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ANNEX

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

**Part I - The TSI outlook for 2021**

**1. Introduction**

The COVID-19 pandemic has thrown the world into a sudden and deep recession. Despite the strong, coordinated and innovative response at national and EU levels, many uncertainties remain: in particular, how long will this crisis last and how exactly will it affect our lives and economies?

In its Annual Sustainable Growth Strategy for 2021<sup>1</sup> (ASGS 2021), the Commission emphasised that policy support at national and EU level will be crucial for the recovery and the immediate priority is for the Union to work with Member States to ensure decisive progress in putting together the right reform and investment priorities in line with European objectives, and then ensuring their effective implementation.

On 28 May 2020, the Commission proposed to establish a Technical Support Instrument (TSI) available to all Member States, as a successor to the Structural Reform Support Programme (SRSP). The TSI will ensure that the Commission can continue to provide tailor-made expertise on the ground so that the Member States have the necessary institutional and administrative capacity to develop and implement growth-enhancing reforms and make European economies more resilient thanks to efficient and well-functioning administrative structures. The TSI can also support Member States in preparing, amending and implementing their recovery and resilience plans under the Recovery and Resilience Facility<sup>2</sup>, one of the main tools for economic recovery that will provide large-scale financial support for public investments and reforms. Technical support to capacity building specifically linked to the preparation of the recovery and resilience plans is to be provided to some Member States under the Technical Support Instrument.

In this context, stronger and more efficient public institutions are crucial for building resilient and sustainable economic structures that foster job creation and inclusive growth. The overall successful implementation of reforms requires efficient and effective public administrations, as these administrations influence the performance of all public policy domains, including reform efforts. For this reason, addressing the structural challenges faced by public administrations (e.g. in terms of competences, mobility, incentives, changes to work processes, etc.), especially by developing adequate institutional and administrative capacity, is crucial for well-functioning and sustainable economies and the success of structural reforms. In addition, strengthening Member States' administrative capacity will be key in preparing and implementing the recovery and resilience plans that set out the reforms and investments that the Recovery and Resilience Facility is to finance.

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1 Communication from the Commission: Annual Sustainable Growth Strategy 2021, COM(2020) 575 final.  
2 Proposal for a Regulation of the European Parliament and of the Council establishing a Recovery and Resilience Facility, COM(2020) 408 final.

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

### **TSI objectives and process**

Regulation (EU) No 2021/240<sup>3</sup>, sets up the TSI, with the general objective being to ‘promote the Union’s economic, social and territorial cohesion by supporting Member States’ efforts to implement reforms’.

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

As set out in Article 4 of the Regulation (EU) No 2021/240 on TSI, the TSI’s specific objectives, are to help national authorities improve their capacity to: (i) design, develop and implement reforms; as well as (ii) prepare, amend, implement and revise recovery and resilience plans pursuant to a Regulation establishing a Recovery and Resilience Facility. These specific objectives are pursued in close cooperation with the Member States concerned, including through the exchange of good practices, processes and methodologies, stakeholder involvement, where appropriate, and a more effective and efficient management of human resources.

In accordance with Article 9 of the Regulation (EU) No 2021/240 on support under the TSI can be provided only if a Member State so requests. Member States may submit requests for technical support for the following: ‘(a) the implementation of reforms by Member States, undertaken on their own initiative and in accordance with the general objective and specific objectives [of the TSI]; (b) the implementation of growth-sustaining and resilience-enhancing reforms in the context of economic governance processes, in particular the country-specific recommendations issued in the context of the European Semester or actions related to the implementation of Union law; (c) the implementation of economic adjustment programmes for Member States that receive Union financial assistance under existing instruments [...]; (d) the preparation, amendment and revision of recovery and resilience plans pursuant to a Regulation establishing a Recovery and Resilience Facility and the implementation thereof undertaken by Member States’.

In accordance with Article 9(1) of the Regulation (EU) No 2021/240 on TSI, by 31 October 2020, all 27 Member States had submitted requests for technical support under the TSI to the Directorate-General for Structural Reform Support. In total, 706 requests were submitted.

After receiving any necessary clarifications from the Member States concerned, the Commission analysed the requests to determine their eligibility and ensure their compliance with the criteria and principles set out in Article 9(5) of the Regulation (EU) No 2021/240 on TSI.

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

This assessment also took into account whether actions to be implemented under the TSI overlapped with those implemented under other Union instruments in the Member States concerned, in particular with measures financed by Union funds; this was done to avoid double funding and ensure complementarity.

Despite the increase of the TSI budget, as compared with the TSI's predecessor – SRSP – the estimated cost of the support measures requested by the 27 Member States was three times the budget allocation for 2021 (EUR 114 563 048). This led the Commission to strongly prioritise when selecting which requests to fund. This prioritisation was based on the criteria defined in the Regulation, bearing in mind the prioritisation made by the Member States themselves and the main challenges facing the Member States, as 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.

A limited proportion of the budget (not exceeding 10%) may be used for additional dedicated calls for requests in response to specific emerging needs of Member States, such as for the preparation, amendment and revision of recovery and resilience plans pursuant to the Regulation<sup>4</sup> establishing a Recovery and Resilience Facility and its implementation by Member States.

As a result of this need to prioritise, around one third of the eligible requests were selected for funding under TSI 2021.

In accordance with Article 9(5), second paragraph, of the Regulation (EU) No 2021/240 on TSI, 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 for this annual work programme.

In accordance with Article 13(1) of the Regulation (EU) No 2021/240 on TSI, the Commission and the beneficiary Member States, within their respective responsibilities, have to foster synergies and ensure effective coordination between actions under the TSI and actions under other Union programmes and instruments.

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

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4 Regulation (EU) 2021/241 of the European Parliament and of the Council of 12 February 2021 establishing the Recovery and Resilience Facility, OJ L 57, 18.2.2021, p. 17.

Furthermore, TSI 2021 may support Member States in the preparation, amendment, implementation and revision of recovery and resilience plans under the Recovery and Resilience Facility if specific needs arise at a later stage. DG REFORM may launch a new call for requests to support Member States for this or other purposes, as set out in Article 9 (4) of the Regulation (EU) No 2021/240 on TSI.

Further to the above and in line with the needs expressed by the Member States, priority areas of intervention, objectives and expected results have been identified for TSI 2021 (see Section 2 below).

In line with Article 6 (2) of Regulation (EU) No 2021/240 on TSI, DG REFORM will support the better coordination of policies on public administration and good governance. The objective will be to achieve a better synergy between Commission policy initiatives related to public administration and to develop the Commission methodology, country and thematic knowledge on the topic while ensuring that the respective initiatives are of good quality and that there is adequate capacity for their implementation. This support will provide Member States with a clear contact point in the Commission dealing with public administration and governance-related matters. It should stimulate more targeted dialogue on the topic with Member States in order to learn from one another and transfer knowledge, and it should also promote common principles, values and good practice for public administration and good governance.

In addition, in line with Article 6 (2) of Regulation (EU) No 2021/240 on TSI, the Corporate communication C(2020)9390 of 18 December 2020 and the IT implementation Plan 2021 - Allocation of Resources and Allocation of IT corporate resources, DG REFORM will help finance corporate IT and the corporate communication activities in 2021.

## **2. Priority areas for intervention in 2021**

In accordance with Article 5 of the Regulation (EU) No 2021/240 on TSI, the technical support for structural reforms may relate, to the following broad public policy areas, among other areas:

(a) public financial and asset management, budget process, including green and gender budgeting, macro-fiscal framework, debt and cash management, expenditure and tax policy, tax compliance, revenue administration and customs union, as well as fighting aggressive tax planning, tax fraud, tax evasion and tax avoidance;

(b) institutional reform and efficient and service-oriented functioning of public administration and e-government, simplification of rules and procedures, auditing, enhancing capacity to absorb Union funds, promotion of administrative cooperation, effective rule of law, reform of the justice systems, capacity building of competition and antitrust authorities, strengthening of financial supervision and reinforcement of the fight against fraud, corruption and money laundering;

(c) business environment, including for small and medium-sized enterprises, the self-employed, entrepreneurs and social economy enterprises, the re-industrialisation and relocation of production to the Union, private sector development, product and service markets, public and private investments including into physical and virtual infrastructure, project promoters and nurseries, public participation in enterprises, privatisation processes, trade and foreign direct investment, competition, efficient and transparent public procurement, sustainable sectoral development, and support for research, innovation and digitisation;

(d) education, lifelong learning and training, vocational education and training, youth

policies, labour market policies including social dialogue, the creation of jobs, increased labour market participation of under-represented groups, upskilling and reskilling in particular digital and energy skills, media literacy, active citizenship, active ageing, gender equality, civil protection, border and migration policies, the promotion of social inclusion and the fight against poverty, income inequality and all forms of discrimination;

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

(f) policies for the mitigation of climate change, a just digital and just green transitions, e-government solutions, e-procurement, connectivity, data access and governance, data protection solutions, e-learning, use of artificial intelligence-based solutions, the environmental pillar of sustainable development and environmental protection, climate action, transport and mobility, promoting the circular economy, energy and resource efficiency and renewable energy sources, local initiatives and participation of citizens, promoting energy R&I to bring new technologies to the market, tackling energy poverty and ensuring energy security, and for the agricultural sector, soil and biodiversity protection, fisheries and the sustainable development of rural, remote and insular areas;

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

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

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

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

Against this background, the priorities for support measures under the TSI work programme for 2021 have been set on the basis of the Member State requests for support that were proposed for funding.

Of the requests selected, 97% concern support for implementing reforms that will help to achieve strategic policy priorities, as set out under the European Semester framework for policy coordination. This includes support for the preparation, amendment, implementation and revision of recovery and resilience plans under the Recovery and Resilience Facility or under the EU-wide policy initiatives, such as the Green Deal, the Single Market Strategy, the Digital Single Market, the Energy Union, the Capital Markets Union, the European Pillar of Social Rights, or implementation of Union law. It also includes actions and activities in support of reforms that may help Member States prepare for joining the euro area.

The remaining requests refer to Member State reforms to achieve sustainable economic growth and job creation.

Overall, the TSI's priorities for 2021 reflect all 10 areas set out in Article 5 of the Regulation (EU) No 2021/240 on TSI and are as follows below (grouped by thematic area). The TSI will also support Member States in the preparation, amendment, implementation and revision of recovery and resilience plans under the Recovery and Resilience Facility.

#### Public financial management and revenue administration

The TSI will support measures in 22 Member States related, in particular, to tax and customs administration, tax and expenditure policy, tax compliance, public investment management

and budget process, including green budgeting and spending reviews, budget implementation, budget oversight, the transition towards accrual accounting and financial management information systems, as well as macro-fiscal frameworks and national statistics.

### Governance and public administration

The TSI will support measures in 23 Member States related to overall public administration, procurement, eGovernment/digital public administration, the functioning of the justice system, ethics and the fight against fraud and corruption, civil protection and emergency preparedness, natural disasters, increased cooperation among the different levels of governance and with the EU. Certain measures will help to better implement EU funds and programmes, especially in light of the Recovery and Resilience Facility. In that respect, the TSI will also support measures to build Member States' capacity to prepare and implement the recovery and resilience plans.

### Growth, business environment and sectoral issues

The TSI will support measures in 22 Member States related, in particular, to investment climate, the management of natural resources and resource efficiency, the Energy Union and Green Deal.

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

The TSI will support measures in 20 Member States related, in particular, to health-care systems, education, training and research, labour markets and social policies, emergency preparedness in migration management, and social welfare systems.

### Financial sector and access to finance

The TSI will support measures in 19 Member States, related, in particular, to capital markets development, insolvency, national promotional banks, anti-money laundering, financial literacy and reinforcing financial stability.

These above priorities for intervention listed above 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 is a crucial element of Member States' fiscal policy. The ASGS 2021 calls on Member States to continue reforms on both the expenditure and revenue sides and to strengthen their economic resilience. Such reforms are even more important in the context of the post-COVID-19 recovery, a recovery that should be green, digital and sustainable. A major step towards the green transition is to pursue reforms to direct public and private investments towards climate, clean energy and environmental actions. This is even more relevant in the context of the Recovery and Resilience Facility, where improving macroeconomic stability and enhancing public investment has been highlighted as a core challenge.

In 2020, European Semester country-specific recommendations on *enhancing investment while improving the quality and sustainability of public expenditure*, including through developments in the budgetary process, were addressed to all 27 Member States, and a majority of these Member States have requested technical support to address these challenges. By focusing public investment on the green and digital transition, the requested technical

support measures contribute to a decarbonisation of the economy and foster the economic recovery on more resilient and sustainable grounds.

In this context, based on Member States' requests, the TSI will provide technical support in the field of **public financial management**, which will contribute to the European Union's digital and green transition. Support will focus on improving the efficiency, effectiveness and sustainability of public spending, including by building the capacity to use **expenditure policy evaluations**, improving the budget preparation process and modernising the legal frameworks for **expenditure policy** that help to meet the Member States' infrastructure needs while also taking into account the European Commission's priorities. This includes support to enhance the capacity to practice **green budgeting** and multiannual budgeting. 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 and strengthen environmental considerations in **public investment management**. The support covers the introduction of multiannual expenditure ceilings and as such, contributes to Member States' efforts to achieve prudent medium-term fiscal positions.

The technical support for spending reviews will help Member States to better understand their public spending and needs and enable decision makers to take into account, among other things, the expected impacts of climate change. Such tools are instrumental in achieving growth-enhancing and sustainable public expenditure as well as medium-term macrofiscal stability. In 2021, the TSI will continue to support measures such as modernisation of **public accounting** and **financial management information** systems in order to improve the budget implementation process. Support for transitioning to accrual accounting in the context of IPSAS/EPAS<sup>5</sup> is a priority, as it will increase the financial transparency and comparability of financial reporting between and within Member States. Support will also focus on enhancing the institutional and technical capacities of **independent fiscal institutions** to improve their effectiveness in monitoring compliance with national fiscal rules and in producing high-quality macroeconomic forecasts for fiscal planning purposes. A further priority area is enhancing the quality of macroeconomic **statistics** and improving the capacity of the national statistical authorities. In this context, the requested technical support will also contribute to the Union priority 'A Europe fit for the digital age', as the support will strengthen the Member States' administrative and analytical skills to make better use of digital tools. Finally, support will be provided to improve the tools used for **macrofiscal modelling and analysis**, and to build analytical capacities for medium-term forecasting, which will help in devising evidence-based policies. This includes modelling the economic and fiscal impact of green policies in order to enhance climate change policies.

European Semester country-specific recommendations in 2020 also focused on strengthening the administration of revenue, enhancing tax compliance and improving tax systems, including tackling aggressive tax planning; these were addressed to 13 Member States. Taking action in these major areas, with a particular emphasis on the green and digital transition, will help to raise additional revenue that is much needed for the post-COVID-19 recovery. Support is in line with the Union priorities 'Protecting our European way of life', 'An economy that works for people', 'A Europe fit for the digital age' and 'A European Green Deal'. It is furthermore in line with the Commission's 'Package for fair and simple taxation' and the 'Customs Union Action Plan'.

In this context, based on Member States' requests, the TSI will support measures to improve and rationalise **tax policy**, in particular through new or enhanced tax frameworks to ensure fair, efficient and sustainable taxation, and through improved policy instruments to assess the

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5 International/European Public Sector Accounting Standards.

impact of existing tax policies and possible tax reforms, including environmental tax reforms. 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. The TSI will also support the **administration of revenue** to design, develop and implement structural reforms to improve the efficiency and effectiveness of the national tax and customs authorities' core business functions and the supportive processes underpinning these functions. In particular, support for simplification, modernisation and digital transformation measures aims to improve compliance and higher revenue. Such support is strongly aligned with the Commission's 'Package for fair and simple taxation' and 'Customs Union Action Plan'. Technical support will help to strengthen the Customs Union, specifically by supporting the implementation of the Union Customs Code package and other customs priorities. A further area of support relates to measures aimed at tackling **aggressive tax planning, tax fraud and evasion** in order to secure tax revenues, ensure fair taxation, avoid a distortion of competition and facilitate the recovery. In this context, the TSI will continue to provide support measures in 2021 to build capacity and improve tax frameworks. Finally, support to enhance **tax compliance** will benefit tax authorities and taxpayers, more precisely through new approaches, methods and strategies aimed at increasing voluntary compliance, managing non-compliance, minimising tax compliance costs and contributing to a level playing field for businesses. Support measures for stricter tax compliance and greater trust between taxpayers and tax administrations are also key to ensure sustainable tax revenues that will contribute to the recovery.

*b) Objectives pursued*

The overarching objective is to improve the efficiency, effectiveness and sustainability of public spending and increase the quality of public finances. The measures provided under the TSI to support **public financial management** will aim at improving the budget preparation process by, among other things, fostering the institutionalisation of **spending reviews**, linking policy evaluation closer to the budget process, moving towards more results- and impact-oriented **budgeting** that effectively takes into account environmental considerations and strengthening the **medium-term orientation of the budget**. The measures to support **expenditure policy** will provide Member States with tools enabling them to take into account climate change-related risks for future public investment and that strengthen decision-making based on environmental aspects. Support will also aim at improving the quality of national accounts with **public accounting** reforms towards accrual accounting. Moreover, actions to strengthen the fiscal framework will aim, among other things, at building the institutional and technical capacity within **independent fiscal institutions** so they can better use the set of instruments available to perform their mandate. Furthermore, support will aim at improving the quality and timely availability of macroeconomic **statistics** and modernising and digitalising the tools used in the national statistics offices. Finally, support will aim at improving the instruments used for **macrofiscal modelling and analysis** and enhancing evidence-based policymaking, which will foster post-COVID recovery and the green transition.

The overarching objectives of support measures to be provided under the TSI in the areas of **revenue administration and tax policy** are to raise and safeguard revenue, assure tax compliance, ensure fair, simple and sustainable taxation, facilitate modernisation and digitalisation, and improve taxpayer services.

The **tax policy** support measures under the TSI will aim at providing, through policy and legislation analyses and through improved impact assessment instruments, evidence that can be used for more informed, more rationalised and better targeted tax policy decisions; these are decisions that, among other things, contribute to taxation that is more environmentally-friendly, fairer and simpler. In the field of **revenue administration**, support will aim at



simplifying, modernising and digitally transforming the way in which tax and customs authorities operate, improving their core business functions and supportive processes. This will be done with the objective of assuring compliance and revenue and improving the services provided to taxpayers. Furthermore, capacity building and other support measures will aim to improve the efficiency and effectiveness of tax and customs administrations. Support will, among other things, address **tax compliance** and the specific issues concerning **aggressive tax planning, tax fraud and evasion**. Support measures will, in both areas, aim at securing tax revenue, improving the tax compliance culture, improving trust in the revenue authority, enhancing certainty and transparency and contributing to a level playing field for businesses.

*c) Expected results*

The overarching expected result in the field of **public financial management** is public finances of a higher quality coupled with a greater capacity of Member States to implement tools that enable them to make better informed decisions based on environmental aspects and other policy priorities. As such, the technical support enhances the green transition and lays the ground for a more resilient and sustainable economy. The support to be provided under the TSI for improving the budget process through, among other things, **spending reviews** and **green budgeting**, is expected to help better link public spending decisions with policy objectives. The support in the area of **public accounting** is expected to lead to an alignment with international good practices on accrual accounting. Actions to improve the fiscal framework by, among other things, building the institutional and technical capacity within **independent fiscal institutions** are expected to promote fiscal transparency and fiscal monitoring. Support for higher quality and more timely **macroeconomic statistics** is expected to lead to more reliable analysis and monitoring of macrofiscal policy. Improving the instruments for **macrofiscal modelling and analysis** is expected to help provide an information base for more informed spending decisions and an evidence-based formulation of policies, which will also contribute to the priorities in the European Green Deal. In this context, the support is targeted at building analytical and administrative capacity, which is expected to strengthen practices in fiscal policy decision-making processes.

The overarching expected results of revenue administration and tax policy support measures provided under the TSI are improved revenue collection, higher tax compliance, more digitalised tax and customs authorities, and a higher degree of green taxation. The TSI support for **tax policy** is expected to help improve and better rationalise tax policies and tax systems. The support is expected to result in, among other things, more environmentally friendly, fairer and simpler taxation. Support in the field of **revenue administration** is expected to result in tax and customs administrations having new or improved capacities, methods and processes, which should lead to more efficient and effective activities. Support for the fight against **aggressive tax planning, tax fraud and evasion** is expected to result in (i) improved capacities, frameworks and methods enabling the tax authorities to identify areas of non-compliance, (ii) more targeted and more effective measures and (iii) higher tax revenue. The support measures are also expected to result in the tax burden being shared more fairly and in a less distorted level playing field for businesses. Support for **tax compliance** is expected to lead to higher tax revenue and an improved tax compliance culture due to a higher level of trust, certainty and transparency.

## 2.2. Governance and public administration

### a) Priorities for the year

Based on the requests from Member States, TSI support for **governance** will focus on better coordinating the work across ministries, in particular work related to the monitoring, coordination and implementation of reforms, as well as the supervision and implementation of EU-related matters, with particular attention to the Recovery and Resilience Facility. Support funded under the TSI will focus on helping the Member States to improve the quality of public administrations at all levels of government (central, regional and local). Support will also cover the coordination of competencies between national, regional, local and other governmental institutions, and include support in setting up governance platforms for delivering the sustainable development goals and smart cities initiatives and for the effective absorption rates of EU funds. This further includes work on evidence-based policymaking and better regulation, strategic policymaking, the modernisation of organisational structures, a focus on results and on client-oriented services, inclusiveness and transparency as well as work on organisational changes, the quality of human resources and their improved management. Additionally it also includes support for civil protection and emergency preparedness, including in the context of natural disasters. Support will also focus on capacity-building actions.

Actions to fight against **fraud and corruption** will focus on:

- support for the design, improvement - where relevant - and implementation of national anti-corruption strategies and action plans;
- the development of monitoring methodologies to assess implementation of anti-corruption actions;
- the design or improvement of integrity frameworks including review of integrity legislation;
- support for capacity-building and public awareness campaigns;
- the development of rules and procedures to protect whistle-blowers;
- the setting up of integrity standards and lobbying registers;
- the development of new risk assessment and fraud detection tools and methodologies, including in specific areas, such as healthcare;
- improved supervision and auditing of the work performed by State entities; and
- closer coordination and cooperation among national authorities.

The professionalisation of **public procurement** is one of the key priorities of the EU Directives on public contracts and concessions<sup>6</sup>. Support is to be provided to identify areas for improvement, enhance national administrative capacities, introduce innovative procurement practices and develop specific aspects of public procurement, such as procurement processes for 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. Funding for eGovernment/digital public administration will therefore support enabling actions for the successful implementation of national digital strategies, including the Member States' to

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6 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.

consolidate IT. Support will also help national administrations to assess the operational benefits of adopting new technologies in the administration. The EU eGovernment action plan 2016-2020<sup>7</sup> refers to guiding principles and a number of actions to accelerate the digital transformation of public administrations and, supported by the new European interoperability framework<sup>8</sup>, provides important guidance to live up to the vision of the eGovernment Action Plan 2016-2020 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. In the Tallin Declaration on eGovernment<sup>9</sup> and the Berlin Declaration on Digital Society and Value-based Digital Government<sup>10</sup> Member States have endorsed the vision and principles of the eGovernment Action Plan 2016-2020 and have emphasized the importance of digital public services that are user-centric, inclusive and that respect the rights, needs and preferences of citizens. Support will develop digital administration as a vehicle for recovery from the COVID-19 crisis. Member States will be supported in the preparation and implementation of the Recovery and Resilience Plans, and particularly the flagship 'Modernise', which addresses the digitalisation of public administration and services. Also, Member States will be supported in the implementation of European principles and reaching targets for the digitalisation of digital public services for the coming years.

Effective justice systems support economic growth and defend fundamental rights. Support for **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 for the implementation of Union funds and programmes - with a focus on administrative capacity to help national authorities make best and timely use of the programmes and funds. In that respect, the TSI will also support measures to build capacity for preparing and implementing the recovery and resilience plans.

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

#### *b) Objectives pursued*

On **governance**, the Commission aims to help Member States improve the functioning of their administrations in terms of the value-for-money and quality of public services, including achievement of sustainable development goals and their specific national agendas in line with the European Semester process and country-specific recommendations (CSR). The objectives pursued include:

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7 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.

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

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

10 <https://ec.europa.eu/digital-single-market/en/news/berlin-declaration-digital-society-and-value-based-digital-government>

- development of user-centric and efficient administrative processes;
- improvement of the quality of policymaking and better regulation;
- enhanced strategic policymaking 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;
- enhanced civil protection and emergency preparedness, including in the context of natural disasters;
- improvement of the supervision and monitoring of administrative processes, policies as well as the efficiency and performance of structures; and
- effective communication on the overall objectives and design of reforms and the supervision of their implementation.

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

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

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

Support measures for **eGovernment and 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, implementing the vision<sup>11</sup> and guiding principles<sup>12</sup> of the eGovernment Action Plan 2016-2020 and taking advantage of solutions developed by the Connecting Europe Facility (CEF) programme<sup>13</sup> and the Interoperability solutions for public administrations (ISA<sup>2</sup>) programme<sup>14</sup>, as well as helping Member States introduce advanced digital technologies (for example, artificial intelligence and block chain) and digital policies (data sharing<sup>15</sup>, data

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

12 Digital by Default; Once only principle; Inclusiveness and accessibility; Openness & transparency; Cross-border by default; Interoperability by default; Trustworthiness & Security

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

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

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

protection, cyber crime etc.). Additionally, Member States could be supported in the development and implementation of (cross-border) eID. Measures should furthermore support Member States' efforts to implement the once-only principle across sectors and at all levels of administration, including the implementation of the once-only principle across borders following article 14 of the Single Digital Gateway Regulation<sup>16</sup>. This should help Member States to reduce administrative burden on citizens/businesses and to better deliver on public administration modernisation efforts, by offering a responsive and high quality IT function. The consolidation of an 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, responding to their needs and preferences. To achieve this, support could be given to Member States to provide more human-centric digital public services, respecting the rights, preferences and needs of citizens. Digital public services should be personalised or proactive if possible. Support could also be given to Member States to provide more inclusive digital public services, responding to the needs of vulnerable groups, such as persons with disabilities. Building on the Annex of the Tallinn Declaration on eGovernment, support could also help Member States to provide more user-centric digital public services, including by engaging citizens in the creation of digital public services, or by providing mobile digital public services. A consolidated IT function in the public administration also paves the way for taking advantage of technological innovations. Support could be given to help public administrations use novel technologies (e.g. cloud, AI) to improve digital public services and decision-making in public sector.

Furthermore, the support will aim to help advance the design and provision of digital services to individuals and businesses in accordance with the vision, principles and actions of the eGovernment action plan 2016-2020<sup>17</sup>, as well as the objectives and user-centricity principles of the Tallinn Declaration on eGovernment<sup>18</sup> and the Berlin Declaration on Digital Society and Value-based Digital Government<sup>19</sup>.

Support measures for **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 of criminal proceedings; b) increasing the quality of justice systems notably by improving the implementation of e-justice systems<sup>20</sup> 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) strengthening the independence of justice systems, e.g. by putting in place 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 so they can better access the justice system.

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

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

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

19 <https://ec.europa.eu/digital-single-market/en/news/berlin-declaration-digital-society-and-value-based-digital-government>

20 Also by taking advantage of solutions developed by the CEF programme in accordance with the strategy on European e-Justice and the multiannual European e-Justice action plan, such as the interconnection of national registers/databases towards increased transparency and efficient access to justice, or digitisation of certain judicial proceedings via e-CODEX, the e-Evidence Digital Exchange System. For further details see: <https://ec.europa.eu/cefdigital/wiki/display/CEFDIGITAL/European+e-Justice+Portal>

The support measures for the implementation of Union funds and programmes aim to help the relevant national authorities improve the way in which they manage the funds and programmes. In that respect, the support measures aim also to build their capacity to prepare and implement the recovery and resilience plans.

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

### *c) Expected results*

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

In the **fight against corruption**, the support measures are expected to raise awareness among public and private sector organisations and increase the capacity to prevent, investigate and prosecute corruption. The measures are also expected to support the development of strategic frameworks, rules, methodologies and systems to instil greater integrity, detect and limit cases of corruption and fraud and improve the quality<sup>21</sup> of cooperation between the relevant entities at national and European levels.

The support for **procurement** is expected to increase the capacity of national contracting authorities to prepare, launch and monitor sound tendering procedures, possibly leading to better implementation of the relevant EU legislative framework. In particular, national public procurement experts should be in a position to design tendering procedures in a more strategic, but also sound and transparent, way. In addition to the above, they should be able to better deliver more specific and relevant dimensions of procurement, such as R&D, green or social procurement. National public procurement experts are invited to take advantage of the eProcurement infrastructure developed by the CEF programme<sup>22</sup> that provides for alignment with the Public Procurement Directives.

The support measures for **e-Government/digital public administration** are expected to help improve the ICT maturity of Member States, enabling them to deliver better e-services to citizens and businesses<sup>23</sup> and to deploy suitable back-office solutions supporting a transformed and efficient public service. The support measures will also contribute to Member States' readiness to provide services on the EU Single Digital Gateway.

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21 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](https://ec.europa.eu/isa2/isa2_en)

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

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

The support measures for **justice systems** are expected to help improve the functioning of justice systems, e.g. through measures that make justice systems more efficient and transparent, and that do this especially by helping to build the capacity of judicial institutions and better implement e-justice. The support is also expected to help improve the quality of the work of the judges and court staff and strengthen the independence of justice systems. Finally, support should also help in achieving specific goals, in particular the protection of victims.

Some measures in these areas could contribute to a better implementation and performance of EU funds and programmes. In that respect, the support measures also could help to build capacity for preparing and implementing the recovery and resilience plans.

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

### **2.3. Growth, business environment and sectoral issues**

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

A particular focus of the Commission's annual sustainability growth strategy (ASGS) for 2021 is on reforms that will help the EU economy to emerge stronger and more resilient from the current crisis, which includes strengthening the digital and green transition. The four dimensions of environmental sustainability, productivity, fairness and macroeconomic stability remain the guiding principles underpinning the Member States' recovery and resilience plans and their national reforms.

To support recovery and resilience efforts, Member States need to increase their economic growth potential and economic strength, improve job creation and meet the reform objectives of the dual green and digital transitions.

In order to kick-start the economy and put it on the right track to achieving long-term sustainable growth, the Member States have to strengthen the **investment climate**. In line with this priority, a number of Member States have requested technical support for structural reforms to improve the business environment, provide better support to businesses, stimulate innovation, entrepreneurship, productivity and competitiveness, increase resilience by strengthening economic security and preparedness, and improve the functioning of the single market through better market surveillance. Furthermore, various Member States identify the need to speed up the digital transition. Among other areas, this includes sectoral digitalisation and related reforms in the maritime sector, construction, construction supervision, digitalisation of rural areas and agriculture, development of institutional capacity for broadband networks, improvement of digital infrastructure and the development of high capacity networks.

Many Member States have recognised better policymaking and better regulation as prerequisite conditions to create the right business environment. In particular, reform objectives include improving the regulatory impact assessment, creating the right regulatory climate to stimulate domestic and foreign direct investments, regulatory inspections and regulatory conformity, boosting evidence-based policymaking and standardising statistical information in order to create conditions for stronger competitiveness.

Most of these requests are addressing directly or indirectly strategic EU policy priorities, such as those outlined in the Recovery and Resilience Facility, the Investment Plan, the single market strategy, the digital single market and the Better Regulation agenda, and are in line with the country-specific recommendations of the European Semester.

For **public assets**, the ASGS 2021 emphasises the role of public and private investment in making Member States' economies more resilient and better prepared for the future. In line with this analysis and with the country-specific recommendations, Member States have requested support to improve the governance of strategic planning of public infrastructure investments. This includes through public private partnerships and building competencies to improve the use and management of public assets that include state-owned enterprises and state property such as ports. Other Member States have recognised state aid modernisation and State aid control as their priorities and have requested technical support for such purposes.

The ASGS 2021 states that: 'Addressing the climate and environmental crisis is the defining challenge of our time and it is an opportunity to relaunch our economies in a sustainable manner [...] The economic response to the COVID-19 crisis offers a unique opportunity to accelerate the green transition'. This transition is underpinned by the European Green Deal, which 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.

With regard to **natural resources**, the ASGS 2021 highlights the importance 'to promote a more circular economy, improve environmental infrastructure and protect and restore biodiversity'. In this respect, several Member States have requested technical support to accelerate the development of the circular economy, and to improve waste and water management. In addition, Member States have requested support to advance the green transition as part of on their recovery and resilience plans, to move towards more sustainable development, improve their capacity on permitting and inspections, develop green infrastructure for transport, manage rural, coastal and marine areas, and mitigate forest pest and wildfire risks. The requests are closely aligned with EU priorities and key environmental policies.

Member States have also underlined as priority the need to make progress towards coherent spatial and public transport planning, accessibility, and promoting sustainable infrastructure. Several Member States have asked for support for sustainable and smart mobility, in particular urban mobility.

The EU policy on **energy and climate** plays a central role in the European Green Deal, and the ASGS 2021 stresses that, in order to achieve the ambitious EU climate goals 'Member States should accelerate the reduction of emission through fast deployment of renewable energy and hydrogen and increased action on energy efficiency of buildings'. Sustainable mobility is also identified as being key to the climate transition. In line with these priorities, various Member States have requested support for the design and implementation of instruments to achieve the energy and climate policy goals. This includes deploying renewable energy and hydrogen, funding for decarbonisation, addressing the decarbonisation of specific sectors or technologies, as well as implementing national energy and climate plans, involving citizens in the transition, and implementing territorial just transition plans. Furthermore, Member States have requested support for reforms to spur investments in clean energy, green financing, support for improving energy systems and network industries.

#### *b) Objectives pursued*

The measures to be put in place to support the **investment climate** aim to help Member States in their efforts to strengthen economic preparedness and resilience and to improve productivity and long-term competitiveness with the overall goal of relaunching economic growth in the European Union. The objective is to create competitive sectors and a high-



quality investment environment, underpinned by better regulation and improved regulatory environment, reduced administrative burden for enterprises, and enhanced stronger single market. The support measures envisaged in this area will also aim to contribute to the efforts of the relevant national authorities in promoting and digitalising various sectors, including construction, industry and manufacturing, rural areas and agriculture, tourism and others.

In addition, the support measures will aim to support digital transformation and digital structural change in the way public authorities and businesses interact, share data and operate on the market in order to improve efficiency.

The support measures for **public assets** will contribute to various reforms being carried out in the Member States to make public investment and the use of public assets more effective and efficient. This includes improving public investment management, enhancing the ports governance system, supporting spatial planning and accessibility, strengthening the state aid control, improving better governance of state-owned enterprises.

Measures for **natural resources** will aim to support the Member States in their efforts to achieve sustainable development. This includes helping national authorities in advancing in the green transition as part of their resilience and recovery plans, accelerating the development of the circular economy, improving water and waste management, developing strategies for sustainable development, improving capacity on permitting and inspections, developing green infrastructure for transport, and improving the management of coastal and marine areas, as well as preventing forest pest and wildfire risks. Further measures are envisaged in order to support the objectives of modernising transport and achieving better interconnectivity as well as sustainable and smart mobility.

The main objective of the technical support measures for **energy and climate** will be to support the Member States in their transition towards climate neutrality. This includes supporting the national authorities' efforts to increase actions on energy efficiency, in particular in buildings, promote the deployment of renewable energy and hydrogen, set up a national decarbonisation fund, update energy and climate policies as well as monitor and implement energy and climate plans and decarbonise specific sectors or energy sources. Support measures will also aim at strengthening the capacities of the Member States to implement territorial just transition plans, address energy poverty, support a citizen-driven energy transition, as well as work on energy system integration and reforms of the regulatory framework for network industries.

### *c) Expected results*

The different support measures for the **investment climate** are expected, among other things, to contribute to reform efforts being carried out in Member States, namely to: strengthen the economy's resilience to future shocks, promote and attract foreign direct investment, promote entrepreneurship culture and reduce the administrative burden for businesses, improve the business support provided by the state agencies, especially those leading to strengthened competitiveness, foster the development of trade and improve market surveillance, promote better governance of data for impact assessment, and lower regulatory burden while improving regulatory conformity, for example in the agro-food sector.

Several measures are expected to result in strengthened innovation and digitalisation, an improved use of digital tools, including an improved digital infrastructure, very high capacity network development and better broadband operation. In particular, the support is expected to help develop tools and protocols for the digital real-time economy and improve living conditions and strengthen the rural and agricultural economy.

The different support measures for **public assets**, are expected, among other things, to contribute to better strategic planning and improved capacity for preparing and managing

public investments, in particular infrastructure investments and guidance on the introduction of public private partnerships, better governance of spatial planning, more effective State aid, a stronger policy on the management of state-owned enterprises and improved management of state assets, including ports.

Support measures for **natural resources**, are expected, for example, to help to advance the green transition as part of the resilience and recovery plans, develop and implement strategies for sustainable development and policy instruments to accelerate the circular economy, improve water monitoring and waste management, improve the efficiency of environmental permits and inspections, and develop green infrastructure for transport. In addition, support measures will help to (i) increase the capacity to manage coastal and marine areas, (ii) be better prepared for forest pest risk, and (iii) improve wildfire management. Furthermore, it is expected that support measures will help develop capacity, governance and methodologies to encourage sustainable and smart mobility, improved transport and offer a better public transport service, which includes better coordination of transport hubs.

The support measures for **energy and climate** are expected to contribute to greater energy efficiency, in particular in buildings, promote and deploy of renewable energy and hydrogen, set up a national decarbonisation fund, update energy and climate policies, implement and monitor energy and climate plans, and decarbonise specific sectors such as airports or energy sources such as gas. Furthermore, the support measures are expected to help authorities to implement territorial just transition plans, reduce energy poverty, enable citizen driven energy transition, improve the energy system integration, and reform the regulatory framework for network industries.

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

### a) *Priorities for the year*

Based on the requests from Member States, the TSI will support ***structural reforms in the area of healthcare***. In view of the new context created by the COVID-19 pandemic, the European Commission has taken steps to reinforce an EU-coordinated response to the pandemic. The 2021 European Semester annual sustainable growth strategy (ASGS) emphasizes the need to strengthen the preparedness and resilience of national health systems and the equal access to affordable and quality health care and long-term care. In addition, the Commission is focusing on priorities such as the fight against cancer, reducing the number of antimicrobial-resistant infections and improving vaccination rates.

In 2020, European Semester CSRs related to health systems were issued to all Member States (with a particular emphasis on making health systems more resilient). 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 COVID-19 pandemic has added urgency to address long-standing challenges that affect fairness in society. This includes wide differences in the quality and relevance of the education and training available, leading to increasing disparities in the economic and social performance of Member States and their citizens. Nevertheless, the economic response to the COVID-19 crisis is also a unique opportunity to accelerate the digital and green transition. The Skills Agenda, renewed in 2020, reiterates the crucial role that skills, including digital and green skills, play in building competitiveness and innovation capacity, while also being key to social cohesion and personal well-being. The Digital Education action plan (2021-2027) outlines the European Commission's vision for high-

quality, inclusive and accessible digital education in Europe and urges Member States to cooperate and learn from the unprecedented use of technology during the crisis to make education and training systems fit for the digital age. In fact, the annual sustainable growth strategy (ASGS) for 2021 also acknowledges the opportunity stemming from the pandemic to invest in green technologies as well as in sustainable and digital infrastructure. In order to harness these opportunities, Member States should ensure equal access to high-quality education and training at all levels, adapted to the challenges and opportunities of the digital era while addressing performance gaps and preventing students from leaving education; develop a strategic approach to lifelong skills acquisition that is efficient, adapted to labour market needs and responsive to the digital challenge, improve access to and relevance of vocational education and training; and foster cooperation between businesses and education institutions. Above all, the ASGS places a strong emphasis on skills for innovation while taking into consideration shortcomings and divergences that were exposed during the crisis, thus better addressing 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 research have often failed to keep up with the modernisation and digitalisation path. Moreover, in May 2020, the Council recommended that Member States improve access to and the quality of education, including remote teaching and learning, which have become a new normal during the crisis. If not addressed accordingly, it may lower educational outcomes of learners, and may aggravate socio-economic disparities and existing structural challenges. The 2020 CSRs prominently reflect the challenges described above. They call on several Member States to increase their efforts to improve the quality and inclusiveness of their education and training systems at all levels through promoting the acquisition of adequate skills, including digital and green skills, during initial training and later via the re-skilling and up-skilling of adults, to close skills gaps and better address labour market shortages.

The TSI will support **labour market reforms**, as well as **social security and social welfare** reforms. Throughout 2020, the European Union was confronted with an unprecedented social and economic crisis, brought about by the ongoing COVID-19 pandemic. Such an outbreak has had a profound and measurable impact on employment and social outcomes more broadly, in spite of important mitigation measures implemented by both Member States and EU. Between December 2019 and December 2020, unemployment rose by 1.95million in the EU and by 1.52 million in the euro area<sup>24</sup>. In December 2020, the unemployment rate in the euro area stood at around 8.3%, while that of the EU-27 stood at 7.5%, 0.9 pps higher than in the previous year.<sup>25</sup> As a result of the drop in economic activity and deterioration in incomes and labour market outcomes, poverty and inequality are projected to rise, with particular risks for young people, women, children, people with disabilities, temporary and atypical workers, people with a migrant background, and other vulnerable groups in society. It is therefore imperative for EU Member States to implement policies that can help mitigate the employment and social impact of the crisis, with a particular focus on people finding themselves in vulnerable labour market and social situations. The need to step up efforts in the area of labour market and social protection is reflected in CSRs for 2020. The Action Plan to implement the European Pillar of Social Rights aims –to coordinate and support efforts

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24 Eurostat – Statistics Explained (2020) – Unemployment statistics (monthly data). Retrieved from: [https://ec.europa.eu/eurostat/statistics-explained/index.php/Unemployment\\_statistics#Unemployment\\_in\\_the\\_EU\\_and\\_the\\_euro\\_area](https://ec.europa.eu/eurostat/statistics-explained/index.php/Unemployment_statistics#Unemployment_in_the_EU_and_the_euro_area)

25 Ibid.

across Member States, regional and local authorities, social partners and the civil society to accelerate the implementation of each of the 20 principles laid down in the Pillar<sup>26</sup>.

Thus, in the area of **labour market reform**, effective measures are needed to enhance the resilience of European labour markets, and to facilitate labour market transitions at a time of high volatility and change. In particular, the CSRs for 2020 call for increased support for labour market activation, including through increased funding, coverage and targetedness of active labour market policies (ALMPs); increased support to mitigate the employment impact of the crisis and preserve jobs; and strengthen the capacity of public employment services. Technical support requests from Member States in the field of labour market policies are directly linked to these challenges. Most prominently, over the next financial year, the TSI will support holistic and innovative labour market reforms aimed at enhancing the labour market integration of vulnerable groups, such as the long-term unemployed, in-work poverty people, the elderly, people with a migrant background or people with disabilities; strengthening the effectiveness and efficiency of public employment services; and implementing more targeted ALMPs, to support job creation and foster labour market transitions into emerging sectors, with stronger green and digital components. Such measures are to help Member States implement key Commission strategies on equality and inclusion, such as the Action Plan on Integration and Inclusion for 2021-2027<sup>27</sup> and the Gender Equality Strategy 2020 – 2025<sup>28</sup>.

In the field of **social security and social welfare**, the CSRs for 2020 call for increased measures to address shortcomings in the adequacy and coverage of social protection systems, in order to ensure access to essential services and benefits to all. Particular emphasis is placed on the need to provide adequate social assistance to those most affected by the crisis and not or partially covered by formal social protection schemes, such as non-standard workers or self-employed. The Council adopted a Recommendation on access to social protection for workers and the self-employed.<sup>29</sup> The need to improve the adequacy and coverage of minimum income schemes is also repeatedly stated, alongside the need to increase provision and investment on social infrastructure (most notably social housing) and essential services. Lastly, the CSRs call for increased family support measures, as well as better targeted social benefits, to protect those most at risk of poverty and social exclusion. In this vein, the TSI will support reforms aimed at increasing the adequacy, efficiency, and targetedness of social protection systems, through a variety of different means. In particular, the TSI will support reforms aimed at (i) improving the adequacy and coverage of income support benefits, such as unemployment benefits and minimum income schemes; (ii) enhancing the administrative capacity of social security and social welfare organisations; and (iii) building social inclusion pathways for particularly vulnerable sub-groups of the population, such as minimum income scheme beneficiaries, disadvantaged young people, in-work poverty people, the elderly, people with disabilities, people with a migrant background, homeless people and those living

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26 Commission Communication of 27 May 2020 COM(2020) 456 final – Europe’s Moment: Repair and Prepare for the Next Generation, p. 6

27 COM(2020) 758 final, COMMUNICATION FROM THE COMMISSION TO THE EUROPEAN PARLIAMENT, THE COUNCIL, THE EUROPEAN ECONOMIC AND SOCIAL COMMITTEE AND THE COMMITTEE OF THE REGIONS - Action plan on Integration and Inclusion 2021-2027.

28 COM/2020/152 final, COMMUNICATION FROM THE COMMISSION TO THE EUROPEAN PARLIAMENT, THE COUNCIL, THE EUROPEAN ECONOMIC AND SOCIAL COMMITTEE AND THE COMMITTEE OF THE REGIONS A Union of Equality: Gender Equality Strategy 2020-2025

29 Council Recommendation of 8 November 2019 on access to social protection for workers and the self-employed 2019/C 387/01  
[https://eur-lex.europa.eu/legal-content/EN/TXT/PDF/?uri=CELEX:32019H1115\(01\)&from=EN](https://eur-lex.europa.eu/legal-content/EN/TXT/PDF/?uri=CELEX:32019H1115(01)&from=EN)

in informal settlements, people with a migrant background, and the elderly. In line with the planned European Disability Rights Strategy for 2021-2030<sup>30</sup>, disability support will be provided to reform disability assessment procedures, develop early childhood intervention frameworks for children with disabilities, and de-institutionalise care provision for people with disabilities, including children, in favour of home-care and community-based care alternatives. In the area of social welfare, in line with principle 14 and other principles of the third EPSR strand, support will contribute to reforms aimed at providing enabling services. It should contribute to streamlining services and procedures, and integrating income support, social services and employment services, in view of reaching difficult-to-access groups. Lastly, the TSI will also support projects aimed at increasing the supply of quality affordable housing, in line with the 2020 CSRs and principle 19 of the European Pillar of Social Rights (which calls for increased ‘[a]ccess to social housing or housing assistance of good quality’). Overall, the measures selected for funding will therefore provide support across different social and labour market policy areas, in accordance with Union priorities and in view of addressing the most pressing societal issues faced by Member States. Lastly, the TSI will support emergency preparedness in migration management.

#### *b) Objectives pursued*

The support measures for **healthcare** aim to improve the ability of Member States to improve the crisis preparedness and resilience of their health systems, and to support more effective and more integrated ways of delivering healthcare services. 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 in the areas of eHealth, health system performance assessment, and long-term care; ii) improve the efficiency of health systems through more effective clinical governance, payment models and use of human resources; and iii) improve access to and the quality of eHealth, medicines, blood transfusions, long-term care services, and cancer prevention and care.

The envisaged support measures for **skills, education and training** will aim at increasing the Member States’ capacity to design policy reforms and ensure their implementation in order to: (i) improve the quality of teaching with a specific emphasis on supporting teachers to drive the digital transformation of education and promote digital skills; ii) provide pupils, students and citizens with relevant skills at all levels, including green and digital skills, and competences through adapted curricula and informal learning; iii) promote enabling school environments and education success by designing and implementing concrete measures and policies to tackle early school leaving; iv) provide access to relevant and adequate Vocational Education and Training (VET) opportunities for students and adults, particularly by designing adapted certification and validation systems, fostering learning continuity and mobility across VET providers, and supporting up-skilling and re-skilling in the public and private sector, with an emphasis on the digital and green transition; and (v) enhance the modernisation of higher education by increasing its quality, driving its digitalisation and increasing its cooperation with the business sector.

The support measures under the TSI for **labour market policies** aim at fostering Member States’ labour market resilience, including by providing relevant and adequate active labour market policies as well as complementary support services to unemployed and inactive people, including by taking the regional and local context into account. The TSI support measures also aim at contributing to improve the administrative and analytical capacities of labour market administrations.

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30 <https://ec.europa.eu/info/law/better-regulation/have-your-say/initiatives/12603-Union-of-Equality-European-Disability-Rights-Strategy>

The support measures to be put in place under the TSI for **social protection and social welfare** aim at helping Member States to: (i) address the social and/or labour market exclusion of vulnerable populations, including children, the elderly, ethnic minorities, people with a migrant background, people living in informal settlements, as well as people with disabilities and long-term care needs; (ii) design of benefits, services and other social protection schemes, and review the effectiveness and efficiency of existing ones; and (iii) modernise their administration and provision. Further, technical support under the TSI will help promote affordable housing through innovative solutions. Across the different labour market and 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 to design, implement, monitor and evaluate policies. Lastly, the support measures aim to provide enhanced emergency preparedness in migration management.

### *c) Expected results*

In the area of **healthcare**, 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, health system performance assessment, cancer prevention and long-term care; ii) recommendations and tools for improving the accessibility of healthcare and the effectiveness of healthcare payment models; iii) the design and implementation of effective and efficient care delivery models, for instance in the areas of cancer care, medicines, blood transfusion and long-term care; and iv) the development and implementation of tools for improving the skills and expertise of the health workforce.

The different support measures for **skills, education and training** are expected to help (through concrete recommendations, practical advice and guidance) to improve the quality, relevance, inclusiveness, efficiency and sustainability of concerned Member States' skills, education and training systems (both programmes and institutions). This should be achieved, and among other things, by

(i) increasing the capacity of national and regional institutions to implement curriculum reform and the digital transformation of their education and training systems; (ii) enhancing the adaptability of teaching professionals, as well as their level of familiarity with digital teaching; (iii) drafting legislative proposals and governance frameworks for early school leaving policies and strategies; and iv) drafting new regulatory proposals to foster the cooperation between universities and businesses.

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 design of new e-tools to adapt to the post-COVID increasingly digitalised world; and (iii) the development of analytical tools needed to assess and anticipate skills gaps and training needs emerging from the green and digital transition. The measures should also allow the preparation of policies and specific guidelines to companies, national institutions and VET centres to upgrade the adult learning and vocational education and training offer and promote participation of potential beneficiaries.

The different measures supporting **labour market policies** are expected to help improve the quality of and better target ALMP measures, including through innovative solutions. The support measures are also expected to help increase the competent authorities' administrative and analytical capacity in this area, including through: (i) the 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 and profiling of job seekers.

The support measures for **social protection and social welfare**, are expected to increase the competent authorities' capacity to prepare, monitor, and evaluate reforms of social policies and programmes. The support measures are therefore also expected to strengthen the capacity of the competent authorities to deliver social protection benefits and services, especially to the most vulnerable populations such as children, the unemployed and inactive, inwork poverty people, the elderly, ethnic minorities, people with a migrant background, people living in informal settlements, as well as people with disabilities and long-term care needs. The support measures are further expected to contribute to the design and implementation of policies aimed at promoting affordable housing. In various social policy areas, the TSI support measures are expected to contribute to more integrated data collection, stronger analytical capacities and a more integrated administration and provision of benefits and services across various levels of government. Lastly, the support measures are expected to help improve emergency preparedness in migration management.

## 2.5 Financial sector and access to finance

### *a) Priorities for the year*

Member States across the EU are seeking to develop their local capital markets, in line with the objectives of the new Capital Markets Union action plan adopted in September 2020, which sets an ambitious agenda for making EU capital markets work more efficiently. 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 the **development of capital markets**. This will include efforts to identify and remove barriers to their development, improving authorities' understanding of financial markets via better statistics and tools for data analysis, increasing the level of consumer protection in financial markets and developing alternative financial products for investors. Additionally, in accordance with the EU's sustainable finance strategy, which sets out the operational strategies for achieving a climate-neutral EU economy by 2050, funding will also be devoted to support Member States in their objective of reorienting capital flows towards sustainable activities and addressing climate-related risks faced by the financial sector.

Over previous years, there has been a significant number of country-specific recommendations related to insolvency. Furthermore, with the still 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 still busy with its transposition, which has to be completed by July 2021. Based on the requests received from Member States, a portion of funding in 2021 will be utilised to support measures relating to **insolvency, and in particular measures concerning early warning and restructuring mechanisms**.

In line with the objectives of the new InvestEU programme, national promotional banks (NPBs) will play a prominent role in implementing the programme. Member States have therefore made efforts to establish and/or to improve the administrative capacity of **national promotional banks** across Europe to acquire newly required competences. Funding in 2021 will support Member States' efforts to continue this work, focusing in particular on improving the administrative capacity of national promotional banks, including the capacity to orient capital flows towards sustainable investment.

Based on the requests of Member States, a portion of the funding will be used to support Member States in their **anti-money laundering** efforts. Combating money laundering remains a strong priority for the Union, as evidenced by the 5<sup>th</sup> Anti-Money Laundering

Directive<sup>31</sup> and the Commission's action plan for preventing money laundering and terrorism financing<sup>32</sup>. 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.

Based on the requests from Member States, funding for **financial literacy** in 2021 will be used to support Member State efforts to define strategies and create innovative tools to further increase the level of financial education of citizens and SME owners. Furthermore, funding will be used to support Member State efforts to promote the use of electronic payments and improve consumer protection and their access to financial services.

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

#### *b) Objectives pursued*

Support for the **development of capital markets** is aimed at helping national authorities introduce concrete legislative or regulatory reforms that will remove impediments to the development of national capital markets and thus increase the level of market activity and increase access to finance. Furthermore, where requested, measures will be targeted at increasing the national authorities' administrative capacity to supervise capital market entities, identify **sustainable activities**, climate and environment-related risks and social criteria.

Measures put in place to address **insolvency** will aim at supporting Member States in their efforts to improve the functioning of their insolvency and restructuring system. This will be achieved by building the capacity of actors who operate within the insolvency and corporate restructuring system and strengthening their available instruments, in order to increase these actors' ability to perform their tasks. There will also be a focus on a targeted identification of impediments to informing Member States about areas for possible improvements.

Support measures for **national promotional banks** will aim to support Member States in improving the functioning of existing or new national promotional banks. This support will, in particular, focus on improving national promotional banks' administrative capacity so they have greater operational capacity to address market gaps and orient capital flows towards sustainable activities, thus supporting sustainable growth in the Member States.

Support measures addressing **anti-money laundering** will aim to help Member States to identify and address relevant risks. Furthermore, where requested, support measures will be targeted at increasing the national authorities' administrative capacity to supervise anti-money laundering activities and improve enforcement and assets recovery.

The objective of the support for **financial literacy** is to enable Member States to better communicate financial literacy concepts to students, teachers, ordinary citizens and SME owners. The ultimate aim is for citizens to have a greater understanding of financial choices and of their consequences. Where requested, support will be directed towards encouraging the

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31 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.

32 Communication from the Commission to the European Parliament and the Council Towards an Action Plan for a comprehensive Union policy on preventing money laundering and terrorist financing, COM(2020) 2800 final.



use of electronic payments, ensuring consumers protection of their rights and widespread access to financial services.

The support measures to be put in place for **reinforcing financial stability** will aim at enhancing the Member State's capacity to maintain financial stability, in particular by increasing the authorities' capacity to identify, assess and handle financial stability risks, including new risks such as climate and environment-related risks faced by the financial sector, and monitor overindebtedness. This will, in particular, focus on improving the administrative capacity of national supervisors.

### *c) Expected results*

Supporting Member States in their efforts to further **develop capital markets** is expected to help build national capital markets, improve access to finance for companies, in particular SMEs, and improve financial stability by diversifying funding sources and investment opportunities. This should ultimately result in a more efficient allocation of capital within the economy as well as in a reorientation of capital flows towards sustainable activities.

The support measures in the area of **insolvency** are expected to result in a more efficient corporate insolvency and restructuring process. This should mean reduced decision time and better outcomes due to insolvency actors having a greater capacity to conduct their tasks and the fact that the removal of administrative and regulatory obstacles will enable non-performing loans to be addressed. The targeted identification of impediments and the enhancement of tools and data available should result in a better understanding by the national authorities of potential areas for improvement and scope of intervention.

Support measures for **national promotional banks** are expected to contribute towards a better functioning of national development banks, ultimately leading to the respective development banks and agencies being in a better position to address market failures and to focus on sustainable market initiatives, therefore improving the functioning of markets.

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

The different support measures for **financial literacy** 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 and higher consumer protection and widespread access to financial services.

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 and to contribute to sustainability and climate objectives.

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

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

	Public Financial Management and Revenue Administration	Governance and Public Administration	Growth and Business Environment	Labour market, education, health and social services	Financial sector access and to finance	Total (EUR)
TOTAL (EUR)	18,671,157	27,928,691	28,943,562	25,251,871	13,416,218	<b>114,563,048.58</b>
1) Grants	470,000	1,180,000	1,505,000	1,875,000	0	<b>5,030,000</b>
2) Public procurement	10,782,717	12,247,309	18,053,963	10,529,609	8,681,979	<b>60,295,578</b>
3) Indirect management	7,358,440	14,441,381	9,384,599	12,847,262	3,948,239	<b>47,979,921</b>
4) Other expenditure	60,000	60,000	-	-	786,000	<b>1,257,550</b>

## Part II – Actions to be financed in 2021

### 1. Introduction

On the basis of the objectives in Regulation (EU) 2021/240 of the European Parliament and of the Council of 10 February 2021 establishing a Technical Support Instrument, this work programme contains the actions to be financed and the budget breakdown for year 2021 as follows:

- a) for grants (implemented under direct management) (point 2) EUR 5 030 000,
- b) for procurement (implemented under direct management) (point 3) EUR 60 295 578,
- c) for actions implemented under indirect management (point 4) EUR 47 979 921,
- d) for other actions or expenditure (point 5) EUR 1 257 550.

Legal basis

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

Budget line

(a) budget line 06.02.02.00 EUR 114 563 048.58

### 2. Grants

The global budgetary envelope reserved for grants under this work programme is EUR 5 030 000. It includes a) grants to be directly awarded based on the type of applicants and the criteria indicated in this Financing Decision and b) grants to be directly awarded to entities already identified in this Financing Decision.

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

Priorities for the year, objectives pursued and expected results

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

Type of applicants targeted by the direct award/eligible applicants

Direct grants may be awarded to International Financial Institutions (IFI) and other international organisations (to the extent that the current provisions and framework agreements allow the conclusion of grant agreements), Member-State ministries and public bodies, 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, a high degree of specialisation or administrative power in the field of budget preparation, budget implementation, public financial management and revenue administration reform. Such entities will be identified on the basis of their specific experience in providing support in the fields of budget preparation, budget implementation, reform of public finance management systems, macroeconomic statistics and National Accounts, fiscal policy analysis and modelling, or in supporting tax or customs administration reform processes in recent years in European or neighbouring countries and proven knowledge of the local

context. Direct grants may be awarded also to entities which are in a *de jure* or *de facto* monopoly position.

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

Support will be provided to carry out, *inter alia*, the following activities:

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

platforms;

## Implementation

Directly by DG REFORM

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

Grants may be awarded to entities as set out in Article 12 (3) of the Regulation (EU) No 2021/240 on TSI.

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(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 Direct grants to support structural reforms in the area of governance and public administration**

Priorities for the year, objectives pursued and expected results

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

Type of applicants targeted by the direct award/eligible applicants

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

public procurement). Such entities will be identified on the basis of their specific experience in supporting structural reforms in European and neighbouring countries in recent years in the areas mentioned above, and on the basis of proven knowledge of the local context. Direct grants may be awarded also to entities that are in a de jure or de facto monopoly situation.

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

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

- (a) the provision of expertise related to policy advice, policy change, formulation of strategies and reform roadmaps, as well as to legislative, institutional, structural and administrative reforms; e.g.: provision of policy inputs on improvement of human resources management in the public administration;
- (b) the short-term or long-term provision of experts, including resident experts, to perform tasks in specific domains or to carry out operational activities, where necessary with interpretation, translation and cooperation support, administrative assistance and infrastructure and equipment facilities;
- (c) organisation of seminars, conferences and workshops, with, where appropriate, stakeholder involvement;
- (d) exchange of best practices, including, where appropriate, working visits to relevant Member States or third countries to enable officials to acquire or increase their expertise or knowledge in relevant matters; e.g. visit to Member States to exchange views and good practices on back-office consolidation experiences;
- (e) training actions and the development of online or other training modules to support the necessary professional skills and knowledge relating to the relevant reforms; e.g. design training maps, respectively, for auditors and for staff operating at the local level;
- (f) IT capacity building, including expertise related to development, maintenance, operation and quality control of the IT infrastructure and applications needed to implement the relevant reforms, cybersecurity, open source software and hardware solutions, data protection solutions as well as expertise related to programmes geared towards the digitalisation of public services, in particular in services such as healthcare, education or the judiciary;
- (g) the carrying out of studies, including feasibility studies, research, analyses and surveys, evaluations and impact assessments, including gender impact assessments, and the development and publication of guides, reports and educational material; e.g. a detailed analysis of the institutional framework of public-sector organisations, with a view to rationalising them and decreasing their number; and
- (h) the establishment and execution of communication projects and strategies for learning including e-learning, cooperation, awareness-raising, dissemination activities and exchange of good practices, organisation of awareness-raising and information campaigns, media campaigns and events, including corporate communication and, when appropriate, communication through social networks or platforms; e.g. design of targeted communication (web conferences, seminars) to inform stakeholders of new developments in the area of public administration reform and human resource management.

Implementation

Directly by DG REFORM

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

Grants may be awarded to entities as set out in Article 12 (3) of the Regulation (EU) No 2021/240 on TSI.

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(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 EUROCIITIES<sup>33</sup>**

### Objectives pursued and expected results

The objective of the action is to strengthen governance of bottom-up initiatives by improving knowledge sharing and the collection of data and its analytics and by improving the use of democratic safeguards in the processes. The action is expected to deliver an analysis of the current situation and to provide the Dutch authorities with recommendations on how to improve internal structures and processes. The action is expected to deliver a knowledge infrastructure so that acquired knowledge can be shared using an upscaled methodology. The objective is to ensure that bottom-up and local initiatives are democratically safeguarded and results are well measured in a comparable manner.

### Description of the activities to be funded

Activities to be funded under this specific action entail:

1. background analysis of the current set-up;
2. diagnosis, risk assessment and problems characterisation;
3. design and drafting of the methodology for a smart cities approach where data is collected and can be compared while taking democratic safeguards into account;
4. policy guidance for the action, for all sectors and relevant entities;
5. piloting of the developed methodology;
6. strategic plan development based on the developed methodology and the pilot;
7. development of training; and

<sup>33</sup> Non governmental organisation (NGO)

8. stakeholders' engagement, participation and communication.

Amount

EUR 500,000

Grant beneficiary:

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

The grant is to be awarded to Eurocities. This organisation is a network of 145 of Europe's largest cities and 45 partner cities and is aimed at improving the lives of over 130 million residents among 39 countries. It is the best-suited entity for this action because of its high degree of specialisation and its 35+ years of international experience in supporting local government reform. Eurocities' experience with citizen engagement ensures that it has knowledge of local circumstances which is very beneficial for the implementation of 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%

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

Objectives pursued and expected results

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

Description of the activities to be funded



A direct grant will be awarded to the European Institute of Public Administration (EIPA) in order to cover expenses (including the reimbursement of independent experts for the evaluation of projects and the organisation of the final event and of knowledge sharing events) of the sixth edition of the European Public Sector Award (EPSA) 2021 and to support the development of a digital way of disseminating good European practices on public administration reform.

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

The grant is to be awarded to EIPA who has been the organiser of the EPSA since 2007. EPSA is the only European wide public sector award and EIAP has therefore gained unique expertise and experience in this area. EIPA is the best-suited entity for this action because of its high degree of specialisation, its experience in supporting public administration reform, its excellence in knowledge sharing and its administrative power. The award is further financially supported by a number of Member States and other sponsors.

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

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 pursued and expected results

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

Type of applicants targeted by the direct award/ eligible applicants

Direct grants may be awarded to international organisations (to the extent that the current provisions and framework agreements allow the conclusion of grant agreements) or Member-

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

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

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

- (a) the provision of expertise related to policy advice, policy change, formulation of strategies and reform roadmaps, as well as to legislative, institutional, structural and administrative reforms; examples: (i) strategic plan development of a coastal management plan, including general and strategic objectives (ii) implementation roadmap and an environmental law enforcement action plan (iii) recommendations on assessing transnational geo-economic risks (iv) development of a general contingency plan for alien forest pathogens;
- (b) the short-term or long-term provision of experts, including resident experts, to perform tasks in specific domains or to carry out operational activities, where necessary with interpretation, translation and cooperation support, administrative assistance and infrastructure and equipment facilities;
- (c) the collection of data and statistics, the development of common methodologies, including on gender and climate mainstreaming and tracking, and, where appropriate, indicators or benchmarks; examples: (i) risk assessment, diagnosis and problem characterisation of the issues to be addressed by a coastal management plan (ii) design and drafting of a methodology for an integrated coastal management plan (iii) assessment of permitting and inspection capabilities, governance structures and processes; (iv) a method to identify and assess transnational geo-economic risks; (v) analysis of forest pathogen management practices and governance models;
- (d) organisation of seminars, conferences and workshops; examples: (i) workshops, training, study visits and exchanges of good practices related to assessing the impact of selected transnational geo-economic risks and how policy makers and corporate stakeholders engage to address such risks (ii) workshops, webinars and study visits with EU Member States affected or threatened by priority alien forest pathogens; (iii) workshops, training courses, and exchanges of good practices on the climate transition at local level, including climate audits and community engagement in renewable energy development;
- (e) organisation of study visits to relevant Member States or third countries;
- (f) training actions and the development of online or other training modules;
- (g) IT capacity building;
- (h) the carrying out of studies, research, analyses and surveys, evaluations and impact assessments, and the development and publication of guides, reports and educational material; examples: (i) assessment of single environmental permitting regime (ii) defining the key elements/functionalities of an international business risk and resilience monitor as a new collaborative digital tool and demonstrating its functionalities (iii) best practices on public-private cooperation in the fields of

<p>national security and national economic preparedness (iv) impact assessment of methods of forest pest dispersal;</p> <p>(i) the establishment and execution of communication projects and strategies 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, where appropriate communication through social networks or platforms;</p>
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## Implementation

<p>Directly by DG REFORM</p>
<p><i>I. Essential eligibility, selection and award criteria</i></p> <p>Grants may be awarded to entities as set out in Article 12 (3) of the TSI Regulation (EU) No 2021/240 on TSI.</p> <p>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.</p> <p>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.</p> <p>The award of grants without a call for proposals in accordance with Article 195 (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:</p> <ul style="list-style-type: none"> <li>- 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</li> <li>- the financial quality of the proposal including a reasonable and realistic budget as well as a sound cost-efficiency ratio.</li> </ul> <p><i>II. Maximum possible rate of co-financing of the eligible costs: 100%</i></p>

### 2.3.1 Direct grant to the COASTAL AND MARINE UNION (EUCC)

#### *Objectives pursued and expected results*

The objective of the action is to develop an instrument that sets the basis of the planning processes of future regional strategies and possibly the revision of the existing ones. Based on this instrument, the Maltese authorities would be in the position to have a holistic strategic framework covering all the coastal territories.

The expected result of the action is the definition of a methodology and the drafting of the National Strategic Plan for Coastal Protection integrating the management objectives of the problems of sustainable beach management, coastal erosion, flood risks and climate change under the perspective of preservation and improvement of the marine and coastal environment 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 Maltese context;
- risk assessment, diagnosis and problems characterisation;
- design and drafting of the methodology for scientific integrative coastal erosion risk assessment in the context of climate change;
- policy guidance for action, for all sectors and entities;
- strategic plan development based on nationally prioritised risk mitigation measures through coastal management plans, and
- stakeholders' engagement, participation and communication.

*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 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 Finnish Institute for International Affairs (FIIA)**

*Objectives pursued and expected results*

The objective of the action is to develop an international business risk and resilience monitor, a collaborative digital tool that combines foresight, risk management as well as strategy development to be able to better assess and address transnational public-private geo-economic risks.

The expected result of the action is a strengthened conceptual understanding of and approach

to dealing with transnational geo-economic risk, by: i) bringing in private sector partners to analyse geo-economic risks that are of importance to public policies and corporate strategies, and ii) developing of a collaborative IT tool to engage public and private stakeholders in jointly assessing the impact of geo-economic risks.

*Description of the activities to be funded*

Activities to be funded under this specific action entail:

- developing the core concept to define the key elements and functionalities of an international business risk and resilience monitor as a new collaborative digital tool;
- demonstrating the functionalities of the international business risk and resilience monitor with a click dummy;
- developing a method to identify and assess transnational geo-economic risks relevant for companies operating abroad;
- providing comparative insights into how authorities and corporate stakeholders in countries such as Finland and Austria currently engage to address geo-economic issues and how current modes of interaction could be improved;
- providing the first joint geo-economic risk picture by setting up an expert panel consisting of public and private experts from both nations to assess the impact of selected transnational geo-economic risks;
- Publishing and disseminating the findings of the joint activities.

*Amount*

EUR 375 000

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 FINNISH INSTITUTE FOR INTERNATIONAL AFFAIRS (FIIA). 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 on both geo-politics and geo-economics.

FIIA is an autonomous a research institute established by an Act of the Finnish Parliament in 2006. The purpose of the Institute is to conduct research and produce recommendations for the use of political decision-making on international politics and economy as well as matters relating to the European Union. The Institute's research is required to meet high scientific standards. At the same time, the approaches and topics of the research are multidisciplinary and should be conducive to public debate and support political decision-making. FIIA has extensive specialised experience on conducting geo-economics research and geo-economics risk analysis. In particular, the FIIA's geo-economics initiative has produced over thirty publications concerning geo-economics, and twenty international scientific peer-reviewed articles in respected academic journals. Moreover, since 2014 it has been leading work on developing analytical tools for geo-economic risk and resilience

monitoring. For instance, a particular focus has been put on the development of a ‘Goeconomic Risk and Resilience Index’, using a novel methodology for measuring national goeconomic risk and preparedness.

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

Implementation: Directly by DG REFORM

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

### 2.3.3 Direct grant to Swedish University Of Agricultural Science (SLU)

#### *Objectives pursued and expected results*

The first objective of the action is to develop a contingency plan for forest damage caused by emerging alien pests and specific sub-plans for different quarantine pests. The plans will include a governance model, an impact assessment of different methods of pest dispersal and technical planning tools for diagnosis, selection of control treatments, surveying and eradication by experts and private forest owners.

The second objective of the action is to develop recommendations and specifications for an IT tool for communicating the risks to forest guide professionals and raise awareness of forest owners and citizens.

The third objective of the action is to share good practices and exchange knowledge with neighbouring countries with similar issues with emerging alien forest pests through study visits and international workshops.

The expected result of the action is the adoption of an effective general contingency plan strengthening protection against emerging forest pests in Finland. Support is also used for building networks, changing know-how and ideas during workshops, webinars and study visits with the other EU-members affected or threatened by the same priority forests pests. The project has the expected impact of increasing the resilience of Finnish forests as important carbon sinks and source of economic revenue.

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

Activities to be funded under this specific action entail:

- background analysis on the Finnish and neighbouring countries’ context in the field of forest pest management;
- background analysis of governance models for forest pest management;
- impact assessment of methods of pest dispersal;
- development of a general contingency plan and pest-specific plans, including monitoring, defining the roles of different actors, proactive measures specific by affected areas;
- development of a communication plan, including recommendations and specifications for an information technology tool for communicating the risks to forest guide professionals and raise awareness of forest owners and citizens;
- organisation of workshops, webinars and study visits with the partners and other EU-members affected or threatened by the same priority forests pests

*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 SWEDISH UNIVERSITY OF AGRICULTURAL SCIENCE (SLU). 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.

Ranked as the third best university in the world in the fields of agriculture and forestry, the Swedish University of Agricultural Sciences (SLU) has been assigned by the government the twin tasks of providing suitably qualified professionals to the forestry sector and pursuing innovative forestry research. In addition, the Swedish University of Agricultural Sciences (SLU) can draw relevant expertise from its Forest Pathology Lab, a recognised actor in the study of the biology, ecology and epidemiology of endemic and exotic invasive forest pathogens. Finally, SLU is currently establishing a special Forest Damage Centre. The experience acquired via the recent action on alien pests and the geographical proximity, make the SLU the best suited provider of support for this action.

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

Implementation: Directly by DG REFORM

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

#### **2.3.4 Direct grant to SAMSØ Energy Academy**

*Objectives pursued and expected results*

The overall objective of the action is to support the Danish authorities in the energy and climate transition.

The results of the action are expected to strengthen the governance of climate action policy and build capacity at a local level to deliver on the national climate goals. The action will enable social innovation and foster citizen engagement and acceptance of investments in renewable energy.

*Description of the activities to be funded*

Activities to be funded under this specific action entail:

- stakeholder engagement workshops,
- technical workshops on climate audit tools,
- training the trainer sessions for regional/municipal employees,
- communication campaigns and innovative engagement tools.

*Amount*

EUR 230 000

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 SAMSØ Energy Academy.

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

The Energy Academy is a non-profit entity focusing on accelerating the green transition. It has vast experience and capabilities in community engagement and green transition at local and regional level. The Energy Academy has a well-developed network of partners in the public, private and academic areas.

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

Implementation: Directly by DG REFORM

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

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

Priorities for the year, objectives pursued and expected results

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

Type of applicants targeted by the direct award/eligible applicants

Direct grants may be awarded to 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, alternatively contribution agreement will be concluded under indirect management), Member State ministries, agencies and bodies, other bodies with a public service mission, private bodies and non-for profit international or European expertise associations and networks, which, in view of the nature of the action, have specific and recognised competencies, experience and leadership, high degree of specialisation or administrative power in the field of labour market, emergency preparedness in migration management, health, social services and education. Such entities will be identified on the basis of their specific experience in supporting structural reforms in European and neighbouring countries in recent years in health care systems, emergency preparedness in migration management, education and training, the labour market and social security and social welfare and on the basis of proven knowledge of the local context. Direct grants may be awarded also to entities that are in a de jure or de facto monopoly situation.

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

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

- (a) the provision of expertise related to policy advice, policy change, formulation of strategies and reform roadmaps, as well as legislative, institutional, structural and administrative reforms, for example: setting up a cancer strategy; support to design and



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

## Implementation

Directly by DG REFORM

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

Grants may be awarded to entities as set out in Article 12 (3) of the Regulation (EU) No 2021/240 on TSI.

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 (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 International Agency for Research on Cancer (IARC)**

#### *Objectives pursued and expected results*

The action is linked to the priorities of providing equal access to affordable and quality health care and strengthening cancer prevention and care. The overall objective is to support the Latvian government in improving the national framework for cancer prevention and care. The specific support objectives are to (1) revise and strengthen the governance framework for cancer prevention and care, (2) develop a strategic plan for policy measures and investments aimed at improving cancer screening at national level, and (3) improve the capacity of relevant authorities to plan and implement short and medium-term measures in the area of cancer prevention.

The action is expected to lead to the following results: (1) a national governance framework for cancer prevention and care developed, (2) a strategic plan for measures and investments to strengthen cancer prevention and care established, and (3) an increased capacity of public administration to implement the recommended actions.

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

The support action will include advisory work and capacity building on: (1) assessing the current information system for cancer screening, (2) developing recommendations for the sector's digital transformation, (3) developing a strategic plan for establishing an accredited comprehensive cancer centre/network in Latvia, (4) development of a strategic plan for cancer screening in accordance with European guidelines and quality standards, and (5) developing recommendations for improving cancer registries, in respect of GDPR requirements.

#### *Amount*

EUR 480,000

#### *Grant beneficiary:*

*According to Article 195 (f) of the Financial Regulation, grants may be awarded without a call for proposals to particular bodies for actions with specific characteristics that require a particular type of body on account of its technical competence, its high degree of*

*specialisation or its administrative power, on condition that the actions concerned do not fall within the scope of a call for proposals.*

The grant is to be awarded to the International Agency for Research on Cancer (IARC). IARC is the specialised cancer agency of the World Health Organization. Its objective is to promote international collaboration in cancer research. A significant feature of the IARC is its expertise in coordinating research across countries and organisations; its independent role as an international organisation facilitates this activity. IARC coordinates international studies on the causes of human cancer, the mechanisms of carcinogenesis and strategies for cancer prevention, with a particular focus on promoting research in regions of the world where it is lacking. IARC is increasingly working within national cancer programmes to assess their effectiveness and the barriers to success. It provides research-based evidence to governments for the development and implementation of cancer control programmes.

IARC is the best-suited organisation to provide the requested support, considering its technical and scientific competence in providing comprehensive advisory support for improving cancer care coordination and screening in Latvia.

The choice of IARC is further justified by the organisation's capacity to connect science to policy. The project will be coordinated by the University of Latvia with the involvement of key policy actors in the public administration (Ministry of Health, Ministry of Education and Science, Ministry of Environmental Protection and Regional Development, etc.) and will support the effort to translate scientific state-of-the-art evidence into policymaking.

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 Association of Service Providers for Persons with Disabilities (EASPD)**

### *Objectives pursued and expected results*

The action is linked to the priorities of addressing the social exclusion of vulnerable populations. The overall objective is to increase the accessibility of children with disabilities to social services as well as the reduction of social exclusion and of the possibility of institutions dependency. The action is expected to result in a concrete proposal for a new, universal model for early childhood intervention that will address issues identified above and a proposal for an initial pilot implementation of the model. The proposals will also inform the review of the existing legal framework.

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

The support action will include advisory work and capacity building on: (i) the mapping, review and analysis of the current situation (including the existing legal framework in the field of early childhood intervention and social services; policies in the field of early childhood intervention ; administrative and operational set up of the public structures providing early childhood intervention support); (ii) the presentation of good practice from EU countries and exchanges with selected Member States; (iii) the provision of recommendations for the development of a strategy and a roadmap for the implementation of

a holistic model on early childhood intervention ; (iv) the initial implementation of a new early childhood intervention model in Greece through the piloting of the model on selected services; and (v) the provision of training to selected staff on the new model of early childhood intervention .

*Amount*

EUR 300,000

Grant beneficiary:

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

The grant is to be awarded to the European Association of Service Providers for Persons with Disabilities (EASPD). EASPD is a non-profit association with a public service mission, which represents over 15 000 support services for persons with disabilities across Europe.

EASPD is the organisation best-suited to provide the requested support, given its technical competence in providing comprehensive advisory support for the provision of social services. EASPD has a high degree of specialisation for completing the activities required. Since its establishment in 1996, EASPD has been recognised as a leading actor for the promotion of social inclusion and the promotion of human rights of people with disabilities, as it promotes the views of over 15 000 social services in Europe and their umbrella associations. It has a broad and strong partnership network, which has rendered EASPD an important EU player in the field of disability at the European level, including Greece. Its network has proven essential in developing project ideas and ensuring access to a wide pool of stakeholders and disability-related experts around Europe.

Specifically, EASPD has specific experience in supporting structural reforms in the field of early childhood intervention. In this context, EASPD has set up a dedicated group of experts on the topic, i.e. the Interest Group on Early Intervention, which exchanges best practices, develops projects, and proposes policy recommendations to promote family-centered early childhood intervention practices across Europe. Currently, EASPD is leading a major project on early childhood intervention targeting Hungary, Slovakia, Bulgaria, Poland and Romania, all of which are highly relevant to the Greek context and reform efforts. EASPD also possesses the administrative power necessary to carry out the project. EASPD is governed by an Executive Committee, a Board and a General Assembly and it is run by a team of professional staff managed by a Secretary General. EASPD's work is carried out in eight thematic member forums, one of which covers the topic of early childhood intervention; these are permanent working groups and address a wide area of work, advising, supporting and guiding the Board and Secretariat.

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

Implementation: Directly by DG REFORM

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

### 2.4.3 Direct grant to the Austrian Agency for Economic Development (aed)<sup>34</sup>

#### *Objectives pursued and expected results*

The objective of the action is to address the needs for digital skills development of citizens and public administration staff in the German Länder of Bavaria and North Rhine Westphalia. The action is expected to:

- implement effective and sustainable strategies within the public administration that standardise, assess and increase the digital competences of citizens
- increase the authorities' capacity to incentivise and enhance the digital proficiency of citizens (Bavaria)
- enable public administrations to (a) offer e-government services as required by federal law, and (b) comprehend and drive the digital transition, in, public administration and in the private sector (North Rhine-Westphalia)
- enable both ministries to effectively implement their digital strategies and to disseminate to other German Länder the tools and experiences resulting from the development of these strategies.

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

The grant beneficiary will provide support to the German Länder ministries in Bavaria and North Rhine Westphalia to implement the following sets of measures:

1. Activities to raise digital competences of citizens in Bavaria will focus on:

- adopting a digital competence model based on the European DigComp framework, including key performance indicators and benchmarks;
- defining technical specifications for a central online platform to provide a self-assessment tool for the target group and links to training offers for digital competences;
- assessing digital competence development needs of different citizen groups;
- designing a sustainable governance model; and
- developing strategies for stakeholder engagement, awareness raising and outreach towards citizens.

2. Activities to improve the digital competences of public administration staff in North Rhine Westphalia will focus on:

- analysing digital competence levels and requirements within the target group
- creating new tools together with stakeholders to standardise, assess and develop civil

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<sup>34</sup> The Agency for Economic Cooperation and Development (aed) is a non-profit association based in Vienna, founded in 2003. Highly recognised individuals from the economic, scientific, and political worlds support the association's activities. The Agency has been awarded mandated body status for EU-Twinning projects.

servants' digital competences;

- testing and piloting different upskilling measures and certification procedures; and
- developing a strategy to reach out to staff in public administration and raise their awareness.

3. Activities across target groups will focus on:

- facilitating transfer workshops and study visits for knowledge exchange and peer learning (within Germany and with other Member States); and
- drafting recommendations for implementation and dissemination to other German Länder.

*Amount*

EUR 745 000

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)**, which is the body best suited for this action, since it has the specific technical competence for completing the activities required for the design and implementation of strategies targeting the digital skills development of different citizens groups.

As a non-profit organisation, **aed** has a well-established practice in assisting governments and public authorities in different domains, including digital skills strategies. The Agency offers a wide range of high quality expertise through the involvement of local and international experts with relevant experience, notably in German-speaking contexts. It can therefore rely on an expanded network of relevant experts who are able to ensure the administrative capacity to perform the actions.

The choice of the beneficiary is further justified by the fact that **aed** has already successfully supported Austria in implementing a comprehensive strategy for the development of its citizens' digital skills and in establishing a sustainable governance structure through a public private partnership. This is particularly relevant, since the German Länder ministries of Bavaria and North Rhine Westphalia are especially interested in using the advanced Austrian model for best practice transfer and peer learning 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%

In case the actions set out for implementation through grants (direct management) in Section 2 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 Technical Support Instrument).

### 3. Procurement

The global budgetary envelope reserved for procurement contracts in year 2021 is EUR 60 295 578.

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

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 of the Regulation (EU) 2021/240 of the European Parliament and of the Council of 10 February 2021 establishing a Technical Support Instrument. The contracts may, *inter alia*, be used for studies, provision of technical assistance, carrying out surveys, monitoring, evaluation, etc.

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

Type of contracts:

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

Current DG REFORM Multiple Framework contract

The maximum amount for the current multiple framework contract is EUR 100 000 000 and it may be used until 19 July 2021 (with a possible extension of 24 more months and the possible increase of the ceiling following a negotiated procedure).

In addition, an open call for tenders to be launched following the adoption of the SRSP 2020 financing decision would allow for the TSI needs also to be met.

Implementation

Directly by DG REFORM

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

By DG NEAR under co-delegation for the provision of technical assistance under TAIEX to institutions in those Member States that have requested support (e.g. expert missions) up to EUR 916 000.

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 in accordance with Article 62(1)(c) of the Financial Regulation).

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

The global budgetary envelope reserved for indirect management under this work programme is EUR 47 979 921.

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 falling within Article 62(1)(c) of the Financial Regulation or Article 156(3) of the Financial Regulation, 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 or have been exempted by the Commission from the pillar assessment requirement in accordance with Article 154(6) FR will act under indirect management for the tasks they will undertake to implement the actions.

##### **4.1. Contribution/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 of the actions are those of point 2.1 of Part I.  
The actions that can be financed through indirect management are outlined in Article 8 of the Regulation (EU) 2021/240 of the European Parliament and of the Council of 10 February 2021 establishing a Technical Support Instrument (OJ L 57, p. 1).

##### **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 of the actions are those of point 2.2 of Part I.

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

### **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 of the actions are those of point 2.3 of Part I.

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

### **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 of the actions are those of point 2.4 of Part I.

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

#### **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 of the actions are those of point 2.5 of Part I.

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

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, pending pillar assessment), 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(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 (CEI) in year 2021 is EUR 120 000.

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. Corporate charges for communication and IT

*Amount*

EUR 351 550

In line with Article 6 (2) of Regulation (EU) No 2021/240 on TSI, the Corporate communication C(2020)9390 of 18 December 2020 and the IT implementation Plan 2021 - Allocation of Resources and Allocation of IT corporate resources, DG REFORM will contribute to the financing of the corporate IT and the corporate communication activities in 2021.

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

*Amount*

EUR 786 000

Description of actions

#### **Action 1: Insurance supervision of conduct and product risks in Greece**

Budget: EUR 300 000

This action to reinforce financial stability will support the Greek authorities in improving insurance penetration in Greece and strengthening the supervisory capacity of the Bank of Greece. In particular, the support will include an upgrade of the risk-based conduct supervision approach, with a focus on product oversight and governance (POG) requirements introduced under the Insurance Distribution Directive (IDD). Such support falls under the overall objective of improving financial stability in Greece, but is also to be seen in the broader European context, as EIOPA is promoting convergence of supervisory practices through advanced risk-based methodologies, setting the stage for further European convergence.

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

beyond the general mandate of the Agency:

- a. analysis of the level of underinsurance and its causes, providing the Bank of Greece with policy options to address the source of the problem;
- b. exploration of the gaps in the current conduct supervision framework, recommending options for a risk-based market monitoring supervisory framework and designing a new detailed operational supervisory manual for the Bank of Greece;
- c. support to implement underinsurance and conduct supervision recommendations.

The action is expected to help to significantly raise the standard of conduct insurance supervision and offer solutions for addressing underinsurance and consumer protection in Greece. In particular, the action is expected to produce, among other things:

- recommendations for tackling underinsurance in the Greek market;
- recommendations for improving the conduct insurance supervision process of the Bank of Greece;
- a revised manual for conducting improved market conduct supervision for Greek supervisory staff; and
- training (workshops) for supervisory staff on improved market conduct supervision processes and supervisory tools.

## **Action 2: Reform of Occupational Pensions in Greece**

Budget: EUR 300 000

This action for financial stability and the widespread provision of financial services will support the Greek authorities in improving the existing regulatory and supervisory framework of the Pillar 2 pension system.

The action is expected to help improve the Pillar 2 pension system regulatory and supervisory framework through the full implementation of the 'IORP II' Regulation promoting good governance and strong supervision of institutions for occupational retirement provision (IORPs), the occupational retirement providers. In particular, the action is expected to produce, among other things:

- an evaluation of the current Pillar 2 pension system regulatory and supervisory framework;
- an evaluation of the regulatory framework and related recommendations for improvement;
- a study on the optimal organisational structure of the supervising authority;
- technical advice and implementation of the identified recommendations.

The action is expected to help mitigate the demographic challenges and increase the pension provision to a more adequate and sustainable level. It will lay the foundation for a future development of Pillar 2 schemes, currently underdeveloped, to complement the statutory Pillar 1 pension system and hence play a central role in supplementing retirement income in the future.

## **Action 3: Enhancing conduct supervision and new challenges in insurance supervision in Portugal**

Budget: EUR 186 000

This action to reinforce financial stability will support the Portuguese authorities in improving the existing approach on market conduct supervision for both the physical and digital

distribution channels. Such support falls under the overall objective of improving financial stability within Portugal but also in the broader European context, as EIOPA is promoting convergence of supervisory practices through advanced risk-based methodologies, setting the stage for further European convergence.

Assistance will be provided to support, among others, the following activities whose aim is develop a comprehensive supervisory approach to market conduct supervision. They will focus on:

- assessing the current supervisory framework and tools used to identify and monitor the conduct assessment framework;
- reporting on gaps in the conduct assessment framework and recommending steps to close those gaps;
- designing and implementing a supervisory manual for ASF (the Portuguese insurance supervisor) that covers the identified recommendations;
- providing a tailor-made training course to ASF on the assessment of qualified holdings, tailored to the specific needs of local supervisory issues encountered by ASF.

The action is expected to help to significantly raise the standard of insurance supervision in Portugal. In particular, the action is expected to produce, among other things:

- recommendations for improving the conduct insurance supervision process of ASF;
- a revised manual for conducting improved market conduct supervision for Portuguese supervisory staff; and
- training (workshops) for supervisory staff on improved market conduct supervision processes and supervisory tools.

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.

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