

ANNEX**Work programme for year 2019 for Structural Reform Support Programme under Regulation (EU) 2017/825 as amended by Regulation (EU) 2018/1671****Part I - The SRSP outlook for 2019****1. INTRODUCTION**

Even though the Europe's economy is in its sixth year of uninterrupted growth – 2019, *"in some countries reform efforts are losing momentum"*¹, while rising challenges and global uncertainty remain. The Annual Growth Survey 2019 (AGS 2019) emphasised that *"the steady growth Europe is experiencing today provides the right environment to tackle the pending and urgent reforms needed to confront the challenges we face"*. Since the beginning of President Juncker's Commission, the three main pillars for the EU's economic and social policy have been *"a coordinated boost to investment, a renewed commitment to structural reforms, and the pursuit of responsible fiscal policies"*, the *"virtuous triangle"*.

Stronger and more efficient public institutions are crucial for building resilient economic structures that foster investment and inclusive growth, in full respect of the rule of law. The overall successful implementation of reforms requires efficient and effective public administrations as the latter influence the performance of all public policy domains, including reform efforts. For this reason, addressing the structural challenges of public administrations (e.g. in terms of competences, mobility, incentives, changes to work processes, etc.), especially developing adequate institutional and administrative capacity, is crucial for well-functioning economies and for underpinning the success of structural reforms.

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

¹ Communication from the Commission to the European Parliament, the Council, the European Central Bank, the European Economic and Social Committee, the Committee of the Regions and the European Investment Bank Annual Growth Survey 2019: For a stronger Europe in the face of global uncertainty, COM(2018) 770 final.

SRSP objectives and process

Regulation (EU) No 2017/825, as amended by Regulation (EU) 2018/1671 (the SRSP Regulation) set up the SRSP, with the general objective of contributing *"to institutional, administrative and growth-sustaining structural reforms in the Member States by providing support to national authorities [...]"*². (Article 4).

This support is intended to help reform and strengthen institutions, governance, public administration, and economic and social sectors in response to economic and social challenges, with a view to enhancing cohesion, competitiveness, productivity, sustainable growth, job creation, investment and social inclusion and to contributing to real convergence in the Union, which may also prepare for participation in the euro area, in particular in the context of economic governance processes, including through assistance for the efficient, effective and transparent use of the Union funds (Article 5(2)).

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

Since the entry into force of the amendment to the SRSP Regulation, the SRSP may also finance actions and activities in support of reforms that may help Member States in their preparation to join the euro area³ (new Article 5a).

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

In accordance with Article 7(1) of the SRSP Regulation, by 31 October 2018, 27 Member States submitted 580 requests to the Structural Reform Support Service for the provision of technical support under the SRSP.

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

² Regulation (EU) 2018/1671 of the European Parliament and of the Council of 23 October 2018 amending Regulation (EU) 2017/825 to increase the financial envelope of the Structural Reform Support Programme and adapt its general objective (OJ L 284, 12.11.2018, p. 3–5), Art.4.

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

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

Despite the recent increase of the SRSP budget⁴, the estimated cost of the support measures requested by the 27 Member States was more than double the budget allocation for 2018 (EUR 79.3 million); which led to a strong prioritisation exercise by the Commission in the selection of the requests for funding. This prioritisation was based on the criteria defined in the Regulation, bearing in mind the prioritisation made by the Member States themselves and the main challenges for the Member States indicated in the country-specific recommendations, the country reports, relevant infringement cases, etc. The Commission also considered the Annual Growth Survey (AGS) and the link between requests and strategic Union priorities. In application of the principle of sound financial management, the most mature requests having the highest potential impact on the ground were prioritised over others.

As a result of this exercise, around half of the eligible requests are being proposed for funding under SRSP 2019. In accordance with Article 7(2) second paragraph of the SRSP Regulation, the Commission should come to an agreement with the Member States concerned on the priority areas, the objectives, an indicative timeline, the scope of the support measures to be provided and the estimated global financial contribution for such support. These elements, reflected for each Member State concerned in a Cooperation and Support Plan, provide the basis of this Annual Work Programme.

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

As the estimated cost of the support measures requested by the 27 Member States was more than double the budget available, only 263 requests were proposed for funding under the SRSP 2019.

Further to the above and in line with the needs expressed by the Member States, the following priority areas of intervention, objectives and expected results have been identified for SRSP 2019:

2. Priority areas for intervention in 2019

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

- (a) public financial and asset management, budget process, debt management and revenue administration;
- (b) institutional reform and efficient and service-oriented functioning of public administration, including, where appropriate, through the simplification of rules, effective rule

⁴ *Ibid.*

of law, reform of the justice systems and reinforcement of the fight against fraud, corruption and money laundering;

(c) business environment (including for SMEs), re-industrialisation, private sector development, investment, public participation in enterprises, privatisation processes, trade and foreign direct investment, competition and public procurement, sustainable sectoral development and support for innovation and digitalisation;

(d) education and training; labour market policies, including social dialogue, for the creation of jobs; the fight against poverty; the promotion of social inclusion; social security and social welfare systems; public health and healthcare systems; as well as cohesion, asylum, migration and border policies;

(e) policies for implementing climate action, promoting energy efficiency and achieving energy diversification, as well as for the agricultural sector, fisheries and the sustainable development of rural areas; and

(f) financial sector policies, including the promotion of financial literacy, financial stability, access to finance and lending to the real economy; the production, provision and quality monitoring of data and statistics; and policies aimed at combating tax evasion.

Against this background, the priorities for support measures under the SRSP work programme for 2019 have been set on the basis of the Member-State requests for support that were proposed for funding. 92% of the requests selected concern support for the implementation of reforms contributing to the achievement of strategic policy priorities, as set out under the European Semester framework for policy coordination, or under the Union-wide policy initiatives, such as the Single Market Strategy, the Digital Single Market, the Energy Union, the Capital Markets Union and the European Pillar of Social Rights, or implementation of Union law. This also includes actions and activities in support of reforms that may help Member States in their preparation to join the euro area. The remaining requests refer to reforms to be undertaken at the initiative of Member States to achieve sustainable economic growth and job creation.

Overall, the priorities of the SRSP for 2019 reflect all six areas set out in Article 5(2) of the SRSP Regulation and are as follows (grouped by thematic area).

Public Financial Management and Revenue Administration

The SRSP will support measures in 22 Member States, in particular in relation to revenue administration, tax policy, budget preparation and spending reviews, budget implementation and transition towards accrual accounting, and fiscal framework.

Governance and Public Administration

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

Growth, Business Environment and Sectoral Issues

The SRSP will support measures in 23 Member States, in particular in the fields of investment climate, management of natural resources and resource efficiency, and the Energy Union.

Labour Market, Education, Health and Social Services

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

Financial Sector and Access to Finance

The SRSP will support measures in 16 Member States, in particular in the fields of capital-market diagnostics and strategies, capital market development, insolvency and non-performing loans, financial literacy and reinforcing financial stability.

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

2.1. Public financial management and revenue administration

a) Priorities for the year

Improving the quality and composition of public finances is important for ensuring macroeconomic stability and a crucial element of Member States' fiscal policy. The AGS 2019 calls upon Member States⁵ to continue reforms towards efficient tax systems that provide incentives for investment and growth. Efforts are also needed on the expenditure side, through spending reviews and by prioritising expenditure that fosters long-term growth and equity.

In this context and in line with country-specific recommendations issued under the European Semester, various Member States have requested support for conducting **spending reviews**, enhancing capacities to move towards performance based budgeting and the **budget preparatory process** in more general terms. These tools are instrumental for maintaining responsible fiscal policies and for contributing to more growth-friendly budget composition and medium term fiscal stability. Improvements in the **budget implementation process**, notably through **transition towards accrual accounting**, continue to form an important area of support in 2019. Accrual accounting represents an important tool for improving the accuracy and reliability of financial information. Actions in this field will build upon expertise acquired by EUROSTAT (notably through the EPSAS task force) and will be coordinated under the specific tools developed by EUROSTAT. A further area of funding relates to support measures aimed at building capacity in independent fiscal institutions.

⁵ Communication from the Commission to the European Parliament, the Council, the European Central Bank, the European Economic and Social Committee, the Committee of the Regions and the European Investment Bank Annual Growth Survey 2019: For a stronger Europe in the face of global uncertainty, COM(2018) 770 final, p. 13.

On the revenue side, support is allocated to the design of **tax policy**, in particular to improve the assessment of the impact of reforms, inter alia on revenue collection, or the business environment. Emanating from country report findings and recommendations under the European Semester to improve tax compliance and tax collection and building on EU policies, Revenue Administrations in Member States have responded with a demand for support in particular in **enhancing tax compliance** and in **tackling aggressive tax planning and tax evasion**. Further areas of support entail **improving tax administration efficiency** and capacity building, improving the understanding of the **impact of digitalisation of the economy on tax administration**, as well as developing improved **tools for modelling and analysis**. Support measures under the SRSP will be closely coordinated with actions under the FISCALIS programme.

b) Objectives pursued

In the field of **public financial management**, the support measures to be put into place under the SRSP aim *inter alia* at enhancing Member State capacity to strengthen the process of **budget preparation** by conducting spending reviews - both comprehensive and sectoral. The support for spending reviews has several objectives of - *inter alia* - ensuring better quality public spending. In relation to **budget implementation**, the SRSP will support reforms that aim to achieve a more performance-oriented and more transparent budget framework, including transition towards accrual accounting. This has the goal of contributing to better use of public funds and increased transparency and quality of decisions pertaining to the allocation of public money. In the domain of **fiscal frameworks**, the SRSP will support capacity building within independent fiscal institutions with an aim to improve the set of instruments available to perform their mandate (i.e. tax/benefits microsimulation models).

The support measures in the field of **revenue administration** aim in particular at enhancing Member State capacity to raise revenue by increasing voluntary **compliance** from taxpayers and by tackling aggressive tax planning and tax evasion. Curbing **aggressive tax planning** and **tax evasion** is an EU priority. It is key to safeguard mobilisation of revenue and economic stability, ensure a fair sharing of the tax burden and avoid distortion of competition while supporting a business and investment friendly environment. Additionally, the SRSP will support revenue administrations to develop institutional capacity and improve the **efficiency** of their operations and to equip administration to meet new needs created by digital economy, on the one hand to safeguard the tax base in a **digital** world with new business models, and on the other hand to keep pace with the overall technological evolution (e-governance, e-audit, big data analytics, etc.). Finally, the SRSP will help achieve a better impact assessment of **tax policy reforms** aiming at making tax systems more growth-friendly, in line with the challenges identified in the European Semester process.

c) Expected results

Within the field of **public financial management** and the area of **spending reviews and budget preparation**, the support to be provided is expected to institutionalise the capacity to conduct spending reviews and help achieve structural improvements in the budget preparation process. In the area of budget implementation and **transition towards accrual accounting**, **the support to be provided is expected to contribute to a more effective budget implementation process, including more transparent and accurate financial statements and accounting information.**

In the area of **fiscal frameworks**, the expected result is to improve the capacity of independent fiscal institutions in the implementation of the sound fiscal rules and to enhance the capacity of national authorities to conduct impact assessment of tax reforms. Moreover,

support for **tax policy** making is also expected to provide analysis of the various tax gaps (corporate income tax and excise gaps).

Within the field of **revenue administration**, the various support measures are expected to help Member States' tax administrations in improving the measures for fair and effective tax collection while simultaneously reducing administration and compliance costs. More specifically, the support provided by the SRSP is expected to help Member States' tax administrations to identify areas of non-compliance, increase voluntary tax compliance, and strengthen the capacity to conduct more effective tax audits and to use resources for enforcement of tax collection more effectively. The tax administrations will be also supported for providing more services for the taxpayer and more efficient communication with taxpayers and in reducing the number of judicial settlements of disputes.

2.2. Governance and public administration

a) Priorities for the year

In the area of **governance**, based on the requests of Member States, support under the SRSP will focus on improving the coordination of the work across ministries in particular regarding the monitoring, the coordination and the implementation of reforms. Support funded under the SRSP will aim at helping the Member States to improve the quality of public administrations at all governmental levels (central, regional and local). Support will also cover the coordination of competencies between national, regional, local and other governmental institutions. This includes work on better regulation, the modernisation of organisational structures, the focus on results and on client oriented services, as well as work on the quality of human resources and their improved management. Support will focus on capacity building actions.

Actions in the area of the fight against **fraud and corruption** will focus on the support to improvement - where relevant - and the implementation of the national Anti-Corruption Action Plans, on the establishment of new risk analysis methodologies, on improved supervision and auditing of the work performed by State entities, on development of whistleblower protection processes and enhancement of co-ordination and co-operation between national authorities as well as the prevention of cybercrime.

Based on various Member-State requests, funding will support the **fight against money-laundering and the financing of terrorism**. This is an important priority for the EU, underpinned by the EU Directive on the prevention of the use of the financial system for the purposes of money laundering or terrorist financing (AML/CFT Directive⁶).

Professionalisation of **public procurement** is one of the key priorities under the EU Directives on public contracts and concessions⁷. Following requests from several Member

⁶ Directive (EU) 2015/849 of the European Parliament and of the Council of 20 May 2015 on the prevention of the use of the financial system for the purposes of money laundering or terrorist financing, amending Regulation (EU) No 648/2012 of the European Parliament and of the Council, and repealing Directive 2005/60/EC of the European Parliament and of the Council and Commission Directive 2006/70/EC, OJ L 141, 05.06.2015, p. 73.

⁷ Directive 2014/23/EU of the European Parliament and of the Council of 26 February 2014 on the award of concession contracts, OJ L 94, 28.03.2014, p. 1; Directive 2014/24/EU of the European Parliament and of the Council of 26 February 2014 on public procurement and repealing Directive 2004/18/EC, OJ L 94, 28.03.2014, p. 65; Directive 2014/25/EU of the European Parliament and of the Council of 26 February 2014 on procurement

States, support is to be provided to enhance national administrative capacities, introduce innovative procurement practices and develop specific aspects of public procurement, such as procurement processes in the areas of IT and innovation.

A large number of the requests received from Member States include a "**digital**" or ICT component to enable the transformation of public administrations. In the area of eGovernment/Digital Public Administration, funding will therefore support enabling actions required for the successful implementation of national Digital Strategies, including the *IT consolidation* efforts of Member States. Support will also help national administrations to assess the operational benefits of new technologies in the administration. The "EU eGovernment Action Plan 2016-2020"⁸ refers to a number of initiatives to accelerate the digital transformation of public administrations and the new European Interoperability Framework⁹ provides important guidance to allow governments to become open, efficient and inclusive, providing borderless interoperable, personalised, user-friendly, end-to-end digital public services to all citizens and businesses in the EU.

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

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

b) Objectives pursued

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

The objectives of measures in relation to **anti-corruption** strategies include the enhancement of implementation of the anti-corruption action plans, national co-ordination and co-

by entities operating in the water, energy, transport and postal services sectors and repealing Directive 2004/17/EC, OJ L 94, 28.03.2014, p. 243.

⁸ Communication from the Commission to the European Parliament, the Council, the European Economic and Social Committee and the Committee of the Regions: EU eGovernment Action Plan 2016-2020 Accelerating the digital transformation of government (COM(2016) 179 final)

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

⁹ Communication from the Commission to the European Parliament, the Council, the European Economic Social Committee and the Committee of the Regions: European Interoperability Framework - Implementation Strategy (COM(2017) 134 final): <http://eur-lex.europa.eu/legal-content/EN/TXT/?uri=CELEX:52017DC0134>

operation, risk-assessment processes, financial control and auditing and whistleblowing systems.

The support measures in the area of **the fight against money laundering and financing of terrorism** aim to strengthen the capacity of the relevant stakeholders to improve the management of risks related to money laundering and financing of terrorism.

Support in the area of **procurement** aims to map the current situation in terms of resources and processes, identifying weaknesses, exchanging best practices and providing recommendations for the improvement of the public procurement national systems.

Support measures in the area of **eGovernment/Digital Public Administration** aim to enhance Member State capacity to accelerate the digital transformation of public administrations by building on the expertise of more developed public administrations and institutions and taking advantage of solutions developed by the ISA programme¹⁰. This should help Member States to better deliver on public administration modernisation efforts, by offering a responsive and high quality IT function. The consolidation of IT function and IT infrastructure can lead not only to lower operating costs but, more importantly, to better IT systems for civil servants and ultimately, better services for citizens. A consolidated IT function in the public administration also paves the way for taking advantage of technological innovations. Furthermore, the support will aim to contribute to the advancement of design and provision of digital services to the citizens and business.

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

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

c) Expected results

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

¹⁰ It supports the development of digital solutions that enable public administrations, businesses and citizens in Europe to benefit from interoperable cross-border and cross-sector public services. Further information is available at: https://ec.europa.eu/isa2/home_en

In the area of the **fight against corruption and money laundering** and the **financing of terrorism**, the support measures are expected to raise awareness among public and private sector organisations, enhance the capacity for investigation and prosecution and that of the supervisory institution staff, who deal with cases and transactions, and to improve the quality¹¹ of cooperation between the relevant entities at national and European levels. The support should also lead to improvement in systems to support asset recovery and whistleblowing.

The support to be provided in the area of **procurement** is expected to enhance the capacity of national contracting authorities to prepare, launch and monitor sound tendering procedures, possibly leading to better implementation of the relevant EU legislative framework. In particular, national public procurement experts should be in a position to design tendering procedures in a more strategic, but also sound and transparent, way. In addition to the above, they should be able to better deliver on more specific and relevant dimensions thereof, such as R&D, green or social procurement.

The support measures in the area of **e-Government/Digital Public Administration** are expected to contribute to improving the ICT maturity of Member States, enabling them to deliver better e-services to citizens and to deploy suitable back-office solutions supporting a transformed, open, transparent, interoperable and efficient public service.

The support measures in the area of **justice systems** are expected to contribute to the improved functioning of justice systems, e.g. through enhancing the efficiency of justice systems, especially through building capacity of judicial institutions and the enhancement of the implementation of e-justice. The support is also expected to contribute to enhancing the quality of the work of the judges and court staff and to strengthening the independence of justice systems. Finally, support should also help to achieve specific goals, in particular the protection of victims.

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

2.3. Growth, business environment and sectoral issues

a) Priorities for the year

A particular focus of the Annual Growth Survey (AGS) 2019 is on reforms that increase productivity growth, inclusiveness and institutional quality.

To drive growth, Member States need to continue fostering a good **investment climate** that promotes economic growth and job creation.¹² Linked to this priority, most Member States have requested technical support for structural reforms aimed at improving the business environment. Amongst others, these requests ask for support to reforms that aim at strengthening productivity and innovation in various sectors, attracting new investment,

¹¹ Decision (EU) 2015/2240 of the European Parliament and of the Council of 25 November 2015 establishing a programme on interoperability solutions and common frameworks for European public administrations, businesses and citizens (ISA² programme) as a means for modernising the public sector https://ec.europa.eu/isa2/isa2_en

¹² Communication from the Commission to the European Parliament, the Council, the European Central Bank, the European Economic and Social Committee, the Committee of the Regions and the European Investment Bank Annual Growth Survey 2019: For a stronger Europe in the face of global uncertainty, COM(2018) 770 final, p. 7.

improving the functioning of the goods and service markets, promoting regional and urban development, including by supporting the transition from coal, and reducing legal, institutional and regulatory constraints for businesses. Many of these requests are also in line with other strategic EU policy priorities, such as the Investment Plan, the Single Market Strategy, the Digital Single Market and the Better Regulation agenda, as well as with the country-specific recommendations under the European Semester.

In the area of **public assets**, the AGS 2019 recognises the need to encourage more public and private investment that is tailored to the specific needs of the Member States and is in harmony with the “EU’s objective of moving towards a low-carbon, circular economy and sustainable development”¹³. Also, it acknowledges that there is limited progress in reducing the investment gaps in research and innovation, in particular on digital infrastructure and intangible assets. In line with this analysis and with country-specific recommendations issued under the European Semester, various Member States have requested support to leverage public investment for growth and public services, including through Public Private Partnerships, to progress on spatial planning, urban development and housing, and to improve the use and management of public assets, including state-owned enterprises (SOEs).

Regarding **natural resources**, and in particular environmental sustainability, the AGS 2019 underscores that “investment that enhances environmental sustainability has in fact the potential to boost productivity across the economy through greater resource efficiency and reduced input costs”¹⁴. Moving away from a make-use-dispose model towards adopting a circular economy translates into transforming essential sectors, such as waste, water infrastructure and construction. In this respect, numerous Member States have requested support to better manage natural resources such as bio resources, water and air, and to improve their capacity to implement and enforce environmental legislation, incorporate environmental externalities, and to manage coastal areas, flood risks and waste. These requests are closely aligned with EU priorities and key environmental policies, such as the circular economy and the green economy.

The **Energy Union** is the backbone of the EU policy on energy and climate and one of the ten priorities of the Commission. The AGS 2019 finds that “investing into a low-carbon, circular economy, including through innovation, is one of the keys for Europe to remain globally competitive and raise productivity without compromising living standards”¹⁵. To achieve this goal, investment should focus on the modernisation and decarbonisation of Europe’s industry, transport and energy systems.

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

b) Objectives pursued

¹³ *Ibid*, p. 8.

¹⁴ Communication from the Commission to the European Parliament, the Council, the European Central Bank, the European Economic and Social Committee, the Committee of the Regions and the European Investment Bank Annual Growth Survey 2019: For a stronger Europe in the face of global uncertainty, COM(2018) 770 final, p. 8.

¹⁵ *Ibid*, p. 9.

In the area of **investment climate**, the measures to be put in place under the SRSP 2019 aim to help Member States in their efforts to bolster productivity, long-term competitiveness and sustained economic growth. In particular, the support measures concern national reform policies targeted at promoting high-quality investment, supporting better regulation, reducing the administrative burden for small and medium-sized enterprises (SMEs) and supporting SME policy, and removing unjustified restrictions on regulated professions. The support measures envisaged in this area will also aim to contribute to the effort of the relevant national authorities in removing regulatory horizontal barriers, enhancing industrial integration across sectors and Member States, facilitating trade and innovation, modernising transport, mobility and logistics, promoting digitalisation, developing regional and sectoral hubs, and promoting creative industries. In addition, the support measures will aim to support urban development and regional transition from coal, enhance the cooperation between business community and research institutions, assess the implemented reforms, and build institutional capacity for the analysis of productivity and growth.

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

Measures in the area of **natural resources** will aim to support Member States in their efforts to achieve sustainable development. This includes helping national authorities in improving the management of natural resources (including bio resources, water and air), the management of flood risks, coastal protection, waste management, strengthening sustainable investments and the implementation and enforcement of environmental legislation.

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

c) Expected results

In the area of **investment climate**, the different support measures are expected to, *inter alia*, contribute to reform efforts being carried out in Member States, namely: to promote private investment, attract foreign direct investment, simplify the licensing system and improve regulation both horizontally and in specific sectors, improve the application of better regulation principles, thus reducing red tape, simplifying administrative procedures and improving the business environment. Furthermore, the support measures are expected to help Member States develop SME strategies; help promote entrepreneurship and productivity growth and reduce the administrative burden for SMEs, creating opportunities in regulated professions, foster the development of trade and logistics, encourage sustainable mobility and transport, stimulate creative industries, and promote innovation and digital tools. In addition, the support measures are expected to contribute to the efforts of the national authorities towards increasing international trade, supporting a region's transition from coal to a more

sustainable growth model, increasing the spread of knowledge and engagement between the business community and research institutions, building institutional capacity in analysing productivity and growth to support knowledge-based policy making, and putting in place institutional arrangements to support the development of socially and environmentally sustainable growth.

In the area of **public assets**, the different support measures are expected to, *inter alia*, contribute to building capacity on preparing and managing public investment, implementing legislation on concessions, spatial planning, urban development and housing, and strengthening the governance and management of SOEs.

In the area of **natural resources**, different support measures are expected to, *inter alia*, contribute to improving the management of natural resources, integrating environmental externalities, strengthening air, water, flood risks and waste management, as well as coastal protection. Support measures will also help improve the implementation and enforcement of environmental legislation and promote the UN Sustainable Development Goals.

In the area of **energy and climate**, different support measures are expected to, *inter alia*, contribute to increasing the penetration of energy efficiency and renewable energy sources, increasing public sector energy efficiency investment, improving the accuracy of energy and climate forecasting, modelling and planning, improving the functioning of the energy markets, strengthening energy infrastructures and low-carbon modernisation of energy systems, as well as capacity to plan and implement national climate policies.

2.4. Labour market, education, health and social services

a) Priorities for the year

Based on the requests from Member States, the SRSP will support structural reforms **in the area of health systems**. In view of population ageing and other non-age-related determinants, AGS 2019 emphasizes the need to ensure fiscal sustainability and maintain universal access to quality healthcare. To this aim, Member States need to improve the cost-effectiveness of the systems by investing in innovation, improving care integration between primary, specialised outpatient and hospital care and strengthen links with social care¹⁶.

In 2018, European Semester country-specific recommendations related to health systems were issued to twelve Member States and, in response to these challenges, a large majority of these Member States have requested technical support in this policy area.

Based on the Member State requests, an important part of the funding in 2019 will support **education and training reforms** (including VET, life-long learning and research). The EU population is ageing, leading to skills shortages, including in teaching workforce. The digital transformation of the economy affects the types of skills needed, while people increasingly learn in settings outside formal education, which remain often unrecognised. The wide differences in quality and relevance of the education and training available lead to increasing disparities in the economic and social performance of Member States and their citizens, and while tackling the education challenges requires significant policy efforts and systemic reforms, it also calls for smart investments from both public and private sources to ensure

¹⁶ Communication from the Commission to the European Parliament, the Council, the European Central Bank, the European Economic and Social Committee, the Committee of the Regions and the European Investment Bank Annual Growth Survey 2019: For a stronger Europe in the face of global uncertainty, COM(2018) 770 final, p. 12.

sustainability. The European Education Area initiative stresses that lifelong learning, mobility, investment and the quality of teachers are the priorities for education to become a driver of job creation, economic growth and social fairness. In May 2018, the Council issued a recommendation urging Member States to promote inclusive education for all learners, with a specific recommendation to make effective use of the European Agency for Special Needs and Inclusive Education. Recently, the AGS 2019 set the following priorities for action: "*strengthening basic skills, reinforcing the initial education and continuous professional development of teachers and trainers (...) strengthening vocational education and training systems by making more work-based learning and apprenticeship opportunities available*" and "*active engagement of all adults in reskilling or upskilling activities*". Finally, in the framework of the European Semester process, education-and-skills-related country-specific recommendations call on several Member States to improve the quality, relevance and inclusiveness of their education and training systems, to prevent early-school-leaving and to foster lifelong learning to address labour market shortages and mismatches.

The SRSP will support **labour market reforms**. While the trend for the EU as whole is positive with a record of 239 million people in employment in the second quarter of 2018 and unemployment having fallen back to pre-crisis levels, some Member States are still experiencing high unemployment rates and household income below pre-crisis levels, and others suffer from underemployment or skill shortages¹⁷. Challenges thus remain and Member States should continue their efforts to improve the conditions for greater labour market participation, better quality jobs and a better working environment by reducing undeclared work, providing effective training and upskilling, promoting labour mobility, and integrating migrants and refugees in the labour market. These challenges are also reflected prominently in the European Pillar of Social Rights and in the 2018 country-specific recommendations. Several requests from several Member States in the field of labour market policies are related to these challenges.

Finally, the SRSP will support structural reforms in the field of **social security and social welfare**. The European Pillar of Social Rights is to serve as a guide towards efficient employment and social outcomes. The SRSP will support reforms which are crucial in this respect, including the development of inclusive and growth-friendly social protection schemes. In this context, support will also be provided on reforms aimed at improving the adequacy and fiscal sustainability of pension systems, including through policies that support supplementary pension savings. The European Pillar of Social Rights further calls for a holistic approach to disability, in line with the UN Convention on the Rights of Persons with Disabilities (UNCRPD), and to social benefits. Accordingly, Member States will be supported in the reform of their disability policies, with a particular focus on the disability assessment process. In addition, as also indicated in the AGS 2019, "Member States should further promote activation and social inclusion policies and universal access to affordable and quality care services"¹⁸. The measures selected for funding will provide support across different social policy areas to help strengthen the administrative capacity for quality service delivery to vulnerable citizens, including the elderly, children, ethnic minorities, migrants and refugees, people with disabilities and homeless people.

¹⁷ Communication from the Commission to the European Parliament, the Council, the European Central Bank, the European Economic and Social Committee, the Committee of the Regions and the European Investment Bank Annual Growth Survey 2019: For a stronger Europe in the face of global uncertainty, COM(2018) 770 final, p. 1.

¹⁸ *Ibid*, p. 12.

b) Objectives pursued

The support measures provided for **health systems** aim to improve the ability of Member States to translate health policies into a more effective delivery of health prevention and care services, as well as to support fiscally sustainable and comprehensive access to quality healthcare. The specific objectives of support measures are to: i) enhance the governance, planning, monitoring and evaluation capacity of health systems of the Ministries of Health and associated public entities; ii) improve health-system efficiency through improved use of human resources, reimbursement tools, digital solutions, anti-microbial resistance policies and purchasing arrangements; iii) enhance the (cost-) effectiveness of service delivery throughout the whole chain of care provision, including mental health, health promotion and disease prevention; and iv) improve access to care and quality of care.

The SRSP will support reform policies in **education and training (including VET, lifelong learning and research)** in order to improve the quality and efficiency of Member-States education and training systems. The support measures will, *inter alia*, aim to ensure the relevance of policy reforms and facilitate their implementation, with the ultimate objectives of: widening access to education, ensuring its inclusiveness, improving its quality and relevance (including of teaching, leadership and school management), and enhancing technology use. The SRSP support measures will also aim to improve the quality and relevance of VET programmes by fostering dual VET and developing skills anticipation tools and tracking systems. The aim will be to achieve increased inclusiveness, and foster upskilling pathways by improving the recognition of informal and non-formal learning and providing alternative pathways to prevent early school leaving. The support measures will also contribute to upgrading the education governance systems, and adapt administrative and operational structures, including IT systems, by improving monitoring, assessment tools and quality assurance systems. Finally, the support measures will aim at increasing the sustainability of the education provision, including for adult education and Higher Education.

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

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

collection and processing of administrative data as well as the strengthening of analytical capacities and tools to design, implement, monitor and evaluate policies.

c) Expected results

In the area of health systems, the measures are expected to contribute to: i) the provision of tools for governance, planning, monitoring and evaluation of health system resources; ii) recommendations and tools for improving core health system functions, such as on the use of human resources, reimbursement of care services, digital solutions, anti-microbial resistance policies and purchasing arrangements; iii) the design and implementation of effective and efficient care delivery models (e.g. in preventive care, mental care, primary care, and hospital care); iv) better skilled public administration staff; and v) the development and implementation of tools for improving access to care and quality of care.

In the area of **education and training**, the different support measures are expected to contribute (through concrete recommendations, practical advice and guidance) to improving the quality, relevance, inclusiveness, efficiency and sustainability of concerned Member States education and training systems (both programmes and institutions). This should be achieved, *inter alia*, by the preparation of policy and legislative proposals (including on teachers and school leaders), the design of new structures and tools (including comprehensive education monitoring models) and encouraging uptake of good practices, technologies, and new approaches. The support is expected to contribute to improving the design of student support programmes and new education programmes for early school leavers, and it is expected to encompass structures and proposals to increase access to and quality of adult education. Support will be provided to VET teachers and mentors, and is expected to result in specific proposals to upgrade vocational education and training offer and new financial tools to ensure sustainability of adult education and higher education.

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

In the area of **social security and social welfare**, the support measures are expected to contribute, in the field of pensions, to a more efficient and widespread provision of supplementary pension schemes. The support provided on the reform of disability assessment schemes is expected to contribute to the preparation of relevant changes necessary for reform implementation. In the field of social welfare, the measures to be put in place under the SRSP are expected to contribute to enhancing the capacity of the relevant authority to prepare, monitor, and evaluate reforms of relevant social policies and services, as well as to better deliver services, particularly those targeted at the most vulnerable groups such as the elderly, children, ethnic minorities, migrants and refugees, people with disabilities and homeless people. In various social policy areas, the SRSP support measures are expected to contribute to more integrated data collection, enhanced analytical capacities and a more integrated and interconnected administration and provision of benefits and services.

2.5 Financial sector and access to finance

a) Priorities for the year

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

Over previous years, there has been a significant number of country-specific recommendations in the area of insolvency and addressing private debt overhang. Given the impact on attracting investment and resolving non-performing loans, the Commission will assist Member States to put in place fair and efficient insolvency procedures and building administrative capacity in this area. Based on the requests received from Member States, a portion of funding in 2019 will be utilised for support to the area of **insolvency**.

In line with the objectives of the Commission communication Working together for jobs and growth: The role of National Promotional Banks (NPBs) in supporting the Investment Plan for Europe, Member States have made efforts to establish and/or to improve the administrative capacity of **national promotional banks** across Europe. Funding in 2019 will support Member States efforts to continue this work, in particular focusing on improving the administrative capacity of national promotional banks.

In the area of **financial literacy**, based on the requests from Member States, funding in 2019 will be used to support Member-State efforts to create innovative tools and strategies to further increase the level of financial education of citizens and SME owners.

Given the significant steps taken over the preceding years to introduce EU legislation to address financial stability risks, a number of Member States have sought support for implementing specific actions to **reinforce financial stability** within their jurisdiction. An important area that funding will support is to assist Member States to implement and integrate the EU legislation in this area and to improve supervisory capacity.

b) Objectives pursued

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

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

In the area of **national promotional banks**, support measures will have as their objective to support Member States in improving the functioning of existing or new national promotional

banks. This support will, in particular, focus on improving the administrative capacity of national promotional banks in order to improve their operational capacity to address market gaps and thereby support growth in the Member States.

In the area of **financial literacy**, the objective of the support is to allow Member States to better communicate financial literacy concepts to students, teachers and SME owners. This support aims to lead to a greater understanding of financial literacy.

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

c) Expected results

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

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

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

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

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

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

	(a) Public Financial Management and Revenue Administration	(b) Governance and Public Administration	(c) Growth and Business Environment	(d) Labour market, health and social services	e) Financial sector and access to finance	Total (EUR)
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TOTAL (EUR)	12.466.900	14.599.710	20.045.000	19.340.710	12.923.680	79.376.000

Of which:

1) Grants	1.229.400	760.000	2.768.000	2.315.060	500.000	7.572.460
2) Public procurement	4.502.000	6.844.710	10.680.000	9.233.200	9.393.680	40.653.590
3) Indirect management	6.670.500	6.965.000	6.597.000	7.505.000	2.680.000	30.417.500
4) Other expenditure	65.000	30.000	-	287.450	350.000	732.450

Part II – Actions to be financed in 2019

1. Introduction

On the basis of the objectives given in Regulation (EU) 2017/825 of the European Parliament and of the Council of 17 May 2017 on the establishment of the Structural Reform Support Programme for the period 2017 to 2020 and amending Regulations (EU) No 1303/2013 and (EU) 1305/2013, as amended by Regulation (EU) 2018/1671 of the European Parliament and of the Council of 23 October 2018 to increase the financial envelope of the Structural Reform Support Programme and adapt its general objective, this work programme contains the actions to be financed and the budget breakdown for year 2019 as follows:

- a) for grants (implemented under direct management) (point 2) EUR 7 572 460,
- b) for procurement (implemented under direct management) (point 3) EUR 40 653 590,
- c) for actions implemented under indirect management (point 4) EUR 30 417 500,
- d) for other actions or expenditure (point 5) EUR 732 450

Legal basis

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

Budget line

- (a) budget line 13.08 01 00 EUR 30 723 000;
- (b) budget line 13.08 02 00 EUR 48 653 000;

2. Grants

The global budgetary envelope reserved for grants under this work programme is EUR 7 572 460. It includes a) grants to be directly awarded based on the type of applicants and the criteria indicated in this Financing Decision and b) grants to be directly awarded to entities already identified in this Financing Decision.

2.1. Direct Grants to support Structural Reforms in the area of Public Financial Management and Revenue administration

- Priorities for the year, objectives and pursued and expected results

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

Type of applicants targeted by the direct award

Direct grants may be awarded to International Financial Institutions (IFI) and other international organisations (to the extent that the current provisions and framework agreements allow the conclusion of grant agreements), Member-State ministries and public bodies, non-for profit international or European expertise associations and networks, and other bodies with a public service mission, including private bodies, which, in view of the nature of the action, have specific and recognised competencies, experience and leadership, high degree of specialisation or administrative power in the field of budget preparation, budget implementation, public financial management and revenue administration reform. Such entities will be identified on the basis of their specific experience in providing support in the field of budget preparation and budget implementation, reform of public finance management systems and in supporting large-scale tax administration reform processes in recent years in European and neighbouring countries and proven knowledge of the local context. Direct grants may be awarded also to entities which are in a *de jure* or *de facto* monopoly position.

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

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

- a) expertise related to policy advice, policy change, formulation of strategies and reform roadmaps, as well as legislative, institutional, structural and administrative reforms, such as support in the definition and implementation of a comprehensive tax administration reform strategy;
- b) the provision of experts, including resident experts, for a short or a long period, to perform tasks in specific domains or to carry out operational activities, where necessary with interpretation, translation and cooperation support, administrative assistance and infrastructure and equipment facilities, such as support to improve budget preparation process and its articulation with spending reviews;
- c) institutional, administrative or sectoral capacity building and related supporting actions at all governance levels, also contributing to the empowerment of civil society, as appropriate, in particular:
 - organisation of seminars, conferences and workshops;
 - organisation of study visits to relevant Member States or third countries on selected topics related to overall revenue administration and public financial management reforms;
 - training actions and the development of online or other training modules;
- d) collection of data and statistics, development of common methodologies and indicators or benchmarks;
- e) IT capacity building: expertise related to development, maintenance, operation and quality control of the IT infrastructure and applications needed to implement the reforms, notably with regard to Financial Management Information System (FMIS) or IT systems dedicated to revenue administration or reform of public financial management processes;
- f) studies, research, analyses and surveys, evaluations and impact assessments, and the development and publication of guides, reports and educational material, for example in the field of tax audit or other core processes of tax administration; and
- g) communication projects for learning, cooperation, awareness raising, dissemination activities and the exchange of good practices; organisation of awareness-raising and information campaigns, media campaigns and events, including corporate communication and communication.

Implementation

Directly by SG-SRSS

I. Essential eligibility, selection and award criteria

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

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

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

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

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

2.1.1. Direct grant to the Instituto Valenciano de Investigaciones Economicas (IVIE)

Objectives pursued and expected results

The objective of the action is to conduct a macro-assessment of the quality of public infrastructure in Spain and the economic impact of infrastructure investments in the period 1986-2018. Furthermore, the action has the objective to develop an upgraded methodology for the assessment of the socio-economic impact of infrastructure investments.

The action is expected to deliver as outputs an analysis of the quality of transport infrastructure in Spain and the economic impact of transport infrastructure investments in the last period as well as a methodology for assessing economic and social impact of transport infrastructure investments. The expected result of the action is an enhanced capacity of the Independent Authority for Fiscal Responsibility in Spain to conduct a spending review on transport infrastructure.

Description of the activities to be funded

Activities to be funded under this specific action entail:

- 1) Analyses of the stock of transport infrastructure in Spain and the economic impact of transport infrastructure investments over the long term (since 1988);
- 2) Contributing to the development of an enhanced methodology to assess the economic and social impact of transport infrastructure investments.

Amount

EUR 279 400

Grant Beneficiary:

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

The grant is to be awarded to Instituto Valenciano de Investigaciones Economicas (IVIE). This body is the best suited entity for this Action, having the high degree of specialization for completing the activities required for the quality of public infrastructure in Spain. IVIE owns and maintains unique historical data bases on: a) Capital stock and its territorial and sectoral distribution in Spain (1964-2015); b) Public capital in Spain and its territorial distribution (1900-2012). Access to these data bases is essential for successful implementation of the Action. Furthermore, IVIE holds a high level of expertise and substantial experience in conducting macro assessments, economic and socio-economic impact assessments of infrastructure investments.

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

Implementation: Directly by SG-SRSS

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

2.2. Direct Grants to support Structural Reforms in the area of Governance and Public Administration

Priorities for the year, objectives and pursued and expected results

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

Type of applicants targeted by the direct award

Direct grants may be awarded to international organisations (to the extent that the current provisions and framework agreements allow the conclusion of grant agreements) or Member-State ministries and public bodies, other bodies, including private, which in view of the nature of the action, have recognised and relevant technical competence, high degree of specialisation or administrative power in the field of governance and public administration and, more precisely, in the areas of reform of human resources, state organisation, judicial reform, e-government and transparency. Such entities will be identified on the basis of their specific experience in supporting structural reforms in the above-mentioned areas in recent years in European and neighbouring countries, and proven knowledge of the local context. Direct grants may be awarded also to entities that are in a *de jure* or *de facto* monopoly situation.

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

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

- (a) expertise related to policy advice, policy change, formulation of strategies and reform roadmaps, as well as to legislative, institutional, structural and administrative reforms; e.g.: provision of policy inputs on improvement of human resources management in the public administration;
- (b) the provision of experts, including resident experts, for a short or a long period, to perform tasks in specific domains or to carry out operational activities, where necessary with interpretation, translation and cooperation support, administrative

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

Implementation

Directly by SG-SRSS

1) *Essential eligibility, selection and award criteria*

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

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

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

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

sound cost-efficiency ratio.
2) <i>Maximum possible rate of co-financing of the eligible costs: 100%</i>

2.3. Direct Grants to support Structural Reforms in the Growth, Business Environment and Sectoral Issues

Priorities for the year, objectives and pursued and expected results

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

Type of applicants targeted by the direct award

Direct grants may be awarded to international organisations (to the extent that the current provisions and framework agreements allow the conclusion of grant agreements) or Member-State ministries and public bodies, other bodies, including private, which in view of the nature of the action, have recognised and relevant technical competence, high degree of specialisation or administrative power in the field of investment climate, public assets, natural resources, energy and climate. Such entities will be identified on the basis of their specific experience in supporting structural reforms in the above-mentioned areas in recent years in European and neighbouring countries, and proven knowledge of the local context. Direct grants may be awarded also to entities that are in a <i>de jure</i> or <i>de facto</i> monopoly situation.
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Description of the activities to be funded by the grant awarded without a call for proposals on the basis of Article 195 of the Financial Regulation

Support will be provided to carry out, amongst others, the following activities:
(a) collection of data and statistics, development of common methodologies and indicators or benchmarks; examples: (i) methodology development, data collection and analysis for improvement of the regulatory framework; and (ii) guidelines for carrying out environmental inspections;
(b) studies, research, analyses and surveys, evaluations and impact assessments, and the development and publication of guides, reports and educational material; examples: (i) analysis of barriers and challenges affecting SME development; (ii) study on the digitalisation of supply chains; (iii) impact assessment of rules and regulations; ; (iv) assessment of the functioning of the water sector; (v) development of a simulation model of transport infrastructure and transport flows to tackle transport shocks; and (vi) modelling for energy systems.
(c) expertise related to policy advice, policy change, formulation of strategies and reform roadmaps, as well as to legislative, institutional, structural and administrative reforms; examples: (i) recommendations for developing an SME policy; (ii) recommendations to improve the detection of competition infringements; (iii) recommendations for transport and mobility in the context of sustainable development; (iv) recommendation for implementing a climate change strategy, (v) recommendations for the environmental protection of coastal areas; (vi) recommendations for improving the horizontal regulatory framework; (vi) recommendations for efficient management of natural resources such as water, including flood risks; (viii) recommendations for

developing circular economy strategies; (ix) recommendations for defining and implementing appropriate processes and measures for waste collection; x) recommendations for the development and implementation of long term growth and sustainable development strategies including institutional arrangements; xi) recommendations for simplifying the licensing and inspections systems in several economic sectors; xii) recommendations on housing policy; xiii) advice on building institutional capacity for the analysis of productivity and growth; xiv) advice on improving the regulatory aspects and the security of supply related to oil products, their markets, and promoting the penetration of alternative fuels; and xv) formulation and establishment of new provisions to increase investments in energy efficiency and renewable energy sources for the building sector.

- (d) organisation of seminars, conferences and workshops, and provision of experts: examples include: (i) capacity building on concessions; (ii) training for environmental inspections and related information management; and (iii) workshops to develop capacity on climate change policy.

Implementation

Directly by SG-SRSS

I. Essential eligibility, selection and award criteria

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

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

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

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

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

2.4. Direct Grants to support Structural Reforms in the area of Labour market, Education, Health and Social Services

Priorities for the year, objectives and pursued and expected results

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

Type of applicants targeted by the direct award

Direct grants may be awarded to pillar-assessed or to non-pillar-assessed United Nations Organizations, other international organisations (to the extent that the current provisions and framework agreements allow the conclusion of grant agreements), Member-State ministries, agencies and bodies, other bodies with a public service mission, private bodies and non-for profit international or European expertise associations and networks, which, in view of the nature of the action, have specific and recognised competencies, experience and leadership, high degree of specialisation or administrative power in the field of labour market, migration, health, social services and education. Such entities will be identified on the basis of their specific experience in supporting structural reforms in the areas of health care systems, migration, education and training, labour market and social security and social welfare in recent years in European and neighbouring countries and proven knowledge of the local context. Direct grants may be awarded also to entities that are in a *de jure* or *de facto* monopoly situation.

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

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

- (a) expertise related to policy advice, policy change, formulation of strategies and reform roadmaps, as well as legislative, institutional, structural and administrative reforms; examples: provision of institutional and legal advice for introducing a “One Health” policy approach to counter anti-microbial resistance; policy advice on the implementation of a curricular reform; policy advice on the design of a legal framework and quality assurance system for Dual VET; policy advice on education strategy; advice on the design and implementation of the reform of the disability assessment system; policy advice on policies towards attracting labour migrants and inclusion of migrants and refugees in the labour market; policy advice for the design and implementation of active labour market policies; policy advice on labour inspections;
- (b) the provision of experts, including resident experts, for a short or long period, to perform tasks in specific domains or to carry out operational activities, where necessary with interpretation, translation and cooperation support, administrative assistance and infrastructure and equipment facilities; examples: provision of experts for supporting public health pilot actions targeted at-risk and vulnerable populations groups in the area of HIV and HCV prevention and control; provision of experts to help assess the teachers training system; provision of hands-on advice on various aspects related to integration of vulnerable groups into the labour market and the social welfare system; provision of specific expertise in the design and implementation of Qualification Frameworks.

- (c) organisation of seminars, conferences and workshops; examples: workshops to support the development of an agency for Mental Health Care, Drug Addiction and Social Care Units workshop and exchange of best practice on improving VET; conference to define best practices on social inclusion of refugees and migrants; workshops and exchange of best practices on policies to promote supplementary pension savings;
- (d) organisation of study visits to relevant Member States: examples: study visits to countries with established assessment frameworks in nursing care; study visits to gather information about relevant experience of another Member State that has introduced the curricular reform into their education system to share best practices regarding the actual implementation of the reform; study visits to gather information about relevant experience of other Member States on attracting labour migrants and on inclusion of migrants and refugees in the labour market;
- (e) training actions and the development of online or other training modules; example: training of public administration on the strategic development of mental health policies; teacher training as part of the curricular reform and compilation of teaching materials related to reform of curricula; preparation of manuals and protocols for new disability assessment methodologies;
- (f) collection of data and statistics, development of common methodologies and indicators or benchmarks; example: design an assessment framework for the quality of care in nursing homes and in home care; development of a framework for the collection and processing of administrative data as well as the strengthening of analytical capacities and tools to design, implement, monitor and evaluate policies; development of common methodologies for labour market and social integration of vulnerable groups such as migrants and disabled people;
- (h) IT capacity building: expertise related to development, maintenance, operation and quality control of the IT infrastructure and applications needed to implement the reforms, as well as expertise related to programmes geared towards the digitalisation of public services; examples: support to develop data systems for monitoring and evaluation of nursing care; support for the development of an integrated management information system in the field of social services for the elderly; development of monitoring systems in education;
- (i) studies, research, analyses and surveys, evaluations and impact assessments, and the development and publication of guides, reports and educational material; examples: evaluations of public health actions in the area of HIV and HCV prevention and control; carrying out a study on the obstacles of low skilled people to access adult education; carrying out studies, research, and evaluation on good practices to attract labour migration and to integrate migrants and refugees; in-depth assessment on formal and informal forms of care for elderly people; setting up an evaluation and monitoring system for the inclusion of Roma minorities.
- (j) communication projects for learning, cooperation, awareness raising, dissemination activities and the exchange of good practices; organisation of awareness-raising and information campaigns, media campaigns and events, including corporate communication and communication; examples: exchange of good practices in the area of anti-microbial resistance policies; preparation and organisation of awareness-raising campaigns related to the importance and impact of curricula reform and the relevance of the teaching profession; preparation and organisation of awareness-

raising campaigns related to the importance of integration of migrants and refugees into host societies; support for the dissemination of activities related to labour market activation programmes; development of a communication strategy related to the introduction of a new disability assessment system.

Implementation

Directly by SG-SRSS

I. Essential eligibility, selection and award criteria

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

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

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

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

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

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

2.4.1. Direct grant to the European Agency for Special Needs and Inclusive Education¹⁹

Objectives pursued and expected results

The objective of the action is to contribute to enhancing the inclusiveness of national education systems by providing support in the diagnosis of problems and needs of intervention, formulating tailored recommendations for reforms, drafting of specific legislation and regulations, implementing the new legislation, and developing teacher training for inclusive education.

Expected results in the targeted Member States:

1. Improved educational outcomes at the level of affected students, schools and the education system as a whole, reflecting European and international good practice and the rights of all children to qualitative education.

¹⁹ An independent organisation that acts as a platform for collaboration for its member countries, working towards ensuring more inclusive education systems.

2. Improved policies and legislative frameworks for inclusive education, including institutional set-up and potentially funding streams.
3. Increased awareness and understanding of inclusive education issues among stakeholders.
4. Improved practitioner skills in teaching inclusive classrooms, and in training educators and other staff for inclusive teaching and learning.

Description of the activities to be funded

The beneficiary will provide support to up to four Member States to implement the following measures:

- Analytical support in the preparation of reforms of the education system (diagnosis of the situation, socio-economic analysis of specific vulnerable groups, good practices from other national contexts, recommendations for legislative, institutional and curricular changes);
- Support in the drafting or amending of primary and secondary legislation on inclusive education, taking into account national specificities and existing legislative frameworks;
- Support in the implementation of new or amended legislations on inclusive education (drafting implementation roadmaps, consulting and mobilising key stakeholders, proposing new or revised implementation methods e.g. improved monitoring methods and new governance mechanisms);
- Help in developing better information and training systems (e.g. training programs on inclusive education for teachers and other education professionals, train the trainers programs, setting up a network of experts in inclusive education).

Amount

EUR 1 050 000

Grant Beneficiary:

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

The grant is to be awarded to the European Agency for Special Needs and Inclusive Education (“the Agency”), which is the best suited body for this action, having the technical competence for completing the activities required in the field of inclusive education and related policy reforms. The Agency has a European network of experts, which have both a strong academic background in inclusive education and first-hand experience in policy implementation.

The Agency has a high degree of specialization in the field of inclusive education policy in European countries as proven by its reference reports and publications delivered in the framework of its projects across European countries. It can also rely on a large team of experts that can ensure the administrative capacity to perform the actions.

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

Implementation: Directly by SG-SRSS

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

2.4.2. Direct grant to the Sant'Anna School of Advanced Studies

Objectives pursued and expected results

The objective is to provide support to enhance the monitoring and evaluation capacity of the health system by the national authorities by developing a system of patient-reported experience measures (PREMs) and by integrating them within the national framework for health system performance assessment. This system will serve as a tool to support effective decision-making for politicians, health professionals and managers to enhance the quality of care.

The action is expected to lead to the following results:

1. A methodology for the design and implementation of a national patient experience survey is developed;
2. National experts in the public administration are empowered to carry out the survey autonomously;
3. Terms for reference for a platform to share PREMs' findings across health professionals are developed.

Description of the activities to be funded

The beneficiary will provide support to the national authorities in Latvia to implement systematic and continuous monitoring of patient-reported experience measures (PREMs).

The support action will include the following measures:

1. Identification of goals and methods for the development of a national patient experience survey according to the insights from the most recent literature and tailored to the national context.
2. Development of skill and competences to put in place a data transfer system among providers and a third agency in charge of administering questionnaires;
3. Development of a framework that allows integrating PREMs' results with operations' management into the health care institutions;
4. Definition of technical specification for a web platform in which health care providers may consult their performance in terms of patient experience in real time and benchmark their results at the local and national level.
5. Supervision of data collection and quality assessment.
6. Support the follow-up to the implementation, development and sustainability of the Patient Experience domain established within the national framework for health system performance assessment.

Amount

EUR 100 000

Grant Beneficiary:

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

The grant is to be awarded to Sant'Anna School of Advanced Studies in Pisa, Italy : a public university institute - with special autonomy - working in the field of applied sciences. This body is the best suited one to support national authorities in designing, setting-up and running a system for continuous monitoring of patient-reported experience measures and has, over a period of more than ten years, acquired technical competence in designing and implementing tools and methodologies to assess the performance of health systems and support management and decision making. Sant'Anna School can draw on a large pool of experts, including professors, researchers and PhD students, who are developing state of the art tools and methodologies to assess the performance of health systems; top researchers of Sant'Anna School have been extensively cooperating in EU actions in this field.

The choice of Sant'Anna School as provider is further justified by the ongoing technical assistance it delivers in developing general healthcare assessment frameworks and tailored support to the development of patient reported experience measures in several Italian regions and in other EU countries.

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

Implementation: Directly by the SG-SRSS

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

2.5. Direct Grants to support Structural Reforms in the area of Financial Sector and Access to Finance

Priorities for the year, objectives and pursued and expected results

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

Type of applicants targeted by the direct award

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

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

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

- (a) expertise related to policy advice, diagnosing reform needs, policy change, formulation of strategies and reform roadmaps, as well as legislative, institutional, structural and administrative reforms; examples: 1) formulating a capital market development strategy; 2) improving the administrative capacity of resolution authorities;
- (b) organisation of seminars, conferences and workshops;
- (c) organisation of study visits to relevant Member States;
- (d) training actions and the development of online or other training modules;
- (e) collection of data and statistics, development of common methodologies and indicators or benchmarks; and
- (f) studies, research, analyses and surveys, evaluations and impact assessments, and the development and publication of guides, reports and educational material.

Implementation

Directly by SG-SRSS

I. Essential eligibility, selection and award criteria

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

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

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

2.5.1. Direct grant to the Université Paris Dauphine

Objectives pursued and expected results

The objective of the action is to develop actions to be put in place by the French financial sector in order to reduce the risks of mis-selling of financial products to older people, who are particularly vulnerable to mis-selling, also due to increasing financial digitalisation.

The expected results of the project will be an increased understanding of the authorities on the issue of mis-selling to older clients, supported by more accurate data and analytical tools for identifying vulnerable clients and taking policy decisions in this area, greater awareness

among European and international supervisors and, possibly, policy/legal measures aiming at better protection of the elderly.

Description of the activities to be funded

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

- Support to the working group set up with French and international financial institutions to help with the assessment of business practices and products offered to the elderly and the collection of business data.
- Analytical support to test an already developed theoretical model with real data collected from financial institutions on a voluntary basis in order to validate or lead to amendments in the model. Support would in particular focus on analysis and processing of financial data in order to confirm characteristics of vulnerable individuals.
- Support in the definition of an action plan including various policy measures like institutional communication, pedagogical tools, legislative initiatives and regulatory guidance on business practices.

Amount

EUR 250 000

Grant Beneficiary:

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

The grant is to be awarded to the Université Paris Dauphine (“the University”), which is the best-suited body for this action, having all of the technical competences required for completing the activities in this field at the crossroad between financial economics, aging and health. Only a body with technical competence and a high degree of specialisation in these three domains can provide the expected results.

The University is the best-suited body with the expertise necessary across these three domains, based on its Laboratoire d'économie et de gestion des organisations de santé (LEDa-LEGOS), its Chaire Santé (Health Chair) specialised on health, and the recognised academic and policy expertise on topics related to the aging of population of Prof. Eric Bonsang, Associate professor at the LEDa-LEGOS. Because of these reasons, since 2012, the LEDa-LEGOS' team of the University is in charge of the French part of the SHARE survey (Survey on Health, Ageing and Retirement in Europe), an initiative launched and funded by the European Commission. Additionally, the University developed the theoretical model underlying this project, which, despite not being a precondition for carrying out the required activities, provides the University with unique insights on the issues at stake.

Next to its reference reports and academic publications, the University can also rely on a large team of experts that can ensure the administrative capacity to perform the actions.

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

Implementation: Directly by SG-SRSS

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

In case the actions set out for implementation through grants (direct management) cannot be implemented under this delivery method, they will be implemented through public procurement (direct management).

3. Procurement

The global budgetary envelope reserved for procurement contracts in year 2019 is EUR 40 653 590.

3.1. Procurement activities for implementation of Structural Reform Support Programme

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

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

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

Type of contracts:

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

Current SRSS Multiple Framework Contract

The maximum amount for the current SRSS Multiple Framework Contract is EUR 20 000 000 and it may be used until 1 October 2019 (with a possible extension for 24 more months). The financial ceiling of this contract may be increased by 50% for Lot 1 respecting the conditions foreseen in Article 172(3)(b) of the Financial Regulation.

- 3) Multiple Framework Contract for the provision of technical support for the implementation of structural reforms under the Structural Reform Support Programme (SRSP).

A call for tender for a new SRSS Multiple Framework Contract was launched in December 2018 following the adoption of the financing decision C(2018) 8068. The maximum amount of the new SRSS Multiple Framework Contract shall be EUR 100 000 000 and it will have a duration of four years from the date of entry into force of the contract.

Implementation

Directly by SG-SRSS

Type of contract: direct contracts and specific contracts based on existing framework contracts, including framework contracts for the provision of technical support for the

implementation of structural reforms under the Structural Reform Support Programme (SRSP).

By DG NEAR under co-delegation for the provision of technical assistance under TAIEX to institutions in those Member States that have requested support (e.g. expert missions) EUR 1 877 710

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

4. Actions implemented in indirect management

The global budgetary envelope reserved for indirect management under this work programme is EUR 30 417 500.

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

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

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

Criteria for selecting an implementing entity

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

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

Description

The objectives pursued and expected results for the actions are those of point 2.1 of Part I.

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

4.2. Contribution/delegation agreements to support Structural Reforms in the area of Governance and Public Administration

Criteria for selecting an implementing entity

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

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

Description

The objectives pursued and expected results for the actions are those of point 2.2 of Part I.

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

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

Criteria for selecting an implementing entity

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

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

Description

The objectives pursued and expected results for the actions are those of point 2.3 of Part I.

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

4.4. Contribution/delegation agreements to support Structural Reforms in the area of Labour market, Education, Health and Social Services

Criteria for selecting an implementing entity

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

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

Description

The objectives pursued and expected results for the actions are those of point 2.4 of Part I.

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

4.5. Contribution/delegation agreements to support Structural Reforms in the area of Financial Sector and Access to Finance

Criteria for selecting an implementing entity

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

1. The entity satisfies the requirements set out in Article 154 (4) of the Financial

Regulation. When the entities concerned comply only partially with Article 154 (4) of the Financial Regulation, the Commission shall take appropriate supervisory measures as provided for in Article 154 (5) of the Financial Regulation;

2. The entity's financial and operational capacity is adequate;
3. The entity has specific knowledge and recognised competencies in the relevant field;
4. The entity has extensive experience and leadership in the domain;
5. The entity is active in the subject area in the European Union or in any other European country.

Description

The objectives pursued and expected results for the actions are those of point 2.5 of Part I.

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

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

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

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

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

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

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

5. Other actions or expenditure

5.1. Expert contracts following a Call for Expression of Interest

The global budgetary envelope reserved for experts contracts following a Call for Expression of Interest in year 2019 is EUR 317 450.

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

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

Implementation

Expert contracts under CEI list: directly by SG-SRSS

5.2. Administrative arrangement with JRC

Amount

EUR 65 000

Description of the action

Action: Support for the Microsimulation Hub of the Council of Economic Advisors in Greece

Budget: EUR 65 000

Objectives pursued: Key objective of the Action is to enhance further the scientific and technical capacity of the Microsimulation Hub of the Economic Research and Analysis Unit of the Council of Economic Advisors of the Ministry of Finance in Greece, which is due to perform an important role in the smooth transition to the Post-Programme era in implementing the procedures of the Enhanced Post-Program Surveillance and potentially participate in the European Semester exercise for Greece. In order to perform properly its role, the microsimulation division has requested technical support for improving the accuracy of estimation of fiscal and distributional effects of policy reforms in the field of taxation or allowances.

Expected activities: technical support to building capacity and transferring knowledge will entail assistance for the correction and improvement of EUROMOD simulations, support and advice on the set-up and improvement of parameters and on tax data collection and use; support for analysis and assessment and use of results as part of negotiations; support in training development and implementation in relation to the use of the EUROMOD tool.

Expected results: The Action will result in enhanced capacity for the Microsimulation Hub of the Council of Economic Advisors, enabling it to proceed with accurate estimations of fiscal and distributional effects of tax and social benefits proposed measures.

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

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

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

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

5.3. Administrative agreement with European Insurance and Occupational Pensions Authority (EIOPA) for increasing capacity to supervise the insurance sector in Croatia and Romania

Amount

EUR 350 000

Description of actions

Action 1: Improvement of Risk Based Supervision in Insurance Sector in the Croatian Financial Services Supervisory Agency (HANFA) in Croatia

Budget: EUR 200 000

Within the area of reinforcing financial stability, this action will support the Croatian authorities in reviewing the existing Solvency II risk based supervisory approach. In particular, this will include an upgrade of stress-testing tools, supervisory capital requirement (SCR) validation, technical reserve validation and supervision of insurance companies' investment. Such support is contained under an overall objective of improving financial stability within Croatia.

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

- a) Review of risk based insurance supervision activities of HANFA;
- b) Recommendations for improvement of risk based supervision in HANFA's insurance sector in line with best practices and taking into account the Croatian insurance market characteristics;
- c) Development of risk scoring models to be used for supervisory purposes; and
- d) Provision of supervisory manual and related trainings.

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

- Recommendations for data collection, modelling tools, stress testing tools, insurance supervision process;
- A revised manual for conducting risk based supervision for Croatian supervisory staff; and
- Training (workshops) for Croatian supervisory staff on improved risk based insurance supervision processes and supervisory tools.

Action 2: Enhancing the supervision function of the Romanian insurance market in respect of market conduct in Romania

Budget: EUR 150 000

Within the area of reinforcing financial stability, this action will allow the Romanian Financial Supervision Authority (ASF) to fully align its supervisory framework with the requirements of the Solvency II regime and the European best practices for the monitoring of business conduct both at the market level and at the level of individual insurance undertakings. The support will provide ASF with adequate qualitative and quantitative tools and methodologies for monitoring the overall compliance of insurance companies with the rules of conduct. In particular, this will include the definition of an upgraded supervisory framework including efficient tools and methodologies for the identification and mapping of the main drivers of conduct risk throughout the business lifecycle and appropriate processes in order to mitigate them.

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

- 1) Review of the current processes performed for supervising the insurance undertakings, including the review of the relevant indicators used to analyse compliance with market conduct supervision;
- 2) Recommendations for improvement of the supervisory assessment of the available information in order to properly monitor the compliance with the market conduct

- requirements; and
- 3) Provision of supervisory manual and the related training.

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

- Recommendations for data collection, definition of risk indicators, qualitative and quantitative tools and methodologies, supervisory process;
- A manual defining the supervisory framework for performing conduct supervision and defining the supervisory framework for identifying and mapping the main drivers of conduct risk for the Romanian supervisory staff; and
- Training (workshops) for Romanian supervisory staff on improved risk based insurance supervision processes and supervisory tools.

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