Technical Support Instrument and the EU Green agenda

ESG risk management framework for the financial sector

WU Vienna - SUERF event
The Technical Support Instrument (TSI)

TSI is the EU demand-driven programme that provides tailor-made technical expertise to EU Member States to design and implement reforms.

Covers a wide range of reform areas, at any stage of reform.

- Public financial management and revenue administration
- Governance and public administration
- Sustainable growth and business environment
- Labour market, education, health and social services
- Financial sector and access to finance
- Migration management

864 million budget for the period 2021-2027
TSI HIGHLIGHTS 2024

31% of the projects support the **green transition** towards a net-zero economy

27% of the projects support the **digital transition**
Technical support in the financial sector

- Green Finance & ESG
- Capital Markets
- Cons Protection & Financial Literacy
- Crisis Management, Insolvency
- Financial Innovation
- Promotional banks
- AML, CTF, Sanctions
- Insurance and Pension sector
- Banking Prudential Supervision

More than 300 technical support projects finalised or ongoing in 27 Member States
Technical support in the financial sector

More than 300 technical support projects finalised or ongoing in 27 Member States
### ESG Risk management for supervisors:
5 support building blocks / 5 providers / 12 BAs / 11 MS / 3 sectors

<table>
<thead>
<tr>
<th>Building Block</th>
<th>Providers</th>
</tr>
</thead>
<tbody>
<tr>
<td>Regulatory Mapping</td>
<td>Expertise provided by a private contractor</td>
</tr>
<tr>
<td>Data Sources and Analysis</td>
<td>Expertise provided by a consortium of universities &amp; Joint Research Center</td>
</tr>
<tr>
<td>Methodologies, Tools and Supervisory Guidance</td>
<td>Expertise provided by a consortium of universities &amp; Joint Research Center</td>
</tr>
<tr>
<td>Capacity Building and Awareness Raising</td>
<td>Expertise provided by a consortium of universities &amp; the Joint Research Center</td>
</tr>
<tr>
<td>Green Washing</td>
<td>Expertise provided by ESMA and EIOPA</td>
</tr>
</tbody>
</table>

*Table showing expertise providers for each building block.*
2025 Flagship on sustainability reporting

• What is the main objective of this Flagship?

➢ Support Member States to enhance enterprises’ capacity to implement sustainability reporting stemming from the CSRD and the Taxonomy

➢ Support to enhance the usability of the framework, to reduce the reporting burden

➢ Support will target all enterprises in scope of the CSRD, with focus on SMEs

Context
Sustainable finance facilitates re-orientating investment towards sustainable economic activities. Two of its key elements are the Corporate Sustainability Reporting Directive (CSRD) and the EU Taxonomy Regulation, with specific reporting requirements and standards. These requirements and the corresponding standards represent new horizons for a large range of companies which are new to this and will be obliged to report sustainability information. Companies exceeding or falling short of the reporting requirements, or other financial sector actors (banks, insurance companies, etc.) to be able to fulfil their own reporting obligations and adequately price their services and products. The proposed flagship initiative would provide implementation support and capacity building to allow public authorities to assist all companies, in particular SMEs, with sustainability reporting. By supporting SMEs, the initiative would be in line with the objective of the CSRD to reduce the reporting burden for SMEs, as envisaged in 2023, with the EU Finance Ministerial Conference on SMEs and Sustainable Green Finance (November 19, 2022). The initiative would also be in line with the EU SME Relief Package (passed by the Council on December 9, 2022).

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