

Session 3 - Presentation of EU initiatives

Flagship 2025 under the Technical Support Instrument "Improving sustainability reporting for businesses"

Expert dialogue -16 May 2024 Delphine LEROY, DG REFORM B5

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 cofinancing from Member States
- About € 110 million budget per year for the period 2021-2027



- 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



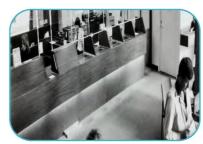
Promotional banks



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



text

Sustainable finance facilitates re-orientating investment towards sustainable economic activities. Two of dis key elements are the Corporate Sustainability Directive (CSRD) and the EU Taxonomy Regulation, with specific reporting and

standards. These requirements and the corresponding standards represent ne terrain for a large range of companies which are new to this and will be obliged to repossible and the companies which is not the companies which is not the companies of the companies of

products

The proposed flagship infilative would provide miglementation support and capacity building to allow pubble authorities to assist all companies. In particular SMEs, with sustainability reporting By supporting SMEs, the infilative would be consistent with the Commission priority arming to reduce the reporting burden for SMEs, as envisaged in 2023. State of the Union address (SOTEU) of President you for Leyen and the SMEs, Relief Package launched on 12 Sortember 2019.

Sustainability reporting plays a crucial role for companies, providing a transparent and comprehensive account of their environmental, social, a 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 Examples of reform support projects

TSI website

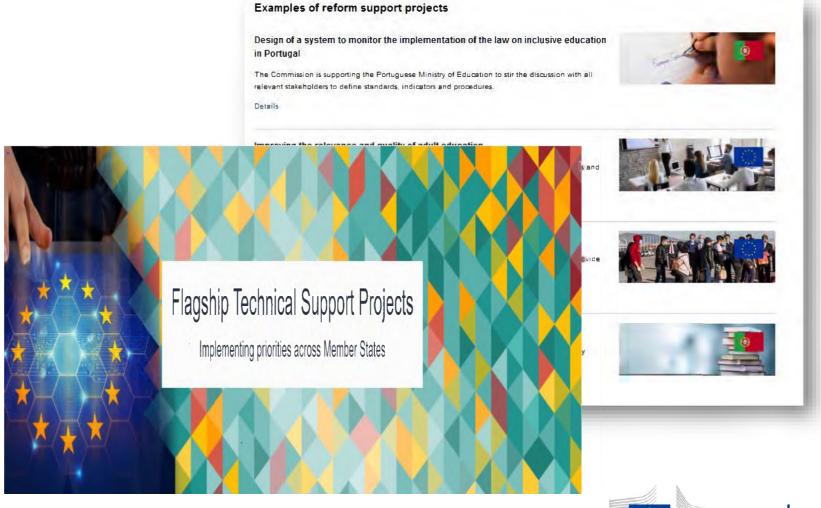
Reform Support - European Commission (europa.eu)

Flagship projects 2025

Flagship Technical Support

Projects - European Commission

(europa.eu)



Thank you!

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