



## Session 3 - Presentation of EU initiatives

*Flagship 2025 under the Technical Support Instrument  
“Improving sustainability reporting for businesses”*

*Expert dialogue -16 May 2024  
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# Agenda

- The Technical Support Instrument
- The new flagship on sustainability reporting
  - Objective & scope
  - Beneficiaries
  - Measures
  - Implementation in practice

# The Technical Support Instrument

- Tailor-made **technical expertise** to EU Member States to **design and implement reforms**
- Is **demand driven** and **does not require any co-financing** from Member States
- About **€ 110 million budget per year** for the period 2021-2027
- Covers a **wide range of reform areas**
  - **Financial Sector and Access to Finance**
  - Revenue Administration and **Public Financial Management**
  - **Sustainable Growth** and Business Environment
  - Governance and Public Administration
  - Labour Market, Education, Health, and Social Services



# The Technical Support Instrument

- TSI is run on an **annual cycle**:
  - MS submit their requests for technical support **before October 31**
  - The Commission select the requests
- Technical support is provided **either directly** (Commission in-house expertise) or **indirectly** (international organisations, MS's experts, private sector experts)
- DG REFORM, as well as other relevant Commission services, is involved throughout the duration of the project



# Technical support in the financial sector



**Green Finance & ESG**



**Capital Markets**



**Consumer Protection  
& Financial Literacy**



**Crisis Management,  
Insolvency and NPLs**



**Financial Innovation**



**Promotional banks**



**AML, CTF, Sanctions**



**Insurance and  
Pension sector**



**Banking Prudential  
Supervision**

# 2025 Flagship on sustainability reporting (1/4)

- **What is a Flagship project?**
  - Linked to top EU priorities
  - Reflects needs largely shared across Member States
- **What is the main objective of this Flagship?**
  - Support Member States to enhance companies' capacity to implement sustainability reporting stemming from the **CSRD** and the **Taxonomy**.
  - Support to enhance the **usability** of the framework, to **simplify the reporting burden**
  - Support will target **all companies** in scope of the **CSRD**



## Context

Sustainable finance facilitates re-orientating investment towards sustainable economic activities. Two of its key elements are the Corporate Sustainability Reporting Directive (CSRD) and the EU Taxonomy Regulation, with specific reporting requirements and standards. These requirements and the corresponding standards represent new terrain for a large range of companies which are new to this and will be obliged to report sustainability information. Companies reporting is, on the other hand, essential for other financial sector actors (banks, insurance companies, etc) to be able to fulfil their own reporting obligations and adequately price their services and

products. The proposed flagship initiative would provide implementation support and capacity building to allow public authorities to assist all companies, in particular SMEs, with sustainability reporting. By supporting SMEs, the initiative would be consistent with the Commission priority aiming to reduce the reporting burden for SMEs, as envisaged in 2023 State of the Union address (SOTEU) of President von der Leyen and the SMEs Relief Package launched on 12 September 2023.

Sustainability reporting plays a crucial role for companies, providing a transparent and comprehensive account of their environmental, social, and governance (ESG) performance

## Objectives

The proposed flagship will support Member States to enhance companies' capacity to implement the existing and forthcoming EU sustainability reporting framework, stemming from the CSRD and the EU Taxonomy. The support, to be provided via the Member State authorities, will target all companies in the scope of the CSRD.

# 2025 Flagship on sustainability reporting (2/4)

- **Who will be the direct beneficiaries?**
  - **National authorities**, in line with Art. 2(2) of the TSI regulation, and only upon their request
    - Ministries of Finance, Ministries of Economy, other Ministries relevant for the implementation of the sustainability reporting, relevant national agencies, etc...
- **Indirectly, all the support measures aim to help companies implementing the sustainability reporting**

# 2025 Flagship on sustainability reporting (3/4)



## • Which support measures will be funded?

➤ Support measures may include:

➤ **diagnosis** measures

➤ **implementation** measures

➤ **capacity building** measures

➤ Upon Member States' requests, and tailored to their specific needs



# 2025 Flagship on sustainability reporting (4/4)

- **How will the measures be implemented?**
  - **Design** of each project by the Commission, in close cooperation with the beneficiary MS, based on the project's specificities and the expertise required
  - Role of EFRAG to be carefully reflected upon (expertise, need for consistency)
- **What are the next steps?**
  - On-line **information session** for national authorities on **27 May**
  - In line with TSI yearly cycle, requests to be submitted by national authorities **by 31 October 2024**
  - Following assessments of the requests and design of the project, start of the project around Q3 2025

# Where to find further information on TSI projects

- TSI website

[Reform Support - European Commission \(europa.eu\)](https://ec.europa.eu/eu-education/reform-support)

- Flagship projects 2025

[Flagship Technical Support Projects - European Commission \(europa.eu\)](https://ec.europa.eu/eu-education/flagship-technical-support-projects)

## Examples of reform support projects

### Design of a system to monitor the implementation of the law on inclusive education in Portugal

The Commission is supporting the Portuguese Ministry of Education to stir the discussion with all relevant stakeholders to define standards, indicators and procedures.

Details



### Improving the relevance and quality of adult education



# Thank you!

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