms may relate, *inter alia*, to the following broad public policy areas:

- (a) public financial and asset management, budget process, debt management and revenue administration;
- (b) institutional reform and efficient and service-oriented functioning of public administration at both central and local levels, including, where appropriate, through the digitalisation of procedures, simplification of rules, effective rule of law, reform of the justice systems and reinforcement of ethics and the fight against fraud, corruption and money laundering;
- (c) business environment (including for SMEs), re-industrialisation, private sector development, investment, public participation in enterprises, privatisation processes, trade and foreign direct investment, competition and public procurement, sustainable sectoral development and support for innovation and digitalisation;
- (d) education and training; labour market policies, including social dialogue, for the creation of jobs; the fight against poverty; the promotion of social inclusion; social security and social welfare systems; public health and healthcare systems; as well as cohesion, asylum, migration and border policies;
- (e) policies for implementing climate action, promoting energy efficiency and achieving energy diversification, as well as those for the agricultural sector, fisheries and the sustainable development of rural areas; and
- (f) financial sector policies, including the promotion of financial literacy, financial stability, access to finance and lending to the real economy; the production, provision and quality monitoring of data and statistics; and policies aimed at combating tax evasion.

Against this background, the priorities for support measures under the SRSP work programme for 2020 have been set on the basis of the Member State requests for support that were

proposed for funding. 94% of the requests selected concern support for the implementation of reforms contributing to the achievement of strategic policy priorities, as set out under the European Semester framework for policy coordination, or under the Union-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 implementation of Union law. This also includes actions and activities in support of reforms that may help Member States in their preparation to join the euro area.

The remaining requests refer to reforms to be undertaken at the initiative of Member States to achieve sustainable economic growth and job creation.

Overall, the priorities of the SRSP for 2020 reflect all six areas set out in Article 5(2) of the SRSP Regulation and are as follows (grouped by thematic area). The SRSP will also support Member States and regions in order to ensure a just transition, including in the areas of energy, environment, sustainable finance, green budgeting, and reskilling.

Public Financial Management and Revenue Administration

The SRSP will support measures in 19 Member States, in particular in relation to revenue administration, tax policy, budget preparation and spending reviews, budget implementation and transition towards accrual accounting, and fiscal framework.

Governance and Public Administration

The SRSP will support measures in 22 Member States in the fields of overall public administration, procurement, e-Government/Digital Public Administration, the functioning of the justice system, ethics and the fight against fraud, corruption and money laundering. Certain measures could contribute to a better implementation of Union funds and programmes.

Growth, Business Environment and Sectoral Issues

The SRSP will support measures in 22 Member States, in particular in the fields of investment climate, management of natural resources and resource efficiency, and the Energy Union.

Labour Market, Education, Health and Social Services

The SRSP will support measures in 23 Member States, in particular in the fields of health-care systems, education, training and research, labour markets and social policies, migration and social welfare systems.

Financial Sector and Access to Finance

The SRSP will support measures in 22 Member States, in particular in the fields of capital market development, insolvency, national promotional banks, anti-money laundering, financial literacy and reinforcing financial stability.

The above priorities for intervention are detailed in the following sections.

2.1. Public financial management and revenue administration

a) *Priorities for the year*

Improving the quality, composition and sustainability of public finances is important for ensuring macroeconomic stability and a crucial element of Member States' fiscal policy. The ASGS 2020 calls upon Member States to continue reforms on both the expenditure and the revenue sides.

In 2019, European Semester country-specific recommendations related to improving the quality and sustainability of public expenditure, including through developments in the budgetary process, were addressed to 17 Member States and a majority of these Member States have requested technical support to address these challenges.

In this context, based on Member States' requests, the SRSP will support structural reforms in the field of **public financial management**. Support will focus on improving the efficiency, effectiveness and sustainability of public spending, building capacity for use of **spending reviews**, enhancing **performance-based budgeting** and improving the budget preparation process in more general terms. This includes support to enhance green budgeting, equality budgeting and efforts to align the budget with the United Nations' 2030 Agenda for Sustainable Development and its Sustainable Development Goals. Such support is in line with the priorities set in the European Green Deal, which calls for a greater use of green budgeting tools to help redirect public finances to green priorities. Support to improve the budget preparation process will also include actions to strengthen the **medium-term budget framework**. These tools are instrumental for contributing to growth-enhancing and more sustainable public expenditure and medium-term macrofiscal stability. In 2020, the SRSP will continue to support improvements in the budget implementation process, notably through the modernisation of **public accounting** systems. Support for transitioning towards accrual accounting in the context of IPSAS/EPAS remains a priority. Support will also focus on enhancing the institutional and technical capacities of **Independent Fiscal Institutions** in order to improve their effectiveness in monitoring compliance with national fiscal rules and in producing high-quality macroeconomic forecasts for fiscal planning purposes. A further area of support relates to measures aimed at enhancing the quality of macroeconomic **statistics** and in particular the production of National Accounts. Finally, support will be provided to improve the instruments used for **macrofiscal modelling and analysis**, and to strengthen the framework for assessing **fiscal risks** in relation to government liabilities.

European Semester country-specific recommendations in 2019 related to strengthening revenue administration, enhancing voluntary tax compliance and improving tax systems, including tackling aggressive tax planning, were addressed to 15 Member States and a majority of these Member States have requested technical support to address these challenges.

In this context, based on Member States' requests, the SRSP will support measures to improve the design of **tax policy**, in particular through improved instruments to assess the impact of tax reforms, including environmental tax reforms on, inter alia, economic growth, revenue collection, income distribution and climate change. Such support is in line with the priorities set in the European Green Deal, which calls for greater use of tax instruments to help redirect public finances to green priorities. . It is also in line with the Political Guideline for 'An economy that works for people: fair taxation' calling for the use of instruments that promote a fairer and more sustainable structure of the tax system. The SRSP will also support structural reforms in the field of **revenue administration**. Support will focus on building capacity to tackle **aggressive tax planning and tax evasion**, and enhancing **voluntary tax compliance**. Finally, support will also focus on improving **tax administration efficiency and**

effectiveness, including support to help Tax and Customs Administrations to modernise as well as to keep up with the **impact of digitalisation**. Such support is in line with the European Commissions' commitment to ensure the public sector is fit for the digital age.

b) Objectives pursued

In the field of **public financial management**, the support measures to be provided under the SRSP will aim at improving the budget preparation process through, inter alia, fostering the institutionalisation of **spending reviews**, a move towards more results- and impact-oriented **budgeting** that effectively takes into account environmental and equality considerations, and stronger **medium-term orientation of the budget**. The ultimate objective is to improve the efficiency, effectiveness and sustainability of public spending. Support will also aim at improving the budget implementation process through, inter alia, **public accounting** reforms and including accrual accounting reforms. Moreover, actions to strengthen the fiscal framework will aim, inter alia, at building institutional and technical capacity within **Independent Fiscal Institutions** in order to improve the set of instruments available to perform their mandate. Furthermore, support will aim at improving the quality of macroeconomic **statistics** and National Accounts. Finally, support will aim at improving the instruments used for **macrofiscal modelling and analysis**, and strengthening the framework for assessing **fiscal risks** in relation to government liabilities.

In the field of **tax policy**, the support measures to be provided under the SRSP will aim at providing evidence, through improved impact assessment instruments, for more informed tax policy decisions that, *inter alia*, contribute to shifting taxation to sources that are more supportive of environmentally-friendly, inclusive and sustainable growth. In the field of **revenue administration**, support will aim at modernising and building capacity within Tax Administrations to detect and effectively dispute cases of **aggressive tax planning and tax evasion**. The overarching objective is to safeguard revenue collection, ensure a fair sharing of the tax burden and avoid distortions of competition while supporting a business- and investment-friendly environment. Such support is in line with the European Commissions' commitment to ensure fair taxation and step up the fight against tax fraud. Support will also aim at building capacity within Tax and Customs Administrations to improve the **efficiency and effectiveness of their operations** and to equip them to meet the needs created by the **digital** economy and to keep pace with the overall technological evolution (e-governance, e-audit, big data analytics, etc.).

c) Expected results

In the field of **public financial management**, the support to be provided under the SRSP for improving the budget preparation process through, inter alia, **spending reviews** and **performance-based budgeting**, is expected to contribute to stronger links of public spending decisions with policy objectives and results delivered. The support to contribute to improving the budget implementation process through, inter alia, **public accounting** reforms is expected to lead to a more effective and efficient execution of the budget and cash management, including more reliable and transparent fiscal monitoring and reporting. Actions to improve the fiscal framework through, *inter alia*, institutional and technical capacity building within **Independent Fiscal Institutions** are expected to promote fiscal transparency and fiscal monitoring. Support to enhance the quality of **macroeconomic statistics and National Accounts** is expected to lead to more reliable analysis and monitoring of macrofiscal policy. Improving the instruments for **macrofiscal modelling and analysis** is expected to contribute

towards providing an information base for more informed spending decisions. Finally, support to strengthen the framework for assessing **fiscal risks** in relation to government liabilities is expected to help improve decision-making when issuing guarantees or loans for investment.

In the field of **tax policy**, the support to be provided under the SRSP is expected to contribute to improved design of tax systems and promote a redirection of tax policy decisions towards environmentally-friendly, sustainable and fair sources of growth. In the field of **revenue administration**, support to tackle **aggressive tax planning and tax evasion** is expected to result in improved capacities of Tax Administrations' to identify areas of non-compliance, conduct more effective tax audits, enhance **voluntary tax compliance** and, ultimately, safeguard revenue collection. Finally, enhancing **tax and customs administration efficiency** including through, *inter alia*, modernisation and the use of **digital** technologies, is expected to contribute towards reducing the cost of tax compliance while improving the quality of taxpayers' services.

2.2. Governance and public administration

a) Priorities for the year

In the area of **governance**, based on the requests of Member States, support under the SRSP will focus on improving the coordination of the work across ministries, in particular regarding the monitoring, the coordination and the implementation of reforms, as well as the supervision and implementation of EU-related matters. Support funded under the SRSP will focus on helping the Member States to improve the quality of public administrations at all governmental levels (central, regional and local). Support will also cover the coordination of competencies between national, regional, local and other governmental institutions, including for setting up governance platforms for delivering the sustainable development goals and smart cities initiatives. This further includes work on evidence-based policy making and better regulation, strategic policy making, the modernisation of organisational structures, a focus on results and on client-oriented services, inclusiveness and transparency as well as work on organisational changes, the quality of human resources and their improved management. Support will focus on capacity building actions.

Actions in the area of the fight against **fraud and corruption** will focus on the support to improvement - where relevant - and the implementation of the national Anti-Corruption Strategies and Action Plans, on the development of monitoring methodologies to assess implementation of anti-corruption actions, on the support for public awareness campaigns, on the development of procedures to deal with complaints, on the establishment of new risk assessment and fraud detection tools and methodologies, including specific areas, such as healthcare. The support will also tackle improved supervision and auditing of the work performed by State entities, development of whistle-blower protection processes and enhancement of coordination and cooperation among national authorities as well as the prevention of cybercrime.

Professionalisation of **public procurement** is one of the key priorities under the EU Directives on public contracts and concessions.⁹ Support is to be provided to identify areas for

⁹ Directive 2014/23/EU of the European Parliament and of the Council of 26 February 2014 on the award of concession contracts, OJ L 94, p. 1; Directive 2014/24/EU of the European Parliament and of the Council of 26 February 2014 on public procurement and repealing Directive 2004/18/EC, OJ L 94, p. 65; Directive 2014/25/EU of the European Parliament and of the Council of 26 February 2014 on procurement by entities operating in the water, energy, transport and postal services sectors and repealing Directive 2004/17/EC, OJ L 94, p. 243.

improvement, enhance national administrative capacities, introduce innovative procurement practices and develop specific aspects of public procurement, such as procurement processes in the areas of IT and innovation or the use of social clauses in public procurement.

A large number of the requests received from Member States include a **digital** or ICT component to enable the transformation of public administrations. In the area of eGovernment/Digital Public Administration, funding will therefore support enabling actions required for the successful implementation of national Digital Strategies, including the IT consolidation efforts of Member States. Support will also help national administrations to assess the operational benefits of adopting new technologies in the administration. The EU eGovernment Action Plan 2016-2020¹⁰ refers to a number of initiatives to accelerate the digital transformation of public administrations and the new European Interoperability Framework¹¹ provides important guidance to allow governments to become open, efficient and inclusive, providing borderless interoperable, personalised, user-friendly, end-to-end digital public services to all citizens and businesses in the EU.

Effective justice systems support economic growth and defend fundamental rights. Support in the area of **justice systems** will focus on three strands: 1) enhancing the efficiency of national justice systems, including e-justice 2) improving the quality of national justice systems with a focus on inclusion; and 3) enhancing the independence of the judiciary.

Support will be provided in the area of the implementation of Union funds and programmes - with a focus on administrative capacity to help national authorities make best and timely use of them.

b) Objectives pursued

On **governance**, the Commission aims to help Member States improve the functioning of their administrations in terms of the value-for-money and quality of public services, including the achievement of sustainable development goals. The objectives pursued include developing user-centric and efficient administrative processes, improving the quality of policy-making and better regulation, enhanced strategic policy making and monitoring and results and outcomes orientation, enhanced capacity to foster innovation, capacity building and improvement in the quality of human resources and their management, development and standardisation of internal audit and internal control (including performance-based audit), enhancement of effective coordination mechanisms in and between different government institutions, better management and control of public sector organisations and improving the supervision and the monitoring of administrative processes, policies as well as efficiency and performance of structures. Effective communication on the overall objectives and design of reforms and the supervision of their implementation are also goals of the support.

The objectives of measures in relation to **anti-corruption** strategies include the enhancement of implementation of the anti-corruption action plans, national co-ordination and co-operation, risk-assessment processes, financial control and auditing and whistleblowing systems.

¹⁰ Communication from the Commission to the European Parliament, the Council, the European Economic and Social Committee and the Committee of the Regions: EU eGovernment Action Plan 2016-2020 Accelerating the digital transformation of government, COM(2016) 179 final.

¹¹ Communication from the Commission to the European Parliament, the Council, the European Economic and Social Committee and the Committee of the Regions: European Interoperability Framework - Implementation Strategy, COM(2017) 134 final.

The support measures in the area of **the fight against fraud** aim to strengthen the capacity of the relevant stakeholders to improve the management of risks and find operational solutions.

Support in the area of **procurement** aims to map the current situation in terms of resources and processes, identifying weaknesses, exchanging best practices and providing recommendations for the improvement of the public procurement national system with a focus on IT, social and green procurement.

Support measures in the area of **eGovernment/Digital Public Administration** aim to enhance Member State capacity to accelerate the digital transformation of public administrations by building on the expertise of more developed public administrations and institutions and taking advantage of solutions developed by the CEF programme¹² and the ISA² programme¹³, as well as helping Member States introduce advanced digital technologies (for example, artificial intelligence and block chain) and digital policies (data protection, cyber crime etc.). Measures should furthermore support Member States' efforts to implement the Single Digital Gateway and its Once-Only Principle¹⁴. This should help Member States to better deliver on public administration modernisation efforts, by offering a responsive and high quality IT function. The consolidation of IT function and IT infrastructure can lead not only to lower operating costs but, more importantly, to better IT systems for civil servants and ultimately, better services for citizens. A consolidated IT function in the public administration also paves the way for taking advantage of technological innovations. Furthermore, the support will aim to contribute to the advancement of design and provision of digital services to the citizens and business in accordance with the vision and the actions of the eGovernment Action Plan¹⁵, as well as the objectives and the user-centricity principles of the Tallinn Declaration on eGovernment¹⁶.

Support measures in the area of **justice systems** aim in particular at: a) enhancing the efficiency and transparency of the justice systems of Member States, e.g. to reduce the backlogs of cases; improve the administration of courts, harmonise sentencing the criminal proceedings; b) increasing the quality of justice systems notably through enhancing the implementation of e-justice systems¹⁷ and the operational capacity of judges and court staff through training and professional development schemes and by improving the quality of treatment of victims and the creation of adapted structures and services; and c) strengthen the independence of justice systems, e.g. through the setting up of performance assessment tools, integrity checks and better selection procedures for court staff and judges. In addition, support also aims at accommodating the needs of vulnerable people regarding access to the justice system.

¹² <https://ec.europa.eu/digital-single-market/en/connecting-europe-facility>

¹³ It supports the development of digital solutions that enable public administrations, businesses and citizens in Europe to benefit from interoperable cross-border and cross-sector public services. Further information is available at: https://ec.europa.eu/isa2/home_en

¹⁴ the Single Digital Gateway Regulation <https://eur-lex.europa.eu/legal-content/EN/TXT/HTML/?uri=CELEX:32018R1724&from=EN>

¹⁵ <https://ec.europa.eu/digital-single-market/en/european-egovernment-action-plan-2016-2020>

¹⁶ <https://ec.europa.eu/digital-single-market/en/news/ministerial-declaration-egovernment-tallinn-declaration>

¹⁷ 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, see more at: <https://ec.europa.eu/cefdigital/wiki/display/CEFDIGITAL/European+e-Justice+Portal>

The support measures in the area of the implementation of Union funds and programmes aim to help the relevant national authorities in their efforts to improve the way in which they manage the funds and programmes.

c) Expected results

The technical support is expected to contribute to improved quality of the work performed in the **public administration**, e.g. modernised human resources policy, enhanced efficiency, sustainability, better accountability and innovation of public management, as well as reduced administrative burden for citizens and business, and better impact of public policies and investment. Better coordination of public-sector entities, better quality of the legislation and a focus on better accessibility should, in turn, result in an improved level of service provision to citizens and the business. Overall, the support is expected to contribute to better management at all levels of government and in the wider public sector.

In the area of the **fight against corruption** the support measures are expected to raise awareness among public and private sector organisations, enhance the capacity for investigation and prosecution and that of the supervisory institution staff, who deal with cases and transactions, foster the development of processes and system to detect and limit cases of corruption and fraud and to improve the quality¹⁸ of cooperation between the relevant entities at national and European levels. The support should also lead to improvement in systems to support asset recovery and whistleblowing.

The support to be provided in the area of **procurement** is expected to enhance the capacity of national contracting authorities to prepare, launch and monitor sound tendering procedures, possibly leading to better implementation of the relevant EU legislative framework. In particular, national public procurement experts should be in a position to design tendering procedures in a more strategic, but also sound and transparent, way. In addition to the above, they should be able to better deliver more specific and relevant dimensions thereof, such as R&D, green or social procurement. National public procurement experts are invited to take advantage of the eProcurement infrastructure developed by the CEF programme¹⁹ that provides for alignment with the Public Procurement Directives.

The support measures in the area of **e-Government/Digital Public Administration** are expected to contribute to improving the ICT maturity of Member States, enabling them to deliver better e-services to citizens and businesses²⁰ and to deploy suitable back-office solutions supporting a transformed and efficient public service. The support measures will also contribute to Member States' readiness to provide services on the EU Single Digital Gateway.

The support measures in the area of **justice systems** are expected to contribute to the improved functioning of justice systems, e.g. through enhancing the efficiency and transparency of justice systems, especially through building capacity of judicial institutions and the enhancement of the implementation of e-justice. The support is also expected to contribute to enhancing the quality of the work of the judges and court staff and to

¹⁸ Decision (EU) 2015/2240 of the European Parliament and of the Council of 25 November 2015 establishing a programme on interoperability solutions and common frameworks for European public administrations, businesses and citizens (ISA² programme) as a means for modernising the public sector https://ec.europa.eu/isa2/isa2_en

¹⁹ <https://ec.europa.eu/cefdigital/wiki/display/CEFDIGITAL/eProcurement>

²⁰ i.e. e-services that are open, efficient and inclusive, borderless, interoperable, personalised, user-friendly and end-to-end.

strengthening the independence of justice systems. Finally, support should also help to achieve specific goals, in particular the protection of victims.

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

2.3. Growth, business environment and sectoral issues

a) *Priorities for the year*

A particular focus of the ASGS 2020 is on reforms that increase environmental sustainability, productivity growth, fairness and macro-economic stability.²¹

To underpin growth, Member States need to continue fostering a good **investment climate** that boosts economic growth and creates jobs.²² Linked to this priority, most Member States have requested technical support for structural reforms aimed at improving the business environment. Amongst others, these requests ask for support to reforms that aim at developing strategies for growth, strengthening productivity and innovation in various sectors, attracting new investment and promoting trade. Support measures in response to requests from Member States aim at supporting the smart specialisation process, developing innovation strategies, promoting (social and inclusive) entrepreneurship, intrapreneurship, improving the functioning of the goods and service markets, promoting regional and urban development, including by supporting the transition from coal, reducing legal, institutional and regulatory constraints for businesses, and strengthening the use of intellectual property, as well as enhancing managerial capabilities and technological readiness in businesses. Many of these requests are also in line with other strategic EU policy priorities, such as the Investment Plan, the Single Market Strategy, the Digital Single Market and the Better Regulation agenda, as well as with the country-specific recommendations under the European Semester.

In the area of **public assets**, the ASGS 2020 recognises the role of public and private investment in fostering the creation of new goods, services and business models.²³ Also, it calls for a systematic and forward-looking research and innovation strategy and it puts emphasis on the importance of green and digital investments.²⁴ In line with this analysis and with country-specific recommendations issued under the European Semester, various Member States have requested support to leverage public investment for growth and public services, including through Public Private Partnerships, to make progress on spatial planning, to improve the use and management of public assets, including state-owned enterprises and promoting sustainable infrastructure.

Support will be provided in the area of the implementation of Union funds and programmes - with a focus on administrative capacity to help national authorities make best and timely use of them.

Regarding **natural resources**, and in particular environmental sustainability, the ASGS 2020 underscores that *"the growth opportunities arising from a stronger focus on environmental sustainability are central to Europe's economic agenda"*.²⁵ Furthermore, the **European**

²¹ Communication from the Commission to the European Parliament, the Council, the European Central Bank, the European Economic and Social Committee, the Committee of the Regions and the European Investment Bank Annual Sustainability Growth Strategy 2020, SWD (2019) 444 final.

²² Ibid, p. 7.

²³ Ibid, p. 6.

²⁴ Ibid, p. 6.

²⁵ Ibid, p. 5.

Green Deal²⁶ is a new growth strategy that aims to transform the EU into a fair and prosperous society, with a modern, resource-efficient and competitive economy where there are no net emissions of greenhouse gases in 2050 and where economic growth is decoupled from resource use. It also aims to protect, conserve and enhance the EU's natural capital, and protect the health and well-being of citizens from environment-related risks and impacts. At the same time, this transition must be just and inclusive.

Moving away from a make-use-dispose model towards adopting a circular economy translates into transforming essential sectors, such as waste, water infrastructure and construction. In this respect, numerous Member States have requested technical support to develop and implement circular economy strategies. In addition, Member States have requested support to move towards more sustainable development, to better manage natural resources such as land and water, to improve their capacity to implement and enforce environmental legislation, to incorporate environmental externalities, prevent environmental crime as well as to manage coastal areas, flood risks and waste. These requests are closely aligned with EU priorities and key environmental policies, such as the circular economy and the green economy.

The **Energy Union** is the backbone of the EU policy on energy and climate with a prominent role in the European Green Deal. The ASGS 2020 stresses the need to move forward on the transition to climate neutrality and finds that “*Europe needs to act decisively in areas like the renewable energy, energy efficient buildings and low-emission transport*”²⁷. Therefore, investment should focus on the modernisation and decarbonisation of Europe’s industry, transport and energy systems.

In line with completing the Energy Union and the transition towards a low-carbon economy, various Member States have requested support for the development and implementation of national energy and climate plans and strategies, and the design and implementation of instruments to achieve the energy and climate policy goals. This includes the achievement of renewable energy targets, the promotion of energy efficiency, strengthening the security of supply and the proper functioning of energy markets, and supporting the low-carbon transition of national energy systems.

As part of the European Green Deal, the Commission proposed a Just Transition Mechanism (JTM)²⁸ in order to generate the necessary investments for a just transition to a climate-neutral economy. DG REFORM will support Member States in the preparation of territorial transition plans for the JTM as well as other reforms in order to ensure a just transition.

b) Objectives pursued

In the area of **investment climate**, the measures to be put in place under the SRSP 2020 aim to help Member States in their efforts to bolster productivity, long-term competitiveness and sustained economic growth. In particular, the support measures concern national reform policies targeted at promoting high-quality investment, supporting better regulation, reducing the administrative burden for small and medium-sized enterprises (SMEs) and supporting

²⁶ Communication from the Commission to the European Parliament, the Council, the European Economic and Social Committee and the Committee of the Regions. The European Green Deal, COM(2019) 640 final, p. 2.

²⁷ Communication from the Commission to the European Parliament, the Council, the European Central Bank, the European Economic and Social Committee, the Committee of the Regions and the European Investment Bank. Annual Sustainability Growth Strategy 2020, SWD (2019) 444 final p. 5.

²⁸ Communication from the Commission to the European Parliament, the Council, the European Economic and Social Committee and the Committee of the Regions. Sustainable Europe Investment Plan. European Green Deal Investment Plan, COM(2020) 21 final.

SME policy. The support measures envisaged in this area will also aim to contribute to the efforts of the relevant national authorities in removing regulatory horizontal and sectoral barriers, enhancing industrial integration across sectors and Member States, facilitating trade and innovation, modernising transport including rail, mobility and logistics, promoting digitalisation in various sectors, including construction. Also, measures are foreseen to provide support towards developing the capacity of authorities on smart specialisation, supporting tourism and promoting creative industries. In addition, the support measures will aim to support urban development and regional transition from coal, enhance the cooperation between business community and research institutions, assess the implemented reforms, and build institutional capacity for the analysis of productivity and growth.

The support measures in the area of **public assets** will contribute to various reforms being carried out in Member States to make public investment and the use of public assets more effective and efficient. This includes improving public investment management, supporting spatial planning, and strengthening the regulatory framework and governance of state-owned enterprises.

Measures in the area of **natural resources** will aim to support Member States in their efforts to achieve sustainable development. This includes helping national authorities in developing and implementing circular economy strategies, mainstreaming the United Nations Sustainable Development Goals, improving the management of natural resources (including land and water), the management of flood risks, coastal protection and waste, strengthening sustainable investments as well as improving capacity to prevent and combat environmental crimes and strengthening the implementation and enforcement of environmental legislation.

The objective of the measures in the area of **energy and climate** will be to support the Member States in their transition to a low-carbon economy, with a forward-looking climate policy and to contribute to developing the Energy Union. This includes contributing to the national authorities' efforts to promote energy efficiency in buildings, elaboration of legal and technical frameworks for the renewable energy market, energy and climate forecasting, modelling and planning, diversification of energy infrastructures, completion of the energy markets and increasing the security of supply, and support, as well as supporting investment planning for modernisation of energy systems. Support measures will also aim at strengthening the capacities of the Member States to develop and implementation of climate policies, as well as the transition from coal. It is envisaged that some measures in this area will facilitate the transition to a cleaner energy technology, including in the transport sector.

DG REFORM will also continue to support Member States in the area of **just transition**. In particular, the support in this area will be enhanced by launching a new call for requests for supporting Member States and regions in the preparation of the territorial transition plans. The support measures in the area of the implementation of Union funds and programmes aim to help the relevant national authorities in their efforts to improve the way in which they manage the funds and programmes.

c) Expected results

In the area of **investment climate**, the different support measures are expected to, *inter alia*, contribute to reform efforts being carried out in Member States, namely: to promote private investment, attract foreign direct investment, simplify the licensing system and improve regulation both horizontally and in specific sectors, improve the application of better regulation principles, thus reducing red tape, simplifying administrative procedures and improving the business environment. Furthermore, the support measures are expected to help Member States develop comprehensive growth and SME strategies; help promote (social and

inclusive) entrepreneurship and intrapreneurship as well as productivity growth and reduce the administrative burden for SMEs, foster the development of trade and logistics, encourage sustainable mobility and transport (including electro-mobility and car-sharing), stimulate creative industries and tourism, and promote the use of intellectual property rights, innovation and digital tools. In addition, the support measures are expected to contribute to the efforts of the national authorities towards increasing international trade, supporting a region's transition from coal to a more sustainable growth model, increasing the spread of knowledge and engagement between the business community and research institutions, building institutional capacity in analysing productivity and growth to support knowledge-based policy making, and putting in place institutional arrangements to support the development of socially and environmentally sustainable growth. Furthermore, it is expected that support measures will help develop capacity, governance and methodologies related to smart specialisation.

In the area of **public assets**, the different support measures are expected to, *inter alia*, contribute to building capacity on preparing and managing public investment, implementing legislation, spatial planning, and strengthening the governance and management of state-owned enterprises. Some measures in this area are expected to contribute to a better implementation and performance of Union funds and programmes.

In the area of **natural resources**, different support measures are expected to, *inter alia*, contribute to developing and implementing circular economy strategies, improving the management of natural resources, integrating environmental externalities, strengthening land, water, flood risks and waste management, as well as coastal protection. Support measures will also help improve capacity to combat environmental crime, and strengthen the implementation and enforcement of environmental legislation and promote the United Nations Sustainable Development Goals.

In the area of **energy and climate**, different support measures are expected to, *inter alia*, contribute to increasing the penetration of energy efficiency and renewable energy sources, increasing public sector energy efficiency investment, improving the accuracy of energy and climate forecasting, modelling and planning, improving the functioning of the energy and electricity markets, strengthening energy infrastructures and low-carbon modernisation of energy systems, as well as capacity to plan and implement energy and climate policies. Furthermore, the support measures are expected to help authorities design, implement and evaluate policy instruments (such as instruments related to the reduction of greenhouse gases) related to energy and climate policies. It is envisaged that some measures will propose recommendations and actions related to the adoption of cleaner energy technologies, including in the transport sector.

With regard to **just transition**, the support measures are expected to help authorities in the preparation of the territorial transition plans.

2.4. Labour market, education, health and social services

a) Priorities for the year

Based on the requests from Member States, the SRSP will support structural reforms **in the area of health systems**. In view of environmental degradation, population ageing and other non-age-related determinants, the 2020 European Semester Annual Sustainable Growth Strategy stresses the need to invest in healthcare and maintain universal access to quality

healthcare. In addition, the European Commission emphasizes that health systems need to become more effective, accessible and resilient.²⁹ To this end, Member States highlight the importance of investing in effective, efficient and equitable policy measures and structures ensuring access for all to public services including health and social services, long-term care, the promotion of health and preventive measures³⁰.

In 2019, European Semester country-specific recommendations related to health systems were issued to fifteen Member States and, in response to these challenges, a large majority of these Member States have requested technical support in this policy area.

Based on the Member State requests, the Directorate General for Structural Reform Support (DG REFORM) will support *reforms in skills, education and training (including VET, adult learning and research)*. The European Union is now entering its seventh consecutive year of economic growth, yet the wide differences in quality and relevance of the education and training available lead to increasing disparities in the economic and social performance of Member States and their citizens. The European Education Area initiative stresses that lifelong learning, seamless mobility, investment, teachers and quality of education for all are the priorities for education to develop strong sense of European identity and become a driver of job creation, economic growth and social fairness. The Skills Agenda, to be renewed in 2020, recalls as well that skills will to a great extent determine competitiveness and the capacity to drive innovation, but are also key to social cohesion and personal well-being. Skill acquisition and development are essential for the modernisation of labour markets in order to provide new forms of flexibility and security for job seekers, employees, and employers alike. Indeed, according to the Annual Sustainable Growth Strategy (ASGS) for 2020, even in traditional industries, ongoing technological transformations are giving way to fast economic restructuring. In order to harness these opportunities, Member States should ensure equal access to high-quality instruction, including early years education; develop a strategic approach to lifelong skills acquisition, improve vocational education and training and provide work-based learning and apprenticeship opportunities; foster cooperation between industries and education, institutions; and support the better use of migrant skills and qualifications in the labour market. Above all, the ASGS places a strong emphasis on skills for innovation while taking into consideration the needs of the most vulnerable. In fact, while the higher education sector has experienced profound changes in demand over recent years and student numbers have continued to increase, the academic systems, including staff careers as well as teaching, learning and assessment methods, have often failed to keep up with the modernisation path. Moreover, in May 2019, the Council recommended Member States to improve access to and the quality of their early childhood education and care systems for its critical role in shaping individuals' prospects concerning education, employment and social integration. The 2019 Country-Specific Recommendations reflect the above-described challenges prominently. They ask several Member states to increase their efforts to improve the quality, relevance and inclusiveness of their education and training systems, with a particular focus on teachers, to prevent early-school-leaving, to foster adult learning to address labour market shortages and mismatches, to support the upskilling of low-skilled adults and to foster cooperation between research, university and business.

²⁹ Communication from the Commission on effective, accessible and resilient health systems COM(2014) 215 final

³⁰ Draft Council conclusions on the Economy of the Wellbeing from 17 October 2019: <https://data.consilium.europa.eu/doc/document/ST-13171-2019-INIT/en/pdf>

The SRSP will support **labour market reforms**. The European economy is now on its seventh consecutive year of growth. Throughout the Union, unemployment levels have mostly fallen back to pre-crisis levels. Nonetheless, in many Member States and regions, long-term challenges – such as pervasive underemployment, in-work poverty, skills shortages, and underdeveloped active labour market policies (ALMPs) – remain pressing.³¹ In light also of the move towards a new model of economic growth, based on principles of economic, social and environmental sustainability, it is imperative to mobilise effective policies to support those most affected by those societal changes.³² In the area of labour market reform, effective measures are needed to support the labour market integration of women, low-skilled workers, migrants, and refugees; foster labour mobility via the provision of effective training and upskilling; address skills shortages and skill mismatches via the development of effective ALMPs and labour migration strategies; and empower inspectorates in their fight against undeclared work and hiring fraud. The need to address these challenges is also reflected prominently in the European Pillar of Social Rights and in the 2019 country-specific recommendations. Several requests from Member States in the field of labour market policies aim at addressing these challenges, including through strengthened analytical capacity of national administrations.

Finally, the SRSP will support structural reforms in the field of **social security and social welfare**. The European Pillar of Social Rights and the planned Action Plan thereon are to serve as a guide towards efficient employment and social outcomes. The SRSP will support reforms that are crucial in this respect, including the development of inclusive, effective, and growth-friendly social protection schemes. Particularly against the backdrop of evolving family and demographic structures, support will be provided to reforms aimed at modernising the catalogue of social services offered to vulnerable citizens, including the elderly, children, single parents, families, ethnic minorities, migrants and refugees, and people with disabilities. In the area of disability, Member States will be supported in the reform of their disability policies, with a particular focus on the disability assessment process. In line with the ASGS, the support provided shall help “address more efficiently the inequalities borne by groups at risk of exclusion, including persons with a disability”.³³ Also in line with the ASGS for 2020, technical support will be provided to improve the adequacy and fiscal sustainability of pension systems, including through policies that support supplementary pension savings. Such policies will help Member States address the main challenges associated with population ageing, while at the same time ensuring intergenerational solidarity. In the same vein, support will be provided to Member States seeking to build sustainable and integrated care regimes, in line with the European Pillar of Social Rights. Overall, the measures selected for funding will provide support across different social policy areas in accordance with Union priorities and in view of addressing the most pressing societal issues faced by Member States.

b) Objectives pursued

The support measures provided for **health systems** aim to improve the ability of Member States to translate health policies into a more effective delivery of care services, as well as to support fiscally sustainable and comprehensive access to quality healthcare. The specific objectives of support measures are to: i) enhance the governance, planning, monitoring and evaluation capacity of health systems of the Ministries of Health and associated public entities

³¹ Communication from the Commission to the European Parliament, 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 Strategy 2020, COM(2019) 650 final.

³² Ibid, p. 4.

³³ Ibid, p. 9-10.

in the areas of eHealth, infrastructure and human resource planning, health system performance assessment and genomics; ii) improve health-system efficiency through improved use of human resources, antibiotics, hospital care, reimbursement tools at different levels of care and digital solutions including artificial intelligence; iii) enhance the (cost-) effectiveness of service delivery throughout the whole chain of care provision, including for services on mental health and long-term care; and iv) improve access to and quality of health and long-term care services.

Envisaged DG REFORM support measures in the area of skills, **education and training** will aim at enhancing the capacity of Member States to design policy reforms and ensure their implementation in order to: (i) improve the quality of teaching, leadership and school management; ii) provide students with relevant skills and competences through adapted curricula; iii) provide relevant and adequate Vocational Education and Training (VET) opportunities for students, young professionals and adults, particularly by fostering Centres for VET Excellence (CoVEs); (iv) raise the attractiveness of and enrolment in higher education by increasing its quality and relevance adapting its academic staff career and increasing the cooperation with the business sector; (v) promote the professional growth and personal fulfilment of adults via the development and consolidation of learning schemes and development of effective counselling; and (vi) foster integration of migrants and vulnerable students into education and training, principally via the design of new inclusiveness monitoring systems. Furthermore, DG REFORM support measures will aim to contribute to greater (and improved) use of evidence-based policymaking in the area of education reform, mainly through the design of new monitoring and evaluation frameworks, and the reappraisal of existing performance indicators in the field of education.

The support measures under the SRSP in the area of **labour market policies** aim at enhancing the capacity of Member States to: (i) provide relevant and adequate AMLP measures to unemployed/inactive people; (ii) combat undeclared work and abusive working conditions; (iii) reduce gender employment gaps; (iv) address skills shortages; and (v) address supply gaps in the labour market, including through labour migration and labour market integration of migrants and refugees. The SRSP support measures also aim to contribute to improved administrative and analytical capacities of labour market administrations (including through the creation of tools for better monitoring and evaluation of labour market policies and the modernisation of IT systems and registries).

The support measures to be put in place under the SRSP in the area of **social security and social welfare** aim at contributing to the reforms of national social protection systems in various ways. In the field of pensions, the objective is to support the strengthening of the adequacy and sustainability of pensions systems, including through measures to strengthen the framework for supplementary pension savings. The support for the reform of disability benefit systems aims in particular at contributing to more efficient, transparent and inclusive disability assessment methodologies and to more efficient processes. In the area of social welfare, the envisaged measures aim at helping to: (i) address the social exclusion of vulnerable groups, including the elderly, single parents, children, ethnic minorities, migrants and refugees, and people with disabilities; (ii) review the effectiveness and efficiency of existing benefits and services; and (iii) modernise their administration and provision. Across the different social policy fields, support measures will focus on: (i) the review and integration of IT systems and databases and the provision of e-services to citizens; and (ii) the collection and processing of administrative data as well as the strengthening of analytical capacities and tools to design, implement, monitor and evaluate policies.

c) Expected results

In the area of health systems, the measures are expected to contribute to: i) the provision of strategic and operational tools for the governance, planning, monitoring and evaluation of health system resources in the areas of eHealth, infrastructure and human resource planning, health system performance assessment and genomics; ii) recommendations and tools for improving core health system functions, such as on improved use of human resources, antibiotics, hospital care, reimbursement tools at different levels of care and digital solutions including artificial intelligence; iii) the design and implementation of effective and efficient care delivery models (e.g. in mental health and long-term care); iv) better skilled public administration staff; and v) the development and implementation of tools for improving access to care and quality of care.

In the area of **education and training**, the different support measures are expected to contribute (through concrete recommendations, practical advice and guidance) to improving the quality, relevance, inclusiveness, efficiency and sustainability of concerned Member States skills, education and training systems (both programmes and institutions). This should be achieved, *inter alia*, by (i) increasing the overall availability and quality of lifelong learning schemes and vocational education and training opportunities; (ii) enhancing the adaptability of teaching professionals, as well as their level of familiarity with new competence-based curricula, innovative assessment methods and teaching techniques, and (iv) assisting particularly vulnerable individuals during critical transition periods, including first time labour market entrants and migrant children. The support measures are expected to enhance the analytical capacity of various Member States in the area of education reform, including through (i) the systematic collection of data needed for policy design purposes; (ii) the improvement of IT systems; and (iii) the development of analytical tools needed to assess and anticipate skills gaps and training needs. They should also allow the preparation of policy and legislative proposals on higher education academic staff and specific guidelines to VET centres to i) upgrade vocational education and training offer and ii) modernise higher education and increase its relevance and attractiveness by increasing cooperation between universities, research and the wider economy.

In the area of **labour market policies**, the different support measures are expected to contribute to: (i) increasing the quality and targeting of ALMP measures; (ii) strengthening the link between ALMP measures and the skills of job-seekers; (iii) assessing and addressing existing supply gaps in labour markets, for instance through labour migration and the integration of women, migrants and refugees into the labour market; and (iv) addressing the drivers of undeclared work and abusive working conditions, and evaluating related policy measures. The support measures are also expected to contribute to enhancing the analytical capacity of various Member States in this area, including through: (i) systematic collection of data needed for policy design purposes; (ii) new IT systems and platforms; and (iii) analytical tools to assess and anticipate labour market developments.

In the area of **social security and social welfare**, the support measures are expected to contribute, in the field of pensions, to more efficient, adequate and fair pension systems. The support provided on the reform of disability insurance and welfare schemes is expected to contribute to the preparation of relevant changes necessary for reform implementation. In the field of social welfare, the measures to be put in place under the SRSP are expected to contribute to enhancing the capacity of the relevant authority to prepare, monitor, and evaluate reforms of relevant social policies and services. In addition, these measures are expected to strengthen the relevant authority's capacity to deliver social services, particularly those targeted at the most vulnerable groups such as single parents, the elderly, children, ethnic minorities, migrants and refugees, and people with disabilities. In various social policy areas, the SRSP support measures are expected to contribute to more integrated data

collection, enhanced analytical capacities and a more integrated and interconnected administration and provision of benefits and services across various levels of government.

2.5 Financial sector and access to finance

a) Priorities for the year

In line with the objectives of the Capital Markets Union Action Plan 2015, Member States across the EU are seeking to develop their local capital markets. Given the high number of Member State requests received in this area to support the implementation of well-targeted reforms, a significant amount of funding will be utilised to support **capital market development**. This will include efforts to identify and remove barriers to capital market development, improving authorities' understanding of financial markets via better statistics, increasing the level of consumer protection in financial markets and developing alternative financial products for investors.

Over previous years, there has been a significant number of country-specific recommendations in the area of insolvency. Furthermore, with the recent introduction of Directive (EU) 2019/1023 on preventive restructuring frameworks, on discharge of debt and qualifications and on measures to increase the efficiency of procedures, Member States are required to transpose the directive by July 2021. Based on the requests received from Member States, a portion of funding in 2020 will be utilised for support to the area of **insolvency**, in particular in the areas of early warning mechanisms and restructuring.

In line with the objectives of the Commission communication Working together for jobs and growth: The role of National Promotional Banks (NPBs) in supporting the Investment Plan for Europe, Member States have made efforts to establish and/or to improve the administrative capacity of **national promotional banks** across Europe. Funding in 2020 will support Member States' efforts to continue this work, in particular focusing on improving the administrative capacity of national promotional banks to be ready for the opportunities presented by the next multiannual financial framework.

Based on the requests of Member States, a part of the funding will be used to support Member States in the area of **anti-money laundering**. Combating money laundering remains a strong priority for the Union, as evidenced by the 5th Anti-Money Laundering Directive³⁴ and the Commission's recent communications on the issue.³⁵ Funding will be used to support Member State efforts to identify risks in this area as well as to strengthen the capacity of supervisors to monitor and address such risks.

In the area of **financial literacy**, based on the requests from Member States, funding in 2020 will be used to support Member-State efforts to create innovative tools and strategies to further increase the level of financial education of citizens and SME owners. Furthermore, funding will be used to support Member States with efforts to promote the use of electronic payments.

Given the significant steps taken over the preceding years to introduce EU legislation to address financial stability risks, a number of Member States have sought support for

³⁴ Directive (EU) 2018/843 of the European Parliament and of the Council of 30 May 2018 amending Directive (EU) 2015/849 on the prevention of the use of the financial system for the purposes of money laundering or terrorist financing, and amending Directives 2009/138/EC and 2013/36/EU, OJ L 156, p. 43–74.

³⁵ Communication from the Commission to the European Parliament and the Council Towards better implementation of the EU's anti-money laundering and countering the financing of terrorism framework, COM(2019) 360 final.

implementing specific actions to **reinforce financial stability** within their jurisdiction. An important area that funding will support is assisting Member States to implement and integrate the EU legislation in this area and to improve supervisory capacity.

b) Objectives pursued

In the area of **capital market development**, the objective of the support is to assist national authorities with introducing concrete legislative or regulatory reforms that will remove impediments to the development of the national capital markets in order to increase the level of capital market activity and increase access to finance. Furthermore, where requested, measures will be targeted towards increasing the administrative capacity of the national authorities to supervise capital market entities.

Measures put in place in the area of **insolvency** will have as their objective supporting Member States in their efforts to improve the functioning of their insolvency system. This will be achieved via both capacity building of actors who operate within the insolvency system, in order to increase the capacity of such actors to perform their tasks, and a targeted identification of impediments, in order to inform Member States of areas of possible improvements.

In the area of **national promotional banks**, support measures will have as their objective to support Member States in improving the functioning of existing or new national promotional banks. This support will, in particular, focus on improving the administrative capacity of national promotional banks in order to improve their operational capacity to address market gaps and thereby support growth in the Member States.

Support measures in the area of **anti-money laundering** will have as their objective to support Member States to identify and address relevant risks. Furthermore, where requested, support measures will be targeted to increasing the administrative capacity of the national authorities to supervise anti-money laundering activities.

In the area of **financial literacy**, the objective of the support is to allow Member States to better communicate financial literacy concepts to students, teachers and SME owners. This support aims to lead to a greater understanding of financial literacy. Where requested, support will be directed towards encouraging the use of electronic payments.

The support measures to be put in place under the SRSP in the area of **reinforcing financial stability** will aim at enhancing the capacity of the Member State to maintain financial stability, in particular by increasing the capacity of the authorities to consider, assess and handle financial stability risks. Where relevant, this will, in particular, focus on improving the administrative capacity of national supervisors.

c) Expected results

Supporting Member States with their efforts for **capital market development** is expected to contribute towards building national capital markets, improving access to finance for companies, in particular for SMEs, and improving financial stability by diversifying funding sources, as well as investment opportunities. This should ultimately result in a more efficient allocation of capital within the economy.

The expected results out of the support measures in the area of **insolvency** are a more efficient insolvency process, with reduced decision times and better outcomes via a strengthened capacity of insolvency actors to conduct their tasks, and a removal of administrative and regulatory obstacles to addressing non-performing loans. The targeted identification of

impediments should result in a better understanding by the national authorities of potential areas for improvement.

Support measures in the area of **national promotional banks** are expected to contribute towards better functioning of national development banks, ultimately leading to the respective development banks being in a better position to address market failures and, thereby, improving the functioning of markets.

Supporting Member States in the area of **anti-money laundering** is expected to lead to an identification and reduction of such risks within national economies. This should ultimately lead to a higher capacity of national authorities to recognise and handle such risks in the future.

In the area of **financial literacy**, the different support measures are expected to lead to an increase in the level of understanding of the target audience of topics included under financial literacy. The support should increase the capacity of the recipient authorities to support the promotion of financial literacy and, where relevant, lead to an increase in the use of electronic payments.

Support measures to **reinforce financial stability** are expected to lower potential financial stability risks within supported Member States, in particular through an enhanced supervisory process, and to increase the authorities' capacity to handle risks that materialise.

2.6 Overview of the allocation of financial resources

In conclusion, and as explained in Part II, based on the requests for support received, analysed, and selected for funding, the allocation of financial resources for support measures by thematic area is summarised in the following table:

	(a) Public Financial Management and Revenue Administration	(b) Governance and Public Administration	c) Growth and Business Environment	(d) Labour market, education, health and social services	e) Financial sector and access to finance	Total (EUR)
TOTAL (EUR)	11,740,000	17,145,000	24,203,213	19,670,000	12,140,000	84,898,213

1) Grants	580,000	3,210,000	2,190,000	1,840,000	300,000	8,120,000
2) Public procurement	4,916,500	7,585,000	12,908,213	6,340,000	8,509,000	40,258,713
3) Indirect management	5,523,500	6,350,000	9,105,000	11,490,000	2,935,000	35,403,500
4) Other expenditure	720,000				396,000	1,116,000

Part II – Actions to be financed in 2020

1. Introduction

On the basis of the objectives given in Regulation (EU) 2017/825 of the European Parliament and of the Council of 17 May 2017 on the establishment of the Structural Reform Support Programme for the period 2017 to 2020 and amending Regulations (EU) No 1303/2013 and (EU) 1305/2013, as amended by Regulation (EU) 2018/1671 of the European Parliament and of the Council of 23 October 2018 to increase the financial envelope of the Structural Reform Support Programme and adapt its general objective, this work programme contains the actions to be financed and the budget breakdown for year 2020 as follows:

- a) for grants (implemented under direct management) (point 2) EUR 8 120 000,
- b) for procurement (implemented under direct management) (point 3) EUR 40 258 713,
- c) for actions implemented under indirect management (point 4) EUR 35 403 500,
- d) for other actions or expenditure (point 5) EUR 1 116 000

Legal basis

Regulation (EU) 2017/825 of the European Parliament and of the Council of 17 May 2017 on the establishment of the Structural Reform Support Programme for the period 2017 to 2020 and amending Regulations (EU) No 1303/2013 and (EU) 1305/2013 (OJ L 129, 19.5.2017, p. 1), as amended by Regulation (EU) 2018/1671 of the European Parliament and of the Council of 23 October 2018 to increase the financial envelope of the Structural Reform Support Programme and adapt its general objective (OJ L 284/3, 12.11.2018, p. 3)

Budget line

- (a) budget line 13.08 01 00 EUR 74 796 233;
- (b) budget line 13.08 02 00 EUR 10 101 980;

2. Grants

The global budgetary envelope reserved for grants under this work programme is EUR 8 120 000. 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 and pursued and expected results

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

Type of applicants targeted by the direct award

Direct grants may be awarded to International Financial Institutions (IFI) and other international organisations (to the extent that the current provisions and framework agreements allow the conclusion of grant agreements), Member-State ministries and public bodies, non-for-profit international or European expertise associations and networks, and other bodies with a public service mission, private bodies, which, in view of the nature of the action, have specific and recognised competencies, experience and leadership, 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, *inter alia*, the following activities:

- a) expertise related to policy advice, policy change, formulation of strategies and reform roadmaps, as well as legislative, institutional, structural and administrative reforms, such as support in the definition and implementation of a comprehensive tax or customs administration reform strategy; or in the field of macroeconomic statistics and National Accounts;
- b) the provision of experts, including resident experts, for a short or a long period, 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, as appropriate, in particular:
 - organisation of seminars, conferences and workshops;
 - organisation of study visits to relevant Member States or third countries on selected topics related to overall revenue administration and public financial management reforms;
 - training actions and the development of online or other training modules;
- d) collection of data and statistics, development of common methodologies and, indicators or benchmarks;
- e) IT capacity building: expertise related to development, maintenance, operation and quality control of the IT infrastructure and applications needed to implement the reforms, notably with regard to Financial Management Information System (FMIS) or IT systems dedicated to revenue administration or reform of public financial management processes;
- f) studies, research, analyses and surveys, evaluations and impact assessments, and the development and publication of guides, reports and educational material, for example in the field of tax audit or other core processes of tax or customs administration;
- g) 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 general communication.

Implementation

Directly by DG REFORM

I. Essential eligibility, selection and award criteria

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

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

The award of grants without a call for proposals in accordance with Article 195 (1) (c) or (f) of the Financial Regulation will be justified in the award decision. The potential beneficiary will be invited to submit an application, which will be evaluated according 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 HAUS Finnish Institute of Public Management³⁶

Objectives pursued and expected results

The objective of the action is to ensure the quality of the implementation of a new Integrated Tax Administration System (ITAS) for the Cyprus Tax Department (CTD) that will replace a number of out-dated software applications built on old technologies. ITAS will be based on a commercial off-the-shelf (COTS) IT system for tax administrations, which will be delivered, configured, tested and prepared for implementation by a vendor selected through a national procurement procedure.

This action will facilitate the successful implementation of the new ITAS within the timeframe of the contract and will ensure that ITAS implementation process will follow the needs and expectations of the CTD in terms of functional and non-functional requirements.

As expected results the action should:

- deliver good practice from another tax administration that recently implemented such an ITAS – Finnish Tax Administration;
- build the capacity of the CTD on organisation and management of such a big and complex from technical and monetary point of view project;
- review, comment and assure the quality of the deliverables from the scoping, configuration, testing and accepting of the new ITAS.

This action will contribute to a significant improvement of the efficiency and effectiveness of the tax administration and revenue collection, and will ultimately lead to improved voluntary compliance and reduced compliance costs for the taxpayers.

Description of the activities to be funded

Activities to be funded under this specific action entail:

- 1) Exchange of good practices with a Member State that successfully implement an IT Tax system of such scale with regard to project organization and management, scoping, configuration, testing and acceptance of a new tax administration system.
- 2) Building the capacity of the CTD on project organisation and decision-making process.
- 3) Support for successful scoping of the new ITAS including review and quality assurance of the final requirements to be agreed with the vendor;
- 4) Support for successful configuration of the new ITAS including review and

³⁶ HAUS is a public body, 100% owned and steered by the Ministry of Finance of Finland.

- confirmation that all functional requirements defined in the scoping phase are ready for acceptance test;
- 5) Support for successful testing and acceptance of the new ITAS including review and recommendations for improvement of the test cases and test scenarios developed by the contractor.

Amount

EUR 330,000

Grant Beneficiary:

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

The grant is to be awarded to HAUS Finnish Institute of Public Management. This body is the best suited entity for this Action, given their technical competence, high degree of specialisation, and administrative powers for completing the activities required.

HAUS is highly specialised in planning and implementing *inter alia* public administration reforms and training of civil servants. Moreover, it has excellent cooperation experience with the Finnish Tax Administration, which will allow a swift mobilisation of a team of experts with strong knowledge, skills and practical experience in implementation of integrated tax administration system based on COTS (commercial off-the-shelf), which is required for the implementation of the Action. Furthermore, the close cooperation between HAUS and the Finnish Tax Administration will ensure an effective and efficient project organisation and management.

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 and pursued and expected results

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

Type of applicants targeted by the direct award

Direct grants may be awarded to international organisations (to the extent that the current provisions and framework agreements allow the conclusion of grant agreements) or Member-State ministries and public bodies, other bodies, including private, which in view of the nature of the action, have recognised and relevant technical competence, high degree of specialisation or administrative power in the field of governance and public administration and, more precisely, in the areas of reform of human resources, state organisation, judicial reform, e-

government, inclusiveness and transparency (including ethics and public procurement). Such entities will be identified on the basis of their specific experience in supporting structural reforms in the above-mentioned areas in recent years in European and neighbouring countries, and 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, amongst others, the following activities:

- (a) 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 provision of experts, including resident experts, for a short or a long period, 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; in almost all areas of activity; seminars and workshop will prove fundamental for exchanges of views on the situation for testing ideas and for presentation of outcomes;
- (d) organisation of study visits to relevant Member States [or third countries]; e.g. visit to MS to exchange views and good practices on back-office consolidation experiences;
- (e) training actions and the development of online or other training modules; e.g. design training maps, respectively, for auditors and for staff operating at the local level;
- (f) IT capacity building: expertise related to development, maintenance, operation and quality control of the IT infrastructure and applications needed to implement reforms, as well as expertise related to programmes geared towards the digitalisation of public services; e.g. provision of short-term expert missions for the drafting of comments/suggestions on avenues for consolidating IT infrastructure resources after evaluation of the situation;
- (g) studies, research, analyses and surveys, evaluations and impact assessments, and the development and publication of guides, reports and educational material; e.g. a detailed analysis in the area of the institutional framework of public-sector organisations, with a view to rationalising them and decreasing their number; and
- (h) 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; e.g. design of targeted communication (web conferences, seminars) with a view to informing stakeholders of new developments in the area of public administration reform and human-resources management.

Implementation

Directly by DG REFORM

I. Essential eligibility, selection and award criteria

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

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

The award of grants without a call for proposals in accordance with Article 195 (1) (c) or (f) of the Financial Regulation will be justified in the award decision. The potential beneficiary will be invited to submit an application, which will be evaluated according 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 the the Institute for Advanced Studies³⁷

Objectives pursued and expected results

The objective of the action is to enhance Austria's institutional framework for evidence-based policy making by assessing and piloting a number of analytical tools, including (1) agent-based modelling for funding management (using data end-to-end to assess impact of funding), (2) use of behavioural insights, and (3) systematic stakeholder involvement in the policy process.

As expected results, the project will enhance the Austrian evidence-based policy making toolbox and will lead to better policy decisions, which will lead to more effective and efficient allocation of public funds, lower costs of policy delivery, reduced regulatory burden, and better social and economic outcomes.

In particular the project will cover:

Description of the activities to be funded

³⁷ Independent Association

1. Strengthening performance management – horizontal activities

Concept for improved administrative controlling

- Suggestions on the translation of governmental programmes into administrative measures, as well as visualisation, monitoring and evaluation
- Proposals to improve inter-ministerial management of cross-cutting issues and increase acceptance and understanding of administrative controlling

2. Evidence based policy making using agent based modelling (ABM)

Conceptual Model development

- Acquisition and cleaning of data to develop a causal model of the relation between health and physical activity

Prototype development (pilot project)

- Develop conceptual model for agent based modelling (ABM) and development of a pilot

Scaling of the pilot (wider effort to change the system)

- Provide a transparent interaction model to analyse the effectiveness of the grant based system and develop recommendations for implementing the ABM-approach into the policy cycle and decision making process

3. Behavioural insights in Public Administration

- Build an educational campaign for public sector workers and specify a simple nudge tool that helps civil servants to identify circumstances in which integrating behavioural insights is particularly relevant and important.

4. Improving citizen and stakeholder engagement

- Develop approaches for integration of structured stakeholder engagement into policy and law making (policy formulation phase/consultation phase); develop a concept for a central digital platform for citizen and stakeholder participation

Amount

EUR 700,000

Grant Beneficiary:

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

The grant is to be awarded to Institute of Advanced Studies (Institut für Höhere Studien).

As an independent post-university research centre, the Institute for Advanced Studies is well-established and recognized across Europe. The Institute develops research questions in dialogue with policy-makers as well as among the academic world and delivers answers relevant to both sides. Its researchers focus on topics of high relevance, aligned with societal challenges and that anticipate issues of high relevance in the (near) future. This profile determines the capability to provide independent research at the highest level. The Institute

has a dedicated centre of expertise on behavioural insights. It can mobilise the expertise of the Complexity Science Hub and the Danube University Krems with specialist knowledge on socio-economic modelling and it has a strong international network to provide an EU perspective on good practices in the area.

Therefore, in light of its technical competence, high level of expertise and administrative capacity, the body is the best suited to providing support to Austria to enhance its evidence-based policy making toolbox.

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

Implementation: Directly by the DG REFORM

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

2.2.2 Direct grant to the Association of Netherlands Municipalities (VNG) ³⁸

Objectives pursued and expected results

The objective of the action is to establish a functional, sustainable and inclusive national platform for the promotion of “smart solutions” in public services in the Czech Republic, with the end-effect of increasing investments in key areas and improving public services through smart solutions.

The result will be a coherent organisation and know-how transfer on initiating, designing, funding and delivering "smart" city infrastructure for the benefit of citizens and business. This will facilitate a higher level of investment (including from EU funds) and will bring benefits in terms of lower energy use and better public services (energy, transport, environmental management, etc.).

Description of activities to be funded:

- Setting up the National smart solution platform – building a national “smart city” network ensuring horizontal and vertical coordination with relevant ministries and other stakeholders incl. funding institutions;
- Analysis and definition – defining exactly the smart approach, identifying the key “smart solution” components and criteria;
- Levels of organization – how to best involve different levels of the state hierarchy;
- Models of financing – how to match relevant sources of finance to various levels of “smart solutions”;
- Models of data management, standardization and monitoring;
- Models of implementation – how to put the smart models into practice with focus on effectiveness, use of bonus factors for “smart projects”;
- Target groups – how to promote “smart solutions” at various levels of government and businesses building trust, active engagement and common understanding among stakeholders;
- Peer-to-peer learning from other Member States.
- Testing of Participatory innovation platforms and Living labs (testing innovative ideas);
- Design and testing of an open data platform for the use of smart approaches;

³⁸ Non-governmental organisation (NGO)

- Design and testing of a methodology and legal framework for innovative forms of public procurement (smart and sustainable criteria);
- Design and testing of a progressive smart Financing strategy combining various financial sources (smart financing) at cities of various size;
- Pilot initiative (pilot projects) and sustainability measures.

Amount

EUR 700,000

Grant Beneficiary:

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

The grant is to be awarded to the Association of Dutch Municipalities (VNG).

VNG is the organization that connects all municipalities in the Netherlands and overseas territories. The association aims to strengthen the local government so that municipalities can optimally serve their residents. VNG offers a unique peer expertise in the area of “smart cities development” in the Netherlands and internationally. VNG has been a key player in developing the Declaration on joining forces to boost sustainable digital transformation in cities and communities in the EU and runs the website Living-in.EU - The European way of digital transformation in cities and communities. Through its consulting arm VNG international, VNG has developed a strong track record of delivering technical support and building administrative capacity including for building governance and association structures.

Therefore, in light of its technical competence, high level of expertise and administrative capacity, VNG is the best suited body to provide support to the Czech Republic in establishing a functional, sustainable and inclusive national platform for the promotion of “smart solutions” in public services.

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%

2.2.3 Direct grant to the HAUS Finnish Institute of Public Management ³⁹

Objectives pursued and expected results

The objective of the action is to improve the internal organisation, processes and capacity of the police and border guard border and prosecutor’s offices. The action is expected to deliver an analysis of the current situation and to provide the Estonian authorities with recommendations on how to improve internal structures and processes. In addition, content

³⁹ HAUS is a public body, 100% owned and steered by the Finnish Ministry of Finance of Finland

and methodology of training programs for police investigators, analysts, prosecutors and judges will be (further) developed to match the needs.

The expected results are improvement of the capacity of the national authorities to be able to effectively and efficiently counter national and international cyber threats.

Description of activities to be funded:

Activities to be funded under this specific action entail:

1) Support and provide organizational advice in light of new and foreseen cybercrime trends and emerging technologies:

1.1 Recommendations for small states' to effectively tackle cross-border and transnational cybercrime.

1.2 Recommendations to optimize the structure of the Police and Border Guard Board and Prosecutor's Office in order to investigate and proceed cybercrime most effectively and cost-efficiently.

2) Support Capacity Building in light of new and foreseen cybercrime trends and emerging technologies:

2.1 Analysis of the workforce of the Estonian Police and Border Guard Board, Prosecutor's Office and Estonian Court System Judges (hereafter referred as state officials):

a) Analysis of the range of capabilities and size of the workforce required to respond to current and future cybercrimes;

b) Identification of the state officials' existing understanding and knowledge base concerning cybercrime; Identify possible capability gaps and workforce shortages;

c) Recommendations about workforce size, capability and knowledge requirements, in order to tackle cybercrime effectively in light of new and foreseen cybercrime trends and emerging technologies.

2.2 Analysis of the current education and training programs of state officials and identify the need for amendments and completion in the light of future challenges;

2.3 Recommendations about the base and complementary training programs needed to successfully train police investigators and analysts to investigate ICT crimes;

2.4 Recommendations about the base and complementary training programs needed to successfully train prosecutors and judges to deal with ICT crimes;

2.5 Development of training programs for the workforce of Estonian Police and Border Guard Board, Prosecutor's Office and Estonian Court System Judges.

Amount

EUR 350,000

Grant Beneficiary:

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

The grant is to be awarded to the HAUS Finnish Institute of Public Management.

The organisation is a strategic partner in planning and implementing state personnel policy, public administration reforms, training of civil servants, human resource management, and organisational development of the ministries and other state agencies. HAUS therefore has the full competence to manage the project's funds and carry out the project's organisational and trainings management. It is the best-suited entity for this action because HAUS has actively participated in international development projects in the past 20 years, especially through EU Twinning, and has previously implemented SRSS funded projects.

It has assisted Croatia towards a more efficient functioning of judicial bodies by improving the professionalism of judicial advisors, future judges and state attorneys. It has organized international training programmes for improving managerial competences of middle and senior management officials in public administration (Greece, Poland, Romania, Tanzania, Montenegro, Turkey, Moldova, Ukraine, China, etc.) and regularly organises training, provides advice and designs training programmes and curricula in the field of cyber security. In addition to its extensive experience in managing technical support projects and its high degree of specialisation in the field of rule of law and judicial reforms, HAUS has a specific country knowledge, demonstrated by the implementation of three internationally funded projects in Estonia, in addition to its bilateral cooperation: "Technical Assistance for the Technical Inspectorate for IT systems development", "Fight against corruption in local government authorities", "Improving implementing capacity in the field of public procurement".

This combined expertise of public administration organization and of the fight against cybercrime is uniquely suited to the project needs.

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%

2.2.4 Direct grant to the Centre for International Legal Cooperation (CILC)⁴⁰

Objectives pursued and expected results

The objective of the action is to support the Greek authorities in:

- A) improving the courts administration in Greece and
- B) modernising the current procedures on the evaluation and promotion of judges, as well as enhancing the training of judges.

The action is expected to deliver a stocktaking of the existing situation in courts' administration, accompanied by a critical analysis of the main legal provisions touching upon the courts' administration, to support the Greek authorities in drafting the required legal amendments and implementing the new legal framework through a roadmap. In addition, the action is expected to deliver a critical analysis of the legal framework on the evaluation and promotion of judges, accompanied by a set of proposal for legal amendments including a roadmap for their implementation. Lastly, the action will deliver a gap analysis on the specialized topics on which the judges in civil, criminal and administrative courts require specific training based on best practices from other National Schools for Judges, accompanied by training programme and material.

⁴⁰ Foundation / mandated body by the Ministry of Justice and Security

The expected results are: a) the improvement of the courts administration in Greece through the introduction of a new streamlined model respecting the principles and rules governing the management of judicial cases; b) a modernised procedure for the evaluation and promotion of judges and c) the enhancement of the training of judges in Greece.

Description of the activities to be funded:

A) Improvement of the courts administration:

- Stock taking of the existing situation in the courts' administration (all jurisdictions and tiers);
- Critical analysis of all the main legal provisions touching upon the courts' administration;
- Support in drafting the respective legal provisions;
- Identification of the repercussions of the legal amendments to the existing integrated case management systems Courts;
- Roadmap for the implementation of the new legal provisions.

B) "Empowerment" of judges:

B.1-Evaluation and promotion of judges

- A critical analysis of all the main legal provisions touching upon the evaluation and promotion of judges, focusing on the aspects of efficiency and quality of justice;
- Proposal for legal amendments and support in drafting the respective legal provisions;
- Roadmap for implementation.

B.2-Training of judges on specialised topics

- Review of the programme of the National School of judges and gap analysis on the specialized topics on which the judges in civil, criminal and administrative courts require specific training based on best practices from other National Schools for Judges.
- Training programme and training material and Training seminars to a group of trainers
- Roadmap for implementation.

Amount

EUR 450,000

Grant Beneficiary:

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

The grant is to be awarded to the Centre of International Legal Cooperation. This organization focusses on international cooperation projects aimed at strengthening justice systems and the rule of law throughout the world, in countries in development or in transition. It is the best-suited entity for this Action thanks to its high degree of specialization in the field of judicial reform. Furthermore, it has over 25 years of international experience in supporting legal reforms, which is very beneficial for a post-financial crisis country such as Greece, and

particularly in providing judicial trainings. CILC has direct access to prominent members of the Dutch judiciary, to the Netherlands Ministry of Justice, and to law faculties in the Netherlands and represents the entire legal community of the Netherlands.

Furthermore, in Albania, CILC supported the authorities in strengthening the independence, transparency, efficiency and effectiveness of the court/prosecution system organisation and management and judicial/prosecutorial proceedings, including the Special Anti-Corruption structures. In addition, CILC supported Albania in the set-up of the organisational and managerial structure and building the capacities of the governance bodies of the judicial and prosecutorial system respective their areas of competences as well as supporting the establishment of a real career development system for judges and prosecutors based on merits and transparent proceedings. In Croatia, CILC supported enhancing the quality of judicial training – by upgrading EU law and on-line trainings.

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%

2.2.5 Direct grant to the Agency for Economic Development⁴¹

Objectives pursued and expected results

In the context of the Public Administration Reform Plan 2020, Latvia aims to increase the effectiveness and efficiency of its institutions and thus the use of public funds. One of the measures of attaining this goal is by introducing and expanding the use of efficiency and effectiveness audits (performance audits) and strengthening the internal audit function at local level, notably ahead of the upcoming territorial reform, which will reduce the number and increase the size of local government units. The results of performance audits will be additional tools for managers, in order to explore possibilities for improvements in the administrative work of the institutions and possibilities for budgetary savings for the implementation of their priorities. The direct beneficiary of the project is the Ministry of Finance of Latvia and more specifically the Internal Audit Department.

Description of the activities to be funded

1. Preparation of a new Strategy for long term development of Public Internal Audit 2020-2024 and the Action plan:

- Provision of the experts for the preparation of the Strategy and Action plan, workshops and round table discussions during the preparation of above mentioned documents;
- Improvement of methodological tools of IA (IA Manual and IA Methodology) in order to strengthening the efficiency of public internal audit, through know-how transfers in the form of workshops and round table discussions;
- Conference to raise the public awareness on the importance of strong internal control system and internal audit, especially awareness of high level managers in public sector on their active

⁴¹ The Agency for Economic Cooperation and Development (aed) is a non-profit association based in Vienna, founded in 2003. Highly recognised personalities from the economy, science, and politics support the association's activities. Aed has been awarded mandated body status for EU-Twinning projects.

involvement in successful implementation of internal control system and on the responsible role of public internal auditor.

2. Reform of National Certification system of Internal Auditors in the public sector:

- Development of the concept of update of national certification system of Internal Auditors in the public sector based on best international practice of certification of Internal Auditors;
- Elaboration of the content of national certification system for internal auditors in the public sector, including the preparation of exam questions covering different modules and based on best international practices;;
- Elaboration of the relevant Training Manual and training material
- Pilot training of the trainers through train- the –trainer’s courses.

3. Introduction of performance auditing in Latvian public administration:

- Development of work methodology for performance auditing with particular emphasis on practical use in concrete fields of public sector and best practices;
- Design of training programmes (training curricula) and training materials for performance auditing for internal auditors, and Elaboration of training of trainers programme;
- Know-how transfer – implementation of the methodology of performance auditing in pilot ministries as on – job trainings;
- Raising awareness activity for high level managers of public sector on importance of efficiency and effectiveness of public administration.

4. Promoting of importance of strong internal control system and internal audit in local government level:

- Taking into account the planned Administrative Territorial Reform, preparation of recommendations (road map) for further development of internal control system and introduction of internal audit in local governments.;
- Raise the awareness on the importance of further development of internal control system and usefulness of introduction of public internal audit in local government level.

Amount

EUR 360,000

Grant Beneficiary:

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

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

AED is an Austrian platform for the reform of economy and public administration. It promotes sustainable international relations, advises donor institutions and beneficiaries and is a recognised partner for the implementation of international projects. Its mission is: to promote economic cooperation and development; to promote education, science and research; to promote international relations – particularly with a focus on economic and cultural issues

and to assist states, institutions and individuals in establishing efficient administrations and structures.

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

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

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

Implementation: Directly by DG REFORM

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

2.2.6 Direct grant to the Centre for International Legal Cooperation (CILC)

Objectives pursued and expected results

The objective of the action is to improve the internal processes, set-up and capacities of the Portuguese administration for the management of international crimes files. The action is expected to deliver an analysis of the current situation, to provide the Portuguese authorities with recommendations on improving their set-up and processes through a transition plan and to provide capacity building to cope with files related to international crimes.

The expected results are improvement of the capacity of the national authorities so that they can more effectively and efficiently investigate and prosecute international crimes. This will lead to more and better court cases against perpetrators of these crimes, leading to less impunity, better internal security, prevent the influx of perpetrators to Europe and deter the future perpetrators of these crimes.

Description of the activities to be funded

1. Organization of a kick off meeting;
2. Mapping of the as-is situation;
3. Technical advice on improving and setting-up the internal administration for international crimes teams in different services or setting up specific units;
4. Providing recommendations and support in setting up the relevant processes and expertise for the specialised units or dedicated teams within law enforcement and prosecution services dedicated to investigating and prosecuting international crimes;
5. Structurally set-up and improve the relevant processes between specialised units for international crimes within immigration services and prosecutorial authorities;
6. Drafting of a transition plan;

7. Providing training for the staff working in immigration / law enforcement / prosecution and judicial authorities on identification, investigation and prosecution and trial of perpetrators of core international crimes and offering support to victims and witnesses

Amount

EUR 350,000

Grant Beneficiary:

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

The grant is to be awarded to the Centre of International Legal Cooperation.

This organization focusses on international cooperation projects aimed at strengthening justice systems and the rule of law throughout the world, in countries in development or in transition. It is the best-suited entity for this Action because of its high degree of specialisation in the field of judicial reform. It strengthened regional cooperation in enforcement in the countries of the Western Balkans. Furthermore, CILC has supported Indonesia in building capacity for training on combating transnational crime. CILC has also assisted to improve the overall security in the Western Balkans and the EU by combatting organized crime and terrorism.

CILC has direct access to prominent members of the Dutch judiciary, to the Netherlands Ministry of Justice, and to law faculties in the Netherlands. In addition, **CILC represents the entire legal community of the Netherlands**, from which it draws extensive and coherent input of expertise for projects. The Netherlands has achieved a prominent position in international legal cooperation, underpinned by its high ranking in international rule of law indexes.

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%

2.2.7 Direct grant to the Centre for International Legal Cooperation (CILC)

Objectives pursued and expected results

The objective of the action is to improve the efficiency of the criminal justice in Slovenia, to the benefit of citizens and businesses. This will be achieved through drafting concrete proposals for improvements in the decision-making process on criminal sanctions, including a study on the development of a tool to support proposing and deciding on sanctions. The proposals will enable the justice system to harmonise sentencing and may also lead to legislative changes/adoption.

The expected results are: improved decision-making process on criminal sanctions, through concrete proposals for the development of a tool that will enable the justice system to harmonize sentencing.

The action's results are expected to bring about unpredictable sentencing and harmonised criminal justice system, increased public trust in the rule of law, a stable economic and business environment.

Description of the activities to be funded:

Component 1 - Study on the possibilities of designing a tool for more uniform sentencing in Slovenia:

- conduct a survey on the level of public confidence in the public prosecutor's office, the perception of the independence of public prosecutors, and whether and to what extent the area of sentencing affects public perceptions of public prosecutor's independence and confidence in the public prosecutor's office;- carry out an analysis of the current state of play in sentencing in Slovenia by choosing a sample;
- prepare an overview of the legislative framework;
- provide an overview of the practice or tools for prosecutors and judges in some other Member States that have successful tools for support in determination of criminal sentence;
- examine the possibility of implementing good foreign practices in Slovenia to assist in determining criminal sanctions;
- prepare recommendations for the development of an IT tool to enable the justice system to harmonise sentencing (identify the input, data, information to be included in the tool).

Component 2 - Information activities about the work and mandate of the public prosecutor's office in the area of determining criminal sanctions. This will entail the following activities:

- Present the study with the findings of the analysis and best foreign practices to the expert public at the closing event of the project;
- prepare informative materials, according to the target groups.

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

The grant is to be awarded to the Centre of International Legal Cooperation (CILC). This organisation promotes the rule of law by initiating and implementing international legal cooperation projects aimed at strengthening justice systems and the rule of law throughout the world. It is the best suited entity for this Action because of its high degree of specialisation in the field of judicial reform. For instance, CILC assisted in the modernisation of the Civil Code in Russia, and supported the reform of enforcement law and strengthened regional cooperation in enforcement in the countries of the Western Balkans. In Azerbaijan, CILC worked with the Azeri Parliamentary Working Group in drafting an Administrative Procedure

Law and an Administrative Court Procedures Code. In the Palestinian territories, CILC carried out a study on criminal justice in the Palestinian Territories focusing particularly on the Public Prosecution Service, the Police and their cooperation.

Furthermore, it has over 25 years of international experience in supporting legal reforms; its experience in Eastern Europe and particularly in Slovenia ensures its knowledge of local circumstances. CILC has implemented 3 projects in the judicial field in Slovenia: “Reinforcement of the Rule of Law”, “Court-Annexed Alternative Dispute Resolution Programme” and the SRSP funded “Improving efficiency of the state attorney’s office and the public prosecutor’s office”.

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 the Growth, Business Environment and Sectoral Issues

Priorities for the year, objectives and pursued and expected results

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

Type of applicants targeted by the direct award

Direct grants may be awarded to international organisations (to the extent that the current provisions and framework agreements allow the conclusion of grant agreements) or Member-State ministries and public bodies, other bodies, including private, which in view of the nature of the action, have recognised and relevant technical competence, high degree of specialisation or administrative power in the field of 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 the above-mentioned areas in recent years in European and neighbouring countries, and 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, amongst others, the following activities:

- (a) collection of data and statistics, development of common methodologies and indicators or benchmarks; examples: (i) diagnosis and problem characterization of the issues to be addressed by the coastal management plan; (ii) design and drafting of the methodology for an integrated coastal management plan;
- (b) studies, research, analyses and surveys, evaluations and impact assessments, and the development and publication of guides, reports and educational material; examples: (i) repositories of technical documentation and standards such as manuals for the various sub-systems of high speed rail); (ii) gap analysis and review of the existing legislation, regulatory decisions, trade and settlement rules and transmission and distribution rules; (iii) prepare guidelines for the management and exchange of data, the selection of a suitable data management model; (iv) policy guidelines on specific aspects related to the electricity markets; (v) in depth key areas that contribute

- to moving towards a circular economy; (vi) assessment of urban waste infrastructure capacities;
- (c) expertise related to policy advice, policy change, formulation of strategies and reform roadmaps, as well as to legislative, institutional, structural and administrative reforms; examples: i) recommendations for defining and implementing appropriate processes, technical and operational standards, financing models for the implementation of high speed rail; (ii) recommendations for developing repositories of technical documentations related to high speed rail; (iii) strategic plan development of the coastal management plan, including general and strategic objectives; (iv) implementation roadmap and an enforcement action plan; organisation of seminars, conferences and workshops, and provision of experts: examples include: (i) workshops, training, study visits and exchanges of good practices relating to the development and management of high speed rail, including infrastructure, operation financing, etc.

Implementation

Directly by DG REFORM

I. Essential eligibility, selection and award criteria

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

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

The award of grants without a call for proposals in accordance with Article 195 (1) (c) or (f) of the Financial Regulation will be justified in the award decision. The potential beneficiary will be invited to submit an application, which will be evaluated according 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 the COASTAL AND MARINE UNION (EUCC)⁴²

Objectives pursued and expected results

⁴² EUCC is non-profit association with legal personality under private law registered in Netherlands.

The objective of the action is to establish an instrument/plan that set the basis for the planning of the future regional strategies and the revision of the existing ones with a view of supporting the Spanish authorities in completing all the coastal territorial strategies.

The expected result of the action is defining a methodology and drafting of the National Strategic Plan for Coastal Protection. Such a plan would integrate the management objectives of the problems of coastal erosion, flood risks and climate change with the aim of preserving and improving the marine and coastal environment in line with sustainability criteria.

Description of the activities to be funded

Activities to be funded under this specific action entail:

- Background analysis, including the European and Spanish context
- Diagnosis and problems characterization of the issues to be addressed by the coastal management plan
- Strategic plan development of the coastal management plan, including general and strategic objectives
- Stakeholders engagement, participation and communication
- Design and drafting of the methodology for an integrated coastal management plan

Amount

EUR 550,000

Grant Beneficiary:

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

The grant is to be awarded to COASTAL AND MARINE UNION (EUCC). This body is the best suited for this action since it has the operational and technical capacity as well as the degree of specialisation required.

EUCC is a non-profit organisation founded in 1989 with the aim of promoting an interdisciplinary, European approach to coastal conservation by bridging the gap between scientists, environmentalists, site managers, planners and policy makers. Since 1991, EUCC has worked on Integrated Coastal Zone Management (ICZM), especially considering land-sea interactions in the context of coastal and marine policies and best practices for Marine Spatial Planning (MSP) projects. It is the largest network of coastal and marine experts in Europe and neighbouring areas. Most of the expert institutions across Europe are part of the EUCC network.

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

Implementation: Directly by DG REFORM

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

2.3.2 Direct grant to the to the French National Railway Company (Société Nationale des Chemins de Fer Français (SNCF))⁴³

Objectives pursued and expected results

The overall objective of the project is to provide support to the Polish authorities to develop technical and operational capabilities for the introduction and implementation of a high-speed rail system.

The expected result of the action is an enhanced capacity of the Ministry of Infrastructure and the Solidarity Transport Hub Ltd in Poland to introduce and manage high-speed rail systems. The action is expected to deliver policy, technical and operational advice related to high speed rail such as: support in developing repositories of technical documentation and standards, recommendations for defining and implementing appropriate processes, technical and operational standards, financing models, workshops, trainings, study visits.

Description of the activities to be funded

Activities to be funded under this specific action entail:

- Delivery of expertise related to policy advice, formulation of reform roadmaps as well as to organisational and operational capacity-building reforms; examples: (i) recommendations for defining and implementing appropriate processes, technical and operational standards, financing models for the implementation of high speed rail in Poland; (ii) recommendations for developing repositories of technical documentations related to high speed rail
- Organisation of workshops, trainings, study visits and exchanges of good practices relating to the development and management of high speed rail, including infrastructure, operation financing, etc.
- Support in developing repositories of technical documentation and standards (i.e. Manuals for the various sub-systems of high speed rail)

Amount

EUR 550,000

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.

⁴³ SNCF is an “Établissement Public Industriel et Commercial”. It is a state-owned industrial and commercial enterprise serving the public interest. It is 100% owned by the state.

The grant is to be awarded to French National Railway Company (SNCF).

This body is the best-suited entity for this action given its high degree of specialisation, expertise and experience regarding high-speed rail systems.

SNCF has extensive specialised experience on high speed rail systems and represents a reference point for other EU countries that developed or are planning to deploy such transport systems. SNCF has experience in advising Member States across the EU. SNCF can put together a team of experts who could transfer good practices and lessons learned in France but also draw on SNCF's collaborations with other EU Member States. Moreover, SNCF knows the institutional and operational framework in Poland when it comes to the management, operation and funding of railway infrastructure and services. Furthermore, SNCF has the administrative capacity to deliver this project.

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%

2.3.4. Direct grant to CLEAN⁴⁴

Objectives pursued and expected results

The overall objective of the action is to support the Portuguese Authorities in the development and implementation of reform policies, and the definition, management and implementation of processes and methodologies in the area of circular economy. The Portuguese Authorities will be assisted in contributing to 'reduce, reuse and recycle: 3 roads to a Circular Economy' and bringing benefits to both the environment and the Portuguese economy

The expected results of the action is encouraging greater material efficiency by providing a clear definition of a support scheme and introduce new skills for economic sectors and other stakeholders in the field of material efficiency. The action will also contribute to the definition of a strategic approach for waste management of specific waste streams in Portugal, with the ultimate goal of implementing new legal and governance instruments. Furthermore, the project will provide a better understanding of urban waste infrastructures by enabling administration at its different levels to be more capable of decision-making on licensing, regulation, financing and implementation of a public policy.

Description of the activities to be funded

Activities to be funded under this specific action entail:

- Support to assess in depth key areas that contribute to moving towards a circular economy in Portugal
- Exploring options for the management of specific waste streams – textiles, construction and demolition, bulky and domestic hazardous waste
- Assessing urban waste infrastructures capacities.

The support measures are structured starting from the state-of-play analysis, to the strategy

⁴⁴ CLEAN is a non-profit expertise association established in Denmark.

development towards change management and developing a communication strategy.

Amount

EUR 600,000

Grant Beneficiary:

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

The grant is to be awarded to CLEAN.

This body is the best-suited entity for this action given its high degree of specialisation, expertise and experience regarding the strategic, conceptual and technical aspects of circular economy.

CLEAN is a Danish clean tech cluster with the mission to accelerate the green transition while generating innovation, growth and jobs. As a non-profit entity, CLEAN is widely acknowledged as a leading cluster and holds the Gold Label under the European Cluster Excellence Initiative.

CLEAN has vast experience and capabilities within circular economy, resource efficiency and waste management. Moreover, CLEAN has high strategic focus on internationalisation with a dedicated international team. It is connected with a large number of partners in the public, private and academic areas around projects including waste related initiatives.

The project requires a combination of knowledge about circular economy and its legal and administrative framework, technical understanding and expertise to recognise the private sector needs and limitations. CLEAN has the required technical competences in these fields, and is able to bring together local and international expertise. CLEAN is highly specialised working in the area of circular economy, it has the administrative capacity for completing the project. As regards operational and technical capacity, CLEAN has required expertise as well as it closely works with international experts in this field who will bring in best practices from other Member States.

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%

2.3.5. Direct grant to the RICERCA SUL SISTEMA ENERGETICO S.p.A. (RSE)⁴⁵

Objectives pursued and expected results

The overall objectives of the action are to enable a more active participation of the Cypriot consumers to the electricity market, to promote investments into technologies related to

⁴⁵ RSE is a 100% state-owned company under the control of the Ministry of Economic Development in Italy.

flexible energy generation and energy storage as well as a more sustainable transport sector (e-mobility), and to create a more sustainable, fair and competitive electricity market, with clear and transparent electricity prices.

The expected result of the project is the effective transposition of the EU legislation on the electricity energy market in the national legislative framework. In addition, the project would support the country in a cost-efficient transition to a low-carbon economy, achievement of the different targets of the Energy Union and compliance with Regulation (EU) 943/2019 on the internal market for electricity, and Directive (EU) 2019/944 on common rules for the internal market for electricity and amending Directive 2012/27/EU.

Description of the activities to be funded

Activities to be funded under this specific action entail:

- Gap Analysis and review of the existing legislation, regulatory decisions, trade and settlement rules and transmission and distribution rules
- Preparation of technical specifications and tender documents for software and hardware requirements to design an online platform for consumers and retailers
- Preparation of guidelines for the management and exchange of data, including the selection of a suitable data management model
- Preparation of a regulatory framework to facilitate the connection of publicly accessible and private recharging points to the distribution network
- Preparation of policy guidelines on specific aspects related to the electricity markets

Amount

EUR 290,000

Grant Beneficiary:

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

The grant is to be awarded to Ricerca sul Sistema Energetico S.p.A. (RSE).

This body is the best-suited entity for this action given its high degree of specialisation, expertise and experience in the area of energy.

Ricerca sul Sistema Energetico S.p.A. (RSE) is a Company State-owned by the Ministry of Economy and Finance, and included in the list of Italian Public Administrations as provided by Regulation (EU) No 549/2013 on the European system of national and regional accounts in the European Union. RSE is historically committed to research on energy fields (renewables sources, energy efficiency and electricity markets) and carry out national and international programs in the fields of electrical power, energy and the environment.

RSE carried out national and international programs in the fields of electrical power, energy and the environment. It also has experience in participating and coordinating several EU projects under Horizon 2020 and, in the implementation of joint activities with central and

local public administrations, the associations and clusters of small and medium-sized businesses and consumer groups.

In addition, RSE has detailed knowledge of the Cypriot energy market since it has already carried out three technical support projects in Cyprus.

RSE has the necessary technical expertise since it develops applied research in the electricity and energy sector and provides the Italian government with expertise and know-how gained from its extensive experience and the long tradition of research in Italy and other EU countries. RSE's structure ensures a high degree of specialisation, since its mandate is to focus on all energy aspects related to the electricity sector, providing high-level advice primarily to the Italian government. It also possesses administrative capacity to manage this project with more than 350 employees and 250 professionals and researchers as well as established physical facilities.

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 and pursued and expected results

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

Type of applicants targeted by the direct award

Direct grants may be awarded to pillar-assessed or to non-pillar-assessed United Nations Organizations, other international organisations (to the extent that the current provisions and framework agreements allow the conclusion of grant agreements), 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, migration, health, social services and education. Such entities will be identified on the basis of their specific experience in supporting structural reforms in the areas of health care systems, migration, education and training, labour market and social security and social welfare in recent years in European and neighbouring countries and 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, amongst others, the following activities:

- (a) expertise related to policy advice, policy change, policy implementation and assessment, formulation of strategies and reform roadmaps, as well as legislative, institutional, structural and administrative reforms; examples: provision of institutional,

legal and operational advice for introducing a National eHealth Center; support to implement a teacher induction system; support to design indicators to assess the implementation of the inclusive education law; policy advice to design an adult learning or a broader life-long learning strategy; advice on the design and implementation of the reform of the disability assessment system; policy advice on policies towards attracting labour migrants and inclusion of migrants and refugees in the labour market; policy advice for the design and implementation of active labour market policies; policy advice on labour inspections;

- (b) the provision of experts, including resident experts, for a short or long period, 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; examples: provision of experts for supporting for integrating services for citizens with serious mental illness; provision of experts to help assess the teachers training system;; provision of specific expertise in the design of indicators; provision of experts to design university, research and business cooperation strategies.
- (c) organisation of seminars, conferences and workshops; examples: Social Care Units workshop and exchange of best practice on improving VET; conference to define good practices on social inclusion of refugees and migrants; workshops and exchange of good practices on policies to promote sustainable and adequate pension systems;
- (d) organisation of study visits to relevant Member States: examples: study visits to countries with established eHealth systems; study visits to gather information about relevant experience of another Member State on reforming its school leaders competence framework and training; study visits to gather information about relevant experience of other Member States on attracting labour migrants and on inclusion of migrants and refugees in the labour market;
- (e) training actions and the development of online or other training modules; example: teacher training as part of the curricular reform and compilation of teaching materials related to reform of curricula; preparation of manuals and protocols for new disability assessment methodologies;
- (f) collection of data and statistics, development of common methodologies and, 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: expertise related to development, maintenance, operation and quality control of the IT infrastructure and applications needed to implement the reforms, as well as expertise related to programmes geared towards the digitalisation of public services; examples: support to develop interoperable digital solutions across different areas of care of the health system; development of monitoring systems in education;
- (h) studies, research, analyses and surveys, evaluations and impact assessments, and the development and publication of guides, reports and educational material; examples: carrying out a study on the obstacles of low skilled people to access adult education; carrying out studies, research, and evaluation on good practices to attract labour migration and to integrate migrants and refugees; in-depth assessment of the provision of social services; setting up an evaluation and monitoring system for the inclusion of Roma minorities.

- (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; examples: exchange of good practices in the area of mental health policies; preparation and organisation of awareness-raising campaigns related to the promotion of excellence in VET and increased cooperation with the business sector; preparation and organisation of awareness-raising campaigns related to the importance of integration of migrants and refugees into host societies; support for the dissemination of activities related to labour market activation programmes.

Implementation

Directly by DG REFORM

I. Essential eligibility, selection and award criteria

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

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

The award of grants without a call for proposals in accordance with Article 195 (1) (c) or (f) of the Financial Regulation will be justified in the award decision. The potential beneficiary will be invited to submit an application, which will be evaluated according the following main award criteria:

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

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

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

2.4.1 Direct grant to the Austrian Agency for Economic Development (aed)⁴⁶

Objectives pursued and expected results

⁴⁶ The Agency for Economic Cooperation and Development (aed) is a non-profit association based in Vienna, founded in 2003. Highly recognised personalities from the economy, science, and politics support the association's activities. Aed has been awarded mandated body status for EU-Twinning projects.

The action is linked to the priority to strengthen health systems. The objective is to assist the Ministry of Health of the Czech Republic in establishing a fully resourced National eHealth Center (NeHC). The NeHC is supposed to coordinate and govern the implementation of eHealth in the Czech Republic. The absence of such a Center undermines the development of eHealth solutions by the private sector, and the inability to monitor and guide the implementation of the National (e)Health Strategy. The specific support objectives are: (1) establishing a National Healthcare Digitization Platform for collaborating in the design and deployment of eHealth solutions; (2) providing a solid institutional, technical and organizational framework for a national interoperable digital health ecosystem.

The action is expected to lead to the following results: (1) NeHC fully resourced and operational in 2021; (2) The National Healthcare Digitization Platform functional in 2021; (3) Technical framework for interoperable digital health ecosystem designed and implementation established by end 2021.

Description of the activities to be funded

The support action will include advisory work and capacity building on: (i) how to further develop NeHC into a fully resourced entity, potentially as a limited liability company under public ownership; (ii) establishing the National Healthcare Digitization Platform including support on communication and coordination with the ehealth ecosystem on topics such as: National eHealth Board, eHealth Research and Technological Development, International collaboration, cooperation with health care professionals, payers and citizens; (iii) establishment and implementation of a national interoperable digital health ecosystem in line with EU Recommendations, such as the European EHRxF Health Exchange Format, the Investment Guidelines for EU Member States, the Interoperable Digital Health Ecosystem; (iv) models of electronic management, creation and implementation of eHealth standards including legislative support; (v) developing and implementation of change management and communication strategy, and; (vi) developing eHealth key performance indicators.

Amount

EUR 550,000

Grant Beneficiary:

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

The grant is to be awarded to **the Austrian Agency for Economic Development (aed)**. **aed** is a non-profit association offering a wide range and high quality of expertise through the involvement of local and international experts with relevant experience. **aed** has a well-established practice at assisting governments in different areas, including health, for the promotion of economic development and administrative efficiency. This body is the best suited one, having the technical competence for providing comprehensive advisory support on the establishment of the National eHealth Centre in the Czech Republic in line with the specific objectives described above, and has, over a period of more than five years, acquired a high degree of specialization in designing systems for eHealth governance. The choice of

aed is further justified by the fact that Austria and the Czech Republic have already a successful and close cooperation on eHealth established since 2018. aed can rely on a large team of international experts from other EU countries, with strong experience in eHealth governance and policy implementation, which can ensure the administrative capacity to perform the activities.

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%

2.4.2 Direct grant to the EUROPEAN SCHOOLNET (EUN)⁴⁷

Objectives pursued and expected results

The objective of the action is to contribute to the development of evidence-informed tools and scenarios that strengthen the processes of implementing teacher induction⁴⁸ in schools in the Flemish Community of Belgium.

The action is expected to lead to the following results:

1. to strengthen the implementation of teacher induction in primary and secondary schools and school clusters⁴⁹ and embed it in their continued professional development (CPD) planning.
2. to engage Pedagogical Guidance Services and Initial Teacher Education providers to contribute to the reorganisation and professionalisation of support to novice teachers, as formulated in the 2019-2024 coalition agreement of the Flemish government.
3. to gather evidence on how government policy on teachers can be implemented in a more effective and efficient way in an education system with a large degree of constitutional autonomy at school level.

Description of the activities to be funded

The grant beneficiary will provide support to the Flemish Community of Belgium to implement the following activities:

- Mapping of the current situation regarding teacher drop-out at early career stages
- Exploring good practice on teacher induction across Europe
- Facilitating participatory work with stakeholders to develop the main features of a framework to implement an effective induction system
- Drafting implementation guidelines and training plans for teacher induction
- Running a pilot in a limited number of schools

⁴⁷ EUN is an international not-for-profit association (AISBL) funded directly via annual membership fees from all participating Ministries of Education and via participation in projects supported by the European Commission and other bodies.

⁴⁸ Induction: “a structured phase of support given to teachers after finishing the formal programme of Initial Teacher Education at the start of their first contract as a teacher in school” (European Commission, 2013).

⁴⁹ School clusters: groupings of schools (4-20 schools depending on the size and area), affiliated with the same education provider, sharing the same ethos, modus operandi, region etc.).

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

The grant is to be awarded to European Schoolnet (EUN), which is the best suited body for this action, having the technical competence for completing the activities required in the field of school and teacher policies, and in particular in the area of induction for novice teachers and related policy reforms. EUN successfully carried out the ‘Inducas’ pilot project for the European Commission, where it worked with novice teachers (and their mentors) in four European countries to test online tools and communities with the purpose of facilitating teachers’ entry into school service. European Schoolnet (EUN) has a high degree of specialisation for completing the activities required as it is a unique network of policy experts governed by 34 national Ministries of Education in Europe and beyond. EUN is a knowledge building network, enabling national Ministries of Education to share experience on challenges and good practice and to learn from each other. It can therefore rely on a large team of experts that can ensure the administrative capacity to perform the actions. The choice of the provider is further justified by the Commission’s positive experience of working with EUN on the ongoing technical support in Greece on the pedagogical use of digital technologies and the teaching of digital competences at all levels of formal schooling.

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

Implementation: Directly by the DG REFORM

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

2.4.3 Direct grant to the European Association for Education of Adults (EAEA)⁵⁰

Objectives pursued and expected results

The objective of the action is to support the Cypriot authorities with the design of the Strategy for Lifelong Learning (SLL) and to facilitate a comprehensive consultation and participation of different stakeholders involved in monitoring of the SLL. The expected result of the action is to have a Lifelong Learning Strategy for 2021-2027 and an Action Plan in place and ready to be approved by the Council of Ministers.

Description of the activities to be funded

The grant beneficiary will provide support to the Cypriot authorities to implement the following measures:

⁵⁰ The EAEA is a transnational, non-profit association of non-formal adult education in Europe with 130 members in 43 countries. The EAEA promotes adult learning and the widening of access and participation in formal and non-formal adult education for all, particularly for under-represented groups.

- Analysis of the current situation: the advances and obstacles of the lifelong learning system; and benchmarking it against good practices from other MS
- Preparation of a first version of the National Lifelong Learning Strategy in consultation with the relevant stakeholders
- Setting of Key Performance Indicators (KPIs) to monitor the successful implementation of the Strategy.
- Review and finalisation of the Lifelong Learning Strategy and of an Action Plan for implementation to be ready for the approval by the Council of Ministers

Amount

EUR 250,000

Grant Beneficiary:

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

The grant is to be awarded to the **European Association for Education of Adults (EAEA)**, which is the best suited body for this action, having the technical competence for completing the activities required in the field of design, implementation and monitoring of lifelong learning policies and reforms. EAEA has a long-standing experience of managing projects and initiatives in the field of lifelong learning at the EU level. The most relevant project to justify the choice of EAEA for the support in Cyprus is the DIMA project (A Toolkit for Developing, Implementing and Monitoring Adult Education) that was coordinated by the Ministry of Education and Culture in Cyprus. EAEA and its partners created a practical and innovative toolkit for developing, implementing and monitoring coherent and participative adult education strategies. EAEA has a high degree of specialisation for completing the activities required as it is a unique network of representatives of central and local governments specialised in lifelong learning. The EAEA can draw from the best expertise available in Europe being a member of several working groups focusing on adult education policy, including the European Commission's working group on Adult Education. In addition, the EAEA coordinates the Interest Group on Lifelong Learning along with the Lifelong Learning Platform. It can therefore rely on a large team of policy experts to ensure the administrative capacity to perform the actions.

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

Implementation: Directly by the DG REFORM

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

2.4.4 Direct grant to the European Agency for Special Needs and Inclusive Education

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Objectives pursued and expected results

The objective of the action is to support the Portuguese Directorate General for Education to develop a monitoring system that includes relevant indicators to run regular assessment of the effectiveness of the Decree-Law No.54/2018 to promote inclusive education in Portugal. The expected result of the action is to build a system for a continuous improvement of the regulatory framework and school practices to promote inclusive education and achieve higher levels of inclusiveness in the national education system.

Description of the activities to be funded

The beneficiary will provide support to the Portuguese Directorate General for Education to implement the following activities:

- Analysis of the existing statistical data available in terms of the effectiveness of inclusion at school level.
- Analysis of the education standards defined in the laws framing the inclusive education system.
- Proposal for a set of inclusive education indicators.
- Implement and monitor the pilot application of the proposed indicators in a number of schools.
- Approval of a final set of national indicators

Amount:

EUR 400,000

Grant Beneficiary:

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

The grant is to be awarded to European Agency for Special Needs and Inclusive Education (the Agency), which is the best suited body for this action, having the technical competence for completing the activities required in the field of inclusive education and related policy

⁵¹ The Agency is an independent not-for-profit organization established in 1996 by a group of European ministries of education, which continue to steer the work today. The Agency has 31 member countries, covering 35 jurisdictions (England, Northern Ireland, Scotland and Wales, as well as Belgium's French and Flemish communities). The Agency's corporate mission and all its work aim to ensure equity, equal opportunities and the rights for all learners, in particular those who are vulnerable to marginalisation and exclusion, such as students with disabilities and/or special educational needs.

reforms. The Agency has a high degree of specialisation in the field of inclusive education policy in European countries as proven by its reference reports and publications delivered in the framework of its projects across European countries. The Agency can also rely on a large team of experts, which have both a strong academic background in inclusive education and first-hand experience in policy implementation. Actually, the competence and expertise of the Agency in the area of inclusive education has been recognized in a Council Recommendation in May 2018 on promoting common values, inclusive education, and the European dimension of teaching. Moreover the Agency has a proven administrative capacity based on previous experiences with EU grants in general and in managing projects.

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

Implementation: Directly by the 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 and pursued and expected results

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

Type of applicants targeted by the direct award

Direct grants may be awarded to international organisations (to the extent that the current provisions and framework agreements allow the conclusion of grant agreements), Member-State ministries, agencies and bodies, other bodies with a public service mission, private bodies with specific and recognised competencies, experience and leadership in the relevant field and non-for profit international or European expertise associations and networks with specific and recognised competencies, experience and leadership in the relevant field, which, in view of the nature of the action, have recognised and relevant technical competence, high degrees of specialisation or administrative power in the field of: capital market development; insolvency; national development banks; anti-money laundering; financial literacy and reinforcing financial stability. Such entities will be identified on the basis of their specific experience, in the respective field and, specifically, the topic of the respective support measure in recent years in Member States and, where appropriate, major economies and proven knowledge of the local context in the specific Member State where the support measure is to be implemented. 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, amongst others, the following activities:

- (a) expertise related to policy advice, diagnosing reform needs, policy change, formulation of strategies and reform roadmaps, as well as legislative, institutional, structural and administrative reforms; examples: 1) formulating a capital market development strategy; 2) improving the administrative capacity of resolution authorities;

- (b) IT capacity building: expertise related to development, maintenance, operation and quality control of the IT infrastructure and applications needed to implement the reforms, as well as expertise related to programmes geared towards the digitalisation of financial sector supervision;
- (c) organisation of seminars, conferences and workshops;
- (d) organisation of study visits to relevant Member States;
- (e) training actions and the development of online or other training modules;
- (f) collection of data and statistics, development of common methodologies and, indicators or benchmarks; and
- (g) studies, research, analyses and surveys, evaluations and impact assessments, and the development and publication of guides, reports and educational material.

Implementation

Directly by DG REFORM

I. Essential eligibility, selection and award criteria

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

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

The award of grants without a call for proposals in accordance with Article 195 (1) (c) or (f) of the Financial Regulation will be justified in the award decision. The potential beneficiary will be invited to submit an application, which will be evaluated according 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%

In case the actions set out for implementation through grants (direct management) cannot be implemented under this delivery method, they will be implemented through public procurement (direct management) within the procurement activities set out in point 3.1 (Procurement activities for implementation of Structural Reform Support Programme).

3. Procurement

The global budgetary envelope reserved for procurement contracts in year 2020 is EUR 40 258 713.

3.1. Procurement activities for implementation of Structural Reform Support Programme

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

Based on the requests of the Member States, specific technical support projects will be undertaken in the policy areas referred to in Article 5(2) of the Regulation (EU) 2017/825 of the European Parliament and of the Council of 17 May 2017 on the establishment of the Structural Support Reform Programme for the period 2017 to 2020 and amending Regulations (EU) No 1303/2013 and (EU) 1305/2013, as amended by Regulation (EU) 2018/1671 of the European Parliament and of the Council of 23 October 2018 to increase the financial envelope of the Structural Reform Support Programme and adapt its general objective. The contracts may, *inter alia*, be used for studies, provision of technical assistance, carrying out surveys, monitoring, evaluation, etc.

These projects will assist Member-State national authorities in preparing and implementing growth-enhancing administrative and structural reforms. The contracts will serve the priorities and objectives referred to in Part I of this document.

Type of contracts:

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

Current DG REFORM Multiple Framework Contract

The maximum amount for the current Multiple Framework Contract is EUR 100 000 000 and it may be used until 19 July 2021 (with a possible extension for 24 more months).

In addition, two open call for tenders are planned to be launched following the adoption of this financing decision, allowing for the Programme's needs to be met:

- a new DG REFORM Multiple Framework Contract with maximum amount of EUR 350 000 000 for the provision of consultancy services for the development and implementation of structural reforms in EU Member States. It will have a duration of maximum four years from the date of entry into force of the contract. The estimated time for the launching of the call for tender is the second semester of 2020. This Framework Contract may have lots.
- a new DG REFORM time and means Framework Contract with a maximum amount of EUR 24 000 000 for the provision of expert support to DG REFORM and EU Member States. It will have a duration of maximum four years from the date of entry into force of the contract. The estimated time for the launching of the call for tender is the second quarter of 2020. This Framework Contract may have lots.

If deemed appropriate depending on the needs, the two contracts could be merged in one, following one procurement procedure.

Implementation

Directly by DG REFORM

Type of contract: direct contracts and specific contracts based on existing framework contracts, including framework contracts for the provision of technical support for the implementation of structural reforms under the Structural Reform Support Programme (SRSP).

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 930 500.

In case the actions set out for implementation through public procurement (direct management) cannot be implemented under this delivery method, due to circumstances outside of the control of the European Commission, they will be implemented through indirect management in accordance with the criteria set out in section 4 (Actions implemented in indirect management).

4. Actions implemented in indirect management

The global budgetary envelope reserved for indirect management under this work programme is EUR 35 403 500.

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

In line with the Financial Regulation the following activities will be implemented under the indirect management mode in view of the type of the implementing entity. Entities which have undergone an ex ante (/pillar-) assessment of their procedures and systems, guaranteeing a level of protection of the EU financial interests equivalent to that guaranteed by the Commission in direct management will act under indirect management for the tasks they will undertake to implement the actions.

4.1. Contribution/delegation agreements to support Structural Reforms in the area of Public Financial Management and Revenue administration

Criteria for selecting an implementing entity

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

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

Description

The objectives pursued and expected results for the actions are those of point 2.1 of Part I. The actions that can be financed through indirect management are outlined in Article 6 of the Regulation (EU) 2017/825 of the European Parliament and of the Council of 17 May 2017 on the establishment of the Structural Reform Support Programme for the period 2017 to 2020 and amending Regulations (EU) No 1303/2013 and (EU) 1305/2013 (OJ L 129, 19.5.2017, p. 1), as amended by Regulation (EU) 2018/1671 of the European Parliament and of the Council of 23 October 2018 to increase the financial envelope of the Structural Reform Support Programme and adapt its general objective (OJ L 284, 12.11.2018, p. 3).

4.2. Contribution/delegation 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 for the actions are those of point 2.2 of Part I.

The actions that can be financed through indirect management are outlined in Article 6 of the Regulation (EU) 2017/825 of the European Parliament and of the Council of 17 May 2017 on the establishment of the Structural Reform Support Programme for the period 2017 to 2020 and amending Regulations (EU) No 1303/2013 and (EU) 1305/2013 (OJ L 129, 19.5.2017, p. 1), as amended by Regulation (EU) 2018/1671 of the European Parliament and of the Council of 23 October 2018 to increase the financial envelope of the Structural Reform Support Programme and adapt its general objective (OJ L 284, 12.11.2018, p. 3).

4.3. Contribution/delegation agreements to support Structural Reforms in the Growth, Business Environment and Sectoral Issues

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 for the actions are those of point 2.3 of Part I.

The actions that can be financed through indirect management are outlined in Article 6 of the Regulation (EU) 2017/825 of the European Parliament and of the Council of 17 May 2017 on

the establishment of the Structural Reform Support Programme for the period 2017 to 2020 and amending Regulations (EU) No 1303/2013 and (EU) 1305/2013 (OJ L 129, 19.5.2017, p. 1), as amended by Regulation (EU) 2018/1671 of the European Parliament and of the Council of 23 October 2018 to increase the financial envelope of the Structural Reform Support Programme and adapt its general objective (OJ L 284, 12.11.2018, p. 3).

4.4. Contribution/delegation 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 for the actions are those of point 2.4 of Part I. The actions that can be financed through indirect management are outlined in Article 6 of the Regulation (EU) 2017/825 of the European Parliament and of the Council of 17 May 2017 on the establishment of the Structural Reform Support Programme for the period 2017 to 2020 and amending Regulations (EU) No 1303/2013 and (EU) 1305/2013 (OJ L 129, 19.5.2017, p. 1), as amended by Regulation (EU) 2018/1671 of the European Parliament and of the Council of 23 October 2018 to increase the financial envelope of the Structural Reform Support Programme and adapt its general objective (OJ L 284, 12.11.2018, p. 3).

4.5. Contribution/delegation 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 for the actions are those of point 2.5 of Part I.

The actions that can be financed through indirect management are outlined in Article 6 of the Regulation (EU) 2017/825 of the European Parliament and of the Council of 17 May 2017 on the establishment of the Structural Reform Support Programme for the period 2017 to 2020 and amending Regulations (EU) No 1303/2013 and (EU) 1305/2013 (OJ L 129, 19.5.2017, p. 1), as amended by Regulation (EU) 2018/1671 of the European Parliament and of the Council of 23 October 2018 to increase the financial envelope of the Structural Reform Support Programme and adapt its general objective (OJ L 284, 12.11.2018, p. 3).

In case the actions referred to under section 4 ‘Actions implemented in indirect management’ cannot be implemented under that management mode, due to circumstances outside of the control of the European Commission (e.g. not revised framework agreement), they will be implemented through a grant under direct management and subject to the maximum rate of co-financing of 100% of the eligible costs indicated in point 2 (grants). In such case, the applications will be evaluated according to the following criteria:

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

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

The award of grants without a call for proposals in accordance with Article 195 (1) (c) or (f) of the Financial Regulation will be justified in the award decision. The potential beneficiary will be invited to submit an application, which will be evaluated according to the following main award criteria:

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

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

5. Other actions or expenditure

5.1. Expert contracts following a Call for Expression of Interest

The global budgetary envelope reserved for experts contracts following a Call for Expression of Interest in year 2020 is EUR 265 000.

This action covers expenses for technical support provided by experts through simplified expert contracts, implemented under Article 237 of the Financial Regulation.

Those projects will assist the EU Member-State national authorities in preparing and implementing growth-enhancing administrative and structural reforms. The contracts will serve the priorities and objectives referred to in Part I of this document.

Implementation

Expert contracts under CEI list: directly by DG REFORM

5.2. Administrative arrangement with JRC

Amount

EUR 455,000

Description of the action

Action 1: Strengthening the design of the tax, social security contributions and social benefits system

Budget: EUR 180 000

Member State: Republic of Lithuania

Objectives pursued: Key objective of the Action is to provide technical support for the Ministry of Finance (MoF) and the Ministry of Social Security (MoS) of the Republic of Lithuania to contribute in improved policy making capacities in specific areas of: (i) the significant risk of poverty among elderly, disabled, children and single-parent households, (ii) the weak redistributive impact of the tax and benefit system, (iii) the low progressivity of the Personal Income Tax, (iv) the pension system at risk in the longer term and (v) the need to broaden the tax bases to sources less detrimental to growth.

The activities emerging from this Action are expected to support the modelling capacity within the MoF and MoS. These include developing a structured and sustainable modelling approach for two modelling components, respectively:

- a EUROMOD-based tool to compute forward-looking effective tax rates (ETRs) for individuals and households, based on hypothetical assumptions about their behaviour and covering taxes on their wages, business income and capital income;
- the set-up and adaptation of an administrative dataset based on several data sources to be used as input data in the EUROMOD modelling tool, along with the corresponding adaptation of the EUROMOD coding to use the new dataset;
- delivering a capacity-building workshop.

Expected results: The Action will result in increased modelling capacity in the MoF and MoS,

leading to the development of a structured and sustainable modelling approach for the two targeted modelling components.

Action 2: Microsimulation tools to assess the impact of fiscal and labour policy on social indicators

Budget: EUR 210 000

Member State: Romania

Objectives pursued: Key objective of the Action is to enhance further the scientific and technical capacity of the Ministry of Finance (MoF) in Romania, which plays an important role in policy design, assessing in particular the impact of taxation on government revenues. In order for the MoF to provide rapid and informative diagnostic of policy proposals, including quantitative assessment, the MoF is in need of technical support to develop a microsimulation tool and strengthening their analytical capacity.

Expected activities:

- Providing technical advice on how to
 - o customise the EUROMOD microsimulation tool to simulate more in detail the Romanian tax-benefit system;
 - o adapt administrative data to be used in the EUROMOD model, and use of the inequality feature in the model, along with the corresponding adaption of the EUROMOD coding to use the new dataset;
 - o use and interpret the EUROMOD statistics presenter to assess policies in terms of inequality and at-risk-of-poverty;
 - o develop and use a labour supply simulation tool.
- Conducting training sessions in the use of EUROMOD and the labour supply model.

Expected results: The Action will result in enhanced capacity and analytical tools/skills for the MoF in Romania and will create a better basis for understanding the impact of fiscal and labour policy on household outcomes, inequality and labour indicators, enabling MoF to support the Romanian Government to optimise its fiscal policy and thereby support the efforts of Romania in tackling social-economics issues regarding poverty and inequality.

Action 3: Development of a microsimulation tool of the Slovak tax and transfer system

Budget: EUR 65 000

Member State: Slovak Republic

Objectives pursued: Key objective of the Action is to improve the analytical tool (a microsimulation model of the Slovak tax and transfer system) of the Council for Budget Responsibility (CBR), supported by the Secretariat (SCBR), whose purpose is to monitor and evaluate the fiscal performance of the Slovak Republic by pointing out potential issues with the long-term sustainability of the public finances. The technical support will make it possible to adapt the model to the use of administrative data, improving the simulations of the Slovak tax and transfer system and to the assessment of not only the aggregate fiscal effects, but also the impact of legislative proposals on individual and household income distribution, as well as its influence on income inequality and poverty.

Expected activities: The activities will focus on building capacity and transferring knowledge in the areas of:

- Collection and analysis of best practice examples from other EU countries,
- Technical support on adaption and enlargement of the Slovak simulation tool,

SIMTASK, and change of the underlying dataset, by:

- i) a detailed check of all variables used in the simulation tool,
 - ii) finding/creating appropriate variables in the new input dataset, and
 - iii) an adjustment of the tool's equations to the new input dataset.
- Training on implementing the modelling tool.

Expected results: The Action will result in enhanced capacity for the CBR and SCBR and in an improved microsimulation tool of the Slovak tax and transfer system which will be based on administrative data, and will provide reliable and improved estimates of behavioural effects and the long-run impacts of future tax reforms.

In case the action referred to under section 5.2 (Administrative arrangement with JRC) cannot be implemented under that management method, it will be implemented through a grant under direct management and subject to the maximum rate of co-financing of 100% of the eligible costs indicated in point 2 (grants). In such case, the applications will be evaluated according to the following criteria:

Selection criteria: The operational capacity will be assessed based on thematic experience in the policy field linked to the action.

Award criteria: The award of grants without a call for proposals will be justified in the award decision. The potential beneficiary will be invited to submit an application, which will be evaluated according 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.

5.3. Administrative/service-level agreement with European Insurance and Occupational Pensions Authority (EIOPA) for increasing capacity to supervise the insurance sector

Amount

EUR 396,000

Description of actions

Action 1: Support to supervision on market conduct in the insurance sector in Italy

Budget: EUR 56 000

Within the area of reinforcing financial stability, this action will support the Italian authorities in improving the existing approach on market conduct supervision. In particular, this will include an upgrade of the methodology on mystery shopping. Such support is contained under an overall objective of improving financial stability within Italy but also in the broader European context, as EIOPA is working on an inventory of national existing methodologies in this area setting the stage for further European convergence.

Assistance will be provided to support, amongst others, the following activities:

- a) Onsite visits to supervisors currently conducting mystery shopping as to identify best practices;
- b) Identifying a methodology for mystery shopping to improve market conduct supervision in Italy by IVASS, taking into account the Italian insurance market characteristics in both the digital as well as physical channel;
- c) Development of assessment models to be used for supervisory purposes; and
- d) Executing a pilot exercise to test and evaluate the methodology.

The action is expected to contribute towards significantly raising the standard of insurance supervision in Italy. In particular, the action is expected to produce, amongst others:

- Recommendations for improving the insurance supervision process of IVASS;
- A revised manual for conducting improved market conduct supervision for Italian supervisory staff; and
- Training (workshops) for Italian supervisory staff on improved market conduct supervision processes and supervisory tools.

Action 2: Enhancing supervisory capacity in 17 Member States

Budget: EUR 340 000

Within the area of reinforcing financial stability, this action will allow 17 Member States⁵² to receive bespoke training on (i) expectations from the supervisory process in the different areas covered by Solvency II⁵³ and (ii) work on supervisory convergence across and between Member States. The support will provide an overview of the latest developments in the field, including the review underway of Solvency II, and additionally cover awareness sessions for the Reports developed by EIOPA on the basis of its European Central Repository and provided by EIOPA to National Supervisory Authorities.

Support will be provided to carry out a 2-4 day training session in 17 Member States on the supervision of financial prudential requirements, supervision of qualitative requirements, group supervision and supervision of internal modules.

The action is expected to contribute towards raising the standard of insurance supervision in 17 Member States. In particular, the action is expected to produce, amongst others:

- Training (workshops) for insurance supervisory staff on improved insurance supervision processes and supervisory tools.

⁵² Bulgaria, Croatia, Cyprus, Czech Republic, Denmark, Finland, Greece, Italy, Lithuania, Malta, Poland, Portugal, Romania, Slovakia, Slovenia, Spain and Sweden.

⁵³ Directive 2009/138/EC of the European Parliament and of the Council of 25 November 2009 on the taking-up and pursuit of the business of Insurance and Reinsurance (Solvency II)

In case the actions referred to under section 5.3 Administrative Agreement with European Insurance and Occupational Pensions Authority cannot be implemented under this management method, due to circumstances outside of the control of the European Commission, they will be implemented through procurement under direct management.
