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European Commission

Strategic Plan 2020-2024

DG COMPETITION

Contents

INTRODUCTION

The Strategic Plan 2020-2024 contains the overall strategy of DG Competition for the mandate of President Ursula von der Leyen's Commission.

Part 1 sets out how EU competition policy will contribute to the headline ambitions set out in the President's Political Guidelines,[1] her Mission letter to Executive Vice-President Vestager of 1 December 2019 ("the Mission letter")[2] as well as in the Commission proposal for the Recovery package adopted on 27 May 2020 and endorsed by the European Council conclusions of 17-21 July 2020.

While the focus will be on three headline ambitions – "A European Green Deal", "A Europe fit for the digital age" and "An Economy that works for people", DG Competition also strives to support global economic governance by strengthening international cooperation in competition enforcement and making steps towards increased convergence of competition policy instruments across different.

The Mission letter of 1 December 2019

The Mission letter requests that over the next five years EU competition policy and rules be made fit for the modern economy, vigorously enforced and contribute to a strong European industry, both internally and on the global stage.

According to the Mission letter, competition enforcement should be strengthened in all sectors; case detection should be improved; investigations should be speed up and cooperation with and between national competition authorities should be facilitated. An active contribution should also be made towards stronger global cooperation between competition authorities.

In the first part of the mandate, a sector inquiry in new and emerging markets will also be launched.

The Mission letter states that EU competition rules should be evaluated and reviewed, covering the antitrust regulations expiring in the course of the mandate, the ongoing evaluation of procedural and jurisdictional aspects of EU merger control and the review of State aid rules and guidance.

Competition will have an important role in industrial strategy. EU State aid rules should support the competitiveness of EU industry where there are market failures and the need to strengthen value chains. Here, continued cooperation with the Member States is needed to

1 Ursula von der Leyen, "A Union that strives for more. My agenda for Europe" Political Guidelines for the next European Commission 2019-2024, Opening Statement in the European Parliament Plenary Session, 16 July 2019: https://ec.europa.eu/commission/sites/beta-political/files/political-guidelines-next-commission_en.pdf.

2 Ursula von der Leyen, Mission Letter to Margrethe Vestager, Executive Vice-President for a Europe fit for the Digital Age, 1 December 2019, available at https://ec.europa.eu/commission/commissioners/sites/comm-cwt2019/files/commissioner_mission_letters/mission-letter-margrethe-vestager_2019_en.pdf.

make the most of Important Projects of Common European Interest in line with State aid rules and the Industrial strategy communication adopted on 10 March 2020.

As part of the Industrial strategy, the Mission letter requests that tools and policies should be developed to better tackle the distortive effects of foreign state ownership and subsidies in the internal market.

The adaption of EU competition policy to the covid-19 crisis and the Recovery package

State aid policy response

The covid-19 crisis has affected all branches of EU competition policy, in particular State aid control.

On 19 March 2020, the Commission adopted a Temporary Framework[3] in the State aid area to help target support to the economy, while limiting negative effects on the internal market. The Temporary Framework provides for the maximum degree of flexibility allowed under State aid rules. The Temporary Framework, as amended[4], is based on Article 107(3)(b) TFEU, a provision which can be applied if a Member State is experiencing a serious disturbance in its economy.

Apart from aid allowed under the Temporary Framework based on Article 107(3)(b) TFEU, the Commission also considered the covid-19 outbreak to be an exceptional occurrence within the meaning of 107(2)(b) TFEU, which permits "*aid to make good the damage caused by natural disasters or exceptional occurrences*".

Since 21 March 2020, the Commission has adopted around 300 decisions concerning measures by Member States to alleviate the effects of covid-19 pandemic under Article 107(2)b Article 107(3)b, Article 107(3)c TFEU and under the Temporary Framework.

Antitrust and merger policy reponse

The covid-19 outbreak also affected antitrust policy and enforcement as well as merger control.

On 23 March 2020, the European Competition Network (comprising the Commission and the National Competition Authorities) published a joint statement[5] outlining the basic

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[3] Temporary Framework to support the economy in the context of the coronavirus outbreak, OJ C 91I, 20.3.2020, p. 1–9.

[4] On 3 April 2020, the State aid Temporary Framework was extended to cover support to companies that develop, test and manufacture much needed products to fight the coronavirus such as vaccines, medicines, medical devices, disinfectants and protective equipment, as well as wage support and tax deferral schemes (OJ C 112I, 4.4.2020, p. 1-9). A second extension was adopted on 8 May 2020, complementing the types of measures already covered by the Temporary Framework and existing State aid rules. It set out criteria based on which Member States can carry out recapitalisations and provide subordinated debt to companies in need,while protecting the level playing field in the EU (OJ C 164, 13.5.2020, p. 3–15). A third extension was adopted on 29 June 2020 extending the Temporary Framework to enable Member States to provide public support to all micro and small companies, even if they were already in financial difficulty on 31 December 2019 (OJ C 218, 2.7.2020, p. 3–8).

[5] Joint statement by the European Competition Network (ECN) on application of competition law during the Corona crisis, available at https://ec.europa.eu/competition/ecn/202003_joint-statement_ecn_corona-crisis.pdf.

orientation of how the European Competition Network and the EFTA Surveillance Authority intended to apply the antitrust rules during the crisis. The competition agencies made it clear that they would not actively intervene against necessary and temporary measures aimed at tackling shortages of supply as they were likely to be unproblematic. The joint statement however warned that the crisis should not be used as a disguise for anticompetitive practices unrelated to covid-19.

On 8 April 2020, the Commission published a Temporary Framework Communication[6] to provide antitrust guidance to companies, setting out the main criteria that the Commission will follow when assessing cooperation projects aimed at addressing shortages of supply of essential products and services during the covid-19 outbreak such as medicines and medical equipment. The Communication also envisages the exceptional possibility of providing companies with written ad hoc comfort letters on specific cooperation projects falling within the scope of the Temporary Framework. On the basis of the Temporary Framework, the Commission issued on 8 April 2020 a comfort letter to Medicines for Europe (an association of pharmaceutical manufacturers) and participating companies in relation to a voluntary cooperation project to address the risk of shortages of critical medicines used in hospitals for the treatment of covid-19 patients.[7]

In the field of agriculture the Commission adopted on 30 April 2020 three Implementing Regulations[8] that allow farmers and recognised Inter-Branch Organisations to derogate from the ban on anticompetitive agreements in Article 101 TFEU by taking temporary collective actions to stabilise certain sectors.

As regards merger control, the Commission has since then taken a number of measures to ensure business continuity, while ensuring compliance with legal obligations. The Commission is committed to helping and supporting business at this difficult time, while, at the same time, continue to enforce the EU merger control rules to the benefit of businesses and consumers.

The Recovery package

On 27 May 2020, the Commission adopted a proposal for a Recovery package involving the Next Generation EU (NGEU) recovery instrument worth EUR 750 billion together with a proposal for Multiannual Financial Framework amounting to EUR 1.1 trillion, proposing to use the bulk of these funds to help Member States recover from the crisis and build up their long-term resilience capacity to be better prepared for the challenges posed by the green and digital transitions.

The Communication accompanying the Recovery package refers to the Commission´s decision to apply State aid rules with full flexibility, describing it as part of its first-response package.[9] In the Communication the Commission notes that the impact and the potential

6 Temporary Framework for assessing antitrust issues related to business cooperation in response to situations of urgency stemming from the current covid-19 outbreak, OJ C 116I , 8.4.2020, p. 7–10.

7 See https://ec.europa.eu/competition/antitrust/medicines_for_europe_comfort_letter.pdf.

8 The Implementing Regulations are based on Article 222 in Regulation 1308/2013 on Common Markets Organisations.

9 Commission Communication on Europe's moment: Repair and Prepare for the Next Generation (COM (2020) 456 final).

for recovery appear very different depending on the Member State, noting that all Member States cannot support its workers and companies to the same extent, which creates a risk of an imbalanced recovery, widening disparities and distorsions to the internal market.

In turn, this shows the need and value of a European response and why the EU's recovery plan must build a more sustainable, resilient and fairer Europe for the next generation. The Communication goes on to state that the generational challenges – the green and digital transitions – are even more important now than before the crisis started. It emphasises the need to strengthen the EU´s strategic autonomy, while preserving the benefits of an open market.

The Commission estimates that that at least EUR 1.5 trillion of additional public and private investment will be required in 2021 and 2022 to bring Europe back towards a sustainable recovery. EU State aid control will continue to contribute to that end, by ensuring that the EU's internal market does not become fragmented[10]. Preserving the integrity of the internal market will speed up the recovery while avoiding harmful subsidy races between the Member States to the detriment of cohesion within the EU.

On 17-21 July 2020, EU leaders expressd their agreement in the European Council conclusions on the Recovery package and the Multiannual Financial Framework 2021-2027 that will help the EU to rebuild after the pandemic and will support investment in the green and digital transitions.[11] The first pillar of the Next Generation EU recovery instrument takes the form of a new Recovery and Resilience Facility which will support Member States to implement investments and reforms that are essential for a sustainable recovery. The priorities set out in the Recovery package will be taken into account as set out in this Strategic Plan.

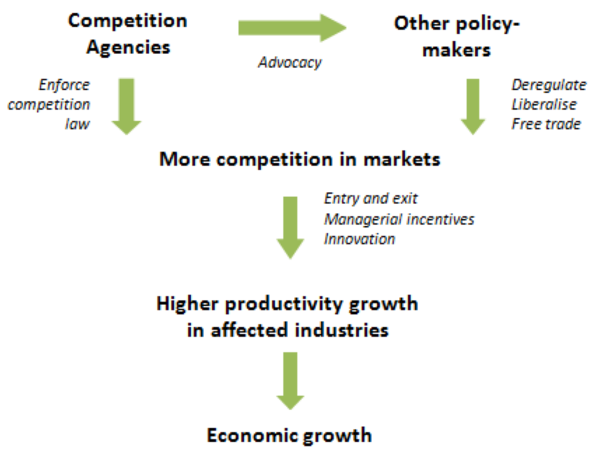
Competition contributes to productivity and growth

To speed up the recovery, effective enforcement of EU competition rules will be particularly important. A large body of findings in economic literature shows that competition enforcement contributes to productivity and growth[12].

[10] See the Commission's economic forecast of 6 May 2020 ("Spring 2020 Economic Forecast: A deep and uneven recession, an uncertain recovery") noting that "there is a risk that the crisis could lead to severe distortions within the Single Market and to entrenched economic, financial and social divergences between euro area Member States".

[11] https://www.consilium.europa.eu/media/45109/210720-euco-final-conclusions-en.pdf.

[12] Notably, studies have shown the macroeconomic impacts of EU competition enforcement to be significant. Ilzkovitz et al. (2020), "The macroeconomic and sectoral impact of EU competition policy", in F. Ilzkovitz and A. Dierx (editors), Ex Post Economic Evaluation of Competition Policy, Wolters Kluwer. Dierx, Adriaan, Fabienne Ilzkovitz, Beatrice Pataracchia, Marco Ratto, Anna Thum-Thysen and Janos Varga (2017), "Does EU competition policy support inclusive growth?", Journal of Competition Law & Economics, Vol. 13, No. 2, pp. 225-260. In a metastudy published in October 2014, the OECD reached similar conclusions. OECD factsheet on how competition policy effects macroeconomic outcomes, October 2014, p. 4.



Moreover, insulating firms from international or domestic competition has proven to be a suboptimal policy response to a recession. Indeed, the history of the US provides the clearest example of this phenomenon when established antitrust laws were selectively suspended in the 1930s under the National Industrial Recovery Act (NIRA). Under that Act, companies were authorised to establish price-fixing cartels. Several studies have concluded that this significantly held back recovery.

Thus, a relaxation of merger and antitrust rules and enforcement would be liable to delay the recovery from the covid-19 crisis. Vigilance in the antitrust and merger control areas is also justified in view of signs of weakened competition in the EU following the financial crisis. While the deterioration in some indicators measuring competition are less pronounced in Europe than in US, they are clearly detectable. The observed patterns include industry-level concentration which according to OECD data rose in both the US and Europe over the past 20 years[13].

In any case, the antitrust and merger rules have an in-built flexibility, as the economic context in each individual case will be assessed when applying those rules.

Finally, the purpose of Part 2 of this Strategic Plan is to explain what efforts DG Competition will make to modernise its working methods to make the most efficient and effective use of its resources to ensure progress towards the key objectives of the Commission. Part 2 also takes account of the way in which the covid-19 crisis has impacted on working methods.

[13] Bajgar et al., (2019) "Industry Concentration in Europe and North America". Single Market Performance Report 2019 Accompanying the document Communication SWD(2019) 444 final.

PART 1. Delivering on the Commission's priorities

A. Mission statement

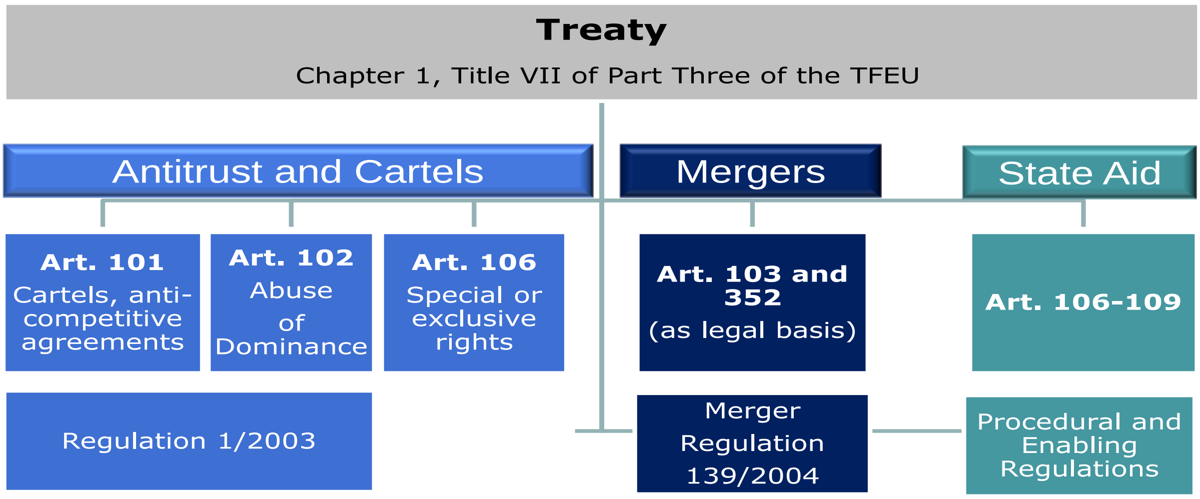
The mission of the Directorate-General for Competition is to enable **the Commission to make markets deliver more benefits to consumers, businesses and the society as a whole, by protecting competition on the market and fostering a competition culture in the EU and worldwide.** DG Competition does this by enforcing competition rules and through action aimed at ensuring that regulation takes competition duly into account among other public policy interests. Competition policy is an indispensable element of a functioning internal market ensuring that all companies compete equally and fairly on their merits, thereby making markets more competitive and resilient, while generating higher productivity and growth.

B. Operating context

The principal competition rules are contained in Articles 101-109 of the Treaty on the Functioning of the European Union (TFEU).[14] The EU has exclusive competence to establish the competition rules necessary for the functioning of the internal market.

The Commission protects competition from market distortions whether originating from Member States (distortive State aid), companies (anticompetitive unilateral or coordinated behaviour) or mergers that would significantly impede effective competition in the internal market (anticompetitive mergers).

National competition authorities (NCAs) also apply EU antitrust law. There is therefore a need to ensure that their enforcement action is carried out in an effective manner and in compliance with the principles of legal certainty and a uniform application of EU competition rules.



14 As a result of the Lisbon Treaty, Protocol No 27 on the internal market and competition was annexed to the Treaty on the European Union and the Treaty on the Functioning on the European Union. According to the Protocol "the internal market as set out in Article 3 of the Treaty on the European Union includes a system ensuring that competition is not distorted".

Beyond those principal tasks (i.e. enforcement), DG Competition also engages in legislative work with a view to maintaining hard and soft law instruments aligned with market realities and contemporary economic and legal thinking, while providing guidance on the competition rules to improve legal certainty for stakeholders.

EU competition policy also acts and will continue to act in tandem with other EU regulation. Indeed, EU competition policy and EU regulation in other policy areas (whether sectoral or general) should not be seen as substitutes, but complements. EU competition policy is well placed to significantly support the headline ambitions outlined by the President for this mandate through enforcement, policy guidance and by actively contributing to the preparation of EU regulation in other policy areas.

The main beneficiaries of EU competition policy are European citizens, businesses operating in the EU and the society as a whole. DG Competition provides guidance about the competition rules and their enforcement to improve legal certainty for its stakeholders in particular companies, associations of companies, and Member States. It also strives to ensure transparency, due process and predictability for its stakeholders and private enforcement of EU competition law. Knowledge of the benefits of competition is essential for citizens to exploit their opportunities as consumers, for businesses to compete on merit and for policymakers to come up with initiatives that support smart, sustainable and inclusive growth as well as to be efficient and non-distortive market operators.

The fundamental Treaty provisions on competition enshrined in the Treaty of Rome have remained intact throughout the EU's history. They have proven their ability to accommodate major technological and other shifts in the economy as well as exceptional events, most recently the 2020 covid-19 pandemic and before that during and in the aftermath of the financial crisis which erupted in 2007-2008. As regards the flexibility built into the Treaty in the State area, particular reference is therefore made to Article 107(3)(b) TFEU on serious disturbances in the economy of a Member States and Article 107(2)(b) TFEU, which continue to be the legal basis permitting compensation for damages resulting from exceptional occurrences.

Apart from such exceptional crisis situations, EU competition rules have also evolved over time, sometimes through major reforms such as the modernisation of the antitrust area in 2004 or the State aid modernisation in 2012-2014. In addition, EU competition rules are subject to regular review under the Commission's Better Regulation framework.

As a final element of the operating context, reference is made to the Commission's proposal for the Multiannual Financial Framework 2021-2027 which includes, for the first time, a Single Market Programme containing a competition policy component, entitled "*An Ambitious Competition policy for a stronger Union in the digital age*".[15]

[15] Proposal for a Regulation of the European Parliament and of the Council establishing the Programme for single market, competitiveness of enterprises, including small and medium-sized enterprises, and European statistics and repealing Regulations (EU) No 99/2013, (EU) No 1287/2013, (EU) No 254/2014, (EU) No 258/2014, (EU) No 652/2014 and (EU) 2017/826, COM/2018/441 final - 2018/0231 (COD); *An Ambitious Competition policy for a stronger Union in*

C. Strategy

General objective 1: A European Green Deal

In line with the President's Political Guidelines, on 11 December 2019 the Commission adopted the European Green Deal Communication, an ambitious roadmap for a sustainable, cost-effective and socially fair transition to climate neutrality by 2050.

The Commission´s Recovery package of 27 May 2020 reiterates the crucial importance of the European Green Deal as "the EU's growth strategy". The Communication[16] accompanying the Recovery package reflects the need to prioritise green investments. The Recovery package will thus help redress the balance resulting from the – sometimes considerable – differences in support levels by Member States in the area of green aid.

In addition, 30% of the EU budget for 2021-2027 will be spent on climate investments, while additional funding will be provided under Horizon Europe, reflecting the crucial role of research and innovation in driving the shift towards a clean, circular, competitive and climate neutral economy.

Updating rules and policy guidance in support of the European Green Deal

All instruments of EU competition policy – antitrust[17], merger control and State aid control - can significantly contribute to the European Green Deal by enabling a cost-effective, fair and green transition for companies, regions and people to a climate-neutral EU by 2050. Likewise, all EU competition policy instruments will contribute to the circular economy.

In the autumn 2020, DG Competition will launch a European wide debate on how EU competition policy can best support the Green Deal. Such a debate will include some fundamental questions about how competition rules and sustainability policies work together – and whether they could do that even better.

It is in particular the State aid rules that have to deal with the vast investments that the EU will need, to make Europe climate neutral by 2050. State aid rules enable Member States to steer investment towards objectives of common interest, such as aid for environmental protection and energy savings governed by the Guidelines on State aid for environmental protection and energy 2014-2020 (EEAG).[18]

Such investment has increased in recent years, in particularly investment in renewables, boosting the share of renewable energy in EU energy consumption. In fact, State aid

the digital age. See https://eur-lex.europa.eu/resource.html?uri=cellar:8a43c8d3-6a31-11e8-9483-01aa75ed71a1.0002.03/DOC_1&format=PDF; See also http://europa.eu/rapid/press-release_IP-18-4049_en.htm.

[16] Commission Communication on Europe's moment: Repair and Prepare for the Next Generation (COM (2020) 98 final).

[17] Also in the antitrust area, the Commission evaluates its antitrust rules regarding horizontal agreements (for more detail on those rules see the "Europe fit for the digital aid" section below) including those with sustainability objectives. Specifically in the food area, the Commission also adopted its "farm-to-fork strategy" on 20 May 2020 and committed therein to clarify the scope of competition rules with regard to sustainability in collective actions in food supply chains.

[18] Guidelines on State aid for environmental protection and energy 2014-2020, OJ C 200, 28.6.2014, p. 1–55.

spending for environmental and energy aid corresponded to 55% of total State aid spending in 2018.[19]

The EEAG requires among other things competitive bidding for supported investments in renewables and has also helped to significantly reduce the costs of renewable energy in recent years. A fundamental principle of the EEAG and the State aid rules in general is that aid should address a proven market failure, i.e. the aid should incentivise private investment that would not have taken place in the absence of the aid.

As State aid rules form a vital part of the EU legal framework to promote the green transition, they need to be kept up to date, not least by adjusting them to market developments (such as the nature and extent of market failures) as well as the new climate change targets outlined in the President's political guidelines.

In its Communications on the "European Green Deal" and on the "Sustainable Europe Investment Plan"/"European Green Deal Investment Plan", the Commission committed to revise the EEAG by 2021 to support a cost-effective transition of the economy and industry to climate neutrality by 2050. The EEAG is part of a wider Fitness check of a large number of State aid rules, most of which were revised in 2012-2014 (the so-called State aid modernisation) with a view to their revision by the end of 2021, or later.[20]

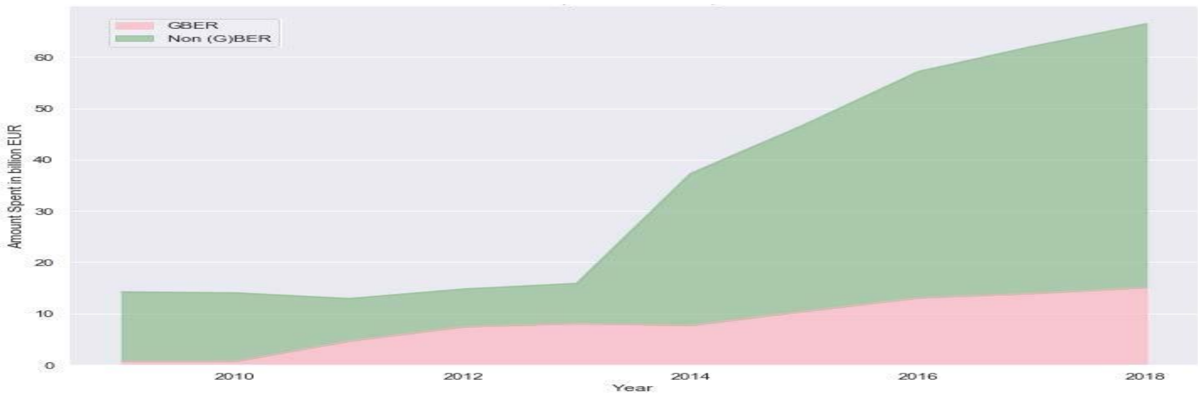
In the context of the Fitness check, also the General Block Exemption Regulation (GBER)[21] will be reviewed to bring it in line with the European Green Deal during the second half of 2021. The GBER allows the Member States – without the Commission´s approval - to provide considerable support for environmental protection and energy savings as well as other horizontal objectives in the common interest. The GBER thus shortens the lead-time for investments in support of the European Green Deal targets, which will facilitate the recovery (see figure 1 below).

[19] State aid scoreboard 2019. While environmental protection and energy savings is the prime objective in 20 Member States, expenditure remains highly concentrated within five Member States accounting for 79.7% of the aid, with more than 50% of the total spending in Germany. In addition, the same spending concentration in one key German scheme drives most of the increase in total spending for this policy objective since the State Aid Modernisation.

[20] Commission Regulation (EU) 2020/972 of 2 July 2020 amending Regulation (EU) No 1407/2013 as regards its prolongation and amending Regulation (EU) No 651/2014 as regards its prolongation and relevant adjustments (Text with EEA relevance) C/2020/4349 OJ L 215, 7.7.2020, p. 3–6. See Commission press release at https://ec.europa.eu/commission/presscorner/detail/en/ip_20_1247. Communication from the Commission concerning the prolongation and the amendments of the Guidelines on Regional State Aid for 2014-2020, Guidelines on State Aid to Promote Risk Finance Investments, Guidelines on State Aid for Environmental Protection and Energy 2014-2020, Guidelines on State aid for rescuing and restructuring non-financial undertakings in difficulty, Communication on the Criteria for the Analysis of the Compatibility with the Internal Market of State Aid to Promote the Execution of Important Projects of Common European Interest, Communication from the Commission – Framework for State aid for research and development and innovation and Communication from the Commission to the Member States on the application of Articles 107 and 108 of the Treaty on the Functioning of the European Union to short-term export-credit insurance 2020/C 224/02, OJ C 224, 8.7.2020, p. 2–4. Available at https://eur-lex.europa.eu/legal-content/EN/TXT/?uri=uriserv:OJ.C_.2020.224.01.0002.01.ENG&toc=OJ:C:2020:224:FULL. See also https://ec.europa.eu/info/law/better-regulation/initiatives/ares-2018-6623981_en.

[21] Commission Regulation (EU) No 651/2014 of 17 June 2014 declaring certain categories of aid compatible with the internal market in application of Articles 107 and 108 of the Treaty.

Figure 1: Environmental and Energy State aid in Europe in billion EUR by type of procedure (2009 – 2018)



Policy action in support of the green transition also needs to prevent carbon leakage, i.e. ensuring that stricter environmental regulation in the EU as regards greenhouse gas emissions does not result in emissions within the EU being replaced by emissions in non-EU jurisdictions.

In 2012 – to address the risk of carbon leakage – the Commission adopted the Emissions trading scheme State aid Guidelines (ETS guidelines)[22], which define the conditions under which state aid can be used to help energy-intensive industries to cope with higher electricity costs from the EU's emissions trading system, while maintaining incentives for green investments and ensuring a level playing in the internal market. The 2012 rules are undergoing a review with a view to issuing revised ETS Guidelines in the last quarter of 2020. The new guidelines will be aligned with the EU's new emissions trading scheme for 2021-2030.

Member States will also continue to be able to rely on State aid rules to alleviate the social and regional consequences from decarbonisation measures.

EU State aid rules also enable Member States to pool their resources, and support innovation that benefits the entire Union. The Communication on Important Projects of Common European Interest (IPCEIs)[23] from 2014 opens the way for governments from different EU countries to cooperate with companies to support breakthrough innovation – and to share the results widely throughout Europe.

Those rules have already made two EU-wide projects possible, enabling the development of cutting-edge products such as low-power microchips, and more environmentally friendly batteries. A review and update of those rules – the 2014 IPCEI Communication – will be concluded by the end of 2021 as part of the overall Fitness check. That action is also reflected in the Industrial Strategy Communication adopted on 10 March 2020 which states

[22] Guidelines on certain State aid measures in the context of the greenhouse gas emission allowance trading scheme post-2012 (SWD(2012) 130 final) (SWD(2012) 131 final), OJ C 158, 5.6.2012, p. 4–22.

[23] Communication on criteria for the analysis of the compatibility with the internal market of State aid to promote the execution of important projects of common European interest, OJ C 188, 20.6.2014, p. 4–12.

that the Commission will also review State aid rules for IPCEIs, including energy transition projects.[24]

The Commission's policy work in support of the European Green Deal also needs to be mindful of the significant fall in prices of hydrocarbons (oil, gas and coal) and the CO2 price, in part as a result of the demand shock induced by the covid-19 outbreak. For example, such price falls make CO2-intensive means to produce electricity and goods or to operate traditional combustion-engine vehicles more competitive vis-à-vis cleaner technologies and may lessen the incentives for the industries concerned to pursue decarbonisation strategies.

Strengthening competition enforcement in support of the European Green Deal

EU competition policy will also contribute to European New Green Deal objectives through enforcement in the form of individual antitrust, merger and State aid investigations and decisions.

The Commission may authorise State aid measures promoting the deployment of renewables, improving energy efficiency, stimulating demand for low emission vehicles for public and private transport as well as reducing CO2 emissions. To name but two examples, it can approve aid for charging infrastructure and retrofitting of diesel vehicles.

In December 2019, the Commission approved an Important Project of Common European Interest (IPCEI) concerning innovations in the batteries value chain (from materials, chemicals, cells, modules and packs to recycling and reuse), with seven participating Member States (Belgium, Finland, France, Germany, Italy, Poland and Sweden). This Batteries Alliance project will be pursued during the mandate and beyond. As set out in the Industrial strategy communication of 10 March 2020, a new European Clean Hydrogen Alliance will be launched to steer and coordinate the rapid upscaling of clean hydrogen production and use in Europe, which may include the design of one or more ICPEIs in this area.

In addition, antitrust enforcement can among other things target behaviour by companies aimed at restricting competition in the development or roll-out of clean technologies. It will also continue to ensure that private operators do not foreclose access to essential infrastructure in the EU gas and electricity markets, such as pipelines, transmission lines, storage facilities and interconnectors. For example, recent antitrust enforcement action has addressed the curtailment of interconnector capacity for cross-border flows. Such types of foreclosure may thwart the integration of renewable energy sources into the European energy market.

In the gas sector, enforcement has targeted territorial restrictions in supply contracts and other export restrictions that may have led to the segmentation of geographic markets. Energy trading is also becoming increasingly important for a well-functioning energy market, not least in providing real time price signals for investment in energy

[24] Commission Communication on a New Industrial Strategy for Europe (COM(2020) 102 final).

infrastructure and especially in renewables. Antitrust enforcement will accordingly continue paying particular attention to ensuring that energy trading is not distorted, while promoting an efficient use of all available resources and promoting further cross-border exchanges of energy.

Competition enforcement relating to, inter alia, car emissions or rail can also contribute to the greening of the industry and economy.

In merger control, the Commission will be likely to continue to assess notifications involving renewable electricity generation, given the recent sustained pattern of investments in such assets by non-energy companies, including investment funds, as well as by energy companies not previously involved in renewables. Particular vigilance is required to ensure that mergers do not create excessive market power, eliminate promising emerging entrants or lead to foreclosure in areas that are central to the green transition, such as renewables and infrastructure essential for recycling and other aspects of the circular economy.

Supporting major initiatives and objectives forming part of the European Green Deal ambition

Against this background, EU competition policy, through its updated competition rules and policy guidance in the area of State aid and antitrust in particular, and strengthened enforcement, will support several major initiatives and objectives forming part of the European Green Deal, such as the Climate Law[25] enshrining the 2050 climate neutrality objective, the post-2020 Emissions Trading System, the Circular Economy Action Plan,[26] the Just Transition Fund[27], the Farm to Fork Strategy[28] and the Strategy for sustainable and smart mobility[29].

General objective 2: A Europe fit for the digital age

In addition to the green transition, the Commission needs to ensure that it has the powers needed and rules fit to promote competition in a economy becomining more and more digital. Digital markets move at an accelerating pace and unless the Commission keeps up with the developments, competition will falter and the competitiveness of EU companies will suffer. Yet, the foundations of EU competition law remain as relevant for digital industries as for industries, which are not yet digital.

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[25] Proposal for a Regulation of the European Parliament and of the Council establishing the framework for achieving climate neutrality and amending Regulation (EU) 2018/1999 (European Climate Law) of 4 March 2020, see https://ec.europa.eu/info/sites/info/files/commission-proposal-regulation-european-climate-law-march-2020_en.pdf.

[26] Commission Communication A New Circular Economy Action Plan for a cleaner and more competitive Europe COM(2020) 98 final 11.03.2020. See https://eur-lex.europa.eu/legal-content/EN/TXT/?qid=1583933814386&uri=COM:2020:98:FIN.

[27] Proposal for a Regulation of the European Parliament and of the Council establishing the Just Transition Fund, of 14.01.2020, COM(2020) 22 final 2020/0006 (COD). See https://ec.europa.eu/info/law/better-regulation/have-your-say/initiatives/12113-Fast-track-interservice-consultation-on-the-SEIP-including-a-JTM-and-the-JTF-.

[28] Communication from the Commission A Farm to Fork Strategy for a fair, healthy and environmentally-friendly food system COM(2020) 381 final, 20.05.2020. Annex https://eur-lex.europa.eu/resource.html?uri=cellar:ea0f9f73-9ab2-11ea-9d2d-01aa75ed71a1.0001.02/DOC_2&format=PDF.

[29] Communication from the Commission Strategy for sustainable and smart mobility (Commission Work Programme 2020, planned for Q4 2020).

Therefore, and as set out in the President's Mission letter to Executive Vice-President Margarethe Vestager, Europe must focus on maintaining its digital leadership where it retains it, catching up where it lags behind and moving first on new-generation technologies. In support of the ambition, the Commission, at the beginning of its mandate, adopted the Shaping Europe's Digital future strategy and the New Industrial Strategy.

Updating rules and policy guidance in support of A Europe fit for the digital age, including tackling systemic competition in the platform economy and beyond

An overall ambition of DG Competition is to ensure that by the end of the Commission mandate, all branches of EU competition rules, State aid control, antitrust and merger control will be fit for the modern economy.[30]

Review of antitrust rules and guidance

The existing competition and internal market rules cannot address all the systemic and structural competition problems that may arise in the digital economy and beyond. For that reason, and in parallel with the Digital Services Act, the Commission is consulting stakeholders on a possible New Competition Tool[31] in the field of antitrust policy, accompanied by an impact assessment in 2020. The initiative aims at addressing gaps in the existing EU competition rules, which have been identified based on the enforcement experience of the Commission mainly in digital markets, as well as the worldwide reflection process about the need for changes to the current competition law framework to allow for enforcement action preserving the competitiveness of markets. The rationale is that digital markets present characteristics that can partly also be found in other markets but the effect of which is typically much more pronounced in a digital environment, thus resulting more frequently in competition concerns and a greater need for enforcement action.

Digital platforms can also change the way people work. They can provide access to work, and flexibility in doing it; but they can also leave those workers isolated and vulnerable. And those providing services of platforms do not always fit into traditional employment categories. That means that for these – as for a great many others in a changing EU economy – it is not always clear whether EU competition rules allow them to come to agreements. The purpose of EU competition rules is not to stand in the way of collective bargaining for those that need it. During the mandate, the Commission will assess options for a framework[32] clarifying that those who need to can negotiate collectively even if they are classified as self-employed, without fear of breaking the competition rules.

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[30] It must be noted that, apart from the initiative of levelling the playing field as regards foreign subsidies and the New Competition Tool, all current Commission policy initiatives in the area of competition policy intend to achieve burden reduction (Refit).

[31] See the Commission press release, available at https://ec.europa.eu/commission/presscorner/detail/en/ip_20_977, and https://ec.europa.eu/info/law/better-regulation/have-your-say/initiatives/12416-New-competition-tool.

[32] See scope of the application of EU competition rules to collective bargaining agreements, Commission press release of 30 June 2020, at https://ec.europa.eu/commission/presscorner/detail/en/IP_20_1237.

In the area of antitrust, evaluations and review of the rules governing horizontal and vertical agreements have been launched with a view to deciding whether the current rules, which expire in May and December 2022, respectively, should be allowed to lapse, prolonged or revised in the light of notably new market developments.

The EU competition rules on horizontal agreements include two block exemption regulations for horizontal co-operation agreements that exempt, respectively, certain research and development[33] as well as specialisation agreements[34] from the application of Article 101 TFEU. The accompanying Guidelines on horizontal cooperation agreements[35] provide further guidance to help companies in their efforts to design competition law compliant cooperation agreements. They also contain detailed recommendations on topics such as information exchanges, joint purchasing, joint commercialisation and standardisation.

The EU competition rules on vertical agreements include a vertical block exemption regulation[36] and accompanying Guidelines on vertical restraints[37]. The evaluation considers among others new market trends and developments with regard to supply and distribution agreements since the adoption of the current rules in 2010 including increasing online sales and the emergence of new market players such as online platforms.

The Commission has also launched an evaluation of the Motor Vehicle Block Exemption Regulation which will expire in May 2023[38].

The Notice on the relevant market in competition cases (Market definition notice)[39] is also covered by an evaluation, which is expected to be carried out by 2021. The Market definition notice provides guidance as to how the Commission applies the concept of relevant product and geographic market in its enforcement of EU antitrust and merger rules. The evaluation aims to assess whether it is still fit-for-purpose in the light of developments since its adoption in 1997, e.g. the rapid increase in digitisation and digital business models and the impact of globalisation.

In recent years the Commission has increased the effectiveness of its antitrust enforcement, for example by reducing fines to induce companies to cooperate with the

[33] Commission Regulation No 1217/2010 of 14 December 2010 on the application of Article 101(3) of the Treaty on the functioning of the European Union to categories of research and development agreements, Official Journal L 335, 18.12.2010, p. 36.

[34] Commission Regulation No 1218/2010 of 14 December 2010 on the application of Article 101(3) of the Treaty to categories of specialisation agreements, Official Journal L 335, 18.12.2010, p. 43.

[35] Guidelines on the applicability of Article 101 of the Treaty on the Functioning of the European Union to horizontal co-operation agreements , OJ C11, 14.1.2011, p. 1.

[36] Commission Regulation (EU) No 330/2010 of 20 April 2010 on the application of Article 101(3) of the Treaty on the Functioning of the European Union to categories of vertical agreements and concerted practices, OJ L 102, 23.4.2010, p.1.

[37] Guidelines on Vertical Restraints, OJ C 130, 19.05.2010, p. 1.

[38] Commission Regulation 461/2010 on the application of Article 101(3) of the Treaty on the Functioning of the European Union to categories of vertical agreements and concerted practices in the motor vehicle sector, OJ L 129, 28.5.2010, p. 52. See also at https://ec.europa.eu/info/law/better-regulation/have-your-say/initiatives/2008-Evaluation-of-the-Motor-Vehicle-Block-Exemption-Regulation

[39] Commission Notice on the definition of relevant market for the purposes of Community competition law, OJ C 372, 9.12.1997, p. 5–13. See also at https://ec.europa.eu/info/law/better-regulation/have-your-say/initiatives/12325-evaluation-of-the-commission-notice-on-market-definition-in-eu-competition-law/public-consultation;

Commission.[40] It will continue to examine means by which it could further increase the effectiveness and timeliness of competition law enforcement in the area of antitrust rules, for example in relation to remedies and interim measures. Interim measures can be used in case there is a risk of "serious and irreparable damage to competition". In 2019, the Commission used interim measures for the first time in 18 years.

The Commission will also make fuller use of the powers it already has to impose remedies in prohibition cases, in order to ensure that the remedies are both targeted and effective. In the past, it was often sufficient for the Commission to order companies to simply cease the infringement and desist from entering into conduct with similar effects. But in today's world, where in particular digital markets at a certain point tend to tip in favour of dominant companies[41], the Commission may need to impose more prescriptive or far-reaching remedies in order to ensure that the effects of the infringement are neutralised.

Review of EU merger control rules and guidance

In early 2021, the Commission will finalise its evaluation of selected procedural and jurisdictional aspects of EU merger control,[42] which focuses among other things on the jurisdictional thresholds triggering the obligation to notify as well as possible scope for simplification in addition to the reforms introduced to that end in 2013. In particular, the Commission is considering to explore strengthening the use of Article 22 referrals to capture potentially problematic transactions below the turnover-based thresholds, and to make EU merger control more flexible, agile, and less burdensome.

In 2020, the Commission will also launch a reflection and fact-gathering on the substance of EU merger control – 30 years after the inception of the EU Merger Regulation – which is planned to include ex-post assessments of merger cases as well as public engagement with stakeholders on the most topical substantive issues of EU merger control.

Review of State aid control rules and guidance

In the area of State aid control, the Fitness check of several sets of State aid rules is also relevant in this context. More specifically, the Fitness check will be concluded in the third quarter of 2020 with updated rules entering into effect during the second half of 2021 or later.[43]

[40] For example, in 2019 the Commission successfully pursued four antitrust cases on the basis of so-called cooperation procedures. This voluntary practice is similar to the cartel settlement procedure but applies outside the context of cartels. Another example is the "eLeniency" online tool launched in March 2019; eLeniency is designed to make it easier for companies and their legal representatives to submit statements and documents as part of leniency and settlement proceedings.

[41] See, for example, "Competition Policy in the Digital Era", 2019, available at https://ec.europa.eu/competition/publications/reports/kd0419345enn.pdf

[42] See the evaluation roadmap, at https://ec.europa.eu/smart-regulation/roadmaps/docs/2017_comp_003_evaluation.pdf and also https://ec.europa.eu/competition/consultations/2016_merger_control/index_en.html

[43] Commission Regulation (EU) 2020/972 of 2 July 2020 amending Regulation (EU) No 1407/2013 as regards its prolongation and amending Regulation (EU) No 651/2014 as regards its prolongation and relevant adjustments (Text with EEA relevance) C/2020/4349 OJ L 215, 7.7.2020, p. 3–6. See Commission press release at https://ec.europa.eu/commission/presscorner/detail/en/ip_20_1247. Communication from the Commission

Broadband infrastructure is key to meeting the digitisation objectives outlined by the Commission in its Recovery package adopted on 27 May 2020. State aid in this area is focused on market failures, that is to say situations and areas where there is no incentive for commercial operators to provide sufficient broadband coverage. In such cases, the current EU State aid rules (the Broadband guidelines)[44] allow the Commission to authorise State aid on the condition that it brings about a so-called step change, i.e. a significant improvement.

Against this background, an evaluation has been launched of the Broadband guidelines, which among other things will take account of recent market developments as well as Commission objectives in this area[45]. The covid-19 outbreak has underlined the need to invest in more and better connectivity. The rapid deployment of 5G will have spill-over effects across the whole digital society and increase Europe's strategic autonomy. This will be a priority in the Recovery and Resilience Facility, InvestEU and the Strategic Investment Facility.[46]

This also includes the RDI framework and important projects of common European interest (IPCEIs). For IPCEIs the review is designed to assess whether an update is necessary to further clarify the conditions under which major Member State-led projects in strategic sectors – e.g. in the context of the green and digital transitions - can proceed effectively and efficiently. The Communication on IPCEIs complements other State aid rules such as the GBER and the RDI framework, allowing support for large and integrated transnational innovative project, while ensuring that potential competition distortions are limited. The rules thus enable ground-breaking research and innovation and the wide dissemination of the results in various sectors of the economy.

As part of the EU's New Industrial Policy and Executive Vice-President Vestager's mandate according to the Mission letter, the Commission will also establish a foreign subsidies tool to ensure competition on fair and equal terms in the internal market. With that in mind, the Commission adopted on 17 June 2020 a White paper on an instrument on foreign subsidies[47] and engages with stakeholders in a reflection on possible new tools to address

concerning the prolongation and the amendments of the Guidelines on Regional State Aid for 2014-2020, Guidelines on State Aid to Promote Risk Finance Investments, Guidelines on State Aid for Environmental Protection and Energy 2014-2020, Guidelines on State aid for rescuing and restructuring non-financial undertakings in difficulty, Communication on the Criteria for the Analysis of the Compatibility with the Internal Market of State Aid to Promote the Execution of Important Projects of Common European Interest, Communication from the Commission – Framework for State aid for research and development and innovation and Communication from the Commission to the Member States on the application of Articles 107 and 108 of the Treaty on the Functioning of the European Union to short-term export-credit insurance 2020/C 224/02, OJ C 224, 8.7.2020, p. 2–4. Available at https://eur-lex.europa.eu/legal-content/EN/TXT/?uri=uriserv:OJ.C_.2020.224.01.0002.01.ENG&toc=OJ:C:2020:224:FULL

44 15.01.2013 EU Guidelines for the application of state aid rules in relation to the rapid deployment of broadband networks, OJ C25, 26.01.2013, p.1.

45 See the Commission's Gigabit Communication" of 2016 which considers very high capacity networks to be a strategic priority (available at https://ec.europa.eu/digital-single-market/en/news/communication-connectivity-competitive-digital-single-market-towards-european-gigabit-society).

46 Commission Communication on Europe's moment: Repair and Prepare for the Next Generation (COM (2020) 98 final).

47 See White Paper levelling the playing field as regards foreign subsidies COM(2020) 253 final, 17 June 2020, available at https://ec.europa.eu/competition/international/overview/foreign_subsidies_white_paper.pdf and the press release, available at https://ec.europa.eu/commission/presscorner/detail/en/ip_20_1070.

the distortive effects of foreign subsidies in the internal market. The White Paper sets out preliminary orientations to the establishment of a general market scrutiny instrument to capture all possible market situations in which foreign subsidies may cause distortions in the Single Market, specifically to address distortions caused by foreign subsidies facilitating the acquisition of EU companies and a mechanism where bidders in public procurement would have to notify the contracting authority of financial contributions received from non-EU countries. The Commission envisages presenting a legislative proposal in 2021.

In line with the Mission letter, EU competition policy and enforcement will also provide input for and support the policy initiatives of the Commission addressing issues relating to digitisation and rapid technological change across the economy and society, including the Internet of Things, e-mobility, platforms, artificial intelligence, algorithms and data.

Strengthening competition enforcement in support of A Europe fit for the digital age

A strong and effective EU competition policy is a cornerstone of the EU securing a functioning single market and a level playing field for businesses to thrive in. Enforcement actions will continue to target a wide range of sectors important for EU citizens, businesses and the EU economy, whether digital or not yet digital, thereby promoting open and efficient markets also in the current economic conditions.

Antitrust enforcement and merger control

In the area of antitrust, the Commission will continue to enhance its proactive ex-officio strategy to detect competition infringements and to pursue a rigorous cartel enforcement in a number of sectors. Notwithstanding the current crisis and recovery, there will be zero tolerance for cartels, be they digital or non-digital.

On 16 July 2020, the European Commission launched an antitrust sector inquiry into the sector of Internet of Things (IoT) for consumer-related products and services in the European Union.[48] The sector inquiry will focus on consumer-related products and services that are connected to a network and can be controlled at a distance, for example via a voice assistant or mobile device. These include smart home appliances and wearable devices. Knowledge about the market gained through the inquiry will contribute to the Commission's enforcement of competition law in this sector.

The 2020-2024 mandate will see enhanced scrutiny as regards enforcement in digital markets, in part due to the increasing importance of online platforms, some of which have risen to become powerful intermediaries, connecting business and users. Decisions by platforms enjoying market power can influence many markets where businesses rely on online platforms to connect with their customers. For example, platforms can act as host and regulator by setting the rules in a way that keep markets open for competition and, if used in an abusive manner, harming competition. The Commission will therefore continue

[48] See the Commission press release, available at https://ec.europa.eu/commission/presscorner/detail/en/ip_20_1326. The Commission is empowered to carry out sector inquiries in both the antitrust and State aid areas.

to investigate potential anti-competitive agreements and practices in the e-commerce sector that could be detrimental to the internal market and competition.

In the telecoms sector, competition enforcement complements regulation where necessary, to tackle ex-post actual anticompetitive practices from telecom operators. These range from abusive practices such as margin squeezes or predatory pricing to anti-competitive agreements that prevent market integration or reduce operators´ incentives to invest in their networks and to improve their services.

In the pharmaceutical and biotechnology sectors, antitrust enforcement will continue to tackle potentially abusive unilateral conduct or potentially anticompetitive agreements involving the blocking or delaying the entry of rival products, such as generic versions or biosimilars. EU competition policy in this field is thus well placed to support the EU's pharmaceutical strategy, one of the key initiatives in the Communication on a New Industrial Strategy adopted on 10 March 2020.

Since the digital economy is centred around the use and access to data, antitrust enforcement with regard to data pools will be pursued notably in insurance and financial service markets. Such centralised repositories (pools) of essential data (for example for risk assessement) enhance efficiency as long as they are designed to not allow for the exchange of commercially sensitive information and to be accessible to all competitors on equivalent terms.

Around 90% of all antitrust enforcement decisions based on Articles 101 and 102 TFEU are adopted at national level. Throughout the mandate The Commission will continue working with National Competition Authorities (NCAs) within the European Competition Network (ECN) on individual cases with to ensure a coherent and effective application of Articles 101 and 102 TFEU, for instance scrutinising envisaged national decisions submitted to the Commission in accordance with Regulation 1/2003. Moreover, DG Competition will continue to promote and organise multilateral activities work at different levels in the ECN. Enforcement within the ECN is increasingly focused on digital economy cases, a development expected to continue during the mandate.

Moreover, on 4 December 2018, the European Parliament and the Council adopted the Directive to empower Member States' competition authorities to be more effective enforcers ("the ECN+ Directive").[49] The ECN+ Directive will ensure that when applying the same legal provisions - the EU antitrust rules – national competition authorities have the appropriate enforcement tools to create a genuine common competition policy enforcement area. To that end, the Directive provides for minimum guarantees of independence and resources, as well as the tools needed to effectively detect, stop and sanction infringements of the EU competition rules. Member States must transpose the Directive

[49] Directive (EU) 2019/1 of the European Parliament and of the Council of 11 December 2018 to empower the competition authorities of the Member States to be more effective enforcers and to ensure the proper functioning of the internal market (Text with EEA relevance.) PE/42/2018/REV/1, OJ L 11, 14.1.2019, p. 3–33. Availabe at https://eur-lex.europa.eu/legal-content/EN/TXT/PDF/?uri=CELEX:32019L0001&from=EN.
See also https://ec.europa.eu/competition/antitrust/nca.html

into national law before the end of a two-year implementation period. In 2020, the Commission will monitor the transposition process and assist the Member States when they transpose the Directive into national law.

Industry restructuring is an important way of fostering efficient allocation of production assets. EU merger control strives to allow for a smooth market restructuring by assessing non-harmful mergers in a streamlined manner and ensuring that changes in the market structure which lead to significant impediment to effective competition do not occur or can be alleviated. Industry consolidation can give rise to harmful effects on competition taking into account the merging companies' degree of market power and other market features.

EU merger control contributes to making EU industry more competitive and to ensuring that consumers and businesses have access to high quality and innovative goods and services at competitive prices. Recent decisions in the pharmaceutical sector illustrate how merger control helps to protect innovation. For example, the Commission has prevented transactions that could have compromised research and development efforts to launch new medicines or to extend the therapeutic use of existing medicines.

More generally, merger control will also have a central role in speeding up the recovery through corporate restructuring during the current mandate.

First, EU merger control will continue to strive to approve mergers which are harmless or economically beneficial in fast and simple procedures. The simplified procedure for treatment of certain concentrations – further extended in 2013 which has led to a significant increase in simplified cases[50]– is a key means to that end. As mentioned, those rules are currently under evaluation which will among other things consider whether there is further scope for simplification.

Second, merger control will need to control and deter efforts by players with strong market positions to engage in transformative acquisitions in already concentrated sectors, which may be particularly harmful to society. For example, the EU has many competitive SMEs which can only continue to thrive if they remain part of competitive value chains where they have access to high quality, innovative and competitively priced inputs.

Anticompetitive mergers would damage such value chains. As mentioned, the decrease in competition observed over the last two decades calls for vigilance in the merger area, with a particular focus on concentrated industries with high barriers to entry.

These considerations also apply to antitrust and cartel enforcement.

Cartels are secret agreements between sellers or buyers of the same product or service. They are made with the objective of fixing prices, limiting output or allocating clients and

[50] In 2019, 382 mergers were notified to the Commission. As in previous years, most mergers notified in 2019 did not raise competition concerns and could be processed swiftly. The simplified procedure was used in 77% of all notified transactions in that year, testifying to the continuous positive impact of the simplification package adopted by the Commission in December 2013. The proportion of simplified cases in the period 2004-2013 was substantially lower, at 59%.

suppliers. Cartels harm consumers at all levels of the value chain and the economy as a whole. Cartelists charge inflated prices, limit the choice of the consumers and block innovation.

The crisis and its aftermath may create incentives for such collusion, not least in situations of structural overcapacity. This may lead to an increase in the number of leniency applications. A surge in the number of companies in a difficult financial situation may also increase the claims for inability to pay. At the same time, notwithstanding the crisis, there must be zero tolerance for cartels, irrespective whether they take place in digital or non-digital sectors. The Commission will pursue cartels as a matter of priority both on an ex officio basis and through leniency applications.

Access to adequately priced input products is also essential for the competitiveness of European firms. Cartels often concern intermediate products, which can be vital inputs for industry. They thus affect both the competitiveness of European industry, customers and consumers across the internal market. To take an example of the Commission's action in the cartel area, in 2019 the Commission adopted its eleventh decision fining manufacturers of car parts, thereby protecting the competitiveness of EU car manufacturers.

The Commission's proposal for the Multiannual Financial Framework 2021-2027 includes, for the first time, a Single Market Programme which includes a competition policy component, entitled "An Ambitious Competition policy for a stronger Union in the digital age".[51] When adopted, the Programme will among other things enable the Commission to make its enforcement more effective and up to date, through investment in state-of-the-art IT tools (including artificial intelligence) in order to enhance its ability to detect and deter infringements of EU competition rules.

State aid control

State aid control is an integral part of EU competition policy and a necessary safeguard to preserve effective competition and free trade in the internal market.[52]

The outbreak of covid-19 pandemic has had an unprecedented economic impact world-wide and brought a number of economic sectors, in particular in services but also in manufacturing, to a temporary halt.[53] Member States have taken support measures for citizens or companies and some of these measures may entail State aid within the

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[51] Proposal for a Regulation of the European Parliament and of the Council establishing the Programme for single market, competitiveness of enterprises, including small and medium-sized enterprises, and European statistics and repealing Regulations (EU) No 99/2013, (EU) No 1287/2013, (EU) No 254/2014, (EU) No 258/2014, (EU) No 652/2014 and (EU) 2017/826.

[52] The Treaty establishes the principle that State aid that distorts or threatens to distort competition is prohibited if it affects trade between Member States (Article 107(1) TFEU). However, State aid which contributes to well-defined objectives of common European interest without unduly distorting competition between undertakings and trade between Member States, may be considered compatible with the internal market (under Article 107(3) TFEU).

[53] Communication from the Commission Europe's moment: Repair and Prepare for the Next Generation COM(2020) 456 final, 27.05.2020, p. 3. The Commission estimates that tourism, the social economy and the creative and cultural ecosystems could see a more than 70% drop in turnover in the second quarter of 2020. Textile, transport, energy intensive industries and the renewable energy sector will also be hit hard. Ecosystems with higher consumer confidence, such as manufacturing, retail or health are likely to bounce back faster, while others may face a delayed economic hit.

meaning of Article 107(1) TFEU. Therefore, a major part of the Commission's present efforts in the area of State aid control are devoted to the support measures and measures accompanying the recovery from the crisis.

Also in the current economic context, the Commission will continue to pursue its Treaty based obligations in the area of State aid control and review individual aid measures and schemes by Member States and monitor them as well as recover illegal and incompatible aid from beneficiaries. The General Block Exemption Regulation (GBER)[54] has simplified aid-granting procedures for Member States by authorising without prior notification a wide range of unproblematic measures fulfilling EU objectives in the common interest.

Broadband infrastructure is key to meeting the EU's digitisation objectives. It is essential to invest in broadband infrastructure that meets the needs for very high digital speeds, capacities, and quality. Public funding may, however, be required to ensure that rural, remote and other underserved areas, where private providers are unlikely to invest, can also benefit from new technologies. The Commission will continue to authorise State aid on the condition that it brings about a so-called step change, i.e. a significant improvement. State aid control thus contributes to the rollout of performant broadband networks in the EU.

The State aid RDI Framework, using flexible and simple criteria for assessing the compatibility of State aid, facilitate the implementation of support for RDI projects by Member States. The Commission will continue to ensure that aid schemes and individual measures notified or pre-notified under the RDI Framework are well targeted to projects enabling ground-breaking research and innovation activities.

EU State aid rules also enable Member States to pool their resources, and fund innovation that benefits the entire Union. The rules on important projects of common European interest (IPCEIs)[55] open the way for governments from different EU countries to come together with business to support breakthrough innovation – and to share the results widely throughout Europe. The Commission continues to assist and review such projects.

Promoting a competition culture and international cooperation in the area of competition policy

During the Commission mandate, DG Competition will continue to promote a competition culture and international cooperation in the area of competition policy and thus also contribute to the general "A stronger Europe in the world" headline ambition.[56]

[54] Commission Regulation (EU) No 651/2014 of 17 June 2014 declaring certain categories of aid compatible with the internal market in application of Articles 107 and 108 of the Treaty on the Functioning of the European Union (TFEU), OJ L 187, 26.6.2014, p. 1.

[55] Communication from the Commission — Criteria for the analysis of the compatibility with the internal market of State aid to promote the execution of important projects of common European interest, OJ C 188, 20.6.2014, p. 4–12.

[56] As noted in the Industrial strategy communication, "*Europe's response cannot be to erect more barriers, shield uncompetitive industries or mimic the protectionist or distortive policies of others. Being competitive requires competition - both at home and in the world*". The Communication observes that "*independent EU competition policy has served Europe well by helping to level the playing field, driving innovation and giving consumers more choice*" and that "*competition brings the best out of our companies and enables them to stay competitive globally*". At the same time, the EU must ensure a level playing field. For example, the Communication notes that "*the EU will make the most*

As world markets continue to integrate and more and more companies rely on global value chains, competition agencies need – in their enforcement action - to increase their collaboration and agree on common standards and procedures more than ever before. Effectively enforcing competition rules depends to a growing extent on co-operation with other enforcement authorities.

The Commission will thus continue to be at the forefront of international cooperation in the competition field, both at multilateral and at bilateral level.

Multilateral relations

At the multilateral level, it will continue to actively engage in competition-related international fora such as the OECD Competition Committee, the International Competition Network (ICN), and the United Nations Conference on Trade and Development (UNCTAD).

Furthermore, the Commission will pursue its endeavours to improve international rules for subsidies. As stated in the Industrial Strategy Communication, reforming the subsidy rules is one of the EU's main priorities for the modernisation of WTO trade rules. As an example of the type of cooperation the Commission can promote within the International Competition Network, in line with the President's Mission letter, the Commission also contributed to preparing a joint statement by the ICN issued on 23 March 2020, emphasising among other things that anticompetitive agreements and conduct engaged in under the cover of the covid-19 crisis would not be tolerated.

Bilateral relations

At the bilateral level, the Commission will continue to promote the inclusion of provisions on competition and State aid control when negotiating Free Trade Agreements (FTAs). At the start of the mandate, FTA negotiations were ongoing with Australia, Azerbaijan, Chile, Indonesia, New Zealand, Tunisia and Uzbekistan.

The Commission will also continue its cooperation in competition policy and enforcement with China in accordance with the Terms of Reference of the EU-China Competition Policy Dialogue and the Memorandum of Understanding on a dialogue in the area of the State aid control regime and the Fair Competition Review System. The Commission will pursue its ongoing negotiations on a Comprehensive Investment Agreement with China.

Similarly, the Commission will continue its technical cooperation on competition policy and enforcement with the EU's main trading partners with which the Commission has signed Memoranda of Understanding (currently the BRICS countries and Mexico).

It will also continue to monitor EU accession candidate countries' compliance with their competition policy commitments under the Stabilisation and Association agreements.

of its full toolbox of trade defence mechanisms" and that "*global rules on industrial subsidies in the World Trade Organization*" will be strengthened.

The Commission will also be actively engaging with several African national and regional authorities to develop cooperation in the competition field. In the ongoing negotiations for the future Agreement for ACP countries (the Cotonou Agreement) and the related Economic Partnership Agreements (EPAs), the Commission proposal includes competition and State aid control provisions.

Finally, the Commission will also continue to address issues in the competition area arising from the withdrawal of the United Kingdom from the EU. The Withdrawal Agreement between the EU and the United Kingdom as endorsed by the European Council on 17 October 2019 provides for the continued application of the EU acquis during the transition period until the end of 2020. It includes among other things provisions for State aid and competition cases which are ongoing at the end of the transition period.

Supporting major initiatives and objectives forming part of A Europe fit for the digital age

It follows from the foregoing that EU competition policy, through its updated competition rules, policy guidance, legislation and strengthened enforcement, will support several major actions and objectives forming part of a "Europe fit for the digital age" ambition. It will contribute, inter alia, to European Data Strategy[57], Digital Services Act[58], Shaping Europe's Digital future Strategy,[59] White Paper on Artificial Intelligence[60], European Cloud Initiative, New Industrial Strategy[61], SME Strategy[62], Single Market Enforcement Barriers Report and Enforcement Action Plan[63], new European network of Broadband Competence Offices[64] and the Toolkit for Rural Broadband[65].

General objective 3: An economy that works for people

All branches of EU competition policy - antitrust as well merger and State aid control - ensure fair and competitive outcomes for EU citizens and businesses as well as society and the economy as a whole. They contribute to a well-functioning internal market where companies compete on their merits and efficiencies are passed on resulting in lower prices, better quality and new products and services. EU competition policy thus underpins the competitive social market economy that is one of EU's foundations.

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57 Communication from the Commission A European strategy for data COM(2020) 66 final, 19.02.2020. See https://ec.europa.eu/info/sites/info/files/communication-european-strategy-data-19feb2020_en.pdf.

58 Commission Work Programme 2020, as amended, 27.05.2020. See see https://ec.europa.eu/info/publications/2020-commission-work-programme-key-documents_en.

59 Commission Communication Shaping Europe's Digital future, 19 Febryary 2020. See https://ec.europa.eu/info/sites/info/files/communication-shaping-europes-digital-future-feb2020_en_4.pdf.

60 White Paper on Artificial Intelligence -A European approach to excellence and trust COM(2020) 65 final, 19.02.2020. See https://ec.europa.eu/info/sites/info/files/commission-white-paper-artificial-intelligence-feb2020_en.pdf.

61 A new Industrial Strategy for a globally competitive, green and digital Europe COM(2020) 102 final, 10.03.2020, see https://ec.europa.eu/info/sites/info/files/communication-eu-industrial-strategy-march-2020_en.pdf.

62 Commission Communication An SME Strategy for a sustainable and digital Europe COM/2020/103 final, 10.3.2020, see https://eur-lex.europa.eu/legal-content/EN/TXT/PDF/?uri=CELEX:52020DC0103&from=EN.

63 Commission Communication Long term action plan for better implementation and enforcement of single market rules 10.3.2020 COM(2020) 94 final, see https://ec.europa.eu/info/sites/info/files/communication-enforcement-implementation-single-market-rules_en_0.pdf.

64 For further information see https://ec.europa.eu/digital-single-market/en/broadband-competence-offices.

65 For further information see https://ec.europa.eu/digital-single-market/en/news/european-commission-joins-forces-help-bringing-more-broadband-rural-areas.

As for State aid policy, its principal contribution lies in tackling market failures in areas of common interest, which the market does not address, triggering private investment while also boosting growth. EU State aid control and policy can also be steered towards equity and cohesion objectives. State aid policy and enforcement is thus well placed to contribute to the Commission's Recovery package.

Updating rules and policy guidance in support of an Economy that works for people

Until 2018, so before the recent covid-19 outbreak, State aid expenditure kept increasing, both in absolute terms and relative to GDP.[66] Member States spent EUR 120.9 billion (0.76% of GDP) on State aid at EU level, an increase of about 0.01% of GDP compared to 2017. Aid for horizontal objectives in the common interest accounted for the overwhelming majority of all aid, while much of the horizontal aid fell under the General Block Exemption Regulation (GBER)[67]. The increased use of GBER meant that State aid measures can be processed much more rapidly, since an increasing share of measures under GBER do not require any decision from the Commission before being implemented. This reduces lead times for deploying the investment necessary to speed up the recovery, and allows the Commission to focus its resources on the State aid which has the greatest potential to distort competition.

Already now, GBER allows Member States to implement a wide range of public support measures including areas such as research and development, environmental protection or support to SMEs. This reduces the administrative burden for public authorities and accelerates the delivery of public support, including support granted via EU structural funds.

Indeed, to ensure that national and EU funds can be combined seamlessly under the proposed Multiannual Financial Framework for 2021-2027 without undermining competition in the internal market, the Commission is currently reviewing the GBER to improve the interplay between State aid rules and EU funding rules under InvestEU and Horizon 2020 and rules for European Territorial Cooperation projects.

Apart from monitoring the compatibility of aid falling under the GBER, the Commission has also launched evaluations of major aid schemes, e.g. to verify whether they are cost-effective without significantly distorting competition in the internal market. During the 2020-2024 mandate, the Commission will continue to look at evaluations of impact of large national aid schemes involving such horizontal objectives.[68] This evaluation work will also feed into the Fitness check, i.e. the ongoing review of EU State aid rules, as revised during the State aid modernisation in 2012-2024. The bulk of the rules covered by the Fitness check are scheduled to be updated and in force during the second half of 2021.

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[66] Excluding aid to agriculture, fisheries and railways. See State aid scoreboard 2019.

[67] Leaving aside the largest State aid scheme in 2018, the share of GBER in State aid spending (49% and 45.0 billion EUR) was at a comparable level as spending for notified schemes (51% and 46.8 billion EUR) in 2018. Other categories of horizontal aid included research, development and innovation (9%) and regional development (9%).

[68] By the end of 2019, the Commission had approved evaluation plans covering State aid schemes, most of which concerned aid in the form of large regional aid projects, RDI aid schemes under the GBER as well as notified energy and broadband schemes. Those schemes accounted, in total, for over EUR 54 billion during 2019.

Evaluation of impact is required for large GBER schemes in certain aid categories as well as for a selection of notified schemes under the new generation of State aid guidelines. In 2020-2021, the Commission will monitor both block-exempted and approved aid schemes covering 19 Member States[69] (plus the United Kingdom). The economic objectives/areas covered are agriculture, broadband, environmental protection (including energy saving and energy efficiency), regional aid, research, development and innovation and transport.

The GBER itself also forms part of the Fitness check of the State aid rules modernised during 2012-2014. The Fitness check also covers the de minimis regulation[70]; the Regional aid guidelines[71]; the Research and development framework[72]; the IPCEI communication; the Risk finance guidelines[73]; the Airport and aviation guidelines[74]; the Environmental and energy guidelines (including an amendment of the GBER in the light of the European Green Deal), the Rescue and restructuring guidelines[75] as well as the GBER.

The Railways guidelines[76] and Short-term export credit communication, which did not form part of the 2012-2014 State aid modernisation, are also included in the Fitness check. The latter Communication was revised to provide for more flexibility in response to the covid-19 outbreak[77].

In addition to projects falling under the Fitness check, the Commission also launched an evaluation of the specific provisions that apply health and social services under the State aid rules for so-called Services of General Economic Interest (SGEI)[78] and the SGEI de minimis regulation[79], which expire by the end of 2020. The publication of the evaluation results is planned for the second quarter of 2021.

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69 Austria, Belgium, Croatia, Czechia, Denmark, Finland, France, Germany, Greece, Hungary, Italy, Lithuania, The Netherlands, Poland, Portugal, Romania, Slovenia, Spain, Sweden.

70 Commission Regulation (EU) No 1407/2013 of 18 December 2013 on the application of Articles 107 and 108 of the Treaty on the Functioning of the European Union to de minimis aid Text with EEA relevance, OJ L 352, 24.12.2013, p. 1–8.

71 Guidelines on regional State aid for 2014-2020. The new Guidelines have entered into force on 1 July 2014, Official Journal C209, 23.07.2013.

72 Framework for State aid for research and development and innovation, OJ C 198 of 27.06.2014, p. 1.

73 Guidelines on risk finance aid for 2014-2020, OJ C19, 22.01.2014, p. 4-34.

74 Guidelines on State aid to airports and airlines, OJ C 99, 4.4.2014, p. 3.

75 Guidelines on State aid for rescuing and restructuring non-financial undertakings in difficulty, Official Journal C 249, 31.07.2014, p.1.

76 Community guidelines on State aid for railway undertakings, OJ C184 of 22/07/2008, p. 13.

77 Revised Short-term Export Credit Communication (OJ C 101I, 28.3.2020, p. 1–3). The revision involved considered all commercial and political risks associated with exports to the countries listed in the Annex to the Communication (including all Member States) as temporarily non-marketable until 31 December 2020, in line with the duration of Temporary Framework.

78 Commission Decision of 20 December on the application of Article 106(2) of the Treaty on the Functioning of the European Union to State aid in the form of public service compensation granted to certain undertakings entrusted with the operation of services of general economic interest, Official Journal L7, 11.01.2012, p. 3-10; and the Communication from the Commission, European Union framework for State aid in the form of public service compensation (2011), Official Journal C8, 11.01.2012, p. 15-22.

79 Commission Regulation on the application of Articles 107 and 108 of the Treaty on the Functioning of the European Union to de minimis aid granted to undertakings providing services of general economic interest, Official Journal L 114 of 26.4.2012, p. 8.

Following the reorganisation of the Commission at the start of the mandate, DG Competition assumed responsibility for State aid in the agricultural and fisheries sectors. The Agricultural block exemption regulation, the Fishery guidelines, the Fishery block exemption regulation and the Fishery de minimis regulation are being reviewed.

Since the start of the covid-19 crisis, State aid support has focused on the real economy. The Temporary Framework and its amendments have served as the basis for recapitalisations, subordinated debt instruments, loan guarantee schemes and loans at subsidised interest rates, often channelled through the banking sector.

On 28 April 2020, the Commission adopted a banking package aimed at facilitating bank lending to support the economy and help mitigate the economic impact of the covid-19 pandemic.[80] The package encourages banks and supervisory bodies to apply the EU's accounting and prudential rules more flexibly, and proposes targeted amendments to EU banking rules. At the same time, the EU's monetary, supervisory and regulatory authorities swiftly adopted a range of measures to dampen the negative impact stemming from the covid-19 outbreak[81]. Nevertheless, the Commission will monitor carefully the situation in the banking sector and, if necessary, adjust the relevant state aid framework, notably if the crisis is protracted. However, due care will be taken to avoid distorstion of competition and that "legacy" cases are accommodated despite the fact that they are not covid-19 related.

Strengthening competition enforcement in support of An Economy that works for people

Banking aid necessary to safeguard financial stability, while protecting competition

EU competition policy with its three enforcement instruments, antitrust, merger and State aid control plays an important role in ensuring that competition takes place on fair and equal terms throughout the financial sector and that disruptive technologies are developed and applied for the benefit of consumers and businesses alike. Financial services is a sector also undergoing rapid and profound change. Innovative technology should, however, not be used to erect barriers in emerging markets.

Ahead of the covid-19 outbreak, the EU financial sector had, to a large extent, overcome the financial crisis. This positive development was reflected in the limited number of State aid measures to banks being notified to the Commission. In 2019, there was only one direct support measure[82] for a commercial bank in the EU that contained State aid.

The Commission will continue to assume its role in State aid control in the financial and banking sectors protecting the internal market from fragmentation. The Commission will continue assessing public support in the financial sector either for ailing banks to exit the market or for solvent banks to overcome a temporary liquidity strain or potential capital

[80] See the Commission press release of 28 April 2020, https://ec.europa.eu/commission/presscorner/detail/en/ip_20_740.

[81] For example, more flexible use of capital buffers, expanded cheap central bank liquidity incentives to make full use of flexibility embedded in accounting and prudential rules.

[82] Case SA.52917(2019/N) *Liquidity support to Banca Carige - Cassa di Risparmio di Genova e Imperia*, Commission decision of 18 January 2019. See: https://ec.europa.eu/competition/elojade/isef/case_details.cfm?proc_code=3_SA_52917.

challenges under adverse scenarios. In the current economic conditions, this control activity continues to play an important role, together with other actors in bank supervision and resolution, to ensure that any potential provision of public support would preserve equality of treatment among Member States and maintain the integrity of the internal market.

State aid enforcement in the area of taxation

The Communication accompanying the Commission's Recovery package of 27 May 2020 observes that "*to ensure that solidarity and fairness is at the heart of the recovery*" and that "*the Commission will step up the fight against tax fraud and other unfair practices*" which "*will help Member States generate the tax revenue needed to respond to the major challenges of the current crisis*."

EU State aid rules can contribute to that end. Under those rules, Member States cannot give tax benefits to multinational groups that are not available to other companies (often local businesses), since that would severely distort competition.

EU State aid enforcement in the area of taxation will remain a key priority during the mandate. It will contribute to and complement the EU's comprehensive strategy to tackle tax avoidance in line with efforts made at the international level, in particular the OECD. The main objective is to tackle tax base erosion and profit shifting to better align the right to tax with economic activity. Individual State aid investigations into Member States' tax ruling practices are one of the tools the Commission has at its disposal to ensure that companies pay the taxes they owe in the Member States where they generate economic value.

The Commission's enforcement through individual State aid decisions will further support the general "An economy that works for people" objective, whether by facilitating and approving growth-enhancing horizontal aid in the common interest or intervening against distortive aid without any countervailing benefits.

Temporary support of the economy through covid-19 aid

Specific EU State aid tools are temporarily used to review the support by the Member States to alleviate the economic and social consequences of the covid-19 outbreak preserving the functioning of the internal market. In March 2020, the Commission adopted a Temporary Framework[83] to enable Member States to use the full flexibility provided for under State aid rules to support the economy in the context of the covid-19 outbreak. Together with many other support measures that can be used by Member States under the existing State aid rules, the Temporary Framework enables Member States to ensure that sufficient liquidity remains available to businesses of all types and to preserve the continuity of economic activity during and after the covid-19 outbreak.

[83] Temporary Framework to support the economy in the context of the coronavirus outbreak, OJ C 91I, 20.3.2020, p. 1–9.

In April 2020, the State aid Temporary Framework was extended[84] to cover support to companies that develop, test and manufacture much needed products to fight the coronavirus such as vaccines, medicines, medical devices, disinfectants and protective equipment, as well as wage support and tax deferral schemes. A second extension[85] was adopted in May, setting out criteria based on which Member States can carry out recapitalisations and provide subordinated debt to companies in need, while protecting the level playing field in the EU. A third extension was adopted in June 2020 extending the Temporary Framework to enable Member States to provide public support to all micro and small companies, even if they were already in financial difficulty on 31 December 2019.[86]

The Commission also decided to temporarily remove all countries from the list of "marketable risk" countries under the Short-term export-credit insurance Communication.[87] This will make public short-term export credit insurance more widely available in light of the current crisis linked to the coronavirus outbreak. The amendment further expands on the flexibility introduced by the Commission's State aid Temporary Framework with respect to the possibility by State insurers to provide insurance for short-term export-credit.

The amount of covid-19 aid will be calculated as a percentage of total aid in the EU as reported by the Member States. The temporary nature of this aid category is reflected by the fact that such aid will only be calculated for three years (2020-2022).

DG Competition will also contribute to the assessment of the draft Recovery and Resilience Plans (RRPs) by the Member States under the Recovery and Resilience Facility (RRF), and, wherever relevant, assess individual State aid notifications on specific projects implementing the RRPs.

Supporting major initiatives and objectives forming part of An Economy that works for people

Against this background, EU competition policy, through updated competition rules, policy guidance and strengthened enforcement, will support several major actions and objectives forming part of the Economy that works for people ambition, including initiatives to deepen the Capital Markets Union and the Banking Union as well as actions relating to effective taxation[88], the Recovery package[89] and the Economic Governance[90].

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[84] First Amendment to the Temporary Framework to support the economy in the context of the coronavirus outbreak, OJ C 112I, 4.4.2020, p. 1–9.

[85] Second amendment to the Temporary Framework to support the economy in the context of the coronavirus outbreak, OJ C 164, 13.5.2020, p. 3–15.

[86] OJ C 218, 2.7.2020, p. 3–8.

[87] OJ C 101I, 28.3.2020, p. 1–3. Communication from the Commission to the Member States on the application of Articles 107 and 108 of the Treaty on the Functioning of the European Union to short-term export-credit insurance Text with EEA relevance OJ C 392, 19.12.2012, p. 1–7.

[88] Communication from the Commission. Action Plan to fight tax evasion and to make taxation simple and easy (Q2 2020) included in the Adjusted Commission Work Programme 2020 COM(2020) 440 final Annex 1 and 2, 27.05.2020. See https://ec.europa.eu/info/sites/info/files/cwp-2020-adjusted-annexes_en.pdf.

[89] Commission proposal 27.5.2020.

[90] See https://ec.europa.eu/info/business-economy-euro/economic-and-fiscal-policy-coordination/eu-economic-governance-monitoring-prevention-correction/european-semester_en.

D. Key performance indicators

The following key performance indicators measure the results of the main competition policy instruments: antitrust, merger control and State aid control. While these indicators do not deliver an exhaustive account of DG Competition's work or its impact on markets, they constitute the core quantifiable result indicators of the activities:

1) Estimate of customer benefits resulting from cartel prohibition decisions;
2) Estimate of customer benefits resulting from merger interventions;
3) Total State aid expenditure for environmental protection, renewables and energy savings as a percentage of total State aid in the EU;
4) Total State aid expenditure for broadband as a percentage of total State aid in the EU;
5) Total State aid expenditure falling under the General Block Exemption Regulation as a percentage of total State aid in the EU.

PART 2. Modernising the administration

As a modern public administration, the Commission implements an internal control framework inspired by the highest international standards. The Commission's system covers all the principles of internal control identified in the Committee of Sponsoring Organizations of the Treadway Commission 2013 Internal Control framework, including financial control, risk management, human resource management, communication and the safeguarding and protection of information. DG Competition has established an internal control system tailored to its particular characteristics and circumstances and regularly assesses its implementation and overall functioning. This assessment is based on indicators, the most strategic of which are listed in this section of the strategic plan.

A. Human resource management

In order to ensure the effective management of human resources and to optimise the capacity to deliver on priorities in this strategic plan, DG Competition will develop a local HR strategy with a medium to long-term outlook (3–5 years) consistent with the overall corporate HR strategy.

DG Competition's HR policy is planned and implemented under the new HR delivery model put in place by the HR Modernisation Project. It is to be noted that this HR policy does not only form an integral part of the DG's HR Strategy, but is also embedded in its ongoing 'DG COMP Sounding Board initiative' which is due to be finalised in parallel to the local HR strategy.

DG Competition's strategic HRM objectives are designed to contribute more broadly to the attainment of the entire set of its business object, rather than being limited to one business objective each, as would be the case with objectives relating to a change of scope of business.

Objective 1: DG Competition employs a competent and engaged workforce and contributes to gender equality at all levels of management to effectively deliver on the Commission's priorities and core business	
Indicator 1: Number and percentage of first female appointments to middle management positions **Source of data**: Commission Decision SEC(2020)146 of 1 April 2020	
Baseline (female representation in management) (1 December 2019)	**Target**[91] (2024)
45%, 20 out of 45	DG Competition was assigned a quota of two first female appointments by 2022.
Indicator 2: DG Competition's staff engagement index **Source of data:** Commission staff survey	
Baseline (2018)	**Target** (2024)
76%	At least 76% and maintain above the Commission average (69% in 2018)

[91] The target will be reviewed for the period 2023-2024 by January 2023

The HRM objectives of DG Competition focus on a qualified, sustainable and balanced workforce so as to ensure that the right people are at the right place at the right time to deliver on our organisational goals to the best of their abilities. Attract, develop and retain staff is a key priority.

Below are the main HRM deliverables during 2020-2024 in connection with the strategic objectives identified above, as underpinned by the two indicators.

- Ensure an adequate female representation in management, via adequate succession planning and talent management[92]
- Maintain a healthy workforce by promoting and ensuring a coherent implementation of flexible working arrangements across the DG
- Maintain staff satisfaction, engagement and motivation, via several initiatives (e.g. entrance and career development interviews, 180° feedback development exercise, internal mobility brochure and possibly staff surveys)
- Build the right set of skills needed to reach the DG's objectives, via the organisation of specialised competitions and tailor-made learning and development initiatives, including follow-up training sessions to the 180° feedback exercise for all managers
- Advance the people management culture, via initiatives to develop and embed managerial good/best principles and practices that apply to the particular work patterns and challenges in DG Competition
- Raise the impact and effectiveness of DG Competition HRM policies, via improved communication, continuous association and support from the top management, and by integrating available qualitative and quantitative data in the policy-making

Objective 2: Motivate, train and retain highly qualified staff and promote equal opportunities with DG Competition	
Indicator 1: Turnover (% of statutory staff leaving DG Competition before three years in the DG) **Source of data**: Sysper	
Baseline (2019)	**Target** (2024)
3.1%[93]	Less than 3.1%

As set out in its mission statement, people are the greatest asset of DG Competition. In its high-skill knowledge-intensive work environment, the success of the DG is the success of the people and the synergy of their expertise, experience and skills[94].

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[92] On 1 April 2020, the Commission adopted measures to reach gender equality at all levels of management by the end of 2024 (Decision SEC (2020)146). To this effect, the Decision sets quantitative targets of first female appointments to made per Directorate-General and service at middle management. DG Competition should make two first female appointments until 2022 and reach a female representation of 50%. DG Competition's demography and the predominance of women in the lower and middle AD-grades makes the DG confident to be on track to achieve this goal.

[93] This figure includes all statutory staff, i.e. Officials, Temporary agents and Contract agents, and thus also staff with contracts of limited duration. If only AD and AST officials are considered, the percentage of staff leaving DG Competition before three years reaches 2.5% in 2019.

Particular challenges include a very young workforce, relatively high staff turnover and an anticipated in-flow and out-flow mobility for managers specialised in competition related matters. Moreover, DG Competition should ensure it remains an attractive workplace compared to other Directorates-General, private practices and consultancy firms.

DG Competition has an Internal Communciations Strategy, updated every two years. The 2020-22 edition builds on the previous editions, and continues to focus on improving information flows throughout the DG, so that staff members have a better understanding of how their work fits into the Commission's policy priorities, and the work of their colleagues in DG Competition. The Internal Communciations Strategy fully reflects the conclusions of DG Competition's 2018-2019 Sounding Board initiative, which took on borad the views of staff as expressed both in the 2018 Commission-wide staff survey as well as in the Sounding Board exercise and implementation workshops.

Objective 3: Information flows effectively throughout DG Competition so that staff understand Commission and DG Competition's objectives and how their individual work relates to these objectives	
Indicator 1: Understanding by the staff of DG Competition's priorities **Source of data**: Commission staff survey 2018*	
Baseline (2018)	**Target** (2024)
73%	Improve level of staff understanding
Indicator 2: Understanding by the staff of DG Competition of their objectives and tasks **Source of data:** Commission staff survey 2018	
Baseline: (2018)	**Target** (2024)
93%	Maintain or increase

*Note that the timing of staff surveys, in relation to the stage of the mandate, may affect staff awareness of Commission-wide objectives.

B. Sound financial management

Competition policy is implemented through enforcement and advocacy activities as well as legislative work that ensures that EU competition policy and rules are fit for the modern economy. In implementation of the 2021-2027 Multiannual Financial Framework (MFF), DG Competition will move in 2021 from a purely administrative budget to an operational budget that is combined with a modest administrative budget. The budget will be managed under direct centralised management and implemented mainly through procurement. Financial management is therefore not a critical challenge for the DG's operations. The budget covers the ambitious competition policy initiatives that support delivery on the

[94] On 19 July 2017, The Commission adopted a Communication on *A better workplace for all: from equal opportunites towards diversity and inclusion*. The Diversity and Inclusion Charter is an integral part of the Communication, setting out the guiding principle for the Commission's HR policies. It also reinforces and formalises the institution's commitment to diversity and inclusion. Also in 2020 and beyond, DG Competition is committed to giving all staff members the same opportunities independent of their background and undertakes to respect the principle of non-discrimination in all its forms and at all stages of human resources management. - Communication of 19 July 2017 from the Commission *A better workplace for all: from equal opportunities towards diversity and inclusion*, C(2017)5300 final https://myintracomm.ec.europa.eu/staff/Documents/working-conditions/diversity/commission-diversity-inclusion-strategy-c20175300-en.pdf.

Commission's priorities (as set out in PART 1). Initiatives include procuring state-of-the-art IT tools and expertise to tackle new challenges for the enforcement of competition policy (linked to the use of big data and algorithms and other fast-moving developments in an increasingly digital environment), strengthening and extending cooperation and partnerships with European public administrations and third country authorities as well as measures aimed at raising awareness of EU competition policy among stakeholders.

DG Competition has put in place an organisational structure and internal control systems suited to the achievement of its policy and control objectives in accordance with the standards and having due regard to the risks associated with the environment in which it operates. As regards financial management, the objective is to ensure that the budget is implemented in compliance with the requirements of legality and regularity and in accordance with the principle of sound financial management.

Objective: The authorising officer by delegation has reasonable assurance that resources have been used in accordance with the principles of sound financial management, and that cost-effective controls are in place which give the necessary guarantees concerning the legality and regularity of underlying transactions	
Indicator: Estimated risk at closure **Source of data:** European Commission, DG COMP Annual Activity Report (AAR)	
Baseline (2019)	**Target** (2024)
EUR 68 400	Maintain < 2% of relevant expenditure

C. Fraud risk management

DG Competition's objective is to maintain high professional and ethical standards. DG Competition handles confidential information and data and other sensitive information originating from companies, member State authorities, organisations or individuals acting as complainants or whistle-blowers. The anti-fraud strategy, which is being updated in 2020, aims at achieving its policy objectives in accordance with the 2019 Commission Anti-Fraud Strategy[95] and having due regard to the risks associated with the environment in which DG Competition operates. The strategy covers the period 2020-2022. Given that the Financial management is not a critical challenge for DG Competition's operations, its implementing measures are focused on non-spending activities and on prevention by training and awareness raising. DG Competition intends to continue the actions to monitor inadvertent disclosures of confidential information and the yearly declarations concerning the rules on conflict-of-interest. It also intends to maintain the regular awareness raising sessions on security of information, and compulsory trainings on fraud prevention and ethics for newcomers. It will report to the Director General on the implementation of the anti-fraud strategy each year.

[95] Communication from the Commission to the European Parliament, the Council, the European Economic and Social Committee, the Committee of the Regions and the Court of Auditors. 'Commission Anti-Fraud Strategy: enhanced action to protect the EU budget', COM(2019) 196 final – 'the CAFS Communication'. https://ec.europa.eu/anti-fraud/sites/antifraud/files/2019_commission_anti_fraud_strategy_en.pdf

Objective: The risk of fraud is minimised through the application of effective anti-fraud measures and the implementation of the Commission Anti-Fraud Strategy[96] aimed at the prevention, detection and correction[97] of fraud	
Indicator: **Implementation of the actions included in DG Competition's anti-fraud strategy over the whole strategic plan lifecycle (2020-2024)** **Source of data:** DG COMP annual activity report, DG COMP anti-fraud strategy, OLAF reporting	
Baseline (2020)	**Target** (2024)
N/A	100% of action points implemented in time

D. Digital transformation and information management

Due to the nature of the activities of DG Competition, which imply contacts with stakeholders subject to the General Data Protection Regulation (GDPR), staff in DG Competition is generally aware of the new data protection rules. This high awareness level was facilitated by the momentum deriving from the entry into force of the new rules[98]. It must be ensured that the level of awareness is maintained in the long run and regularly review our processing operations. In order to do so, DG Competition will continue to integrate data protection aspects in its manual of procedures and templates among others as well as in its training sessions for new staff. Information sessions dedicated to all staff will continue to be organised on a regular basis.

Digital transformation

The European Commission recognises digital transformation as one of the key political priorities for the new mandate both in terms of driving change in markets and enabling public sector modernisation, where the Commission itself needs to lead by example. In this context, DG Competition is also transforming to become an even more user-focused and data-driven organisation equipped with state-of-the-art digital tools to support EU competition policy and enforcement needs, in line with the principles and objectives of the European Commission Digital Strategy. DG Competition Modernisation Plan identifies three priority areas to deliver a full digital tranformation over the next five years:

[96] 'The CAFS Communication' and the accompanying action plan, SWD(2019) 170 – 'the CAFS Action Plan'.

[97] Correction of fraud is an umbrella term, which notably refers to the recovery of amounts unduly spent and to administrative sanctions.

[98] Regulation (EU) 2016/679 of the European Parliament and of the Council of 27 April 2016 on the protection of natural persons with regard to the processing of personal data and on the free movement of such data, and repealing Directive 95/46/EC (General Data Protection Regulation), OJ L 119 4.5.2016. Regulation (EU) 2018/1725 of the European Parliament and of the Council of 23 October 2018 on the protection of natural persons with regard to the processing of personal data by the Union institutions, bodies, offices and agencies and on the free movement of such data, and repealing Regulation (EC) No 45/2001 and Decision No 1247/2002/EC, OJ L 295, 21.11.2018. Commission Decision (EU) 2018/1927 of 5 December 2018 laying down internal rules concerning the processing of personal data by the European Commission in the field of competition in relation to the provision of information to data subjects and the restriction of certain rights,OJ L 313, 10.12.2018.

1. Case management digitisation

DG Competition's instruments are currently supported by ageing and end-of-lifecycle case and information management applications. CASE@EC is a new case management system that will progressively replace the patchwork of DG Competition's legacy applications with a single system. CASE@EC will put in place modern tools and processes that empower staff in their every-day-work and enable more efficient work via a workflow-driven way of case handling. DG Competition keeps its commitment to make CASE@EC the platform for case management at the Commission and, in that regard, collaborates with participating services DGs BUDG, OLAF and TRADE, other interested services including DG FISMA and DG HR, as well as other European institutions interested in re-using CASE@EC, such as the European Public Prosecutor's Office (EPPO).

2. Digital exchanges with Member States' administrations, companies and citizens

To better support and digitise communication and collaboration processes with its external stakeholders, DG Competition implements an ecosystem of digital solutions that enable compliance and enforcement of EU competition rules. Projects include:

- Digital tools to support digital exchanges between the Commission and Member States in State Aid;
- A platform to communicate securely with the European Competition Network in the context of Antitrust and Merger proceedings;
- Tools to digitise interactions with stakeholders including undertakings and their law firms: requests for information, leniency applications and negotiation of confidentiality claims; and,
- Open data and transparency portal on competition data.

3. Automation of competition enforcement tasks with data analytics/artificial intelligence tools

DG Competition faces an exponential increase in the volume of electronic communications with parties, of electronic evidence, as well as a more complex and demanding IT in a data driven world. In order to increase its enforcement capacity, DG Competition needs innovative artificial intelligence based solutions to serve all instruments and competition policy. In the next five years, DG Competition will focus on:

- Implementing a data governance in line with corporate principles, gearing at data standardisation; a harmonised description and overview of datasets to foster data interoperability and usability; the data governance will cover all instruments and tools (case management and digital interactions with external stakeholders).
- Setting up a data space for competition enforcement, making high-value data sets available (i) for operational units to address competition enforcement needs, and (ii) enabling the effective application of innovative new solutions for all instruments. DG Competition's data space will run on powerful, secure, EU-based data infrastructure;
- Providing innovative solutions at scale: evolving solutions like e-Discovery, collaboration and knowledge management platforms and developing new artificial

intelligence solutions such as automatic document review and classification, intelligent assessment of sector inquiries, and dashboards for decision-making.

Objective: DG Competition is using innovative, trusted digital solutions for better competition enforcement, information management and administrative processes to forge a truly digitally transformed, user-focused and data-driven Commission in the competition domain and beyond.		
Indicator 1: Degree of implementation of the digital solutions modernisation plan[99]: - the three most important aggregated IT solutions: case management solutions (CASE@EC), exchanges with external stakeholders and data analytics/artificial intelligence (see ANNEX on digital transformation for calculation details) **Source of data**: Yearly DG Competition IT strategy		
Baseline (2019)	**Interim milestone** (2022)	**Target** (2024)
25% Support for horizontal projects at DG COMP	87,5% Support for State Aid/Antitrust/Cartel/Merger cases at DG COMP	95% Support for case management at EC (participating DGs) and enabling re-use by EUIs (e.g. EPPO).
Baseline (2019)	**Interim milestone** (2022)	**Target** (2024)
50% Support for State Aid digital exchanges, collaboration within the European Competition Network and leniency applications	73% Support for Requests for Information,for Negotiations in Confidentiality claims and for State Aid Reporting	100% Publication of competition data on the Open data and transparency portal
Baseline (2019) 18,75% Results of proofs of concept using machine learning	**Interim milestone** (2022) 62,5 Partial support for data and artificial intelligence solutions for all instruments.	**Target** (2024) 100% Support for data and artificial intelligence solutions for all instruments, based on DG Competition data space.
Indicator 2 : Percentage of COMP key data assets[100] for which corporate principles for data governance[101] have been implemented		

[99] The European Commission Digital Strategy (C(2018)7118) calls on Commission services to digitally transform their business processes by developing new innovative digital solutions or make evolve the existing ones in line with the principles of the strategy. At the beginning of the year N+1, the Solution Owner and IT Investments Team will assess the progress made on the basis of the proposed modernisation plan. For each of the 3 solutions, a table will reflect – per principle - the progress achieved during the last year.

[100] A key data asset is defined as any entity that comprises a source of data based on projects or administrative processes, structured or semi-structured in an information system, a database or a repository of data or corpora of text. A data asset can include multiple datasets or files somehow linked, e.g. by common codes or metadata. Commission key data assets have been documented in the data inventory Ares(2019)2586155.

[101] This indicator follows up on the progress of services in implementing corporate data governance and data policies for their key data assets included in the EC data inventory. See Ares(2019)4441343 in the context of the DataStrategy@EC action plan. In summary, this means that for each key data asset, services should assess if the following principles have been respected:

– Identify and designate the data owner and the data steward(s).

Source of data: Local Data Correspondent		
Baseline (2019) 10%	**Interim milestone** (2021) 25% taking into account the specificity of the COMP data and depending on the availability of resources and guidance from horizontal services	**Target** (2024) 100% in 2024 on the same conditions

Indicator 3: Percentage of staff attending awareness raising activities on data protection compliance **Source of data: DPC activities**		
Baseline (2018)	**Interim milestone** (2019-2024)	**Target** (2024)
90%, information sessions, interventions from the DPCs in the management meetings, directorate house meetings or unit meetings took place in 2018. There was a large demand for that following the entry into force of the GDPR in may 2018.	2020: 100% of senior and middle management; 100% of new comers Gradually, until 2024, all remaining 10% of COMP staff and 100% of the newcomers will be reached by the awareness raising activities. DG COMP staff has been largely sensibilised to data protection issues. Regular information sessions and activities will continue to be organised by the DPC in order to maintain awareness at a high level.	100% of staff

E. Sound environmental management

Objective: DG Competition takes full account of its environmental impact in all its actions and actively promotes measures to reduce the related day-to-day impact of the administration and its work

In line with the European Green Deal, the main objective for the greening of the Commission is to reach climate neutrality by 2030. Priority is given to those assets and activities that have the highest environmental impact: buildings, missions, IT fixed assets and commuting. DG Competition will promote the EMAS corporate campaigns at local level and identify local environmental measures to support the Commission's commitment to

– Instruct their data stewards to share the metadata of their data assets in the Commission's data catalogue and to keep them up to date.
– Design and document processes for data collection/creation, acquisition, access, sharing, use, processing preservation, deletion, quality, protection and security. Information concerning these processes should be made available to anyone interested, as long as any confidentiality restrictions are respected.
– Make any necessary changes and updates to the IT systems used for storing, managing and disseminating these data assets to implement the aforementioned requirements and processes.

A data governance hub will shortly offer a single point of access on the intranet for related guidance and information. It will be complemented by further practical guidance in the course of 2020.

implement the objectives of the Green Deal for its own administration, including becoming climate neutral by 2030. DG Competition believes that an active usage of digital communication and collaboration tools is an essential step towards fulfilling the Commission's Green Deal commitments.

The COMP-EMAS Team has made an action plan to support the corporate objectives, outlining the following priorities:

1. Promoting alternatives to missions and live meetings, like videoconferences, taking into account lessons learned during the covid-19 crisis;
2. Addressing reduction and better sorting of waste;
3. Anchoring sustainability as a key criterion for the events organised at and in the name of the DG Competition;
4. Organizing information and hands on campaigns on sustainability related topics – commuting, food choices, energy saving in the office and beyond;
5. Collaborating closely with the other entities based in the same building.

ANNEX Performance tables

1. A European Green Deal

General objective: A European Green Deal		
Impact indicator: **Share of renewable energy in gross final energy consumption** **Explanation**: Renewable energy generation is given as the share of renewable energy consumption in gross final energy consumption. The gross final energy consumption is the energy used by end consumers (final energy consumption) plus grid losses and self-consumption of power plants **Origin of indicator:** Renewable Energy Directive (EU) 2018/2001; EU Sustainable Development Goal indicator **Source of the data**: Eurostat (Eurostat online data code: sdg_07_40)		
Baseline (2017)	**Interim milestone** (2020)	**Target** (2030)
17.526%	20%	32%
Specific objective 1: State aid control contributes to environmental protection, renewables and energy savings		
Result indicator: Total State aid expenditure for environmental protection, renewables and energy savings as a percentage of total State aid in the EU **Explanation:** The indicator shows the positive role of State aid rules in steering public aid towards environmental protection and energy savings, in particular investment in renewables, while at the same time minimising the negative impact of State aid on competition. **Origin:** Under Article 6(1) of Commission Regulation (EC) 794/2004, the Commission shall publish an annual State aid synopsis ("State aid scoreboard") on the basis of expenditure reports provided by the Member States. **Methodology:** State aid for environmental protection and energy savings, as reported in the Annual State aid scoreboard, as a percentage of total State aid in the EU during the corresponding year.		
Baseline (2018)	**Interim milestone** (2022)	**Target** (2024)
53%	Increasing trend (%)	Increasing trend (%)

2. A Europe fit for the digital age

General objective: A Europe fit for digital age		
Impact indicator: **Real GDP growth rate** **Explanation**: Gross domestic product (GDP) is a measure of the economic activity, defined as the value of all goods and services produced less the value of any goods or services used in their creation **Origin of the indicator**: It is linked to the existing (Technical Support) and future specific objective (i.e. Budgetary Instrument for Convergence and Competitiveness) which will apply from 2021 as part of the new Regulation (including the Technical Support Instrument and the Budgetary Instrument for Convergence and Competitiveness). Adoption of the new regulation is expected in 2020. **Source of the data**: Eurostat (online data code TEC00115)		
Baseline (2018)	**Interim milestone** (2022)	**Target]** (2024)
2%	Stable/increasing trend (x%)	2%
Specific objective 2.1: Updated rules and policy guidance in support of A Europe fit for the digital age, including tackling systemic competition in the platform economy and beyond		

Result indicator: Ratio between adopted policy initiatives by the Commission in the area of EU competition policy to support A Europe fit for the digital age headline ambition and policy initiatives in the area of EU competition policy included in the Commission Work Programmes 2020-2024 **Explanation:** The indicator shows the result of the significant policy agenda of the Commission in the field of EU competition policy during the current Commission mandate. **Origin:** Commission Work Programmes 2020-2024 **Source:** European Commission **Methodology:** Comparison between policy initiatiatives adopted by the Commission in the area of EU competition policy and those included in the Commission Work Programmes 2020-2024		
Baseline (2020)	**Interim milestone** (2022)	**Target** (2020-2024)
N/A	Increasing trend	100%

Specific objective 2.2: State aid control contributes to high performant broadband networks		
Result indicator: Total State aid expenditure for broadband in the EU as a percentage of total State aid in the EU **Explanation:** The indicator shows the positive role of State aid rules in steering public aid towards investments in necessary digital infrastructure, in particular investment in performant broadband networks, while at the same time minimising the negative impact of State aid on competition. **Origin:** Under Article 6(1) of Commission Regulation (EC) 794/2004, the Commission has to publish, annually, a State aid synopsis ("State aid scoreboard") on the basis of the expenditure reports provided by Member States. **Source:** Commission services **Methodology:** State aid for performant broadband rollout, as reported in the Annual State aid scoreboard, as a percentage of total State aid in the EU in a given year		
Baseline (2018)	**Interim milestone** (2022)	**Target** (2024)
1.3%	Increasing trend (%)	Increasing trend (%)

Specific objective 2.3: Strengthening competition enforcement in support of A Europe fit for the digital age		
Result indicator: Estimate of customer benefits resulting from cartel prohibition decisions **Explanation:** In line with the practice of certain national competition authorities, each year the Commission estimates the benefits to customers resulting from the Commission's cartel prohibition decisions. **Origin:** Decisions by the Commission prohibiting cartels in a given year **Source:** Commission services (OECD Guidance 2014) **Methodology:** The approach consists in multiplying 1) the assumed increased price brought about by the cartel in the past (called the "overcharge") by 2) the value of sales by cartel members in the market directly affected by the cartel and 3) the likely duration of the cartel had it remained undetected. A 10% to 15% overcharge is assumed. That assumption is conservative in the light of findings in recent empirical literature.		
Baseline (2019)	**Interim milestone** (2022)	**Target** (2024)
EUR 1.5-2.3 bn	Increasing or stable (EUR x-y bn)	Increasing or stable (EUR x-y bn)

Result indicator: **Estimate of customer benefits resulting from merger interventions** **Explanation:** In line with the practice of certain national competition authorities, each year the Commission estimates the benefits to customers resulting from the Commission's intervention decisions for notified mergers. By intervention is meant a merger prohibition; a merger approval subject to conditions or a withdrawal of a merger notification in Phase II due to preliminary concerns identified by the Commission. **Origin:** Decisions by the Commission involving interventions in notified mergers in a given year **Source:** Commission services (OECD Guidance 2014) **Methodology:** The approach followed to estimate customer benefits from Commission's interventions takes into account 1) the likely price increase avoided (3% and 5% for the lower and upper boundary of the estimated customer benefits, respectively); 2) the total size (by value) of the product market affected and 3) the expected duration of the price increase avoided. This duration reflects the expected length of time that the affected product and geographic market would have taken to self correct either by the arrival of a new entrant or by the expansion of existing competitors. The prevention of anticompetitive effects such as the negative impact of the proposed merger on innovation and choice are not taken into account by this result indicator. The selection of a stable target is a planning assumption. Since the merger control activity is driven by notifications, it is not meaningful to provide a numerical target for this indicator.		
Baseline (2019)	**Interim milestone** (2022)	**Target** (2024)
EUR 5.7-9.4 bn	Stable (EUR x-y bn)	Stable (EUR x-y bn)
Result indicator: **Ratio of merger decisions adopted in a simplified procedure** **Explanation:** To facilitate smooth market restructuring by assessing non-harmful mergers in a streamlined manner, the EU merger legislation enables the Commission to pursue a simplified procedure in the cases of certain mergers notified to it (see Commission Notice on a simplified procedure for treatment of certain concentrations under Council Regulation (EC) No 139/2004 Reference, OJ C 366, p. 4, 14.12.2013). **Origin:** Decisions by the Commission under the EU merger control rules. **Source:** Commission services **Methodology:** The approach consists in dividing the total number of merger decisions adopted by the Commission under the simplified procedure in a given year with the total number of merger decisions adopted by the Commission in that year.		
Baseline (2019)	**Interim milestone** (2022)	**Target** (2024)
78%	Stable	Stable

3. An Economy that works for people

General objective: An economy that works for people		
Impact indicator: **Real GDP growth rate** **Explanation**: Gross domestic product (GDP) is a measure of the economic activity, defined as the value of all goods and services produced less the value of any goods or services used in their creation **Source of the data**: Eurostat (Eurostat online data code: TEC00115)		
Baseline (2018)	**Interim milestone** (2022)	**Target** (2024)
2%	Increasing trend (%)	Increasing trend (%)
Specific objective 3.1: State aid control facilitates aid in the common interest		

Result indicator: **Total State aid expenditure falling under the General Block Exemption Regulation as a percentage of total State aid in the EU** **Explanation:** The indicator shows the positive role of the General Block Exemption Regulation in steering and facilitating public aid towards horizontal objectives in the common interest without the need for the Commission's prior approval, while at the same time minimising the negative impact of State aid on competition. **Origin:** Under Article 6(1) of Commission Regulation (EC) 794/2004, the Commission shall publish an annual State aid synopsis ("State aid scoreboard") on the basis of expenditure reports provided by the Member States. **Source:** Commission services. **Methodology:** State aid expenditure falling under the General Block Exemption Regulation, as reported in the annual State aid scoreboard, as a percentage of total State aid in the EU in a given year.		
Baseline (2018)	**Interim milestone** (2022)	**Target** (2024)
94%	increasing trend (%)	increasing trend (%)

Specific objective 3.2: Banking aid necessary to safeguard financial stability, while protecting competition		
Result indicator 1: **Ratio of balance sheet growth of aided banks to balance sheet growth of unaided banks** **Explanation:** While giving aid to a bank might be necessary to safeguard financial stability, care should be given to avoid the aid leading to undue distortions of competition such as increasing market share on the basis of state support. **Origin:** For the numerator: annual Reports of banks subject to a compatible aid decision; for the denominator: ECB data **Source:** Commission services and the European Central Bank **Methodology:** Dividing the balance sheet growth of aided banks with the balance sheet of unaided banks		
Baseline (2020)	**Interim milestone** (2022)	**Target** (2024)
N/A	To remain below 90%	To remain below 90%

Specific objective 3.3: Temporary support of the economy through covid-19 aid			
Result indicator: **Total covid-19 aid as a percentage of total State aid in the EU** **(Indicator on simplification and burden reduction)** **Explanation:** The indicator highlights the role of State aid rules in steering public aid towards supporting the economy on a temporary basis due to the covid-19 outbreak (including by compensating losses), while minimising distortion of competition in the internal market. **Origin:** under Article 6(1) of Commission Regulation (EC) 794/2004, the Commission shall publish, an annual State aid synopsis ("State aid scoreboard") on the basis of expenditure reports provided by the Member States. **Source:** Commission services **Methodology:** Total covid aid as percentage of total State aid in the EU in a given year. Covid aid is defined as aid under the Temporary Framework based on Article 107(3)(b) TFEU and aid in the form of compensation for damages based on Article 107(2)(b) TFEU			
Baseline (2020)	**Interim milestone** (2021)	**Target** (2022)	(2024)
N/A%	Decreasing trend (%)	Decreasing trend (%)	N/A

ANNEX Digital Transformation indicators calculation

Calculation for Case management solutions (CASE@EC)

ID	Principle	Baseline 2019	Interim milestone 2022	Target 2024
5.3	Agile	0	1	1
5.2	Data driven	0	1	2
5.1	User centric	1	2	2
4.2	Cross border	N/A	N/A	N/A
4.1	Interoperability	0	2	2
3.2	Transparency	N/A	N/A	N/A
3.1	Openness	N/A	N/A	N/A
2.2	Privacy	1	2	2
2.1	Security	1	2	2
1.2	Once only	0	2	2
1.1	Digital by default	0	2	2
	Average	**18,75%**	**87,5%**	**95%**

Calculation for Digital interactions with external stakeholders

ID	Principle	Baseline 2019	Interim milestone 2022	Target 2024
5.3	Agile	1	1	2
5.2	Data driven	1	1	2
5.1	User centric	1	2	2
4.2	Cross border	1	1	2
4.1	Interoperability	1	2	2
3.2	Transparency	1	1	2
3.1	Openness	1	1	2
2.2	Privacy	1	2	2
2.1	Security	1	2	2
1.2	Once only	1	1	2

ID	Principle	Baseline 2019	Interim milestone 2022	Target 2024
1.1	Digital by default	1	2	2
	Average	**50%**	**73%**	**100%**

Calculation for data and artificial intelligence for competition enforcement :

ID	Principle	Baseline 2019	Interim milestone 2022	Target 2024
5.3	Agile	0	1	2
5.2	Data driven	1	1	2
5.1	User centric	0	1	2
4.2	Cross border	N/A	N/A	N/A
4.1	Interoperability	0	1	2
3.2	Transparency	N/A	N/A	N/A
3.1	Openness	N/A	N/A	N/A
2.2	Privacy	1	2	2
2.1	Security	1	2	2
1.2	Once only	0	1	2
1.1	Digital by default	0	1	2
	Average	**18,75**	**62,5%**	**100%**