Sustainable finance
Overview of technical support

Capacity Building, Training and Research Support Action

The Coalition of Finance Ministers for Climate Action
Thursday, July 27, 2023, 9:00AM-10:30AM, EDT

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The technical support instrument (TSI)

- Provides **tailor-made technical expertise** to EU Member States to design and implement reforms

- Is **demand driven** and **does not require any co-financing** from Member States

- Covers a **wide range of reform areas, in any reform phase**

- **National** and **regional level** (including outermost regions)

- About **€ 110 million budget per year** for the period 2021-2027
TSI 2023 – Highlights

32% of the TSI 2023 projects support the **green transition**.

40% of the TSI 2023 projects support the **digital transition**.

77% of the new projects are linked to the national **Recovery Resilience Plans**.
Technical support in the financial sector

About 250 technical support projects completed or ongoing in 27 Member States
Technical support in sustainable finance - Context

- Challenges stemming from climate change, environmental degradation and the pressure on the energy system.
- Need to channel sufficient means to finance the green transition.
- Regulatory overhaul across all sectors including the financial sector (Green Deal, EU Taxonomy, sustainability disclosure and reporting framework).
- Growing relevance of sustainability considerations and integration of ESG risks in financial supervision.
Technical support in sustainable finance - Beneficiaries

**Ministries of Finance**
- developing and implementing **national sustainable finance policies** including **green bonds’ frameworks**
- **11 Member States** (BE, CZ, EE, EL, ES, FI, HU, IT, LT, LV, PL)

**National promotional banks**
- identifying **new business opportunities** towards green transition
- **7 Member States** (BE, CZ, EL, ES, HR, IT, PL)

**Financial supervisors**
- addressing **climate/environmental risks**
- supervising **EU sustainability disclosure and reporting** requirements
- **18 authorities in 16 Member States** (AT, BG, CY, CZ, EL, FI, FR, HR, HU, IE, IT, LV, MT, PL, RO, SI)
Governments – Ministries of Finance (MoFs)

Governments can support sustainable finance through public funding, policies and regulations encouraging private financing.

- Sustainable Finance Strategies and Action Plans
  - Identification of barriers that hinder sustainable investments
  - Assessment of the investment gap to fulfil national climate and environmental commitments
  - Review of national incentives in support of the green transition, identification of investment opportunities/financial instruments
  - Advice on the governance and process of implementation of appropriate policy measures
  - Support in organizing stakeholder engagement
- Implementation of Sovereign Green Bonds (SGB) framework

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Governments – Ministries of Finance (MoFs)

EU Taxonomy implementation and sustainable finance roadmap for Estonia and Latvia

• Assessment of investment needs per key economic sectors to meet Estonia’s and Latvia’s climate and environmental objectives (Gap Analysis Report), and application of the EU Taxonomy Regulation through targeted pilot case studies and workshops

• Diagnostic of the domestic sustainable finance landscape (Assessment Report) and design of a long-term roadmap with actionable policy recommendations (Sustainable Finance Roadmaps) tailored to the needs of each country

• Awareness-raising campaign targeting officials and businesses in Estonia and Latvia, including the design of the campaign and the conduct of joint (Estonia-Latvia) educational seminars for relevant stakeholders of both countries
Where to find further information on TSI projects

- DG REFORM’s website (link)
- TSI webpage (link)
- Selected TSI 2023 requests (link)