

EN  
**ANNEX**  
to the  
**COMMISSION IMPLEMENTING DECISION**  
**on the financing of the Technical Support Instrument and the adoption of the work  
programme for 2025**

**Part I - The Technical Support Instrument (TSI) outlook for 2025**

**1. Introduction**

In its 2025 European Semester – Autumn Package<sup>1</sup>, the Commission emphasised that in recent years the EU has undergone profound adaptations, adjusting its policy priorities to respond to emerging challenges. Through collective efforts the EU has successfully navigated multiple crises and enhanced the resilience of its Member States. Economic activity is set to gradually pick up, with employment remaining at a record high level and purchasing power improving as inflation returns to target. However, to ensure our continued sustainable prosperity, the EU urgently needs to tackle the obstacles to growth and competitiveness.

The Technical Support Instrument (TSI) continues to play a pivotal role in shaping and implementing reform agendas in all Member States.

On 10 February 2021, the TSI was established<sup>2</sup> and became available to all Member States. Through the TSI, the Commission can provide tailor-made expertise on the ground so that Member States have the necessary institutional and administrative capacity to develop and implement growth-enhancing reforms and make European economies more resilient thanks to efficient and well-functioning administrative structures. The TSI was deployed to support Member States in preparing, amending and implementing their recovery and resilience plans under the Recovery and Resilience Facility (RRF)<sup>3</sup>. The TSI also allows to support Member States having to urgently adapt public institutions and processes to specific emerging needs. In April 2022, the TSI offered crucial technical support to Member States helping them urgently reduce dependency on Russian fossil fuels and thus helping EU navigate the energy crisis and avoid recession, welcome persons displaced from Ukraine following Russia’s war of aggression and enhance the harmonised implementation of sanctions. Furthermore, in 2024, the TSI also offered urgent technical support to the Member States through a dedicated call for the preparation of their National Implementation Plans under the Pact on Migration and Asylum, due in December 2024.

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

---

<sup>1</sup> Communication from the Commission to the European Parliament, the European Council, the Council, the European Central Bank, the European Economic and Social Committee, the Committee of the Regions and the European Investment Bank: 2025 European Semester - Autumn package, COM(2024)700 final.

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

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

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 is key in implementing EU policies and programmes, including the absorption of cohesion funds or funds made available through the RRF.

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

### **TSI objectives and process**

Article 3 of the Regulation (EU) 2021/240 sets up the TSI with the general objective to *“promote the Union’s economic, social and territorial cohesion by supporting Member States’ efforts to implement reforms”*.

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

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

In accordance with Article 9 of Regulation (EU) 2021/240, technical support under the TSI can be provided if a Member State so requests. Member States may submit requests for technical support for the following: *“(a) the implementation of reforms by Member States, undertaken on their own initiative and in accordance with the general objective and specific objectives set out in Articles 3 and 4 respectively; (b) the implementation of growth-sustaining and resilience-enhancing reforms in the context of economic governance processes, in particular the country-specific recommendations issued in the context of the European Semester or actions related to the implementation of Union law; (c) the implementation of economic adjustment programmes for Member States that receive Union financial assistance under existing instruments [...]; (d) the preparation, amendment and revision of recovery and resilience plans pursuant to Regulation (EU) 2021/241 and the implementation thereof undertaken by Member States”*. Article 9(5) (second paragraph) requests the Commission to come to an agreement with the Member States concerned on the priority areas for support, the

objectives, an indicative timeline, the scope of the support measures to be provided and the estimated global financial contribution for such technical support. These elements provide the basis for this annual work programme and will be reflected for each Member State concerned in a cooperation and support plan.

In response to specific emerging needs of Member States, the Commission shall organise additional dedicated calls. Therefore, a limited proportion of the budget (not exceeding 10%) may be used for such additional dedicated calls. In addition, in the event of unforeseen and duly justified grounds of urgency requiring an immediate response, including a serious disturbance in the economy or significant circumstances seriously affecting the economic, social or health conditions pertaining in a Member State and going beyond its control, Article 12(7) of Regulation (EU) 2021/240 requires that a limited part of the maximum Union contribution be reserved for special measures. Therefore, to ensure the timely availability of resources in 2025, a limited proportion of the budget (not exceeding 10%) may be used for the adoption of special measures.

Pursuant to Article 9(1) of Regulation (EU) 2021/240, by 31 October 2024 all Member States submitted a total of 885 requests for technical support to the Directorate-General for Structural Reform Support (DG REFORM)<sup>4</sup>.

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

The estimated cost of the support measures requested by the Member States was approximately three times the budget allocation for 2025. This led the Commission to strongly prioritise when selecting which requests to fund. This prioritisation was based on the criteria defined in the Regulation (EU) 2021/240, bearing in mind the prioritisation made by the Member States themselves and the main challenges faced by the Member States, as indicated in the recovery and resilience plans under the RRF, the past country-specific recommendations, the country reports, relevant infringement cases, etc. The Commission also considered the link between requests and strategic Union priorities. In application of the principle of sound financial management, the most mature requests having the highest potential impact on the ground were prioritised over others.

As a result of this need to prioritise, approximately half of the eligible requests were selected for funding under TSI 2025.

As the support measures ensuing from the selected requests are implemented, they may need to be adjusted together with the corresponding amounts initially allocated to them. This would be done through appropriate reprogramming, in order to reflect the prevailing circumstances in relation to the relevant needs, including follow-up activities directly linked to the subject matter of the support measures foreseen and which are indispensable to ensure the reforms'

---

<sup>4</sup> As from 1<sup>st</sup> February 2025, DG REFORM has become Reform and Investment Task Force (SG REFORM).

effectiveness. In addition, should additional funding become available during the year due to reprogramming, withdrawals of requests or cancellations of technical support measures, it may also be opportune and possible to select, later in the year, requests submitted by the Member States which could not be prioritised due to sufficient financial resources lacking when the initial selection was made.

Further to the above and in line with the needs expressed by the Member States, priority areas of intervention, objectives and expected results have been identified for TSI 2025, together with the methods of budget implementation indicated in Part II below.

The Commission, under Article 12(1) of Regulation (EU) 2021/240, implements the instrument in accordance with the Regulation (EU, Euratom) 2024/2509<sup>5</sup> ('the Financial Regulation'). In addition, Article 12(2) of Regulation (EU) 2021/240 provides that the related measures may be implemented either directly by the Commission or, indirectly, by persons or entities in accordance with Article 62(1) of the Financial Regulation. The support can take different forms, *inter alia*, grants, public procurement contracts, reimbursement of costs incurred by external experts, contributions to trust funds set up by international organisations and actions carried out through indirect management. In line with the room for manoeuvre granted under Article 12 of Regulation (EU) 2021/240, the Commission determines the most appropriate method of budget implementation in terms of needs and costs in order to ensure an appropriately high level of technical expertise, determined by excellence, independence and pluralism; open, transparent, effective and proportionate related processes.

In line with Article 6(2) of Regulation (EU) 2021/240, SG REFORM will support the better coordination of policies on public administration and good governance, which is considered necessary for the management of the instrument and the achievement of its general and specific objectives. The main aim will be to achieve better synergy between Commission policy initiatives related to public administration and to develop the Commission methodology, country and thematic knowledge on the topic while ensuring that the respective initiatives are of good quality and that there is adequate capacity at domestic level for their implementation. This support will reinforce the expertise of the Commission in coordinating public administration policies and governance-related matters. It should stimulate more targeted dialogue on the topic with Member States in order to learn from one another and transfer knowledge, and it should also promote common principles, values and good practice for public administration and good governance. In addition, SG REFORM will finance corporate IT<sup>6</sup> and corporate communication activities (based on the Corporate communication action in 2024 – 2027 under the Multiannual Financial Framework 2021 – 2027, C(2023)6467 and with the DG BUDG communication to the Commission "IT Implementation Plan 2025 - Allocation of IT corporate resources")<sup>7</sup> and other activities in line with Article 6(2) referred to above.

---

<sup>5</sup> Regulation (EU, Euratom) 2024/2509 of the European Parliament and of the Council of 23 September 2024 on the financial rules applicable to the general budget of the Union (recast) (OJ L, 2024/2509, 26.09.2024, ELI: <http://data.europa.eu/eli/reg/2024/2509/oj>).

<sup>6</sup> IT development and procurement strategy choices will be subject to pre-approval by the European Commission Information Technology and Cybersecurity Board.

<sup>7</sup> At the moment of the launch of the Inter-service consultation for the adoption of this Financing Decision, the ISC/2025/00091 for the adoption of the "IT implementation Plan 2025 – Allocation of IT corporate resources" is still ongoing.

## 2. Priority areas for intervention in 2025

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

- (a) public financial and asset management, budget process, including green and gender budgeting, macro-fiscal framework, debt and cash management, expenditure and tax policy, tax compliance, revenue administration and customs union, as well as fighting aggressive tax planning, tax fraud, tax evasion and tax avoidance;
- (b) institutional reform and efficient and service-oriented functioning of public administration and e-government, simplification of rules and procedures, auditing, enhancing capacity to absorb Union funds, promotion of administrative cooperation, effective rule of law, reform of the justice systems, capacity building of competition and antitrust authorities, strengthening of financial supervision and reinforcement of the fight against fraud, corruption and money laundering;
- (c) business environment, including for small and medium-sized enterprises, the self-employed, entrepreneurs and social economy enterprises, the re-industrialisation and relocation of production to the Union, private sector development, product and service markets, public and private investments including into physical and virtual infrastructure, project promoters and nurseries, public participation in enterprises, privatisation processes, trade and foreign direct investment, competition, efficient and transparent public procurement, sustainable sectoral development, and support for research, innovation and digitisation;
- (d) education, life-long learning and training, vocational education and training, youth policies, labour market policies, including social dialogue, for the creation of jobs, increased labour market participation of under-represented groups, up- and re-skilling in particular digital skills, media literacy, active citizenship, active ageing, gender equality, civil protection, border and migration policies, the promotion of social inclusion and the fight against poverty, income inequality and all forms of discrimination;
- (e) accessible, affordable and resilient public healthcare, social security systems, care and welfare, and childcare;
- (f) policies for the mitigation of climate change, the digital and just green transitions, e-government solutions, e-procurement, connectivity, data access and governance, data protection solutions, e-learning, use of Artificial Intelligence based solutions, the environmental pillar of sustainable development and environmental protection, climate action, transport and mobility, promoting the circular economy, energy and resource efficiency and renewable energy sources, achieving energy diversification, tackling energy poverty and ensuring energy security, and for the agricultural sector, soil and biodiversity protection, fisheries and the sustainable development of rural, remote and insular areas;
- (g) financial sector policies and regulation, including financial literacy, financial stability, access to finance and lending to the real economy, in particular for small and medium-sized enterprises, the self-employed and entrepreneurs;
- (h) the production, provision and quality monitoring of data and statistics;
- (i) preparation for membership of the euro area; and

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 2025 have been set on the basis of the Member State requests for technical support that are selected for funding.

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

### **Description of how the action(s) included in this work programme contribute mainstreaming Climate, biodiversity and gender-equality**

Under the work programme for 2025, the TSI will support the mainstreaming of climate and biodiversity objectives. Among others, it includes actions and activities to: strengthen climate adaptation, promote climate mitigation and protect biodiversity; increase the housing sustainability and affordability and compliance with up-to-date energy standards, as well as development and implementation of policies addressing climate change impacts; enhance policy coherence and alignment of EU funds and programmes; facilitate the implementation and compliance of businesses across sectors with the sustainability reporting requirements; support the integration of sustainability considerations in the budget processes of Member States such as through green budgeting practices; re-direct private and public capital flows towards climate and environmental action, also in support of other EU instruments (e.g., Invest EU, Just Transition, RRF); improve connectivity for clean energy production; accelerate climate adaptation measures in water management; develop green hydrogen market; support the uptake of renewable energy including faster permitting; support just transition regions, accelerate the green transition of manufacturing industry; improve regulatory impact assessment in the area of energy; implement Social Climate Plans of the EU Emission Trading System; prepare national restoration plans; support environmental inspections; support innovation and investment in net-zero technologies; support water loss reduction; integrate and mitigate risks stemming for the climate and environmental transition in the financial sector; implement the Carbon Border Adjustment Mechanism; design holistic strategies engaging the regional, local and wider community on the changes needed for a successful transition; increase the overall quality and efficiency of the public administration and reduce their impact on climate and biodiversity and promote gender equality aligning with the broader goals outlined in the European Commission gender equality strategy 2020-2025.

Overall, the TSI priorities for 2025 reflect all 10 areas set out in Article 5 of Regulation (EU) 2021/240 and are as described below (grouped by thematic area). The TSI may also support Member States in the amendment, implementation and revision of recovery and resilience plans under the RRF.

#### **2.1. Public Finances**

The TSI will support measures in at least 26 Member States, related to public finance management, tax administration and customs reforms.

The TSI may also support measures in the Member States for the implementation of reforms and investments under the Recovery and Resilience Plans.

*a) Priorities for the year*

The 2025 European Semester – Autumn Package emphasises as a priority the sustainability and quality of public finances as well as the need for investments to support productivity, transition, environmental sustainability, fairness and macroeconomic stability. These policies are supported by the new EU Economic Governance Framework, which entered into force end-April 2024. The reformed framework aims to ensure sound and sustainable public finance by providing greater clarity and predictability for fiscal policy and debt sustainability. At the same time, the framework promotes sustainable and inclusive economic growth via stronger incentives for reforms and investments addressing country-specific challenges and common EU priorities. A key role is given in this context to the medium-term fiscal-structural plans of EU Member States, which will offer a coherent policy anchor for Member States' economic and fiscal conduct for the coming years, helping to make the EU more competitive and better prepared for future challenges by supporting progress towards a green, digital, inclusive and resilient economy.

A specific priority is also the further implementation of the European Green Deal, EU Directive 2024/1265<sup>8</sup>, and the [EU Strategy on Adaptation to Climate Change](#), all of which emphasise green budgeting to align public finances with environmental goals and climate targets. In addition, implementing the European Union's Gender Equality Strategy 2020-2025, which emphasises the integration of a gender perspective into all policies and actions, including into fiscal policies is a priority.

A high number of Member States received country-specific recommendations highlighting the need for improving fiscal sustainability of public financed, including through dedicated tax policy reforms.

DG REFORM's priority is to support the implementation of the Economic Governance Framework through **Public Financial Management** reforms.

In the area of Public Financial Management priorities for support include:

- improving good practices for planning and execution of medium-term budgetary frameworks, and integration of structural reforms and investments into multi-annual budget planning, and for estimating the economic returns to social reforms and investment;
- establishing performance-oriented budgeting practices: Aligning budgeting practices with key EU policy priorities (as EU Green Deal and the European Pillar of Social Rights);
- further facilitating public investments by fostering good public investment policies and good public procurement practices;
- promoting sound accounting practices according to International Public Sector Accounting Standards (IPSAS)/European Public Sector Accounting Standards

---

<sup>8</sup> Council Directive (EU) 2024/1265 of 29 April 2024 amending Directive 2011/85/EU on requirements for budgetary frameworks of the Member States, OJ L, 2024/1265, 30.4.2024

(EPSAS)<sup>9</sup>, enhancing public financing management digitalisation, and improving the quality of statistical data production.

Regarding tax and customs administrations, an important cost driver of tax compliance burden is complexity due to a fragmentation of rules across Member States. Notably, SMEs often face a disproportionate burden compared to large enterprises, despite their importance in the EU<sup>10</sup>. High business compliance costs threaten to compromise the competitiveness of the EU vis-à-vis other regions in the world. Additionally, large businesses need to learn how to navigate the Minimum Tax Directive (Pillar II Directive) in force from 1 January 2024.

The EU is committed to enhancing the competitiveness of European businesses and reducing their burden by creating a single internal market. This requires the reduction of barriers created by fragmented national tax systems and complicated standards and practices in national markets. Recent EU-action aims at pursuing a simpler and more modern tax environment. For example, the proposal on Value Added Tax (VAT) in the Digital Age (ViDA)<sup>11</sup> aims to simplify and modernise compliance and make the cross-border operation of businesses easier. Unsurprisingly, tax and customs reforms require technological infrastructures to facilitate digital adaptation. These are supported by the European Commission digital strategy including programmes such as DIGITAL and Europe's Digital Decade strengthening the digital transformation for businesses and public services<sup>12</sup>. These EU proposals are reflected internationally by OECD initiatives such as Tax Administration 3.0<sup>13</sup> and Treaty Relief and Compliance Enhancement (TRACE)<sup>14</sup>.

In addition, on European and international level, numerous sanction packages were approved in the context of Russia's aggression against Ukraine. Customs administrations must enforce sanctions, restrictions and prohibitions, yet they struggle in preventing or reducing the circumvention of these measures.

Finally, the EU's Carbon Border Adjustment Mechanism (CBAM) – Regulation 2023/956<sup>15</sup> is part of the EU Fit for 55 Package, being the EU's tool to put a fair price on the carbon emitted during the production of carbon intensive goods that are entering the EU, and to encourage cleaner industrial production in non-EU countries. As of 1st of January 2026, CBAM will apply in its definitive regime, requesting national competent authorities to adapt and establish different working methods, procedures and methodologies regarding the integration of different CBAM processes into the national workflow of public institutions.

DG REFORM's priority is to support the implementation of these policy priorities through dedicated **Revenue Administration** reforms. How the above initiatives are applied in practice depends to a large extent on the level of fitness of the national revenue administrations. Tax and customs administrations that are streamlined and simplified through business process improvement, digitalisation and innovation will be better prepared to administer future EU tax

---

<sup>9</sup> Commission Staff Working Document "[COMMISSION STAFF WORKING DOCUMENT reporting on the progress on European Public Sector Accounting Standards \(EPSAS\)](#)", SWD(2024) 97 final,

<sup>10</sup> Source: study for the EC (2022) 'Tax compliance costs for SMEs: An update and a complement'.

<sup>11</sup> [https://taxation-customs.ec.europa.eu/taxation-1/value-added-tax-vat/vat-digital-age\\_en](https://taxation-customs.ec.europa.eu/taxation-1/value-added-tax-vat/vat-digital-age_en).

<sup>12</sup> See: European Trust and Cooperation Approach – ETACA Pilot Project for MNEs (europa.eu), European Commission Digital Strategy (europa.eu), The Digital Europe Programme | Shaping Europe's digital future (europa.eu), Europe's Digital Decade | Shaping Europe's digital future (europa.eu).

<sup>13</sup> <https://www.oecd.org/tax/tax-administration-3-0-and-connecting-with-natural-systems-53b8dade-en.htm>.

<sup>14</sup> <https://www.oecd.org/ctp/exchange-of-tax-information/treatyreliefandcomplianceenhancementtrace.htm>.

<sup>15</sup> Regulation (EU) 2023/956 of the European Parliament and of the Council of 10 May 2023 establishing a carbon border adjustment mechanism (Text with EEA relevance). OJ L 130, 16.5.2023, p. 52–104

and customs frameworks. Member States maintain flexibility and opportunities to simplify and modernise at their own initiative and according to their own design, however there are significant variations across administrations. Providing tailor made solutions to tax and customs administration will level the playing field when future rules are adopted, and this will reduce administrative barriers across the internal market.

*b) Objectives pursued*

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

For Public Financial Management, the specific objectives are:

- **Improving medium-term fiscal planning frameworks and strengthening fiscal sustainability analysis:** This objective will provide for methodological support for the design of such frameworks, as well as assessing the macroeconomic impact of investments and reforms;
- **Fostering performance-based budgeting, spending reviews and impact evaluations/assessment aligned with the new Economic Governance framework:** This includes providing methodological support for developing agency-specific budgeting frameworks tailored to the complex relationships between spending and outcomes. It also supports the impact assessment of reforms and investments;
- **Implementing priority budgeting practices:** This includes areas such as gender budgeting and green budgeting, and deepening the implementation of such budgetary practices with central and sub-national administrations;
- **Supporting public investment:** This includes the objective of fostering good public investment management as well as public procurement practices;
- **Facilitating the adoption of modern fiscal reporting:** This objective is targeting the growing use of artificial intelligence (AI) by ministries of finance to automate and enhance their fiscal reporting processes – automating data collection and processing, analysing data, generating reports, and identifying and mitigating risks<sup>16</sup>;
- **Embedding distributional impact analysis in policy design:** This objective addresses the needs of Member States to enhance evidence-based policymaking and designing of policies to target the most impacted socioeconomic groups and/or geographical areas, including for achieving a fair digital and green transition;
- **Fostering accounting and statistics reforms,** as a base for sound fiscal policies.

The overarching objectives in the areas of **revenue administration and tax policy** are to boost revenue collection, increase tax and customs compliance, enhance administrative cooperation across Member States, fight aggressive tax planning, tax fraud and tax evasion, strengthen the EU Customs Union, and ensure fair, simple and sustainable taxation that is conducive to growth, investment and innovation. This will also support EU tax and customs authorities in their efforts to alleviate the administrative burden on businesses and their own revenue administrations through simplification, streamlining and modernisation.

---

<sup>16</sup> This module will take into account the [AI regulatory framework](#) and notably the [proposed AI Directive](#). It could also address unexplained gaps between accounting outcomes and statistical reporting to enhance the quality of fiscal reporting practices.

For revenue administration and tax policy, the specific objectives are:

1. **Reducing the complexity of the national tax and customs administration systems** by simplifying, streamlining, and modernising administrative procedures and processes that ensure compliance and responsiveness, with focus on reducing the administrative burden for SMEs.
2. **Boosting tax certainty** through implementation, cooperation and dialogue between tax administrations and large businesses and multinational corporations in particular with regard to the implementation of the Pillar Two Directive (COUNCIL DIRECTIVE (EU) 2022/2523 also known as the Minimum Tax Directive or GLOBE).
3. **Improving the tax policy frameworks** of Member States by making these more inclusive, fair, balanced and simpler.
4. In the field of **customs**, actions will be taken with the objective of strengthening the **EU Customs Union**, inter alia by enhancing customs administrations' capacities and capabilities, operational as well as technological. These actions also aim at the effective implementation of the sanction packages were approved in the context of Russia's aggression against Ukraine, as well at the effective implementation of the Carbon Border Adjustment Mechanism.

*c) Expected results*

The expected results in the field of **public financial management** are higher efficiency and quality of public spending, supported by an optimised reallocation of resources and impact of public investment, also taking into account goals related to recovery and resilience plans. In this context, the support will contribute to improved **fiscal sustainability** in the medium and long term. The quality of public finances will also benefit from greater capacity of Member States to make better-informed decisions, based on enhanced **macroeconomic and fiscal analysis and forecasting** capacities, as well as modern fiscal reporting practices. Performance oriented budgeting practices, specifically using green and gender metrics will enable to generate more value for money. More informed spending decisions and evidence-based formulation of policies will also be the result of enhanced **economic modelling** capabilities supporting policy impact assessment, including on the dimension of distributional impact.

Moreover, support in the area of statistics and **public sector accounting** is expected to contribute to an alignment with international good practices on accrual accounting, with a view to also improving accountability, transparency and decision-making processes. Furthermore, the support will also benefit the budget preparation with focus on integrating **spending reviews** and **policy evaluations** into the budget process and strengthening of medium-term expenditure frameworks. Support for better **public investment management and public procurement** practices will contribute to enhanced capacities in Member State administrations to ensure that planned public investments and spending are in line with national and EU fiscal and economic objectives.

The expected results in the areas of **revenue administration and tax policy** are higher revenue collection and higher tax and customs compliance, supported by strengthened tax and customs authorities as well as by enhanced tax systems, also taking into account goals related to economic growth, the single market, the recovery and resilience plans, and European Semester country-specific recommendations.

In this context, the support is expected to strengthen capacity and capabilities of Member States' tax and customs authorities, support is expected to result in better performance and quality of **revenue administration**, with benefits for taxpayers, revenue authorities and state revenue, such as in the area of VAT in digital age. Similar benefits are expected in the area of **tax compliance**, notably through higher voluntary compliance, better managed non-compliance, and decreased compliance costs, as well as smooth implementation of the Carbon Border Adjustment Mechanism and the customs sanctions package. With regard to the **fight against aggressive tax planning, tax fraud and tax evasion**, expected benefits include in particular a more effective implementation of anti-tax avoidance measures and an enhanced use of internationally exchanged tax information, bringing additional tax revenue, more tax fairness and strengthened cross-border cooperation. In particular, the implementation of the Pillar Two Directive will provide for added tax revenue and higher tax certainty for tax administrations and MNEs.

## 2.2. Governance and Public Administration

The TSI will support measures in at least 25 Member States, related to: centre of government capacity, better policy making, human resources and skills, climate transition, digitalisation and AI, the functioning of the justice system, better regulation, multi-level governance, regional capacities and use of EU funds and instruments, (local) services provision, oversight authorities and auditing, the fight against corruption, as well as victim support and protecting democracy from foreign interference.

The TSI may also support measures in the Member States for the implementation of reforms and investments under the Recovery and Resilience Plans.

### *a) Priorities for the year*

The publication of the Commission Communication COM(2023)667 on Enhancing the European Administrative Space<sup>17</sup> (ComPAct) frames several priorities for the year and beyond. This includes a focus on overall quality of public administration, with an emphasis on leadership, skills, greening, digital transformation of government and cooperation and knowledge exchange among Member States. TSI flagship proposals, namely *ComPAct - Pillar I - Skills for public administration systems*, *ComPAct - Pillar II - Capacity for Europe's Digital Decade*, *ComPAct - Pillar III - Greening Public Administration* and *PACE - Public Administration Cooperation Exchange* reflected the actions included in the ComPAct and corresponded well to the Member States' needs, guiding many of their requests.

Based on this, TSI requests for **governance** focussed on centre of government capacities to steer complex priorities, on design and monitoring public policies, including use of data and evidence in policymaking, on greening the public sector, on effective human resources management in civil and judicial administrations to enhance their competitiveness and attractiveness, including development of skills. The TSI will thus help Member States improve multi-level governance, including for climate transition, better strategic planning and decision making across national, regional and local government levels, and support regional

---

<sup>17</sup> [https://reform-support.ec.europa.eu/public-administration-and-governance-coordination/enhancing-european-administrative-space-compact\\_en](https://reform-support.ec.europa.eu/public-administration-and-governance-coordination/enhancing-european-administrative-space-compact_en)

development and better local service provision, including through better use of EU programmes and funds, as well as regional cooperation.

Several Member States' requests concern the **digital transformation** of national, regional and local civil and judicial administrations, and improvement of public services. This contributes to reaching the specific targets of the Digital Decade<sup>18</sup> in making all key digital public services available online by 2030, and of the Interoperable Europe Act<sup>19</sup> in making sure that these services are interoperable across borders and sectors. There has been a growing interest by Member States to integrate **artificial intelligence** (AI) technologies in the public administration to improve administrative performance, automate processes, increase accountability and deliver better services. Cyber security for the public sector has also received attention by the Member States, also in light of the increasing need to align with the EU's NIS 2 Directive<sup>20</sup>.

Requests related to reinforcing transparency and integrity frameworks, boosting control and audit functions to **combat corruption** and enhance accountability at all government levels, including regional and local administrations; focused on establishing a robust regulatory and oversight framework of foreign interests' representation activities; the design, improvement and implementation of comprehensive national anti-fraud strategies, with a focus on protecting national budgets and EU financial interests; and enhancing the capacity of law enforcement institutions to investigate and prosecute complex economic and financial crimes. Other support measures targeted analytical capacity, including the development of AI-supported models to improve audit processes and corruption risk assessment; as well as leveraging technology and innovation to develop effective integrity and oversight strategies and processes. Requests also aimed to support Member States in enhancing the efficiency and transparency of public procurement to boost competitiveness by further digitalising procurement processes and embedding innovation across the procurement cycle.

Effective justice systems strengthen people's trust in public institutions, and safeguard democracy. Requested support for **justice systems** includes enhancing the efficiency of courts management systems by reducing backlogs and taking a data-driven approach to assess workloads and allocate judges and prosecutors accordingly. Other reform priorities include using technology to facilitate access to justice for all and improve the timeliness and publication of judicial decisions. Related to shielding our **democracy and fostering rule of law**, requests targeted integrated support for victims of crime, mitigating the risks associated with Foreign Information Manipulation and Interference (FIMI), and developing tailored indicators to assess the relevance and impact of rule of law related policies both at national and regional level.

**Coordination** around public administration and good governance will be enhanced and further developed in the context of delivering **ComPAct** actions (see footnote 15). Support will increase and consolidate the knowledge on public administrations in Member States,

---

<sup>18</sup> <https://digital-strategy.ec.europa.eu/en/policies/europes-digital-decade>

<sup>19</sup> [https://commission.europa.eu/publications/interoperable-europe-act-proposal\\_en](https://commission.europa.eu/publications/interoperable-europe-act-proposal_en)

<sup>20</sup> Directive (EU) 2022/2555 of the European Parliament and of the Council of 14 December 2022 on measures for a high common level of cybersecurity across the Union, amending Regulation (EU) No 910/2014 and Directive (EU) 2018/1972, and repealing Directive (EU) 2016/1148 (NIS 2 Directive) (Text with EEA relevance) , OJ L 333, 27.12.2022, p. 80–152

especially in areas of EU priority, and will develop assessment tools to identify areas of improvement. This work will be completed with analysis, studies and the development of communication actions, while building European stakeholders' awareness in this area. Support will also cover the development of networks and cross-border exchanges of civil servants in the Member States to foster mutual learning.

To further develop coordination and public administration and strengthen ComPAct and the delivery of its actions, Eurobarometer surveys will be conducted to gather crucial insights into citizens' and stakeholders' (including businesses) perceptions of public administrations. These surveys will play a pivotal role in identifying reform priorities, ensuring that administrative improvements are evidence-based and aligned with public needs.

#### *b) Objectives pursued*

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

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

Support measures for **eGovernment** and **digital public administration** aim at enhancing public sector productivity, process improvement, accountability, digital service accessibility and quality by further advancing civil service digitalisation and process automation. Advancing civil service digitalisation will help Member States build trust and enhance competitiveness, via better processes and services that strengthen public administration capacity, efficiency and reduce administrative burden on citizens/businesses. Emphasis will be on strengthening the Member States' interoperability, cyber-security as well as on

pioneering work of integrating AI applications into the work of public administration, both at national and local level. Support measures fully support and align with the Interoperable Europe Act<sup>21</sup>, EU AI Act<sup>22</sup>, Data Governance Act<sup>23</sup>, Digital Europe Programme and the Digital Decade policy targets<sup>24</sup>.

The objectives of support measures for **anti-corruption and accountability** strategies are to address control gaps and evolving corruption schemes targeting national and EU funds, by developing data-driven anti-corruption strategies and audit methodologies, by embedding technology and innovation to assess and respond to corruption risks and tackle fraud, and by designing hands-on integrity, reporting and transparency measures. Moreover, particular attention is given to making a better use of public procurement to promote EC policy priorities such as green, innovation and supporting SMEs, especially those operating across borders, adding a Single Market dimension to the Rule of Law report and processes.

For the objective of building **better justice systems**, requested support targets the challenges related with court cases management resulting to backlogs, aims to foster optimal use of judicial budgeting, design and implement fit for purpose-justice systems<sup>25</sup> through upskilling and empowering judges, prosecutors and court staff. In addition, support aims at accommodating the needs of vulnerable individuals so they can better access the justice system.

On **democracy and rule of law**, support measures aim at improving the treatment of victims of crime and contribute to increasing situational awareness, by detecting, analysing and proactively countering disinformation and information manipulation.

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

---

<sup>21</sup> Regulation (EU) 2024/903 of the European Parliament and of the Council of 13 March 2024 laying down measures for a high level of public sector interoperability across the Union (Interoperable Europe Act), OJ L, 2024/903, 22.3.2024

<sup>22</sup> Regulation (EU) 2024/1689 of the European Parliament and of the Council of 13 June 2024 laying down harmonised rules on artificial intelligence and amending Regulations (EC) No 300/2008, (EU) No 167/2013, (EU) No 168/2013, (EU) 2018/858, (EU) 2018/1139 and (EU) 2019/2144 and Directives 2014/90/EU, (EU) 2016/797 and (EU) 2020/1828 (Artificial Intelligence Act) (Text with EEA relevance), OJ L, 2024/1689, 12.7.2024

<sup>23</sup> Regulation (EU) 2022/868 of the European Parliament and of the Council of 30 May 2022 on European data governance and amending Regulation (EU) 2018/1724 (Data Governance Act) (Text with EEA relevance), OJ L 152, 3.6.2022, p. 1–44

<sup>24</sup>[Digital Europe Programme - European Commission](#)  
[Europe's Digital Decade Targets – European Commission \(europa.eu\)](#)

<sup>25</sup> Also by taking advantage of solutions developed by the CEF programme in accordance with the strategy on European e-Justice and the multiannual European e-Justice action plan, such as the interconnection of national registers/databases towards increased transparency and efficient access to justice, or digitisation of certain judicial 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>.

collection and dissemination of data on the topic to foster a better understanding of the needs or of the current state of play and encourage dialogue and improvements. In this context, data-collection activities such as Eurobarometer surveys will be performed.

*c) Expected results*

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

The support measures for **e-Government/digital public administration** will improve the digital maturity and interoperability of Member States, enabling them to deliver better digital public services to citizens and businesses<sup>26</sup> and to deploy suitable back-office solutions and process optimisation, supporting an efficient public service. Support to build better **cyber security** systems in line with the EU's NIS 2 directive will help build public trust and protect citizens and business. Integration of AI applications will enhance productivity, efficiency and effectiveness in the public sector.

In the **fight against corruption**, the support measures are expected to strengthen the capacity of oversight anti-corruption authorities to better use technology towards delivering measurable results in promoting accountability, integrity and transparency in public organisations, with a special focus on further shielding national and EU financial interest against fraud.

Support measures will help improve the functioning, efficiency and quality of the justice **systems** in Member States. This will contribute to deepening the Single Market, attracting investments, improving competitiveness and the business environment; further restore citizens' trust in the judiciary, by facilitating access to justice, reducing backlog of cases, and by speeding up the processing of court cases, making judgments more transparent, and creating more people-centred justice systems. Finally, support will result in better protection of victims of crime, with a special focus on vulnerable individuals and populations.

The Commission's **enhanced coordination in the area of public administration** in the context of the ComPact, as well as an increased number of cooperation and exchange missions between Member States administrations will promote knowledge sharing and

---

<sup>26</sup> For example, easy-to-use, efficient, trustworthy, personalised, cross-border interoperable public services to be delivered or managed electronically in the Union, with high security and privacy standards.

enhance reform and problem-solving capacity across the EU. Additional data and information gathered through data-collection exercises such as Eurobarometer surveys will increase the Commission's and Member States' understanding of public needs and priorities and support Member States' administrations implement targeted reforms, which are more responsive and relevant for the European citizens and businesses.

### 2.3. Sustainable Competitiveness

The TSI will support measures in at least 25 Member States, related to competitiveness, including business environment, industrial policy and digital transition, as well as related to sustainability, including climate policy, nature restoration, energy policy and green transition.

The TSI may also support measures in the Member States for the implementation of reforms and investments under the Recovery and Resilience Plans.

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

The EU has put forward an ambitious policy agenda to steer a sustainable, fair and inclusive recovery and to make the EU's economy more resilient to future shocks, while transforming our economies and societies in line with the ambition of the twin transitions. In particular, the Political Guidelines for the next European Commission 2024-29 present a new plan for Europe's sustainable prosperity and competitiveness.<sup>27</sup>

In the area of **competitiveness**, Member States have prioritised in their requests for technical support aimed at sustainable economic growth, greening the industrial base, digitalising and improving the business environment, enhancing economic security in technologies and resources and increasing productivity and entrepreneurship at national and regional levels.

Member States priorities are in line with the RRF and national RRP, with the country-specific recommendations under the European Semester as well as with strategic priorities, highlighted in the EC Political Guidelines 2024-2029.

In particular, Member States' priorities for technical support focus on strengthening national manufacturing base in line with the green and digital transition objectives, supporting the effective implementation of EU legislation and initiatives such as the Single Market Strategy<sup>28</sup>, the new European Industrial Strategy<sup>29</sup>, the [European Economic Security Strategy](#)<sup>30</sup>, the [European Defence Industrial Strategy](#)<sup>31</sup>, [European Space Strategy for Security](#)

---

<sup>27</sup> Commission 2024-2029 - European Commission.

<sup>28</sup> Communication from the Commission to the European Parliament, the Council, the European Economic and Social Committee and the Committee of the Regions on upgrading the Single Market: more opportunities for people and business COM/2015/550; and Communication from the Commission to the European Parliament, the Council, the European Economic and Social Committee and the Committee of the Regions on Long term action plan for better implementation and enforcement of single market rules COM(2020)94.

<sup>29</sup> Communication from the Commission to the European Parliament, the Council, the European Economic and Social Committee and the Committee of the Regions on updating the 2020 New Industrial Strategy: Building a stronger Single Market for Europe's recovery, COM(2021)350.

<sup>30</sup> [An EU approach to enhance economic security](#)

<sup>31</sup> [https://defence-industry-space.ec.europa.eu/eu-defence-industry/edis-our-common-defence-industrial-strategy\\_en](https://defence-industry-space.ec.europa.eu/eu-defence-industry/edis-our-common-defence-industrial-strategy_en)

[and Defence](#)<sup>32</sup>, the [SME's Relief Package](#), the Digital Decade Policy Programme 2030 and the 9<sup>th</sup> Cohesion Report: Cohesion in Europe towards 2050.

Member States have prioritised the need to support SMEs, start-ups and scale-ups, including in their export activities, to foster innovation as well as to improve the business environment through streamlining national inspection systems.

A major priority is enhancing the competitiveness of Europe's defence industry and defence innovation, improving security in technologies, resources and research, strengthening the resilience of critical entities, as well as boosting strategic industrial reserves based on production capabilities.

Particular attention among Member States' priorities for technical support falls on the need to maintain fair competition practices and safeguard and strengthen the European Single Market, including through fighting bid rigging in public procurement and supporting the digital transformation of national competition authorities.

Sustainable mobility, in particular safety and interoperability of road and rail networks, are also among the Member States priorities. Other priorities call for supporting rural development and accelerating regional development, including through the implementation of smart specialisation strategies.

In the area of **sustainability**, the goals set out in the European Green Deal continue to be a key EU priority, as also set out in the Political Guidelines for the 2024-2029 Commission mandate<sup>33</sup>, and the TSI 2025 therefore focuses on supporting the implementation of these objectives.

In particular, Member States' priorities for technical support focus on effective implementation of EU legislation and major policy initiatives such as the EU biodiversity strategy,<sup>34</sup> the Nature Restoration Law<sup>35</sup>, the EU forest strategy<sup>36</sup>, the EU soil strategy<sup>37</sup>, the reform of the EU electricity market design<sup>38</sup>, the EU Action Plan for Grids<sup>39</sup> and the EU Action Plan to digitalise the energy system<sup>40</sup>.

This includes supporting climate and energy priorities such as the development of green and digital energy systems, increasing uptake of renewable energy (including offshore wind), supporting energy communities and reform of energy authorities and licensing procedures, improving management and digitalisation of the electricity systems and infrastructure,

---

<sup>32</sup> [https://defence-industry-space.ec.europa.eu/eu-space/eu-space-strategy-security-and-defence\\_en](https://defence-industry-space.ec.europa.eu/eu-space/eu-space-strategy-security-and-defence_en)

<sup>33</sup> [Commission 2024-2029 - European Commission](#)

<sup>34</sup> [Biodiversity strategy for 2030 - European Commission](#)

<sup>35</sup> [The EU #NatureRestoration Law](#)

<sup>36</sup> [Forest strategy - European Commission](#)

<sup>37</sup> [Soil strategy - European Commission](#)

<sup>38</sup> [Electricity market design](#)

<sup>39</sup> [EUR-Lex - 52023DC0757 - EN - EUR-Lex](#)

<sup>40</sup> [EUR-Lex - 52022DC0552 - EN - EUR-Lex](#)

enhancing energy performance of buildings and energy efficiency, incentivising investments in energy transition technologies, supporting carbon capture, utilisation and storage, and enhancing the capacity of public authorities on climate action and sustainable development.

Safeguarding and restoring natural resources is also a key priority, with a particular emphasis on coastal protection, forest management, improved reporting of emissions and removals in the land use and forestry sector, a more resilient water sector (including by reducing water losses and improve wastewater treatment), aquaculture, and better monitoring and protection of soils.

Furthermore, Member States' priorities for technical support also include improved management of critical raw materials, sustainable biorefining, development of a sustainable blue economy, improved spatial planning, and streamlined environmental permitting for industry.

*b) Objectives pursued*

In the area of **competitiveness**, the technical support will address the objective to strengthen EU's industrial base and build resilient, green and digital economic base, inter alia by helping Member States to implement Critical Raw Materials Act (CRM Act) and Net-Zero Industry Act (NZIA). It will also support Member States to build better conditions for entrepreneurship and innovation, especially for the SMEs, start-ups and scale ups, including through the implementation of the SME relief package and promotion of SMEs export activities. Technical support will also aim to contribute to the smooth functioning of the Single Market through improved compliance and competition for public contracts, detection of anticompetitive practices and strengthening of the digital skills of national competition authorities.

The technical support will also target reform policies to improve security of technologies and resources, including strategic reserves, thus boosting the overall resilience of the national economies as well as to support the defence industry, defence innovation and research security, and to strengthen the resilience of critical entities.

The technical support will aim at accelerating regional and rural development, including the promotion of regional value chains and foster innovation.

Measures are also foreseen to support Member States towards improving their economic and productivity planning through the strengthening of national productivity boards, towards enhance their defence capabilities. developing capacities to better calibrate their inspections systems,

Furthermore, the technical support measures put in place under the TSI 2025 aim at helping Member States in their efforts to move towards more sustainable mobility, better-connected and safer rail and road transport.

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

This includes, in particular, supporting reform objectives in the climate and energy sector. The support will enable the development of smart, green and digital electricity systems, help increase the uptake of renewable energy (including offshore wind), improve market access for energy communities, help to reform energy authorities and licensing procedures, optimise electricity transmission systems, improve energy performance of buildings and energy efficiency, attract capital for energy transition technologies, support the development of carbon capture, utilisation and storage policy framework, and help build capacity on climate action and sustainable development in public authorities.

Another objective will be to promote the resilience of natural resources, including by adaptive management of coastal wetlands, improving forest management and reporting of emissions and removals in the land use and forestry sector, reducing water losses, improving wastewater treatment, improving the resilience of the water sector, developing sustainable aquaculture, protecting and monitoring soils, and fostering nature restoration.

Finally, technical support will also aim at strengthening sustainability with improved management of critical raw materials, sustainable biorefining, development of a sustainable blue economy, improved spatial planning, and simplified permitting for industrial installations.

### *c) Expected results*

In the area of **competitiveness**, the support measures are expected to contribute to the efforts of Member States to build sustainable prosperity, including a better and more innovative business environment, boost productivity, improve SMEs performance and export capabilities, decarbonise the industry, enhance research and innovation, allow businesses to scale up, as well as decrease administrative burden through the application of risk-based inspections.

In particular, the support measures are expected to contribute to the acceleration of regional and rural development, including through the implementation of smart specialisation strategies, build better conditions for fair competition on the European Single Market, e.g. through better enforcement of competition law and more digitally-oriented national competition authorities and through the implementation of the EU policy framework for industry and businesses (e.g. NZIA, SME relief package).

It is expected that the TSI 2025 will also contribute towards promoting economic security, including through better management of strategic reserves, improved the critical raw materials balance, enhanced defence industry capabilities, defence innovation, research security and improved resilience of critical entities.

Furthermore, the TSI 2025 will also help promote sustainable and safe mobility, including road and rail transport.

In the area of **sustainability**, it is expected that technical support will help improve Member States' preparedness to reach climate and energy objectives, in particular climate neutrality by 2050 and green and digital energy systems, and that it will promote reforms to accelerate the green transition, including the resilience of natural resources.

Expected results include improved and digitalised electricity systems, optimised electricity infrastructure, increased uptake of renewable energy (including offshore wind), better market

access for energy communities, reformed energy authorities and licensing procedures, enhanced energy performance in buildings and energy efficiency, availability of capital for energy transition technologies, better developed carbon capture, utilisation and storage, and built capacity on climate action and sustainable development in public authorities.

It is also expected that Member States will benefit from more resilient natural resources, including better protected coastal ecosystems, improved forest management, better reporting of emissions and removals in the land use and forestry sector, a more sustainable water sector, including wastewater and reduced water losses, enhanced nature restoration, sustainable aquaculture, and improved soil monitoring and protection. Furthermore, the support measures are expected to help Member States ensure availability of critical raw materials, to support the development of sustainable biorefining and of a sustainable blue economy, to lead to improved spatial planning, and to foster streamlined permitting for industrial installations.

## 2.4. European Pillar of Social Rights

Based on requests from Member States, the TSI will provide support to at least 26 Member States in the areas of education, training and skills, active labour market and social policies, equality, social welfare systems, and health.

The TSI will also support measures in at least 12 Member States, in areas related to asylum processing, migration and borders management, including measures on integration and inclusion of third country nationals, attracting and retaining international talent, combatting the trafficking of human beings, legislative and institutional reforms in relation to the implementation of the Pact on Migration and Asylum, and exchanging good practices as regards the Schengen acquis.

The TSI may also support measures in the Member States for the implementation of reforms and investments under the Recovery and Resilience Plans.

### *a) Priorities for the year*

In the area of **education and skills**, support measures will accompany Member States in carrying out reforms to improve the quality, tools and skillsets in the education, training and labour market of the EU Member States. This will contribute to helping EU Member States reaching the EU 2030 headline targets of at least 60% of adults participating in training every year, at least 78% of the working-age population being in employment and less 15 million people at risk of poverty and social exclusion, as committed in the EU Action Plan of the European Pillar of Social Rights<sup>41</sup>.

The support measures will also contribute to the targets referred to in the **European Education Area**<sup>42</sup> initiative, related to basic skills, tertiary education, green and digital skills. Moreover, they will support the implementation of the Digital Education action plan (2021-

---

<sup>41</sup> [European Pillar of Social Rights Action Plan - European Commission](#)

<sup>42</sup> [Homepage - European Education Area](#)

2027) and of the **Communication on Harnessing Talent in Europe's Regions**<sup>43</sup> strengthening the competitiveness, productivity and innovation of the beneficiary Member States. Finally, they will support Member States in addressing Country Specific Recommendations formulated as part of the 2024 European Semester exercise. In line with these political priorities, the TSI will provide support to Member States to:

- better adapt higher education and Vocational Education and Training systems to the needs of the labour market
- develop skills anticipation and skills forecasting tools for a more efficient workforce planning
- address the decline of basic skills and increase women participation in ICT professions
- foster digital transformation of schools and their adaption to the AI challenges of the future.

Based on the requests from Member States, the TSI will also support structural reforms in the **areas of labour market and social policies**. As demonstrated during and after the COVID-19 pandemic, it is crucial for Member States to continue implementing policies that enhance the resilience of European labour markets and the adequacy of social protection systems, with a particular focus on people in vulnerable labour market and social situations. The relevance of these reforms is emphasised by the significant demographic changes stemming from various elements, such as an aging population, a declining working-age population, depopulation, skills shortages and brain drain in certain parts of the EU.

In line with the **Action Plan for the implementation of the European Pillar of Social Rights**, the **Council Recommendation on a European Child Guarantee** and the **2023 Commission Communication on a Demographic change in Europe: a toolbox for action**, the TSI will support integrated interventions at national, regional, and local level to design and implement effective reforms of social and labour market policies.

In the area of **social policies**, the support measures will underpin the development of comprehensive legal frameworks for long-term care, strengthening child protection policies through integrated interventions (including deinstitutionalisation), improving the governance and coordination of policies to address demographic challenges, and enhancing the capacity of authorities to monitor and evaluate the effectiveness of social policies. The measures will also target the development of social economy and social entrepreneurship.

In the area of **labour market policies**, the support measures will enable the development of strategies for tackling labour shortages, improve the employability of vulnerable groups, and enhance the capacity of public employment services to provide effective support to jobseekers. The reforms will encompass the development of innovative solutions for addressing labour market challenges, such as the use of artificial intelligence and big data analysis to improve the matching of jobseekers with job vacancies. Additionally, the reforms will tackle demographic challenges, including aging population, low birth rates, and brain drain, which have significant impacts on the labour market and social services, in line with the TSI 2025 Flagship Addressing Demographic Change through Reforms<sup>44</sup>.

---

<sup>43</sup> [Inforegio - Harnessing talent in Europe's regions](#)

<sup>44</sup> [TSI 2025 Flagship - Tackling the demographic change through supporting skills-labour market and social inclusion reforms - European Commission](#)



- Increase graduation rates in higher education and adapt VET and adult learning systems to the labour market needs
- Facilitate digital transformation of schools, including a responsible and meaningful use of AI technologies and tools
- Address the decline in basic skills and increase women participation in ICT professions.

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

- Develop strategies for tackling labour shortages and improving the employability of vulnerable groups
- Enhance the capacity of public employment services to provide effective support to jobseekers
- Support the development of innovative solutions for addressing labour market challenges, such as the use of artificial intelligence and big data analysis
- Improve the matching of jobseekers with job vacancies and enhance the overall efficiency of the labour market
- Tackle demographic challenges, including aging population, low birth rates, and brain drain, which have significant impacts on the labour market.

The support measures in the area of **social policies, including social protection**, will aim at helping Member States to:

- Strengthen the capacity of public administrations to design, implement, monitor and evaluate social inclusion policies
- Develop comprehensive legal frameworks for long-term care, deinstitutionalisation and social protection
- Improve the governance and coordination of policies to address demographic challenges, such as aging population and social isolation
- Enhance the capacity of authorities to monitor and evaluate the effectiveness of social policies
- Support the development of social economy and social entrepreneurship
- Improve the accessibility and quality of social services.

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

- Enhance the governance, planning, monitoring, evaluation capacity and skills of the Ministries of Health and associated public entities in the areas of health promotion and disease prevention, primary, secondary and tertiary care, eHealth, health system performance assessment, and integrated care;
- Enhance Member States' capacity to implement the HTAR and health technology assessment more broadly;
- Improve the efficiency of health systems through interoperable eHealth systems, more effective (clinical) governance, planning, costing, accounting and payment systems, and use of human resources;

- Improve access to and increase the quality of health services, digital health solutions, medicines, personalised medicine, cancer prevention and care, and ensure sustainable public finances and investments in health systems.

Technical support measures in the area of migration management will aim at supporting the implementation of the **Pact on Migration and Asylum**, fostering efficient and fair asylum processes, enhanced border management, more orderly migration, protecting refugees and victims of human trafficking, building Member States' labour market resilience by improving social integration, labour market inclusion of migrants, and enabling European countries to attract and retain international talent. These measures will seek to promote exchanges of good practices between Member States in these areas also taking where relevant, the national and local contexts into account.

### *c) Expected results*

The technical support measures in the areas of **skills, education and training** are expected to increase the quality, relevance and effectiveness of education and training and contribute to: (i) better workforce planning tools and better matched skillsets with the labour market needs; (ii) improved digital skills and better management of the digital transformation of education, including the use of AI-based technologies (iii) enhanced basic skills and increased participation of women in ICT professions (iv) higher tertiary education completion rates and more relevant VET systems to the labour market needs.

The technical support measures supporting **labour market policies** are expected to contribute to: (i) improved employability of vulnerable groups, leading to increased labour market participation and reduced unemployment; (ii) enhanced capacity of public employment services to provide effective support to jobseekers, leading to improved job matching and reduced unemployment; (iii) development of innovative solutions for addressing labour market challenges, leading to improved efficiency and effectiveness of the labour market; (iv) increased use of artificial intelligence and big data analysis in labour market policies, leading to improved decision-making and policy development; (v) mitigation of the impact of demographic challenges, including aging population, low birth rates, and brain drain, on the labour market.

The technical support measures for **social protection and social welfare** will increase the competent authorities' capacity to prepare, implement, monitor, and evaluate reforms of social policies and programmes. They will contribute to: (i) improved governance and coordination of social policies, leading to more effective and efficient delivery of social services; (ii) enhanced capacity of authorities to monitor and evaluate the effectiveness of social policies, leading to better decision-making and policy development; (iii) increased accessibility and quality of social services, leading to improved outcomes for citizens; (iv) development of comprehensive legal frameworks for long-term care, deinstitutionalisation and social protection, leading to improved protection and support for vulnerable populations; (v) growth of social economy and social entrepreneurship, leading to increased economic activity and job creation; (vi) better preparedness to address demographic challenges, including aging population and social isolation.

In the area of **health**, the technical support measures are expected to contribute to: (i) the provision of strategic and operational tools, recommendations and capacity building for

strengthening the governance, planning, monitoring and evaluation of health promotion and disease prevention measures and health services across primary, secondary and tertiary care, eHealth, emergency services, health system performance assessment, health technology assessment, cancer screening and care, as well as integrated care; (ii) the development and implementation of tools for improving the governance and planning as well as the skills and expertise of the health workforce; (iii) recommendations and tools for improving the accessibility and effectiveness of health systems, including health spending, and (iv) the design and implementation of effective and efficient care delivery models.

Technical support measures in the area of migration management are expected to assist in the preparation, implementation and evaluation of migration, asylum and border management reforms and programmes, focusing on such areas as legal and regulatory analysis and recommendations, training and capacity building of national administrations, and support to the operationalisation of new processes (including technical support for digitalisation). These technical support measures are therefore expected to strengthen the capacity of the competent authorities to enhance migration processes, and improve access of migrants and people with a migrant background to services. These measures are also expected to contribute to exchanges amongst practitioners across national authorities and promote evidence-based policy making.

## **2.5. Access to Finance**

The TSI will support measures in all Member States in areas including sustainable and digital finance, financial supervision – with particular regard to anti-money laundering and counter-terrorism financing, and financial education. This technical support will continue to foster the consistent and effective implementation of the EU sanctions regimes, and to enhance supervisors' skills, instruments, and capacity in using and dealing with advanced technologies – including AI-based applications and SupTech solutions. Support actions in the area of sustainable finance will contribute to the proportionate and consistent implementation of the EU sustainability reporting framework and to the reduction of administrative burdens especially for SMEs, strengthening the latter's ability to access finance.

The TSI may also support measures in the Member States for the implementation of reforms and investments under the Recovery and Resilience Plans.

### *a) Priorities for the year*

In recent years, innovative technologies have brought disruptive changes to the financial system, radically changing its structure and functioning. Innovative technologies such as artificial intelligence (AI), machine learning, distributed ledger technologies (DLT), big data, and cloud computing, have been giving rise to new products, services, applications, processes, and business models, forcing regulatory and supervisory authorities to improve their capacity to deal with the associated opportunities and risks. Given the high number of Member States' requests received in the area of **digital finance**, a significant amount of funding will be utilised to arrange a new edition of the successful capacity building programme – the EU Supervisory Digital Finance Academy to continue strengthening supervisory authorities' staff's skills and knowledge in this policy domain, while facilitating the uptake and use of digital technologies in financial supervisory activities.

In line with the agenda of the **European Green Deal**<sup>51</sup> and the priority actions set forth in the strategy on sustainable finance, the EU Corporate Sustainability Reporting Directive (CSRD)<sup>52</sup> and Taxonomy Regulation<sup>53</sup> have introduced reporting and disclosure requirements aimed at increasing the transparency of companies' ESG impacts, risks, and opportunities. In particular, the CSRD introduces a mandatory set of European Sustainability Reporting Standards (ESRS) which companies shall use to report on their sustainability profile, while the EU Taxonomy provides a science-based classification system for the identification of sustainable economic activities that is applied within the CSRD, and it imposes the reporting of a number of key performance indicators related to environmental sustainability. A relevant part of the 2025 budget will also be allocated to provide Member States with implementation support and capacity building so as to assist all companies, and in particular SMEs, with sustainability reporting requirements. The sustainability reporting requirements and the corresponding standards represent new terrain for a large range of companies, and their implementation is essential for other financial sector actors being able to fulfil their own reporting obligations and adequately price their services and products. The technical support in this area is consistent with the Commission priority aiming to reduce the reporting burden for SMEs, hence contributing to sustainable growth and access to finance.

Combating **money laundering** and **terrorism financing** remains a strong priority for the Union, as evidenced by the recent adoption of:

- the Regulation introducing EU-wide rules on (i) the scope of obliged entities, (ii) internal policies, controls and procedures of obliged entities, (iii) customer due diligence, (iv) beneficial ownership transparency, (v) reporting obligations, (vi) record-retention, and (vii) measures to mitigate risks deriving from anonymous instruments<sup>54</sup>;
- the Regulation establishing the Authority for Anti-Money Laundering and Countering the Financing of Terrorism (AMLA)<sup>55</sup>; and
- the sixth AML Directive<sup>56</sup>.

Part of the 2025 budget will be allocated to support Member States in strengthening and harmonising the supervisory reporting framework so as to address risks related to money laundering and terrorism financing, while reducing the reporting burden due to heterogeneity on the side of obliged entities. Funding will also be used to support a Member State's efforts

---

<sup>51</sup> Communication from the Commission on the European Green Deal, COM(2019)640.

<sup>52</sup> Directive (EU) 2022/2464 of the European Parliament and of the Council of 14 December 2022 amending Regulation (EU) No 537/2014, Directive 2004/109/EC, Directive 2006/43/EC and Directive 2013/34/EU, as regards corporate sustainability reporting.

<sup>53</sup> Regulation (EU) 2020/852 of the European Parliament and of the Council of 18 June 2020 on the establishment of a framework to facilitate sustainable investment, and amending Regulation (EU) 2019/2088.

<sup>54</sup> Regulation (EU) 2024/1624 of the European Parliament and of the Council of 31 May 2024 on the prevention of the use of the financial system for the purposes of money laundering or terrorist financing.

<sup>55</sup> Regulation (EU) 2024/1620 of the European Parliament and of the Council of 31 May 2024 establishing the Authority for Anti-Money Laundering and Countering the Financing of Terrorism and amending Regulations (EU) No 1093/2010, (EU) No 1094/2010 and (EU) No 1095/2010.

<sup>56</sup> Directive (EU) 2024/1640 of the European Parliament and of the Council of 31 May 2024 on the mechanisms to be put in place by Member States for the prevention of the use of the financial system for the purposes of money laundering or terrorist financing, amending Directive (EU) 2019/1937, and amending and repealing Directive (EU) 2015/849.

to enhance its AML/CFT legal framework so as to address existing shortcomings and Financial Action Task Force (FATF)'s recommendations.

Since 2022, the EU has been expanding rapidly the range of restrictive measures applied in response to the Russia's military aggression against Ukraine (as of end January 2025, there are in place 15 packages of sanctions since February 2022), notably adding a significant number of individuals and organisations to the sanctions list, and by adopting unprecedented measures with the aim of weakening Russia's economic base, depriving it of critical technologies and markets, and significantly curtailing its ability to wage war. The EU sanctions regime concerning Belarus has also been expanded in response to the country's involvement in Russia's aggression against Ukraine, through the imposition of a wide range of financial, economic and trade measures. In light of the requests for technical support received, a portion of the 2025 budget will be used to **strengthen the effectiveness of the sanctions instruments** applied by Member States, in particular by improving their respective legal consistency so as to facilitate their enforcement and decrease the complexity and compliance costs for operators.

Essential knowledge and skills to make important financial decisions are crucial to ensure individual households' financial resilience and long-term wealth across the single market: financial literacy is hence essential for individuals to understand the risks involved when borrowing or investing money, to make better decisions about personal finances also under a long-term perspective, and to invest in capital markets in a way that meets their needs. Financial literacy also protects individuals from over-indebtedness, excessive risk-taking, fraud, or cyber risks. Based on the requests from Member States, part of the 2025 budget will be allocated to support Member States' efforts in building up robust methodological approaches to assess the effectiveness of **financial literacy** initiatives.

#### *b) Objectives pursued*

**Digitalisation** will be addressed through various angles with an overall objective of better understanding its implications, risks, and opportunities, while strengthening financial supervisory authorities' to effectively deploy advanced technologies in their daily activities. In particular, a revamped edition of the EU-SDFA will aim at increasing awareness to the risks and opportunities posed by digital financial services, fostering and rendering more effective financial supervision, which allows to quickly react to the evolving market conditions and ultimately resulting in increased financial stability and investors' confidence, while promoting a common culture and understanding of the impact of digital technologies in financial markets.

In the area of **sustainable finance**, support measures will accompany national authorities in increasing their capacity to assist companies, and notably SMEs, in implementing sustainability reporting requirements and promote transition finance.

Measures focusing on **AML** aim at strengthening Member States' capacity to identify and address material risks. Furthermore, support measures will be targeted at increasing the national authorities' administrative capacity to supervise compliance with AML/CFT requirements, to implement the EU's legal AML/CFT framework in line with their national needs, and to comply with international standards set by the FATF.

In the area of **sanction regimes** implementation, Member States have been witnessing challenges associated with the lack of a harmonised approach to the application of the

different regimes, which may jeopardise the effectiveness and credibility of the EU's sanctions policy and the level playing field in the internal market. Therefore, technical support will particularly aim at addressing inconsistencies and unclarity in the formulations used in the current sanctions' regimes, which hinder the effectiveness of the EU sanctions regulations and give rise to substantial challenges in their effective implementation at national level.

The technical support measures related to **financial literacy** will aim at helping a Member State build up robust methodological approaches to assess the effectiveness of their initiatives in this area, also with a view to inform future actions in this area enabling to cope with emerging challenges.

### *c) Expected results*

In the **digital finance** area, enhanced awareness and national competent authorities' empowerment are conducive to create opportunities to develop innovative, efficient, and inclusive financial products for consumers and businesses across the EU, to enhance financial market integration, to secure the EU open, strategic autonomy within the international arena, and to ensure a proper and consistent management of emerging risks, thus enhancing financial stability. In the **digital area**, support is expected to result in: i) deeper harmonisation and convergence of practices among supervisors, thus creating a community of digital experts within supervisory authorities across the EU; ii) improvements in the use of available data and ultimately in the efficiency of authorities in carrying out their supervisory tasks; iii) widespread dissemination of competent authorities' experiences and practices related to the strategic use of advanced technologies, in view of the long-term development of common supervisory tools and solutions facilitating cross-border cooperation.

In the area of **sustainable finance**, support to Member States is expected to reduce sustainability reporting burden on corporates and in particular on SMEs, facilitate the latter's access to sustainable finance, alleviate potential financial and administrative burdens on them and raise awareness of the benefits stemming from a transparent, sound, and truthful sustainability reporting, such as increased transparency, strengthened competitiveness, and access to green finance.

Technical support measures addressing **money-laundering** risks are expected to increase administrative capacity of responsible authorities, ultimately resulting in a more robust legal framework, as well as consistent and harmonised reporting frameworks for suspicious transactions.

Technical support measures as regards **sanctions implementation** will result in improved effectiveness and legal consistency across sanctions regimes, making it easier to implement and enforce, and thereby strengthening the EU's foreign policy. This technical support will also contribute to decrease the complexity and compliance costs for operators, facilitating compliance with existing rules.

Technical support measures to be provided to national authorities in the area of **financial literacy** are expected to contribute to long-term households' financial resilience and wealth, with a positive impact also on the rate of participation to financial markets.

## 2.7 Overview of the allocation of financial resources

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

	Public Finances	Governance and Public Administration	Sustainable Competitiveness	European Pillar of Social Rights	Access to Finance	Total (EUR)
<b>TOTAL (EUR)</b>	<b>18 555 009*</b>	<b>28 514 191*</b>	<b>30 614 009*</b>	<b>29 621 009*</b>	<b>17 131 195*</b>	<b>125 385 511</b>
1) Grants	670 000	3 650 000	2 920 000	1 837 000	6 686 184	15 763 184
2) Public procurement	8 364 004	11 191 764	7 547 004	1 622 004	6 512 004	35 236 780
3) Indirect management	9 311 005	11 687 927	20 147 005	26 162 005	1 609 007	68 916 949
4.1) Other expenditure (AA/SLA)	210 000	1 984 500	0	0	2 324 000	4 518 500
4.2) Other expenditure	950 098					950 098

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

## Part II – Actions to be financed in 2025

### 1. Introduction

On the basis of the objectives laid down in Regulation (EU) 2021/240, this work programme contains the actions to be financed and the budget breakdown for year 2025 as follows:

- a) for grants (implemented under direct management) (section 2) EUR 15 763 184,
  - for procurement (implemented under direct management) (section 3) EUR 35 236 780,
  - for actions implemented under indirect management (section 4) EUR 68 916 949,
- b) for other actions or expenditure (section 5) EUR 5 468 598.

Legal basis

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

Budget line

06.02 02 00 EUR 125 385 511
-----------------------------

### 2. Grants

The global budgetary envelope reserved for grants under this work programme is EUR 15 763 184. It includes a) grants to be awarded without a call for proposals based on the type of applicants and the criteria indicated in this Financing Decision and b) grants to be awarded without a call for proposals to entities already identified in this Financing Decision.

#### 2.1 Grants to be awarded without a call for proposals to support structural reforms in the area of public financial management and revenue administration

Priorities for the year, objectives pursued and expected results

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

Type of applicants targeted by the direct award/eligible applicants

Grants may be awarded to national authorities, the European Investment Bank group, international organisations public or private bodies and entities legally established in Member States or the European Free Trade Association Countries which are party to the European Economic Area Agreement, Member State ministries, agencies and bodies, other bodies with a public service mission, private bodies, and non-for profit international or European expertise associations and networks which, in view of the nature of the action, have specific and recognised competencies, experience and leadership, a high degree of specialisation or administrative power in the field of budget preparation, budget implementation, public financial management and revenue administration reform.
--

Such entities will be identified on the basis of their specific experience in providing support
---

in the fields of budget preparation, budget implementation, reform of public finance management systems, macroeconomic statistics and National Accounts, fiscal policy analysis and modelling, or in supporting tax or customs administration reform processes in recent years in European or neighbouring countries and proven knowledge of the local context. 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 198 of the Financial Regulation.

Support will be provided to carry out the activities set out in article 8 of Regulation 2021/240.

Implementation

Directly by SG REFORM

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

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

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

In accordance with Article 201(5)(c)(d) of the Financial Regulation, the financial capacity of those beneficiaries that are public bodies, including Member States organisations, or international organisations will not be verified.

The award of grants without a call for proposals in accordance with Article 198, first paragraph, letters (c) or (f) and third paragraph of the Financial Regulation will be duly substantiated in the award decision. The potential beneficiary will be invited to submit an application, which will be evaluated according to the following main award criteria:

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

*II. Maximum possible rate of co-financing of the eligible costs:* 100% in line with Art. 12(3) of Regulation (EU) 2021/240.

### **2.1.1. Grant to be awarded without a call for proposals to the Customs Department under the Ministry of Finance of the Republic of Lithuania**

*Objectives pursued and expected results*

The objective of the action is to enhance the customs controls of Croatian Customs, Danish

Customs, Estonian Customs, Finnish Customs, Latvian Customs, and Polish Customs. More precisely, the action seeks to advance the customs controls of said customs administrations with the objective of preventing the circumvention of international sanctions by Russia and Belarus.

The expected results of the action are to enhance and better align customs controls relevant for implementing and enforcing the international sanctions. As such, the action will contribute to reducing the circumvention of sanctions in the mid to long term.

*Description of the activities to be funded*

Activities to be funded under this specific action entail:

- Organisation of workshops, a training session, and a conference on customs controls in the context of the sanctions against Russia and Belarus
- Collection and analysis of the existing customs control practices, incl. good practices, in the context of the sanctions against Russia and Belarus
- Preparation, revision, and dissemination of reports and training material regarding customs controls in the context of the sanctions against Russia and Belarus

*Amount*

EUR 420 000

Grant beneficiary:

*According to Article 198 (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 Customs Department under the Ministry of Finance of the Republic of Lithuania, hereinafter called “Lithuanian Customs”.

Lithuanian Customs has extensive, specific, and applied expertise and experience in: (1) EU customs legislation, EU restrictive measures, prohibitions and restrictions; (ii) operational know-how of the broad area of customs; (iii) experience in customs controls (incl. data analytics and risk management), and in tackling sanction circumvention.

Lithuanian Customs can tailor and provide highly specialised hands-on expertise necessary for the activities necessary to achieve the action’s objective and results. Furthermore, Lithuanian Customs is in a position to involve a sufficient number of skilled staff to cover all objectives of the action.

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

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

Implementation: Directly by SG REFORM

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

### **2.1.2. Grant to be awarded without a call for proposals to the PD - Berater der öffentlichen Hand GmbH**

#### *Objectives pursued and expected results*

The objective of the action is to support the German Ministry of Finance in implementation of transaction-based Business-to-Business VAT reporting system by designing an approval/accreditation process for e-invoicing platform providers that will be used for transmission of data between businesses and revenue administration. The technical support will contribute directly to the implementation of VAT in the Digital Age (ViDA) initiative, which is a one of the main policy initiatives at EU level for strengthening the administration of the VAT and reducing the revenue losses. Therefore, the results and insights from this project will be shared with other Member State tax administrations to ensure strong EU added value.

The implementation of the new reporting system based on e-invoicing would enable the German revenue administration to identify in real time irregular transactions and prevent revenue losses which will lead to reducing the VAT gap and safeguarding tax revenues.

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

Activities to be funded under this specific action entail:

- Drafting a technical concept that covers the full approval process of the e-invoicing system of the taxpayers including
- Elaborating guidelines for the approval of the e-invoicing platforms by the German authorities.

#### *Amount*

EUR 250 000

Grant beneficiary:

*According to Article 198 (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 PD - Berater der öffentlichen Hand GmbH, hereinafter called "PD".

PD is organised under private law as a GmbH and is 100 % publicly owned. Its shareholders and clients are the federal government, federated states, municipalities, corporations, and institutions under public law as well as other public organisations, institutions and two investment associations.

PD has extensive, specific, and applied expertise and experience in strategic modernisation of

administrations including digitalisation, business improvement and innovation. For strategic administrative modernisation, PD has proven its strong capacity to propose holistic strategies and organisational consulting services and supports the implementation of complex modernisation and procurement projects in the public sector. Therefore, PD can tailor and provide highly specialised hands-on expertise necessary for the activities to achieve the action's objective and results. Furthermore, PD is in a position to involve a sufficient number of skilled staff to cover all objectives of the action.

PD is the best suited entity for this action given its operational and technical capacities, as well as its high degree of specialisation that is required. The award decision justifying the direct award will be adopted at a later stage.

Implementation: Directly by SG REFORM

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

## **2.2 Grants to be awarded without a call for proposals 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

Grants may be awarded to national authorities, the European Investment Bank group, international organisations, public or private bodies and entities legally established in Member States or the European Free Trade Association Countries which are party to the European Economic Area Agreement, Member State ministries, agencies and bodies, other bodies with a public service mission, private bodies, and non-for profit international or European expertise associations and networks which, in view of the nature of the action, have specific and recognised competencies, experience and leadership, a high degree of specialisation or administrative power in the field of governance and public administration and, more precisely, in the areas of reform of human resources, state organisation, judicial reform, e-government, anti-corruption.

Such entities will be identified on the basis of their specific experience in supporting structural reforms in European and neighbouring countries in recent years in the areas mentioned above, and on the basis of proven knowledge of the local context. 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 198 of the Financial Regulation

Support will be provided to carry out the activities set out in article 8 of Regulation 2021/240.

Implementation

Directly by SG REFORM

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

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

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

In accordance with Article 201(5)(c)(d) of the Financial Regulation, the financial capacity of those beneficiaries that are public bodies, including Member States organisations, or international organisations will not be verified.

The award of grants without a call for proposals in accordance with Article 198, first paragraph, letters (c) or (f) and third paragraph of the Financial Regulation will be duly substantiated in the award decision. The potential beneficiary will be invited to submit an application, which will be evaluated according to the following main award criteria:

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

*II. Maximum possible rate of co-financing of the eligible costs:* 100% in line with Art. 12(3) of Regulation 2021/240.

## **2.2.1 Grant to be awarded without a call for proposals to Victim Support Europe (VSE)**

### *Objectives pursued and expected results*

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

The support will help identify gaps and priorities to improve existing victim support systems, increase the efficiency of the system by developing a multi-agent victim-centred system to answer to victims' needs, leverage on international cooperation and coordination to learn and exchange good practices, assess and improve the effectiveness, applicability and accuracy of the newly developed model and raise awareness on victims' issues in general and the support provided.

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

*Description of the activities to be funded*

- The activities to be performed under this action include: Mapping the state of play to identify the gaps and priorities in the countries
- Developing a proposal for a national strategy and an inter-agency model to protect and promote the rights of all victims of crime
- Developing a sustainable capacity building program (train-the-trainer) for key professionals working with victims
- Building capacity for international coordination and cooperation (incl. providing expertise to organise transnational senior experts panel meetings, thematic working groups and multi-country trainings on common issues)
- Organising a pilot to test the model and strategy in the participating countries
- Developing an awareness raising campaign and launch of the national strategies in the respective countries.

*Amount*

EUR 900 000

**Grant beneficiary:**

*According to Article 198 (f) of the Financial Regulation, grants may be awarded without a call for proposals to particular bodies for actions with specific characteristics that require a particular type of body on account of its technical competence, its high degree of specialisation or its administrative power, on condition that the actions concerned do not fall within the scope of a call for proposals.*

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

- **Technical competence:** The organisation is a strategic partner in promoting the development of victim rights and services throughout Europe. VSE was founded in 1990, and it has been working for almost 30 years on victims' rights and services. VSE works closely with the European Commission including DG REFORM, the European Parliament and various EU Agencies such as the Fundamental Rights Agency (FRA). In addition, it has a formal consultative status with the UN's ECOSOC Committee. The excellent results of a previous SRSP project implemented in Estonia, achieved with the help of the expertise of VSE, will serve as good practice and a model to be replicated to the Member States participating in the project, to the benefit of the millions of European victims.
- **High degree of specialisation:** VSE represents 61 national member organisations, providing support and information services to more than 2 million people affected by crime every year in 31 countries. VSE supports knowledge exchange and good practices to help implement and monitor victims' rights, increase and improve the delivery of local services, and develop new policies and practices. VSE has therefore been the leader of the development of victim-centred policies and has been a valued stakeholder during the negotiations and drafting of the EU's Victims' Rights Directive. VSE has worked on a range of projects in Europe. For example, VSE is, together with several other partners, developing the EU Centre of Expertise for Victims of

Terrorism. Their VICToRIIA project (co-funded by the EU Justice programme) ensured that victims of crimes in Lithuania, Romania, Italy and Portugal gained access to and are offered tailored victim support services suited to their needs. VSE also participated in the implementation of a TSI project on building up capacities to foster the system of support and protection of victims of crime in Spain. In addition, VSE has worked on a similar project in Estonia and is working on one Multi-Country Project in Malta, Portugal and Estonia under the TSI. VSE will draw from broader EU experiences to identify good practices, and their pool of experts is comprised of professionals from all around the world who are experts in their respective fields.

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

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

*Implementation:* Directly by SG REFORM

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

### **2.2.2 Grant to be awarded without a call for proposals to NOVA Information Management School (NOVA IMS) of Universidade Nova de Lisboa**

#### *Objectives pursued and expected results*

The objective of this action is to demonstrate that a smarter audit strategy, grounded in available data, is feasible at the European level and can help reduce errors in expenditure, currently amounting to 120 million €.

The three beneficiary national authorities involved (DE, CZ, EL) oversee €7 billion annually, spanning 25.000 operations and 40.000 beneficiaries. By leveraging analytical methodologies, audits and human resources can focus on areas based on a data-driven approach to increase the relevance and the impact of the audits.

This multi-country project request will leverage Artificial Intelligence (AI) to enable smarter auditing of EU funds, directly reducing administrative burdens while upholding high standards. The project will provide expertise to develop predictive analytics and digitalised smart audit, grounded on available data, to reduce audit workloads and costs while enhancing the reliability of conclusions and saving resources.

The project will help modernise the audit framework, making it more efficient, adaptable, and transparent. The expected results have potential for EU-wide application to improve the overall audit-cycle.

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

- The activities to be performed under this action include:
- AS-IS analysis of the current audit processes of each participating Member State. This involves identifying the challenges they encounter, understanding the factors that drive them, and recognising any barriers to adopting new methods.
- Based on the identified problems, a vision of the ideal future state will be developed. Solutions based on strategies that integrate AI-supported methodologies into the audit framework will be designed to close the gap between the current situation and the desired future state.
- Provide technical expertise to develop a proof of concept using AI and other techniques. This will start with the foundational activity of collection, curation and standardisation of historical data on audit of operations in EU funds. It will be followed by the creation and validation of algorithms to obtain more precise estimates of the population error rate and risk of operations. The final activity will include technical expertise for the creation and adoption of tasks that integrate the AI-supported components into the audit process.
- Assess the effectiveness of the proposed methodologies. Each proposed AI-supported audit task will be tested and validated against actual outcomes, using the available historical data.
- Draft guidelines to formalise the enhanced audit framework. This includes considerations on model implementation, necessary changes in audit strategy, maintenance, and estimation/sampling tasks. It bridges the gap between the theoretical background and testing, ensuring the methodologies can be effectively applied in real-world scenarios.
- Capacity building via a set of trainings and workshops, dedicated to the practical use of the models by the 3 beneficiaries' staff.
- A certification of the model by independent experts

The support to be delivered requires specialised knowledge in the fields of audit, sampling, use of AI in the public/private sector.

### *Amount*

EUR 780 000

### *Grant beneficiary:*

*According to Article 198 (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 NOVA IMS, which is the best-suited entity to implement the action for the following reasons:

#### **1) it has the technical competence for completing the activities required;**

NOVA IMS has the technical competencies to implement projects concerning machine

learning and AI related projects requiring the knowledge of state-of-the-art methods and the ability to create and define new techniques to address specific and challenging problems. It is recognised for its excellence in the area of Data Science and Machine Learning, ranked in the worldwide TOP 4 of Best Masters 2021 in their categories.

In particular, NOVA IMS, besides offering advanced courses in these areas, has significant experience with national and international projects involving the use of AI. NOVA IMS is leading different projects, including topics as the use of AI-supported systems to analyse the data collected daily by online gambling platforms operating in Portugal; the use of AI legislative impact assessment; the use of AI to predict the behaviour of measurement instruments subject to legal verifications; or understanding the drivers of academic achievement, among others. At the European level, NOVA IMS is involved in different projects concerning the digitalisation of companies and public institutions. NOVA IMS has also acquired specific competencies in the area of audit methodology, being involved for the last 10 years in the development of all the analytical methodologies used by DG REGIO, DG EMPL and DG MARE for the audit of EU Funds.

**2) it has the required high degree of specialisation for completing the activities required;**

NOVA IMS has a very specific and unique profile that can bring benefit and quality to this project. The School has proven experience and tradition of applied data science including researchers with specialisation in audit, sampling, AI and economic impact.

The resources to be provided by the University, leading its research team, have developed most of the audit methodologies and sampling techniques currently used by the European Commission. Researchers from this School have also developed in the past methodologies used by most of the European audit authorities in their audit strategies. For example, they have created the standard monetary unit sampling method and the multi-period approaches, that presently are the standard methods used by European AA for the audit of Cohesion Funds.

**3) it has the administrative capacity for completing the activities required;**

Besides having implemented projects in the area of AI and having developed audit methodologies, the beneficiary disposes of the administrative capacity to disseminate the results of the technical support to be provided by taking advantage of its European network of higher education institutions and companies that are leaders in the area of AI.

In particular, NOVA IMS is actively collaborating with several European universities in the implementation of European training projects fostering the digitalisation of Europe. Existing collaborations include for instance the University of Roma Tor Vergata, the University Carlos III of Madrid, the University of Antwerp, the University of Bremen, the University of Western Finland, the University of Delft, the University of Florence, and the University of Ljubljana.

NOVA IMS also has an extensive network of collaboration and virtually all the AA of the 27 Member States, including technical assistance, organisation of training, meetings and seminars. This network is particularly useful to ensure the dissemination, knowledge transfer and adoption of new methodologies.

Additionally, NOVA IMS includes a professional structure supporting the research and innovation centers, providing administrative support and long experience in managing more than 50 different projects in the last 5 years, and for the organisation of conferences, meetings and seminars. During the analysis of reform needs, International Organisations (IOs) and the private sector were considered as potential partners. However, further examination revealed that they lacked the in-depth knowledge of artificial intelligence required to implement the

project effectively, particularly in its strong focus on applied research and innovation. Given these constraints, a research entity emerged as the most suitable provider to deliver the project's objectives, as it could provide the necessary expertise and address the project's needs more effectively.

In this context NOVA IMS stands out as the best suited provider in the context of reforms related to artificial intelligence for public administrations for all the reasons listed above.

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

*Implementation:* Directly by SG REFORM

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

### **2.2.3 Grant to be awarded without a call for proposals to the European University Institute (EUI)**

#### *Objectives pursued and expected results*

The EU Public Administration Leadership Programme (EU-PALP) aims to enhance leadership capacities across public administrations in participating Member States, supporting the implementation of EU strategic priorities together with national schools of public administration. Developed under DG REFORM's flagship "ComPAct: Pillar I: Skills for Public Administration systems", the programme will target senior civil servants in six Member States: Bulgaria, Croatia, Greece, Latvia, Poland, and Romania. The initiative seeks to strengthen competencies, foster cross-border cooperation, and create a foundation for a modern, resilient civil service capable of addressing transnational challenges.

The Florence School of Transnational Governance at the European University Institute (EUI) was considered the best suited body having the degree of specialisation and technical competence for completing the required activities for the implementation of the EU-PALP action.

#### **Objectives pursued by the action:**

- Equip senior civil servants with advanced leadership skills tailored to contemporary governance challenges, including digitalisation, sustainability, and crisis management.
- Facilitate mutual learning and knowledge sharing across Member States through structured peer learning environments, blended learning and study visits.
- Develop a competency framework that serves as a model for leadership programmes at the EU level and within participating countries.

#### **Expected results:**

- **Enhanced Competencies:** Senior civil servants gain critical skills in leadership, strategic management, and cross-border cooperation.
- **Strengthened EU Integration:** Creation of a shared leadership culture across Member States, reinforcing the European Administrative Space.
- **Scalable Model:** Development of a replicable and scalable programme that can be expanded to other EU Member States.

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

The activities to be performed under this action include:

- Design, organisation and delivery of a multi-country leadership development programme, incorporating residential and online learning on, six study visits and a final Leadership Summit with a focus on long term development process around three perspectives: individual (self- awareness, emotional intelligence), team (managing change, motivation and incentives), organisation (organisational design, strategic mindset).
- Development of tailored training materials based on the newly designed competency model and specific case studies anchored in the public sector circumstances and contexts.
- Evaluation of the programme’s effectiveness and creation of a roadmap for future implementation and scalability.
- Delivery of communication and dissemination activities aimed at ensuring effective and continuous outreach, visibility, and stakeholder engagement, also with a view to strengthen the EU Public administration leadership network.

*Amount*

EUR 1 620 000

Grant beneficiary:

*According to Article 198 (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 EUI, which is the best-suited entity to implement the action for the following reasons:

The European University Institute (EUI) has extensive experience in transnational training, research, and collaboration with EU institutions. The EUI’s Florence School of Transnational Governance has demonstrated exceptional capacity in delivering high-quality training programmes and fostering cross-border dialogue and innovation in public administration.

**Technical competence:**

The EUI’s unique expertise in developing and implementing leadership programmes tailored to public administration positions it as the ideal partner. Its proven track record includes leading initiatives such as the Policy Leader Fellowship programme and providing comprehensive, interdisciplinary training to senior officials from across the EU.

**Degree of specialisation:**

The EUI combines academic excellence with practical insights, offering a transnational perspective critical for the success of this multi-country programme. Its existing infrastructure, coupled with its strong network of EU and Member State institutions, ensures the programme’s alignment with EU priorities and national contexts.

### **Administrative power**

EUI's robust administrative and logistical capabilities, demonstrated in previous collaborations with DG REFORM, further justify its selection. The institute has successfully hosted large-scale training programmes, ensuring high level of participant engagement and programme impact.

### **Specialised knowledge:**

The School of Transnational Governance at the EUI is uniquely positioned to implement this programme due to its focus on preparing public officials for leadership roles in an interconnected and globalised governance environment. Its emphasis on multidisciplinary approaches, combined with its expertise in policy innovation and governance frameworks, aligns perfectly with the objectives of the EU-PALP. The School's history of convening international cohorts of leaders and fostering collaborative learning ensures that the programme will address both the technical and adaptive challenges faced by senior civil servants across Member States.

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

*Implementation:* Directly by SG REFORM

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

## **2.2.4 Grant to be awarded without a call for proposals to the European Institute of Public Administration (EIPA)**

### *Objectives pursued and expected results*

A grant will be awarded to the European Institute of Public Administration to organise the tenth edition of the European Public Sector Award (EPSA) 2025-26.

EPSA is an established forum that highlights excellent public sector practices across Europe, provides an enhanced understanding of pertinent topics relevant to public sector reforms, and promotes sharing of practices and knowledge. With this, EPSA provides a tangible contribution to public sector reform and helps strengthen the good governance in the EU.

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

The activities to be performed under this action include:

- Organisation of the call for participation in the awards, including communication campaign, promotion to professional networks.
- Organisation of the evaluation of submitted projects.
- Organisation of the award event.
- Knowledge sharing.

### *Amount*

EUR 350 000

Grant beneficiary:

*According to Article 198 (c) of the Financial Regulation, grants may be awarded without a call for proposals to bodies with de jure or de facto monopoly or to bodies designated by Member States, under their responsibility, where those Member States are in a de jure or de facto monopoly situation.*

The grant is to be awarded to EIPA, which is the best-suited entity to implement the action for the following reasons:

**De facto monopoly:**

- The EPSA was launched in 2007 with the aim to motivate administrations across Europe to learn from the best practices of others and to fundamentally modernise their methods and structures. Since 2009, the EIPA has organised successfully the EPSA every two years, with the political and financial support of Member States.
- EIPA is in a de facto monopoly not only for organisation of EPSA, but also for dissemination of the produced knowledge.
- The European Commission has contributed to the organisation of the awards since 2009. The EU contribution has provided the opportunity to promote via EPSA the EU support to administrative reforms, to leverage the EU experience and expand the mutual learning on relevant topics.

**Further criteria assessed:**

**Technical competence:**

- EIPA was created in 1981 when the first European Council was held in Maastricht. EIPA is funded by the EU Member States and the European Commission. The core mission of EIPA is to provide a mix of deep insights and practical knowledge about EU policies, to all professionals related to EU public affairs, with the key objective of further improving their skills and capabilities for efficient management of the policies. Lessons learned from the good practises that receive the EPSA are shared throughout the EU through the targeted EIPA activities and thus benefit public administrations at all levels in Europe.
- In the past eight EPSA editions that EIPA had demonstrated very good understand of the needs and trends in public administration. It steered the organisation of EPSA in a way to generate very relevant practices and knowledge.

**Degree of specialisation:**

- EIPA has developed a vast and strong network across the Member States and various EU institutions, bodies, and agencies. The combination of this network and the experience of its experts enables EIPA to provide cross-national and cross-institutional comparative, analytical perspectives on EU policies. EIPA has worked on several projects with the European Institutions such as the European Commission, the European Court of Auditors and the European Parliament. In total, it organised more than 422 activities for the EU institutions, bodies, and agencies in 2019. Lastly, its pool of experts is comprised of professionals from all over Europe who are experts in their respective public administration fields.

- In relation to EPSA, EIPA has developed and continuously expands a database of inspiring EPSA practices. Many EPSA lessons learned feed in trainings for public administrations. EIPA has also organised a range of side events and transfer seminars for wider outreach and dissemination.

**Administrative capacity:**

- EIPA has demonstrated consistently good administrative capacity in the management of targeted grants awarded by the Commission, including such from SG, JRC and DG HR. Its experience covers all necessary administrative aspects for a successful project implementation, from identification and selection of appropriate expertise to management of missions, finance and accounting, monitoring and evaluation of projects, 3 reporting and strategic follow-up.

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

*Implementation:* Directly by SG REFORM

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

**2.3 Grants to be awarded without a call for proposals to support structural reforms in sustainable growth and business environment**

Priorities for the year, objectives pursued and expected results

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

Type of applicants targeted by the direct award/ eligible applicants

Grants may be awarded to national authorities, the European Investment Bank group, international organisations, public or private bodies and entities legally established in Member States or the European Free Trade Association Countries which are party to the European Economic Area Agreement, Member State ministries, agencies and bodies, other bodies with a public service mission, private bodies, and non-for profit international or European expertise associations and networks which, in view of the nature of the action, have specific and recognised competencies, experience and leadership, a high degree of specialisation or administrative power in the field of investment climate, public assets, natural resources, energy and climate.

Such entities will be identified on the basis of their specific experience in supporting structural reforms in European and neighbouring countries in recent years in the areas mentioned above, and on the basis of their proven knowledge of the local context. 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 198 of the Financial Regulation.

Support will be provided to carry out the activities set out in article 8 of Regulation 2021/240.

## Implementation

Directly by SG REFORM

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

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

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

In accordance with Article 201(5)(c)(d) of the Financial Regulation, the financial capacity of those beneficiaries that are public bodies, including Member State organisations, or international organisations will not be verified.

The award of grants without a call for proposals in accordance with Article 198, first paragraph, letters (c) or (f) and third paragraph of the Financial Regulation will be duly substantiated in the award decision. The potential beneficiary will be invited to submit an application, which will be evaluated according to the following main award criteria:

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

*II. Maximum possible rate of co-financing of the eligible costs: 100% in line with Art. 12(3) of Regulation 2021/240.*

### **2.3.1 Grant to be awarded without a call for proposals to the Coastal and Marine Union (EUCC)**

#### *Objectives pursued and expected results*

The East Atlantic Flyway (EAF) is an important vital migration route for birds, stretching from the Arctic to southern Africa. However, recent monitoring efforts have revealed declining population trends among Arctic-breeding and long-distance migratory waders. Climate change, fishing, tourism, agriculture and coastal development are major threats to the EAF, causing habitat degradation and loss of biodiversity.

Coastal wetlands, which are critical stopover sites for migratory birds, are being heavily impacted at an alarming rate due to coastal development, sea-level rise and other human activities. This has severe consequences, including loss of ecosystem services, reduced flood protection and economic impacts on fisheries and tourism. The degradation of coastal wetlands also contributes to climate change by releasing stored carbon, exacerbating global warming.

The Wadden Sea, a key site along the EAF, is facing similar challenges, including sea-level rise, coastal development and pollution. A coordinated environmental monitoring system is

needed to assess the relative impact of specific factors and sites on migratory species and prioritise restoration measures.

The degradation of coastal wetlands has far-reaching consequences, including increased costs for nature conservation, reduced fish stocks and higher costs for coastal protection. The resulting functional changes to wetland ecosystem services can have global consequences, affecting migratory birds beyond national borders.

Despite previous efforts in habitat restoration and protected area management, challenges persist due to a lack of knowledge on the impact of specific pressures and their cumulative effects. The EU Nature Restoration Law and the Marine Spatial Planning Directive require effective monitoring of habitat quality, which is currently lacking.

An integrative environmental monitoring approach across the participating Member States (Spain, Belgium, the Netherlands, Germany and Denmark) is needed to analyse and map site-specific pressures for marine spatial planning and adaptive protected area management. This approach will have strong implications for the implementation of the EU Nature Restoration Law and will help identify key sites along the flyway whose restoration can have benefits beyond national borders. It can serve as a solid basis for determining measures contributing to the 2030 goal of recovery measures in 30% of all habitats in deteriorating conditions. By fostering synergies between EU Member States and working towards a flyway-wide monitoring scheme, the project will ensure the comparability and regular exchange of results, essential to address cross-border issues.

Overall, urgent actions are required to better understand the processes taking place and develop appropriate management actions to halt or reverse habitat degradation. An improved environmental monitoring scheme will allow the participating EU Member States to meet national obligations and provide the scientific basis for the development of adequate restoration measures required under the Nature Restoration Law.

The overarching objectives of this multi-country project are to develop an integrated environmental monitoring framework for European coastal wetlands along the East Atlantic Flyway and to enhance the conservation of migratory birds and their habitats and to support the implementation of EU policies such as the Marine Spatial Planning Directive and the Nature Restoration Law. The project aims to address the degradation of coastal wetlands, which is caused by various anthropogenic pressures, including climate change, urbanisation, pollution and overexploitation of resources. By improving the understanding of the impacts of these pressures and their cumulative effects, the project seeks to inform effective management and conservation strategies for these vital ecosystems.

The specific objectives of the project include:

- to inventory current environmental monitoring schemes and identify available data, gaps and methodological challenges;
- to facilitate scientific exchange and harmonise monitoring methods;
- to develop standardised protocols and a consistent concept for the implementation of an integrated environmental monitoring scheme;
- to foster cooperation among EU Member States and promote cross-border collaboration;
- to raise awareness about coastal wetland conservation and the importance of integrated monitoring and
- to ensure the financial sustainability of the project's outcomes.

In this respect, the project fully contributes to the “priorities for the year” and the “objectives pursued” stipulated in the Financing Decision.

As expected result, this multi-country project aims to lead to the development of an integrated environmental monitoring framework for European coastal wetlands, including standardised monitoring protocols, harmonisation approaches, and implementation concepts is approved by project beneficiaries ensuring a unified approach to conservation.

This environmental monitoring framework comprises:

- a comprehensive overview on existing environmental monitoring schemes, their comparability and data gaps are shared with participating Member States and stakeholders, providing valuable insights for further action;
- a scientific analysis on harmonisation needs and possibilities is distributed among beneficiaries fostering collaboration and improving monitoring efforts;
- an increased awareness raising measures about coastal wetland threats; and
- a comprehensive funding guide, detailing financial sources and strategies for implementing monitoring schemes, is published ensuring the sustainability of the project's outcomes.

*Description of the activities to be funded*

Activities to be funded under this specific action entail:

- collation of information and data: gathering data from existing environmental monitoring schemes and assessing their comparability and data gaps;
- scientific assessment: analysing the need for harmonisation of monitoring schemes and identifying opportunities for improvement;
- development of protocols: creating standardised protocols for monitoring and harmonisation approaches;
- concept development: developing a consistent concept for the implementation of an integrated environmental monitoring scheme;
- stakeholder consultation: consulting with relevant stakeholders to integrate monitoring results into policy-making processes;
- cross-border collaboration: fostering cooperation among EU Member States to address transboundary environmental issues;
- communication strategy: implementing a joint communication strategy to raise awareness about coastal wetland conservation;
- funding guide: preparing a comprehensive funding guide to ensure the financial sustainability of the project's outcomes and
- project management: implementing an effective project management system to ensure the timely delivery of outputs and the involvement of all partners and stakeholders.

*Amount*

EUR 1 400 000

Grant beneficiary:

*According to Article 198 (f) of the Financial Regulation, grants may be awarded without a call for proposals to particular bodies for actions with specific characteristics that require a*

*particular type of body on account of its technical competence, its high degree of specialisation or its administrative powers, on condition that the actions concerned do not fall within the scope of a call for proposals.*

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

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

Moreover, EUCC has a long record of field projects implementation related to nature conservation, especially in delta, wetlands and dune areas throughout coastal Europe. In the North Sea, EUCC led and contributed to a project in the Dutch Wadden Sea working together with IMARES Wageningen UR, the Royal Netherlands Institute for Sea Research (NIOZ), SOVON Bird Research Netherlands and the Utrecht University, Faculty of Geosciences. Moreover, the EUCC successfully carried out a TSI multi-country project on digitalising monitoring of the East Atlantic Flyway.

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

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

*Implementation:* Directly by SG REFORM

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

### **2.3.2 Grant to be awarded without a call for proposals to Halle Institute for Economic Research (IWH)**

#### *Objectives pursued and expected results*

The European Union is facing a significant crisis in competitiveness and productivity, lagging behind major competitors due to factors such as sluggish investments, unfavorable industry structure, high energy costs, poor innovation, and lack of scale. The Mario Draghi Report on the Future of European Competitiveness emphasises the need for comprehensive structural reforms and increased investments to address this issue.

To effectively address these challenges, the eight beneficiary countries (Germany, Slovenia, Austria, Finland, Netherlands, Italy, Greece, Malta). require urgent support to develop the capabilities of their National Productivity Boards (NPBs) and help establish them as key drivers of structural reforms. These NPBs will play a crucial role in driving structural

reforms and informing evidence-based policy decisions. However, they often struggle due to limited resources and inadequate access to data.

The ultimate objective of the action is to provide high quality data that will enhance the capacity and tools of institutions such as the National Productivity Boards, National Statistical Institutes, national ministries and relevant public analytical bodies to carry out productivity analyses. Understanding the drivers of productivity growth and the factors that can explain its secular decline is crucial as the European Union is paving the way for its recovery.

*Description of the activities to be funded*

*Amount*

EUR 1 520 000

*Grant beneficiary:*

*According to Article 198 (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 IWH is the host of the Competitiveness Research Network (CompNet) that produces a unique micro-founded dataset covering productivity indicators. IWH is the best suited entity for this action since it has the administrative capacity, the operational and technical competence as well as the degree of specialisation required.

Since 2012, IWH has provided through CompNet a forum for policy-oriented research in the areas of competitiveness and productivity, taking a firm-level, a macro, and a cross-country perspective. It has extensive experience in creating, managing and improving a unique dataset with information at firm level featuring a selection of competitiveness-related indicators covering 20 Member States. The dataset, which is currently at its 9th vintage, is widely used globally by universities and research teams of European and international organisations. The Commission uses granular information produced by IWH through CompNet in its country monitoring and surveillance activities. IWH's specific experience in managing projects under TSI is demonstrated also by its ongoing project, which is directly focused on the development of micro-data infrastructure in 7 Member States.

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

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

*Implementation:* Directly by SG REFORM

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

## 2.4 Grants to be awarded without a call for proposals to support structural reforms in the area of European Pillar of Social Rights

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

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

Such entities will be identified on the basis of their specific experience in supporting structural reforms in European and neighbouring countries in recent years in health care systems, emergency preparedness in migration management, education and training, the labour market and social security and social welfare and on the basis of proven knowledge of the local context. 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 198 of the Financial Regulation

Support will be provided to carry out the activities set out in article 8 of Regulation 2021/240.

Implementation

Directly by SG REFORM

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

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

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

In accordance with Article 201(5)(c)(d) of the Financial Regulation, the financial capacity of those beneficiaries that are public bodies, including Member States organisations, or international organisations will not be verified.

The award of grants without a call for proposals in accordance with Article 198, first paragraph, letters (c) or (f) and third paragraph of the Financial Regulation will be duly

substantiated in the award decision. The potential beneficiary will be invited to submit an application, which will be evaluated according to the following main award criteria:

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

*II. Maximum possible rate of co-financing of the eligible costs:* 100% in line with Art. 12(3) of Regulation 2021/240.

#### **2.4.1 Grant to be awarded without a call for proposals to the International Agency for Research on Cancer, together with Erasmus Medical Centre Rotterdam**

##### *Objectives pursued and expected result*

The overall objective of the action is to support Latvia and Luxembourg in improving cancer care and screening programmes, to further improve health outcomes.

Cancer represents a major morbidity and mortality burden for both countries. While cancer screening programmes exist, their effectiveness can be improved, and they are not fully in line with the most recent revision of the Council Recommendations on Cancer Screening. Under these recommendations, both countries aim at reviewing their existing cancer screening programmes. Latvia wishes to also improve the efficiency and cost-effectiveness of its cancer care, while Luxembourg intends to implement a lung cancer screening programme. Both countries require technical support in order to make these changes and align with international good practice.

The expected result of the requested support is that Luxembourg is able to further develop a lung cancer screening programme and improve its existing screening programmes, including an increase in participation. The expected result of the requested support is that Latvia has the right tools and improved capacities to enhance the cost-effectiveness of cancer screening and treatment, and can further improve its existing screening programmes, including through improved communication with stakeholders and citizens. In the long run, these changes will contribute to improved health outcomes in both countries.

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

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

- Evaluation of existing cancer screening programmes, including the provision of expertise to develop an evaluation framework and cost-effectiveness analysis (in both countries);
- Support in the preparation of an implementation plan for a lung cancer screening programme (in Luxembourg);
- Support for the implementation and provision of tools for a health economic evaluation of cancer care (in Latvia);

- Training and capacity building interventions for public authorities (both countries);
- Creation of communication materials and implementation of awareness raising interventions among stakeholders and citizens (both countries).

*Amount*

EUR 1 300 000

Grant beneficiary:

*According to Article 198 (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), the specialised cancer agency of the World Health Organisation, as lead organisation, together with Erasmus University Rotterdam Medical Centre (Erasmus MC).

IARC and Erasmus MC are considered to be the best-suited bodies for this action, as they have the necessary technical competence, high degree of specialisation, prior experience, and administrative power for completing the activities required.

IARC is the specialised cancer agency of the World Health Organisation. 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.

The Department for Public Health at Erasmus MC is an eminent institution in the evaluation and mathematical modelling of cancer screening, in particular via their involvement in world-leading simulation models. The department has also been a leading institution in conducting trials on lung, breast and gastric cancer. Furthermore, the department has dedicated research groups on medical decision-making, health technology assessment and cancer surveillance. Erasmus MC is the national evaluation unit for the Dutch screening programmes on breast, cervical and colorectal cancer, and also evaluates programmes in other countries. In addition, Erasmus MC is actively contributing to many EU-level projects under Europe's Beating Cancer Plan.

IARC and Erasmus MC are the best-suited organisations to provide the requested support, considering their technical and scientific competence in providing comprehensive advisory support for improving cancer care coordination and screening in Latvia and Luxembourg. The choice of IARC and Erasmus MC is further justified by their capacity to connect science to policy. The award decision justifying the direct award will be adopted at a later

stage.

Implementation: Directly by SG REFORM

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

## **2.4.2 Grant to be awarded without a call for proposals to the European Centre for Social Welfare Policy and Research**

### *Objectives pursued and expected result*

The overarching objective of the action is to support the implementation of Slovenia's long-term care (LTC) system, specifically the LTC Act-1. The project seeks to provide strategic advice and help improve processes associated with the LTC reform, including improving administration in LTC service delivery and financing, assist municipalities in fostering community support services and providing training for eligibility assessments.

The project is expected to have a positive impact on the lives of older adults in Slovenia, providing them with access to affordable and high-quality long-term care services.

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

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

- Support in assessing the current situation of administration in LTC service delivery and financing, including an analysis of the shortcomings and bottlenecks;
- Carrying out interviews and focus groups (workshops) with payers (Health Insurance Institute), regulators (Ministry of Solidarity-Based Future) and provider representatives to identify shortcomings of current structures, processes and results of current practice;
- Drafting of recommendations for optimisation of the LTC system and to comply with the legal and structural framework conditions in Slovenia;
- Development of individualised training programmes and on-site support mechanisms to empower municipalities to foster community support services;
- Provision of training sessions in eligibility assessments.

### *Amount*

EUR 537 000

Grant beneficiary:

*According to Article 198 (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 Centre for Social Welfare Policy and Research (the European Centre), an independent intergovernmental organisation affiliated to the United Nations (but not a UN agency or entity), which operates legally as an Austrian association (non-profit).

As regards the specific technical competence and specialised knowledge of the European Centre in supporting structural reforms in the field of this project, this Organisation has a long-standing track record of conducting research and development projects in the area of long-term care systems, active ageing and related comparative policy analysis regarding funding, governance and administration, quality assurance, and workforce education and training.

The European Centre is characterised by its interdisciplinary approach, providing policy expertise focused on integrated policies and inter-sectoral action in overlapping areas between welfare, health, care, labour, ageing and social inclusion. The European Centre would have the added value to approach the topic of long-term care from the perspective of integrated, patient-centered services, as it operates across the traditional boundaries of policy areas.

In addition, the European Centre's Health and Care team has already extensive expertise on coordinating and participating in a wide range of European projects, funded by and in cooperation not only with the European Commission (DG EMPL, DG RTD, DG EAC, SRSS) but also with other international organisations (WHO Europe, World Bank). These projects have contributed to the development of conceptual and empirical knowledge about integrated long-term care, including applied research and technical support measures.

The European Centre has also actively contributed to the policy debate on long-term care reforms in Slovenia over the past two decades, based on a close cooperation with Slovenia's National Liaison Officials and Board Members of the European Centre, and its participation in the United Nations Economic Commission for Europe (UNECE) Standing Working Group on Ageing as well as a member of Eurocarers. This partnership resulted in a regular exchange and the participation at relevant conferences and workshops held in Slovenia.

The European Centre has the necessary administrative capacity and unique expertise, with a wide network of National Liaison Officials in the UNECE region, as well as an international network of scientific experts and partners. The European Centre's Health & Care team, which has a strong and longstanding focus on long-term care, gathers leading experts with a background in economics, sociology, public health and political sciences.

To address the challenges of adapting the German eligibility assessment to Slovenia, experts from Germany with experience and knowledge in the needs assessment process (Medizinischer Dienst) and the respective tool would be contracted to support the responsible stakeholders, namely the Centres for Social Work, to streamline their selection of assessors, related trainings and assessment practice.

In conclusion, the European Centre's experience covers all necessary administrative aspects for a successful project implementation, from identification and selection of appropriate expertise to project management, communication and reporting.

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

Implementation: Directly by SG REFORM

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

## **2.5 Grants to be awarded without a call for proposals to support structural reforms in the area of financial sector and access to finance**

Priorities for the year, objectives pursued and expected results

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

Type of applicants targeted by the direct award/eligible applicants

Grants may be awarded to the national authorities, the European Investment Bank group, international organisations, public or private bodies legally established in Member States or the European Free Trade Association countries which are party to the European Economic Area Agreement, Member State ministries, agencies and bodies, other bodies with a public service mission, private bodies and non-for profit international or European expertise associations and networks, which, in view of the nature of the action, have specific and recognised competencies, experience and leadership, high degree of specialisation or administrative power in the field of financial sector policies.

Such entities will be identified on the basis of their specific experience in supporting structural reforms in European and neighbouring countries in recent years in the financial sector. 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 198 of the Financial Regulation

Support will be provided to carry out the activities set out in article 8 of Regulation 2021/240.

Implementation

Directly by SG REFORM

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

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

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

the action.

In accordance with Article 201(5)(c)(d) of the Financial Regulation, the financial capacity of those beneficiaries that are public bodies or international organisations will not be verified.

The award of grants without a call for proposals in accordance with Article 198, first paragraph, letters (c) or (f) and third paragraph of the Financial Regulation will be duly substantiated in the award decision. The potential beneficiary will be invited to submit an application, which will be evaluated according to the following main award criteria:

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

*II. Maximum possible rate of co-financing of the eligible costs:* 100% in line with Art. 12(3) of Regulation 2021/240.

### **2.5.1 Grant to be awarded without a call for proposals to the European Financial Reporting Advisory Group (EFRAG)**

#### *Objectives pursued and expected results*

The action will support the implementation of the flagship technical support initiative on improving sustainability reporting for businesses, developed by DG REFORM under the TSI 2025 call, in cooperation with DG FISMA, to contribute to the objectives of the European Green Deal and the Commission's priority to reduce the reporting burden for SMEs.

DG REFORM has selected requests from 15 Member States (Czech Republic, Croatia, Denmark, Finland, France, Germany, Hungary, Italy, Latvia, Luxembourg, Netherlands, Poland, Portugal, Romania, and Spain), which will work in a multi-country format to support mutual learning and experience sharing, and to ensure that national actions align with EU-wide initiatives and future policy developments and effectively address the cross-border nature of business activities.

The flagship initiative will encompass diagnosis, capacity building and implementation support as part of project activities focusing on the Corporate Sustainability Reporting Directive (CSRD) and the EU Taxonomy.

The objective of the action is to contribute to the overall successful implementation of the flagship project aimed at supporting participating Member States to enhance companies' capacity to implement the EU sustainability reporting framework stemming from the CSRD and the EU Taxonomy.

The technical support, to be provided via the Member State authorities, will target all companies in the scope of the CSRD, with a specific focus on SMEs. The support will be particularly relevant for (i) companies which previously did not have to report sustainability information on a mandatory basis, including listed SMEs and (ii) non-listed SMEs, able to opt into voluntary reporting under the CSRD, which face increasing information requests

for sustainability information from their financial and value chain partners.

*Description of the activities to be funded*

The selected entity will support the CSRD-related part of the flagship initiative to ensure compliance with the content and EU-level implementation approach to the European Sustainability Reporting Standards (ESRS), developed by EFRAG (a private body working as technical adviser for the Commission in the field of financial reporting and sustainability reporting) within the framework of the CSRD.

To achieve this, the selected entity will be responsible for guiding, reviewing, and quality-assuring the work carried out by the selected framework contract provider(s) in relation to the project support measures pertaining to the implementation, and facilitation of the sustainability reporting requirements established under the CSRD.

The selected entity will perform the above activities in cooperation with the Joint Research Centre (JRC) that will be involved in the implementation of the flagship initiative through a separate administrative agreement. For this purpose, the selected entity should stay in contact and close communication with the JRC and actively seek its inputs or advice, as needed.

*Amount*

EUR 500 000

Grant beneficiary:

*According to Article 198 (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 EFRAG which is best suited to provide the requested support, having the recognised technical competence and expertise for completing the activities required in the field of sustainable finance and sustainability reporting.

EFRAG acts as the technical advisor to the European Commission developing draft EU Sustainability Reporting Standards and/ or draft amendments to EU Sustainability Reporting Standards under the CSRD framework. EFRAG has also been tasked by the European Commission to develop a Voluntary standard for Small and Medium-sized Enterprises (VSME) as a deliverable of the [European Commission's SME Relief Package](#) (submitted to the European Commission on 17 December 2024). This justifies the choice of EFRAG as an entity that possesses a unique level of specialised knowledge, familiarity with the standard-setting process and a pool of experts having access to EFRAG's technical decision-making bodies.

EFRAG plays a central role in ESRS implementation support provided in the form of ESRS implementation guidance documents and continuous responses approved by the EFRAG decision-making bodies to the questions submitted by stakeholders in the ESRS Q&A implementation platform. Moreover, EFRAG has been requested by the European Commission to develop the digital XBRL taxonomies needed to digitise the sustainability statements in an electronic format.

Since November 2024, EFRAG has been involved in implementing and managing a large-scale project “Embarking companies and stakeholders into the European sustainability reporting journey” (ESRS Pilot project). The project is aimed at enhancing EFRAG’s due process for the technical input it provides into the development of ESRS standards by mobilising and involving experts and stakeholders from the ground, including companies, customers, suppliers, investors, civil society, social partners, and trade unions. The project could serve for the purpose of gathering evidence or providing input for the implementation of the action to be entrusted to EFRAG.

In this context, EFRAG is ideally positioned to ensure a consistent approach and leverage synergies throughout different horizontal activities aimed at facilitating implementation and application of sustainability reporting standards, ultimately ensuring that national actions are aligned with EU-wide initiatives and future policy developments and effectively address the cross-border nature of business activities.

EFRAG is uniquely well placed in this regard as it works closely with the European Commission’s services (DG FISMA). The European Commission is consulted on its work programme and informed about the progress of the activities on a regular basis. The European Commission is also involved in EFRAG’s governance monitoring, with the possibility to attend General Assembly meetings and to nominate Chairs of the EFRAG Reporting Boards, following consultation with the European Parliament and the Council of the European Union.

The flagship initiative will also benefit from EFRAG’s membership structure providing access to a wide range of relevant stakeholders, including national standard setters, business stakeholders and civil society organisations, which will be key in collecting good practices, both at country- and company level.

EFRAG has extensive experience in implementing the EU-funded grants, notably managed by DG FISMA, including a recently awarded direct action grant for the above-mentioned ESRS Pilot project. This experience will enable EFRAG to effectively manage all administrative aspects of the action, ensuring its successful and timely implementation.

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

Implementation: Directly by DG REFORM

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

## **2.5.2 Grant to be awarded without a call for proposals to the European University Institute (EUI)**

*Objectives pursued and expected results*

The EU Supervisory Digital Finance Academy (EU-SDFA) aim is to strengthen the supervisory capacity of National Competent Authorities (NCAs) in the area of innovative digital finance, supporting the objectives of the EU Digital Finance Strategy.

DG REFORM developed the EU-SDFA during the 2022 Technical Support Instrument (TSI) cycle in cooperation with the three European Supervisory Authorities (ESAs), DG FISMA, and other EU bodies.

The first cycle of the EU-SDFA – lasting three academic years – comprised comprehensive training cycles and workshops, enabling the acquisition of new expertise and skills, knowledge sharing, and peer-to-peer exchanges within the financial supervisory community. During its first edition, the EU-SDFA brought together 37 national authorities from 26 Member States, hosting over 2,000 participants from across the EU.

Building on the positive feedback from NCAs and on lessons learned, DG REFORM proposed a second edition of the EU-SDFA as a flagship initiative under the TSI 2025 round, covering another three-year cycle. As a result, 44 national authorities from 27 Member States submitted requests under the 2025 TSI round, demonstrating significant interest in this initiative. All the requests were approved by the Board.

Within the second edition of the EU-SDFA, SG REFORM would step-up support to NCAs in their effort to strengthen their capacity in the area of digital finance, in strict cooperation with the ESAs and DG FISMA. The second edition of the EU-SDFA will continue enhancing the digital finance supervisory framework on an EU-wide scale, contributing to the dissemination of advanced, future-proof practices among national authorities, and the exchange of expertise both on a cross-sectoral and cross border basis. In this regard, the EU-SDFA will keep contributing to enhancing the supervisory convergence across the internal market, supporting the establishment of a competitive, digital-based EU financial sector, as well as the ongoing implementation of the Digital Finance regulatory framework. The second edition will particularly aim at establishing a bridge between digitalisation and emerging financial sector policy and supervisory priorities, so as to harness at best the potential of new technologies and promote stronger cooperation across NCAs.

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

Activities to be implemented by the entity selected entail:

- Design, organisation, and delivery of residential training weeks addressed to staff of the beneficiary financial supervisory authorities, covering a wide range of digital finance topics, with a particular focus on advanced and frontier issues, and providing participants with hands-on experience on the risks and opportunities offered by advanced technologies applied to financial business models, products, and services;
- Design, organisation, and delivery of online learning modules and learning materials, including a solid combination of off-line, self-paced learning classes and live classes, mostly focused on current and upcoming regulatory aspects related to Digital Finance, as well as supporting videos and learning contents;
- Design, organisation, and delivery of workshops and additional side events, in cooperation with EU-SDFA partners and participating NCAs, as relevant, aimed at

exploring emerging supervisory priorities at the forefront of digital finance and beyond, fostering dialogue between market stakeholders, supervisory authorities, and the academia, and facilitating high-level interactions on common risks and opportunities encountered in digital finance regulation and supervision;

- Design, organisation, and delivery of executive capacity building activities targeting senior officials of participating financial supervisory authorities, with a view to nurture exchanges, develop knowledge, and promote a strategic approach to the development of digital finance within their respective authorities;
- Delivery of communication and dissemination activities aimed at ensuring effective and continuous outreach, visibility, and stakeholder engagement, also with a view to strengthen the EU digital finance expert network.

*Amount*

EUR 5 236 000

Grant beneficiary:

*According to Article 198 (f) of the Financial Regulation, grants may be awarded without a call for proposals to particular bodies for actions with specific characteristics that require a particular type of body on account of its technical competence; its high degree of specialisation or its administrative power, on condition that the actions concerned do not fall within the scope of a call for proposals.*

The grant is to be awarded to the European University Institute (EUI) which is best suited to provide the requested support, having the recognised technical competence and expertise for completing the activities required in the field of digital finance.

The enhancement of supervisory skills and knowledge in the area of supervision of digital finance has become a pressing issue in the past years, given the fast-paced technological development in this area and the growing importance of digital finance. The organisation of the second edition of the Academy will continue to require cooperation with several relevant European bodies in order to receive input on technical questions but also to attract speakers and trainers from the public sector. It will be therefore important for the selected entity to rapidly establish or to already have experience of cooperation with the three ESAs, the ECB, the SRB, DG FISMA and others.

Furthermore, the selected entity will have to be able to organise and administer several training courses at its premises with participants from a large number of public supervisory authorities from different Member States, requiring experience in dealing with the specific restrictions and needs of such bodies.

The EUI has demonstrated experience in managing and implementing large capacity building projects in the area of digital finance, in carrying out advanced academic research in the same area, and in training on the implications of digitalisation for the financial sector and financial supervision, specifically when performing activities for the EU Digital Finance Supervisory Academy, for which a grant has already been awarded under the 2022 TSI Financing Decision.

The choice of the EUI is justified by the fact that the EUI Florence School of Banking & Finance's mission is to analyse and discuss the analytical foundation of the European financial regulation and supervision's landscape built over the last years, and thus to support the development of a common culture of regulation and supervision in the Banking & Finance Sector. As such, its activities are targeted to professionals working in the banking and finance sector, including bankers, national competent authorities, European institutions, the European Central Bank (ECB) and academics who are interested in the European dimension of financial regulation and supervision. It can therefore rely on an extensive network of relevant experts and disposes of internal interdisciplinary resources, able to ensure the administrative capacity to perform the action. It also benefits from ongoing successful cooperation with the three European Supervisory Authorities (EBA, EIOPA and ESMA), the European Commission's partners in the creation of the EU-SDFA, in topics relevant for the Academy.

Over the past years, the EUI has developed scientific expertise in areas relevant for European institutions and agencies active in financial sector issues and pedagogical expertise and experience to deliver large-scale training programmes. Besides EU-SDFA, EUI trained over 3,200 course participants from more than 370 institutions and over 60 countries, and it has started cooperating also with the European Central Bank within the framework of the learning activities for the Single Supervisory Mechanism staff. Starting even before the pandemic, the EUI developed unique expertise in online training, including an online training platform. Furthermore, the EUI staff has the relevant skills to develop online training materials, staff that is capable of producing videos and short films as well as interactive elements for online training materials.

All the technical competences mentioned above were showcased by EUI during the first edition of the Academy. Their support was widely commended by participating NCAs and stakeholders, who highly praised the Academy's qualitative format, structure, and offerings. EUI succeeded in fostering collaboration, enhancing technical skills, and addressing the specific needs of the participants. Building on this strong foundation, the subsequent edition will aim to further refine the curriculum, incorporate emerging trends, and expand engagement to deliver even greater value to the supervisory community.

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

Implementation: Directly by DG REFORM

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

### **2.5.3 Grant to be awarded without a call for proposals to the European University Institute (EUI)**

#### *Objectives pursued and expected results*

A more effective and coherent sanction regime is necessary to protect the Union's interests, to advance the EU Better Regulation agenda, and to address the urgent EU priority of consistently implementing the different sanctions regimes – with particular regard to those adopted in light of the Russian aggression towards Ukraine. In this respect, four countries requested technical support to the European Commission to align and harmonise

formulations used in EU sanctions regulations, in particular with a view to facilitate their implementation and reduce compliance burdens on obliged entities. Authorities from the concerned Member States do not have adequate in-house capacity to map and analyse the entire EU sanctions framework, which includes 40 sanctions regimes, and whose inconsistencies should be identified and addressed via a dedicated action plan.

The action aims to:

- strengthen the effectiveness of the EU's sanctions instruments, notably by improving legal consistency across regimes;
- make it easier to implement and enforce the sanctions regime at national level, thereby strengthening the EU's foreign policy; and
- decrease the complexity and compliance costs for operators.

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

Activities to be implemented by the entity selected entail, among others:

- Providing a legal mapping of EU sanctions regulations along five thematic areas and prioritising the results of the legal analysis in view of increasing the effectiveness of the sanctions regimes by addressing the inconsistencies
- Consulting private sector experts on some of the thematic areas identified in the activity above
- Organising workshops to outline and discuss recommendations.

These activities will feed into a technical paper with different options for a future-proof sanctions regime based on best practices and lessons learnt.

#### *Amount*

EUR 500 184

Grant beneficiary: European University Institute

*According to Article 198 (f) of the Financial Regulation, grants may be awarded without a call for proposals to particular bodies for actions with specific characteristics that require a particular type of body on account of its technical competence; its high degree of specialisation or its administrative power, on condition that the actions concerned do not fall within the scope of a call for proposals.*

The grant is to be awarded to the European University Institute (EUI) which is best suited to provide the requested support, having the recognised technical competence and expertise for completing the activities required by the action.

The EUI is an intergovernmental organisation that operates in higher education and research in the field of social sciences. Set up in 1972 by the six founding Member States of the European Communities, its aim is to provide advanced academic training for doctoral and postdoctoral researchers, postgraduate and executive education, and to foster research in fields

that are of particular interest for the development of Europe. Today, there are 23 contracting states to the EUI, and it hosts an international community of more than 1100 people.

The EUI's unique nature lies in a series of specific characteristics: as a European transnational graduate education and research institution, it is not entrenched in any national scientific approach or culture but is a shared space with a truly European soul. The emphasis on the Social Sciences and Humanities enables a level of research performance which places the EUI among the best research and training centres in its fields, as proves its outstanding performance in getting ERC funds.

One of the EUI's academic units is the Department of Law. The Department offers a Legal Master programme in Comparative, European and International Law, as well as a doctoral programme in law; in addition, the Department hosts the Academy of European Law. The Department and Academy professors, researchers and fellows undertake rigorous research and analysis on many aspects of EU and international law, including on EU restrictive measures and the legal aspects of EU external relations.

Another academic unit of relevance for the purpose of implementing the concerned action is the Florence School of Transnational Governance (STG), which, among its educational offer, has been training policymakers and other policy professionals through a number of executive education courses. Since 2022, the STG has been regularly offering a course on sanctions, established in the light of the relevant expertise of the STG's faculty and its network of experts on the different facets of sanctions (political, economic, and legal). The course has built a hub of expertise on the subject matter, which has also given stimulus for further research and cooperation with representatives of EU institutions for the publication of a book on sanctions (expected in 2025).

Overall, the EUI's academic reputation, intergovernmental status, research and teaching proficiency, topical expertise, sound administrative structure, and network, position it, and in particular the STG, as a neutral and respected convener for the workshops, and a rigorous and sound analytical partner for the delivery of the technical papers and reports envisaged as core activities for the action at stake (see further below).

The EUI is uniquely positioned to undertake the action at stake, given its specific technical competence and high degree of specialisation in the field. The EUI boasts a strong academic reputation, intergovernmental status, and research and teaching expertise in EU and international law. Specifically, the Department of Law and the STG at the EUI have demonstrated exceptional capabilities in this area, having hosted the Academy of European Law and offering executive education courses on sanctions since 2022. The EUI's Department of Law can provide the necessary legal researchers to conduct the project's legal analysis, hence without resorting to external consultants. The STG's pool of experts has unique expertise in the area of sanctions, and it boasts an extensive track-record of cooperation with EU institutions, complemented by capacity to organise focused workshops and expert discussions on the topic, bringing together key stakeholders from EU institutions, Member States, and other relevant organisations.

The EUI's academic units have the necessary staff and resources to support the project. The Department of Law, which has a team of experienced legal researchers, can provide expert analysis on the mapping and legal analysis of all EU sanctions regimes. The Florence STG, with its established hub of expertise on sanctions, is uniquely positioned to deliver technical

papers and organise high-level workshops and expert discussions on the topic. The EUI's project management team will also leverage its experience in managing similar projects to ensure that all logistical aspects of the workshops, including participant registration, catering and reimbursement of travel expenses are handled efficiently and in line with the standards required for the management of EU funds.

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

Implementation: Directly by DG REFORM

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

#### **2.5.4 Grant to be awarded without a call for proposals to the European University Institute (EUI)**

##### *Objectives pursued and expected results*

The objective of the support measures is to strengthen the Portuguese authorities' capacity to assess the effectiveness of the initiatives implemented under their Financial Education programme. Through the assessment, an evaluation aiming at identifying the most valuable initiatives to be prioritised and the changes needed to improve other initiatives will be defined. In turn, the capacity to better assess the impact of financial literacy initiatives will improve the effectiveness of the future programmes, with expected positive second-round effects on the levels of financial literacy in the country.

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

Activities to be implemented by the entity selected entail:

- development of a robust methodological approach to enhance the authorities' capacity to assess the effectiveness of the initiatives implemented, together with their effects, and to identify the most valuable initiatives to be prioritised
- provision of trainings for staff to use the tools comprised in the evaluation methodology, ultimately with a view to enable self-assessment of future financial literacy initiatives
- delivery of a report applying the methodological approach to assess the effectiveness of existing Financial Education initiatives.
- provision of guidance and content to build a focused media campaign to improve the effectiveness of financial literacy initiatives.

##### *Amount*

EUR 450 000

Grant beneficiary:

*According to Article 198 (f) of the Financial Regulation, grants may be awarded without a call for proposals to particular bodies for actions with specific characteristics that require a particular type of body on account of its technical competence; its high degree of specialisation or its administrative power, on condition that the actions concerned do not fall within the scope of a call for proposals.*

The grant is to be awarded to the European University Institute (EUI) which is best suited to provide the requested support, having the recognised technical competence and expertise for completing the activities required by the action.

The EUI is an intergovernmental organisation that operates in higher education and research in the field of social sciences. Set up in 1972 by the six founding Member States of the European Communities, its aim is to provide advanced academic training for doctoral and postdoctoral researchers, postgraduate and executive education, and to foster research in fields that are of particular interest for the development of Europe. Today, there are 23 contracting states to the EUI, and it hosts an international community of more than 1100 people.

The EUI's unique nature lies in a series of specific characteristics: as a European transnational graduate education and research institution, it is not entrenched in any national scientific approach or culture but is a shared space with a truly European soul. The emphasis on the Social Sciences and Humanities enables a level of research performance which places the EUI among the best research and training centres in its fields, as proves its outstanding performance in getting European Research Council funds.

One of the EUI's academic units relevant for the implementation of the action is the Florence School of Banking and Finance (FBF), established within the Robert Schuman Centre for Advanced Research Studies. The School possesses a deep understanding of financial literacy and highly recognised value in research and evaluation techniques, together with strong awareness of the practical challenges and limitations inherent in applying theoretical findings to recommendation that will translate in concrete policy. In addition, over the past years, the FBF has been developing scientific expertise in areas relevant for European institutions and agencies active in financial sector issues, along with pedagogical expertise and experience to deliver large-scale programmes.

FBF team mix decades long proven experience in financial development and inclusion, financial literacy, research, policy and consultancy across the globe, including extensive work experience with international financial institutions, central banks and supervisory authorities.

FBF also combines ample experience in impact evaluation. Among successful projects carried out by the institute, the following have particular relevance: (i) effectiveness Study assessing the performance of banks – namely NMB Tanzania and Zanaco, dfcu Uganda, FED Invest Albania and Yoma Bank, Myanmar - in terms of financial inclusion and literacy, as well as operational efficiency and risk management. EUI; (ii) evaluation of the Dutch Good Growth Fund, 2015/16, for Dutch Foreign Affairs Ministry; (iii) report for the European Commission in the framework of the “EU-US Trade and Technology Dialogue” - “SMEs and access to digital tools. Barriers and opportunities for transatlantic cooperation”; (iv) ex-ante evaluations in the banking sector, assessing the potential impact of new regulations on banks' business models.

The Institute, via its School, can hence offer a unique combination of academic excellence, practical regulatory experience, and capacity to bridge research and on-the ground expertise with an international perspective.

The support programme necessitates wide and deep capabilities to collect and meaningful analyse a wide range of complex data. EUI has the internal capacity to provide such competences via PhD economist with statistical and econometric skills that have previously worked on digital financial literacy, deeply understanding not only the methodology to be applied and the content of the analysis.

Moreover, the support programme requires the ability to apply the research-driven approach for the identification of the most suitable tools to evaluate financial literacy initiatives in place, as well as to develop a sound methodology to evaluate future initiatives.

The EUI's established research and applied policy related capabilities, proven also by the above-mentioned experiences, make it uniquely qualified for the very specialised task of framing the analysis and the related knowledge to the needs of defining a financial literacy plan.

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

Implementation: Directly by DG REFORM

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

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

### **3. Procurement**

The global budgetary envelope reserved for procurement contracts in year 2025 is EUR 35 236 780.

#### **Procurement activities for the implementation of the Technical Support Instrument**

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

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

These activities will support Member States national authorities in their efforts to implement reforms. The contracts will serve the priorities and objectives referred to in Part I of this document and respect the principles set out under Article 163 of the Financial Regulation, *inter alia*, transparency, proportionality, equal treatment, and non-discrimination. By means of public procurement contracts as budget implementation instruments, the Commission assesses, among others, the need for a high level of technical expertise, the lack of an effective alternative that meets the Member States' identified needs, the ability to quickly respond to the

Member States' needs as well as the available resources.

In addition, expenditure for activities such as audit and evaluation, analysis and surveys, data-collection exercises (such as Eurobarometer surveys), meetings of experts, publications, awareness-raising and dissemination activities, as well as to any other activities in support of the general and specific objectives of the Technical Support instrument.

Type of contracts:

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

Current DG REFORM Multiple Framework contract:

The maximum amount for the current multiple framework contract is EUR 350 000 000 and it may be used until 25 May 2026 (with a possible increase of the ceiling following a negotiated procedure).

- 3) In addition, a call for tender for a new Multiple Framework Contract is planned to be launched following the adoption of this financing decision and this will allow for the Programme's needs to be met.

The maximum amount of the new Multiple Framework Contract that is expected to be launched in 2025 shall be EUR 150 000 000 (with a possible increase of the ceiling, up to 50%, following a negotiated procedure) and it will have a maximum duration of four years (2+2) from the date of entry into force of the contract.

By DG ENEST under co-delegation for the provision of technical assistance under TAIEX to serve priorities and objectives referred to in Part I of this document (including to institutions in those Member States that have requested support e.g. expert missions) up to EUR 3 017 760.

## Implementation

Directly by SG REFORM

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

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

The global budgetary envelope reserved for indirect management under this work programme is EUR 68 916 949.

It includes contribution agreements<sup>57</sup> to be signed with entities selected on the basis of the criteria indicated in this Financing Decision, to the extent that the current provisions and framework agreements allow the conclusion of agreements under indirect management.

In line with the Financial Regulation, the following activities will be implemented under indirect management in view of the type of the implementing entity. Entities falling under Article 62(1)(c) of the Financial Regulation, which have undergone an ex ante assessment of their procedures and systems, guaranteeing a level of protection of the EU financial interests equivalent to that guaranteed by the Commission when it implements the EU budget directly, or have been exempted by the Commission from the pillar assessment requirement in accordance with Article 157(7) of the Financial Regulation will act under indirect management for the tasks they will undertake to implement the actions.

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

Criteria for selecting an implementing entity:

Article 110(3)(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 157(4) of the Financial Regulation. When the entities concerned comply only partially with Article 157(4) of the Financial Regulation, the Commission shall take appropriate supervisory measures as provided for in Article 157(5) of the Financial Regulation;
2. The entity's financial and operational capacity is adequate;
3. The entity has specific knowledge and recognised competencies in the relevant field;
4. The entity has extensive experience and leadership in the domain; and
5. The entity is active in the subject area in the European Union or in any other European country.

Description

The objectives pursued and expected results of the actions are those of point 2.1 of Part I. The actions that can be financed through indirect management are outlined in Article 8 of Regulation (EU) 2021/240.

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

Criteria for selecting an implementing entity:

Article 110(3)(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:

---

<sup>57</sup> Agreements with the World Bank are called administration agreements.

1. The entity satisfies the requirements set out in Article 157(4) of the Financial Regulation. When the entities concerned comply only partially with Article 157(4) of the Financial Regulation, the Commission shall take appropriate supervisory measures as provided for in Article 157(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.

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

#### Criteria for selecting an implementing entity

Article 110(3)(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 157(4) of the Financial Regulation. When the entities concerned comply only partially with Article 157(4) of the Financial Regulation, the Commission shall take appropriate supervisory measures as provided for in Article 157(5) of the Financial Regulation;
2. The entity's financial and operational capacity is adequate;
3. The entity has specific knowledge and recognised competencies in the relevant field;
4. The entity has extensive experience and leadership in the domain;
5. The entity is active in the subject area in the European Union or in any other European country.

#### Description

The objectives pursued and expected results of the actions are those of point 2.3 of Part I. The actions that can be financed through indirect management are outlined in Article 8 of Regulation (EU) 2021/240.

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

#### Criteria for selecting an implementing entity

Article 110(3)(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 157(4) of the Financial Regulation. When the entities concerned comply only partially with Article 157(4) of the Financial Regulation, the Commission shall take appropriate supervisory measures as provided for in Article 157(5) of the Financial Regulation;
2. The entity's financial and operational capacity is adequate;
3. The entity has specific knowledge and recognised competencies in the relevant field;
4. The entity has extensive experience and leadership in the domain;
5. The entity is active in the subject area in the European Union or in any other European country.

#### Description

The objectives pursued and expected results of the actions are those of point 2.4 of Part I. The actions that can be financed through indirect management are outlined in Article 8 of Regulation (EU) 2021/240.

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

#### Criteria for selecting an implementing entity

Article 110(3)(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 157(4) of the Financial Regulation. When the entities concerned comply only partially with Article 157(4) of the Financial Regulation, the Commission shall take appropriate supervisory measures as provided for in Article 157(5) of the Financial Regulation;
2. The entity's financial and operational capacity is adequate;
3. The entity has specific knowledge and recognised competencies in the relevant field;
4. The entity has extensive experience and leadership in the domain;
5. The entity is active in the subject area in the European Union or in any other European country.

#### Description

The objectives pursued and expected results of the actions are those of point 2.5 of Part I. The actions that can be financed through indirect management are outlined in Article 8 of Regulation (EU) 2021/240.

### **4.6. Contribution agreements to support structural reforms in the area of border and migration policies**

## Criteria for selecting an implementing entity

Article 110(3)(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 157(4) of the Financial Regulation. When the entities concerned comply only partially with Article 157(4) of the Financial Regulation, the Commission shall take appropriate supervisory measures as provided for in Article 157(5) of the Financial Regulation;
2. The entity's financial and operational capacity is adequate;
3. The entity has specific knowledge and recognised competencies in the relevant field;
4. The entity has extensive experience and leadership in the domain;
5. The entity is active in the subject area in the European Union or in any other European country.

## Description

The objectives pursued and expected results of the actions are those of point 2.6 of Part I. The actions that can be financed through indirect management are outlined in Article 8 of Regulation (EU) 2021/240.

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

## 5. Other actions or expenditure

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

*Amount*

EUR 950 098
-------------

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

In line with Article 6(2) of Regulation (EU) 2021/240, the Commission decision “C(2023)6467 - Communication to the Commission - Corporate communication action in 2024 – 2027 under the Multiannual Financial Framework 2021 – 2027 and the DG BUDG communication to the Commission “IT Implementation Plan 2025 - Allocation of IT corporate resources”, SG REFORM will contribute to the financing of the corporate IT and the corporate communication activities in 2025.

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

### 5.2. Administrative/service-level agreements

#### 5.2.1 Administrative agreement with the Joint Research Centre (JRC) on Improving Sustainability Reporting for Businesses

*Amount*

EUR 300 000
-------------

Description of actions

<p>The purpose of this multi-country action is to support authorities from 15 Member States in improving sustainability reporting for business, in particular by enhancing companies’ capacity to implement the existing and forthcoming EU sustainability reporting framework, stemming from the CSRD and the EU Taxonomy.</p>
---

<p>The support, to be provided via the Member State authorities, will target all companies in the scope of the CSRD, with a focus on SMEs. The support will be particularly relevant for (i) companies that have not had to report sustainability information before, including listed SMEs and (ii) non-listed SMEs that will be able to opt into voluntary reporting under the CSRD. These companies are already being asked to provide certain sustainability information from banks and large companies in their value chains. Support measures offered in the context of the action implementation will be targeted at facilitating the reporting, as well as at building capacity within the concerned Member States. One part of the project’s activities will be</p>
--

focusing on the EU Taxonomy, with a specific focus on the Construction and Real Estate sectors (listed in Sections 7.1-7.7 of the Climate Delegated Act), while another project component will focus on the CSRD.

The JRC will contribute to the design and overall successful implementation of the support measures envisaged under the context of the project, as managed by SG REFORM and implemented via a grant beneficiary (EFRAG) and selected SG REFORM framework contract providers. This entails supporting the coordination within the European Commission so as to ensure alignment/mainstreaming the application of EU Taxonomy and CSRD. The JRC will be providing technical inputs and ensuring quality assurance support of the work carried out by the team of experts (e.g. consistency with principles, methodologies etc.).

The tasks and technical inputs of the JRC will be evolving around all the activities conducted and deliverables of the action produced by the other experts involved, which will pertain to facilitating the practical implementation of sustainability reporting requirements established under the EU Taxonomy and the CSRD.

The action is expected to strengthen the capacity of the participating authorities in supporting companies' reporting required by the CSRD and the EU Taxonomy. Authorities will gain understanding of how to facilitate access to the relevant ESG data and the reporting process, and the companies will benefit from activities such as case studies featuring best reporting practices. The multi-country format will enable a transfer of know-how between the various Member States participating. The action will ultimately contribute to enhancing Member State's ability to support companies in EU Taxonomy and CSRD reporting, as well as the companies' capacity to report. In addition, financial intermediaries are expected to benefit from the better quality of reporting as it will feed into their own ESG-related disclosures and risk monitoring frameworks.

**5.2.2 Administrative agreement with the Joint Research Centre (JRC) for SG REFORM contribution to Green Budgeting**

*Amount*

EUR 160 000

Description of actions

The main objective of the action is to provide the SG REFORM contribution for 2024-2026 under the Administrative Arrangement to support the implementation of Green Budgeting practices. This initiative aligns with the European Commission's priorities in supporting Member States to integrate environmental considerations into their public financial management practices, advancing the objectives of the European Green Deal.

The Joint Research Centre (JRC) will provide scientific, technical, and methodological support to SG REFORM for the development and implementation of Green Budgeting practices. These tasks will enable SG REFORM to deliver high-quality support to Member States, ensuring consistency and effectiveness across the multicountry project. JRC's involvement will focus on building capacity, fostering methodological development, and contributing to horizontal coordination across Technical Support Instrument (TSI) projects and European Commission services.

SG REFORM has been actively contributing to the development of Green Budgeting initiatives, and JRC's involvement ensures that the methodological advancements and capacity-building efforts are grounded in scientific excellence and practical relevance. In an ongoing cooperation with SG REFORM, JRC is supporting Member States in the design and implementation of the Do-No-Significant-Harm principle. The current action will further extend and complement this cooperation.

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

*Amount*

EUR 50 000

Description of actions

The main objective of the action is to extend the ongoing cooperation with the JRC on the usage of distributional impact assessment through microsimulation, as described in section of 5.2.4 of the work programme for 2024 for the Technical Support Instrument. The cooperation will then include also Italy as a Beneficiary Member State.

The purpose of this multi-country action is to support the improvement of macro-fiscal and microeconomic modelling, as well as building the analytical capacities of Member States for medium-term forecasting and policy impact assessment, including distributional analysis. This will contribute to devising evidence-based policies and building capacity for effective monitoring of economic and fiscal policies, including the implementation of national recovery and resilience plans.

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

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

- Capacity building for the development and adjustment of existing microsimulation model (EUROMOD), including collecting administrative data and adjusting EUROMOD to run on administrative data;
- Capacity building for the development of a labour supply model and linkage to the microsimulation model (EUROMOD);
- Capacity building for the integration of microsimulation model with general equilibrium model used in the Ministry (i.e. Quest);
- Capacity building: Country-specific and joint trainings and workshops in the use and adjustments of the models;
- Providing light monitoring of the development of the models;

- Providing quality assurance advice for capacity building on nowcasting.

#### **5.2.4 Administrative/service level agreement with the Joint Research Centre (JRC) to improve capacity for evidence-informed policymaking**

*Amount*

EUR 1 984 500

Description of actions

Improving capacity for evidence-informed policymaking is important for a) achieving better quality in policymaking to address wicked problems of complex nature and require interdisciplinary approaches and scientific knowledge; b) enhance citizens' trust in governments and tackle fake news and misinformation; and c) address the communication gap between the policymaking and scientific communities.

This action aims to provide technical support for achieving stronger institutional interaction between scientists and policy makers for evidence-informed policy-making.

As part of this action, the JRC will provide technical support for the development of concrete, country-specific outputs while ensuring exchanges of good practices amongst the participating Member States as follows:

1. Diagnostic reports to assess the current state of evidence-informed policymaking in governance and public administration in the participating EU Member States.
2. Country roadmap reports with recommended policy interventions for increasing institutional capacity for evidence-informed policymaking in governance and public administration.
3. Learning and development (L&D) plans for scientists, policymakers and intermediaries, including pilot capacity building workshops.
4. International meetings exchanging good practices amongst the participating Member States.

The action is expected to produce the following outcomes:

1. Increased institutional capacity in governance and public administration for the demand, integration, use and influence of scientific evidence in policymaking.
2. Increased professional competences in the scientific community and policymakers for evidence-informed policymaking, raising awareness about the value of knowledge exchange and innovative practices in policy.
3. Facilitation of an international platform for practitioners, scientists and policymakers to exchange practices, mutual learning, and to nurture ideas for policy development at the European and national level.
4. Ensuring awareness, recognition, understanding, and commitment at the political level for follow-up actions that would consolidate ongoing and future reforms independently of political cycles and regain public trust in governments and public administrations.

And the following expected results:

The action is expected to result in reinforced institutional integration of the use of evidence,

science and evaluation for policymaking and, consequently, reinforced trust in public administration and governments. In addition to helping Member States strengthen their science-for-policy ecosystem across government, the project could help them develop powerful sub-systems in specific policy areas related to green or digital transitions.

DG REFORM cooperates already with the JRC for promoting the capacity of Member States in evidence-informed policy making: A TSI 2022 project with 6 participating Member States has resulted in the enhancement of the interaction between scientists and policy-makers while a series of international mutual learning exercises has allowed practitioners to exchange good practices in the area of policy evaluation, artificial intelligence and strategic foresight. The need for enhancing evidence-informed policy making has been highlighted in the meetings of national representatives of the Expert Group for Public Administration and Governance (October 2023, May 2024) and has been jointly supported by DG REFORM, the JRC and DG RTD with the publication of the relevant [Staff Working Document - Supporting and connecting policymaking in the Member States with scientific research | Knowledge for policy](#).

### **5.2.5 Administrative/service level agreement with the European Insurance and Occupational Pensions Authority (EIOPA) to improve capacity in the area of digital finance supervision (EU-SDFA)**

*Amount*

EUR 604 330

Description of actions

This action to reinforce financial stability, supervisory convergence, and competitiveness in the financial sector, will support financial supervisory authorities established in all Member States in improving their capacity in the area of digital finance, in line with the objectives of the EU Digital Finance Strategy. Supervising digital finance and effectively designing and deploying supervisory tools based on advanced technologies requires the acquisition and development of a significant range of new skillsets and technical knowledge. While trying to attract and retain staff with relevant expertise of emerging technologies, supervisory authorities shall put forward efforts aimed at upskilling staff and promote a comprehensive understanding of new innovative technologies, and the risks and opportunities related to expansion of technology-based financial innovations.

The action aims to establish a revised edition of the EU Supervisory Digital Finance Academy (EU SDFA – ‘Academy’) for a cycle of 3 years, following the successful completion of the first edition launched under the TSI 2022.

Within the second edition of the EU-SDFA, SG REFORM would step-up support to NCAs in their effort to strengthen their capacity in the area of digital finance, in strict cooperation with the ESAs and DG FISMA. The programme will continue enhancing the digital finance supervisory framework on an EU-wide scale, contributing to the dissemination of advanced, future-proof practices among national authorities, and the exchange of expertise both on a cross-sectoral and cross border basis. In this regard, the EU-SDFA will keep contributing to enhancing the supervisory convergence across the internal market, supporting the establishment of a competitive, digital-based EU financial sector, as well as the ongoing implementation of the Digital Finance regulatory framework. The second edition will

particularly aim at establishing a bridge between digitalisation and emerging financial sector policy and supervisory priorities, so as to harness at best the potential of new technologies and promote stronger cooperation across NCAs.

Such support falls under the overall objective of improving financial stability in the participating Member States, but also in the broader European context, as the three financial sector European Supervisory Authorities (EBA, EIOPA and ESMA), which will, together, act as providers of the support in the EU SDFAs, have the mission to promote convergence of supervisory practices and responses at Union level, hence setting the stage for further European convergence.

The EU SDFAs aim to provide assistance to participating Member States through the setup of a comprehensive supervisory capacity building programme including:

- Residential training weeks, covering a wide range of Digital Finance foundational and advanced topics, and providing participants with hands-on experience on the risks and opportunities offered by advanced technologies;
- Online learning modules and learning materials, including a solid combination of off-line, self-paced learning classes and live classes, mostly focused on regulatory aspects related to Digital Finance, as well as supporting videos and learning contents;
- Workshops and additional side events, aimed at exploring emerging supervisory priorities at the forefront of digital finance and beyond, fostering dialogue between market stakeholders, supervisory authorities, and the academia, and facilitating high-level interactions on common risks and opportunities encountered in digital finance regulation and supervision.

For this purpose, EIOPA will provide, in cooperation with the other two EU supervisory agencies, among others, the following activities:

- re-design, adapt, and continuously update the Academy's programme,
- support to implementation of the Academy's activities,
- identification of priorities and programme steering,
- provision of trainings' expertise on selected topics,
- programme supervision and quality control.

The action is expected to continue enhancing a robust supervisory framework on an EU-wide scale, contributing to the dissemination of advanced, future-proof practices among national authorities, as well as to the exchange of expertise both on a cross-sectoral and cross border basis. The EU SDFAs would ultimately contribute to enhancing the supervisory convergence across the internal market, while supporting the transition towards a competitive, digital-based EU financial sector, contributing to develop innovative, efficient and inclusive financial products for consumers and businesses across the EU.

## 5.2.6 Administrative/service level agreement with the European Banking Authority (EBA) to improve capacity in the area of digital finance supervision (EU-SDFA)

*Amount*

EUR 715 340

*Description of actions*

This action to reinforce financial stability, supervisory convergence, and competitiveness in the financial sector, will support financial supervisory authorities established in all Member States in improving their capacity in the area of digital finance, in line with the objectives of the EU Digital Finance Strategy. Supervising digital finance and effectively designing and deploying supervisory tools based on advanced technologies requires the acquisition and development of a significant range of new skillsets and technical knowledge. While trying to attract and retain staff with relevant expertise of emerging technologies, supervisory authorities shall put forward efforts aimed at upskilling staff and promote a comprehensive understanding of new innovative technologies, and the risks and opportunities related to expansion of technology-based financial innovations.

The action aims to establish a revised edition of the EU Supervisory Digital Finance Academy (EU SDFA – ‘Academy’) for a cycle of 3 years, following the successful completion of the first edition launched under the TSI 2022.

Within the second edition of the EU-SDFA, SG REFORM would step-up support to NCAs in their effort to strengthen their capacity in the area of digital finance, in strict cooperation with the ESAs and DG FISMA. The programme will continue enhancing the digital finance supervisory framework on an EU-wide scale, contributing to the dissemination of advanced, future-proof practices among national authorities, and the exchange of expertise both on a cross-sectoral and cross border basis. In this regard, the EU-SDFA will keep contributing to enhancing the supervisory convergence across the internal market, supporting the establishment of a competitive, digital-based EU financial sector, as well as the ongoing implementation of the Digital Finance regulatory framework. The second edition will particularly aim at establishing a bridge between digitalisation and emerging financial sector policy and supervisory priorities, so as to harness at best the potential of new technologies and promote stronger cooperation across NCAs.

Such support falls under the overall objective of improving financial stability in the participating Member States, but also in the broader European context, as the three financial sector European Supervisory Authorities (EBA, EIOPA and ESMA), which will, together, act as providers of the support in the EU SDFA, have the mission to promote convergence of supervisory practices and responses at Union level, hence setting the stage for further European convergence.

The EU SDFA aims to provide assistance to participating Member States through the setup of a comprehensive supervisory capacity building programme including:

- Residential training weeks, covering a wide range of Digital Finance foundational and advanced topics, and providing participants with hands-on experience on the risks and opportunities offered by advanced technologies;
- Online learning modules and learning materials, including a solid combination of off-line, self-paced learning classes and live classes, mostly focused on regulatory aspects

related to Digital Finance, as well as supporting videos and learning contents;

- Workshops and additional side events, organised in cooperation with EU-SDFA partners and participating NCAs, aimed at exploring emerging supervisory priorities at the forefront of digital finance and beyond, fostering dialogue between market stakeholders, supervisory authorities, and the academia, and facilitating high-level interactions on common risks and opportunities encountered in digital finance regulation and supervision.

For this purpose, EBA will provide, in cooperation with the other two EU supervisory agencies, among others, the following activities:

- re-design, adapt, and continuously update the Academy's programme,
- support to implementation of the Academy's activities,
- identification of priorities and programme steering,
- provision of trainings' expertise on selected topics,
- programme supervision and quality control.

The action is expected to continue enhancing a robust supervisory framework on an EU-wide scale, contributing to the dissemination of advanced, future-proof practices among national authorities, as well as to the exchange of expertise both on a cross-sectoral and cross border basis. The EU SDFA would ultimately contribute to enhancing the supervisory convergence across the internal market, while supporting the transition towards a competitive, digital-based EU financial sector, contributing to develop innovative, efficient and inclusive financial products for consumers and businesses across the EU.

### **5.2.7 Administrative/service level agreement with the European Securities and Markets Authority (ESMA) to improve capacity in the area of digital finance supervision (EU-SDFA)**

*Amount*

EUR 704 330

Description of actions

This action to reinforce financial stability, supervisory convergence, and competitiveness in the financial sector, will support financial supervisory authorities established in all Member States in improving their capacity in the area of digital finance, in line with the objectives of the EU Digital Finance Strategy. Supervising digital finance and effectively designing and deploying supervisory tools based on advanced technologies requires the acquisition and development of a significant range of new skillsets and technical knowledge. While trying to attract and retain staff with relevant expertise of emerging technologies, supervisory authorities shall put forward efforts aimed at upskilling staff and promote a comprehensive understanding of new innovative technologies, and the risks and opportunities related to expansion of technology-based financial innovations.

The action aims to establish a revised edition of the EU Supervisory Digital Finance Academy (EU SDFA – ‘Academy’) for a cycle of 3 years, following the successful completion of the first edition launched under the TSI 2022.

Within the second edition of the EU-SDFA, SG REFORM would step-up support to NCAs in their effort to strengthen their capacity in the area of digital finance, in strict cooperation with the ESAs and DG FISMA. The programme will continue enhancing the digital finance supervisory framework on an EU-wide scale, contributing to the dissemination of advanced, future-proof practices among national authorities, and the exchange of expertise both on a cross-sectoral and cross border basis. In this regard, the EU-SDFA will keep contributing to enhancing the supervisory convergence across the internal market, supporting the establishment of a competitive, digital-based EU financial sector, as well as the ongoing implementation of the Digital Finance regulatory framework. The second edition will particularly aim at establishing a bridge between digitalisation and emerging financial sector policy and supervisory priorities, so as to harness at best the potential of new technologies and promote stronger cooperation across NCAs.

Such support falls under the overall objective of improving financial stability in the participating Member States, but also in the broader European context, as the three financial sector European Supervisory Authorities (EBA, EIOPA and ESMA), which will, together, act as providers of the support in the EU SDFA, have the mission to promote convergence of supervisory practices and responses at Union level, hence setting the stage for further European convergence.

The EU SDFA aims to provide assistance to participating Member States through the setup of a comprehensive supervisory capacity building programme including:

- Residential training weeks, covering a wide range of Digital Finance foundational and advanced topics, and providing participants with hands-on experience on the risks and opportunities offered by advanced technologies;
- Online learning modules and learning materials, including a solid combination of off-line, self-paced learning classes and live classes, mostly focused on regulatory aspects related to Digital Finance, as well as supporting videos and learning contents;
- Workshops and additional side events, organised in cooperation with EU-SDFA partners and participating NCAs, aimed at exploring emerging supervisory priorities at the forefront of digital finance and beyond, fostering dialogue between market stakeholders, supervisory authorities, and the academia, and facilitating high-level interactions on common risks and opportunities encountered in digital finance regulation and supervision.

For this purpose, ESMA will provide, in cooperation with the other two EU supervisory agencies, among others, the following activities:

- re-design, adapt, and continuously update the Academy's programme,
- support to implementation of the Academy's activities,
- identification of priorities and programme steering,
- provision of trainings' expertise on selected topics,
- programme supervision and quality control.

The action is expected to continue enhancing a robust supervisory framework on an EU-wide scale, contributing to the dissemination of advanced, future-proof practices among national authorities, as well as to the exchange of expertise both on a cross-sectoral and cross border basis. The EU SDFA would ultimately contribute to enhancing the supervisory convergence

across the internal market, while supporting the transition towards a competitive, digital-based EU financial sector, contributing to develop innovative, efficient and inclusive financial products for consumers and businesses across the EU.

In case the actions referred to under section 5.2 Administrative agreements cannot be implemented under this delivery method, 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).