



Management Plan 2021

Directorate-General Internal Market,
Industry, Entrepreneurship and SMEs

(DG GROW)

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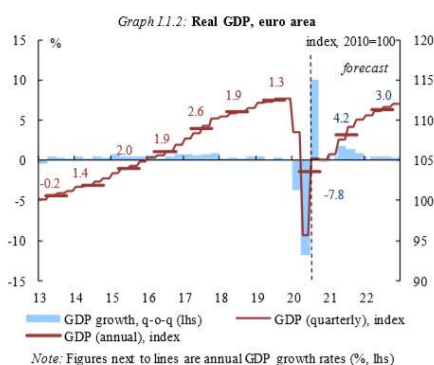
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INTRODUCTION

This Management Plan defines the main outputs of DG GROW in 2021 to realise the objectives of the Strategic Plan 2020–2024. It reflects the priorities in the Commission Work Programme for 2021. The starting point is the mission statement of DG GROW:

To create opportunities for all – European business & citizens

With its regulatory powers, a spending programme and policy measures, DG GROW is well placed to foster opportunities and welfare for all. DG GROW supports entrepreneurs, small and large businesses and their employees to reap the benefits from a large, integrated and globally competitive Single Market.



The work in 2021 will be governed by the socio-economic recovery from the COVID-crisis and the improvement of Europe’s resilience in future crises. According to the latest European economic forecast, the annual real GDP in the euro area is expected to shrink in 2020 by 7.8%, before rebounding by 4.2% in 2021 and 3.0% in 2022. The same holds for the EU, projecting growth of 4.1% in 2021 and 3.0% in 2022. The economic context is thus challenging.

For the challenges to be tackled, DG GROW is engaging with practically all services in the European Commission. The role of the DG is to promote the competitiveness of the economy in support of Europe’s recovery. For 2021, special cooperation is planned with its ‘sister’ DGs CNECT and DEFIS under the joint responsibility of Commissioner Thierry Breton.

DG GROW is currently preparing a major re-organisation for early 2021 and a re-engineering of its working methods in order to be more effective in designing the right recovery and resilience actions and achieving the policy priorities of the Commission. The key deliverables of the DG in 2021 will mainly contribute to two of these priorities:



PART 1. Delivering on the Commission priorities: main outputs in 2021

General objective 1 - A Europe fit for the digital age



Specific objective 1: European enterprises make the digital and green transition

Making Europe more resilient, strategically autonomous, greener and more digital is key to recovery. DG GROW will contribute to building up resilience of the European economy to be better prepared for external shocks. Resilience is the necessary condition for a sustainable digital and green transformation of EU economies.

The next 10 years will be Europe's Digital Decade. We will invest 20% of the recovery plan to strengthen our digital sovereignty.

Commissioner Thierry Breton

New initiatives

CWP 2021- updating the Industrial Strategy – greener, more digital and independent

In 2020, the Commission presented a New Industrial Strategy for Europe aiming at a globally competitive industry that paves the way to climate-neutrality and shapes Europe's digital future with a new approach based on industrial ecosystems. In 2021, the new Industrial Forum will support the Commission in implementing the industrial strategy, assessing the needs of industrial ecosystems and identifying the right toolbox.

In the light of the accelerated twin green and digital transition and the changing global competitive landscape in the COVID recovery, the Commission will update the industrial strategy in the first half of 2021, showcasing the benefits of the Single Market for building resilience and reporting on the enforcement of Single Market laws. This will also be an opportunity to take stock of the industrial alliances on batteries, clean hydrogen and raw materials. These are European alliances intended to accelerate the green and digital transition, but equally to foster the strategic independence from third countries.

A new way of looking at the economy: ecosystems

The ecosystem approach reflects how economies are interlinked and how companies are integrated into European and global value chains. The interlinkages are encapsulated in ecosystems that span across the EU Member States and involve all players operating along the value-chain from the smallest start-ups to the largest companies, from academia to research, from service providers to suppliers. The Commission services have identified 14 ecosystems, representing ca. 90% of the economic value added in the EU.



DG GROW will analyse the economic performance of the single market through the ecosystem approach. This approach, while assessing the economic performance at the micro level, requires also zooming out to compile a "health bulletin" and identify how the role played by each actor affects the overall performance of the whole ecosystem. This will allow to look

at the synergies across the Single Market and help identify weak links thus minimising risks of bottlenecks. In the context of the recovery, it also means looking at all players and their needs, regardless of their location.

Recommending reform, resilience and recovery - the European Semester

DG GROW has been one of the core DGs of the European Semester in the past making significant contributions to the coordination of microeconomic policies in the EU. After the implementation of the Recovery and Resilience Facility, DG GROW will continue playing a central role to buttress the fundamental pillars of the Facility. This includes the green transition; digital transformation; smart, sustainable and inclusive growth, productivity, competitiveness, innovation, and a well-functioning single market with strong SMEs among others. This will require contributions to the assessments of the National Reform plans in these areas as well as the monitoring of the implementation of investments and reforms by Member States in these areas.

Responding to COVID 19



Clusters have responded quickly and effectively to disruptions in supply chains since the beginning of the Covid-19 crisis. The European Cluster Alliance (ECA) Covid-19 organised dedicated webinars with participation of business, research, public authorities and civil society. The offers for help in producing masks or ventilators were channelled through the Industrial Clusters Response Portal on the European Cluster Collaboration Platform (ECCP).

Cluster collaboration through the ECCP and ECA will improve the resilience of the ecosystems through coordinated actions across value-chains. The idea is to strengthen linkages, diversify supply, develop critical technologies or invest jointly in EU production capacities for critical inputs. The Joint Cluster Initiatives (Euroclusters) will be launched under the new Single Market Programme to support cross-sectorial and interdisciplinary cluster collaboration to lead the green transition, accelerate digitalisation and build resilience, especially in SMEs.

DG GROW contributed to the Health Union and the Pharmaceutical Strategy for Europe. The role of the DG is to foster the competitiveness of the industry to better deliver on medical needs. One of the flagships in 2021 is the launch of a structured dialogue with the actors in the pharmaceuticals manufacturing value chain, public authorities, patient and health non-governmental organizations and the research community.

Protecting Intellectual Property (IP) rights

The Commission will implement the IP Action Plan of 2020, which addresses the gaps that still exist in the way EU businesses protect intangible capital. The EU IP system remains fragmented and too many companies, in particular SMEs, do not make full use of the opportunities offered by IP protection. Tools to share IP are insufficiently developed, counterfeiting and piracy are still thriving and there is a lack of fair play at global level. In 2021, DG GROW will

COVID19 has led to an increased number of counterfeit medical/health products. These products are often unsafe and always undermine legitimate businesses.

Kerstin Jorna, Director-General DG GROW

- support a rapid roll out of the unitary patent system (i.e. a legal title that will provide uniform protection across all participating countries on a one-stop-shop basis);
- prepare a legislative proposal for early 2022 to optimise the Supplementary Certification system for patents (i.e. an IP right that extends the duration of a patent) to make it more transparent and efficient;
- make proposals to modernise EU legislation on industrial designs;
- consider, on the basis of an impact assessment, a legislative proposal for an EU-wide protection system for non-agricultural geographical indications;
- promote the use of IP by SMEs;
- ensure the availability of critical IP in times of crisis; and
- improve the transparency in Standard Essential Patents licensing (patents that are unavoidable for implementing a standardised technology) by facilitating stakeholder dialogues combined with preparations of possible regulatory reforms.

Making production and processes fit for the Digital Age

Product Liability Directive

The Product Liability Directive ensures strict liability of producers and compensation for consumers that suffered damage from defective products. In a circular and digitalised economy, products can be changed, adapted and refurbished, whether it be through software or hardware updates. The Directive will therefore be updated in 2021.

Common chargers for mobile phones and similar devices

The option of combining both common charger and de-coupling (selling mobiles phones without charger) is being examined. The initiative is complementary with a number of other actions such as planned new design requirements for electronics under the Ecodesign directive as well as legal and/or non-legislative measures on consumer rights. The adoption is planned during summer 2021.

Cybersecurity of radio equipment

This initiative aims to ensure that internet-connected radio equipment and/or wearable radio equipment comply with a high level of cybersecurity protection as a condition for EU market access. Protection of privacy and personal data, protection from fraud and protection of the networks will have to be demonstrated by manufacturers. Adoption is planned in Q2 2021.

Compliance of software uploads in radio equipment

This initiative aims at ensuring that, for specific radio equipment, the upload software into that radio equipment does not compromise the compliance which was demonstrated at the moment of market access. Manufacturers of certain software with a possible impact on the compliance would provide information on the compliance of intended combinations of that radio equipment and software with the essential requirements set out in the Radio Equipment Directive (RED). The intention is to have a proposal adopted Q4 2021/Q1 2022.

Type approval of motor vehicles regarding access to in-vehicle generated data

With increasing wireless connectivity and multiple sensors, vehicles are generating more and more data. Access to these data is crucial for transforming the existing car services (such as maintenance, insurance, mobility) and developing new ones. To ensure a level playing field among car-based service providers and ultimately enable better access to more such services to consumers, without compromising on safety, security and data protection, the Commission is working on a legislative initiative aiming at laying down a balanced framework to ensure access and use of data generated by vehicles. The legislative proposal is aimed for 2021.

Road circulation requirements for mobile machinery

The new initiative aims to harmonise safety requirements for the road circulation of non-road mobile machinery (NRRM) and close gaps in the Single Market for NRMM in order to reduce administrative burden and compliance costs. Adoption is planned in Q4 2021.

Outdoor Noise Directive

This Directive aims to improve the control of noise emissions by equipment used outdoors. Several studies have pointed to issues with the current legislation such as the lack of adaptation to technical progress, legal uncertainty, reporting burden and implementation issues. The results of the Directive's evaluation expected for end 2020 may lead to the enactment of legislative acts or to a revision of the Directive.

Regulatory simplification and burden reduction, evaluations and fitness checks

CWP 2021 – REFIT: Revision of the Machinery Directive

The Machinery Directive aims to ensure the free circulation of machinery in the EU and a high level of safety for consumers. The main points to be addressed include adapting the current requirements to the risks stemming from new technologies such as Artificial Intelligence (AI). These are risks from machine learning, human robot direct collaboration and the cyber safety of connected machines. AI-based software affecting safety functions of machines and placed independently on the market may become safety components having to be CE marked.

CWP 2021 - REFIT: Evaluation of the Electromagnetic Compatibility Directive

The objectives of the Directive are to ensure the functioning of the Single Market by requiring equipment to comply with an adequate level of electromagnetic compatibility. In 2021, DG GROW will continue the evaluation of the Directive with the aim to assess whether it is still fit for purpose, as this legislation has been used for the last 30 years without major modifications. The focus is on identifying gaps in the implementation and the effects of technological progress that may require corrective measures.

CWP 2020 – REFIT: Report on and Evaluation of the Postal Services Directive

Originally planned for Q4 2020 under the CWP 2020, adoption was moved to Q2 2021. The evaluation will assess whether the Directive which dates back to 1997 is still fit for its purpose of ensuring a Single Market for postal services while maintaining the universal service for letters and parcels, and whether these objectives are still relevant in an

increasingly digital world. The first implementation report of the 2018 Regulation on cross-border parcel delivery services will be adopted at the same time.

Public consultations to start in 2021

- Revision of the Product Liability Directive;
- Type approval of motor vehicles regarding access to in-vehicle generated data;
- Review of the Designs Directive;
- Review of the Community Designs Regulation and
- Geographical indication for non-agricultural products.

Outreach

The communication ‘tools’ for the interaction with its main ‘audiences’ are DG GROW-led events (European Industry Days, Cluster conference, SME Week, SME Assembly, Plastic Alliance conference), DG GROW participation at international events (Hannover Messe, Web Summit, Slush, Green Week), as well as DG GROW or Agency-led (social media) campaigns. These will be supported by selective press/social media actions where appropriate. Topics more relevant to citizens should be communicated in coordination with the Spokesperson’s service and DG COMM, preferably at the time of specific rules entering into force, via social media campaigns and Your Europe/Re-OpenEU depending on the topic.

Any communication actions, directed to entrepreneurs and citizens, should be translated into the language of each Member State and, where relevant, be branded under the ‘look and feel’ of the Commission’s #NextGenerationEU corporate communication campaign.



Specific objective 2: More European SMEs have access to cross-border business

New initiatives

COVID 19 – aiding SMEs to recover

Already in April 2020, EUR € 1 billion was redirected from the European Fund for Strategic Investments (EFSI) to reinforce the existing EU guarantee facility schemes and conditions were changed to incentivise banks to provide liquidity to businesses. The aim is to help at least 100,000 European SMEs and small mid-caps to obtain around EUR 8 billion of financing. As of 30 June 2020, more than 19 000 companies had already received financing for a total of EUR 1.7 billion. SMEs can also benefit from SURE, a EUR 100 billion instrument helping workers to keep their income and businesses to stay afloat.

62% of EU SMEs confront barriers to digitalisation and 70% of EU SMEs say they are facing at least one obstacle that prevents their enterprise from becoming sustainable.

Kerstin Jorna, Director-General DG GROW

The Enterprise Europe Network (EEN) will continue to help SMEs respond to the crisis by creating European partnerships among SMEs, providing information, and supporting innovation also through the European Innovation Council. For example, EEN members created specific ‘Healthcare against COVID’ market places to help SMEs and public services solve protective equipment shortages, or to find solutions for missing products and services, and help reactivate supply chains. The EEN plays a key role in setting up the ‘Rapid Alert Function’ on disruptions in supply chains.

Implementing the SME Strategy

The SME strategy is the compass for SME support in the recovery phase. Key activities of DG GROW in 2021 include access to finance, better regulation, setting up a renewed SME envoy network and enforcing the Late Payment Directive. They also include support to Member States to use the EU's new public procurement framework to promote participation of SMEs in public tenders and implementing the single digital gateway, which should become a one-stop-shop to do business across the Single Market. Some of the strategy's key actions, notably related to access to finance under the SME window of InvestEU, the ESCALR initiative, the SME envoy network, reducing the administrative burden, and enforcing the Late Payment Directive are explained in more detail below.

A key task of DG GROW is to create synergies with other DGs to ensure that SMEs have access to services for capacity building across the Single Market by linking different networks, such as the Enterprise Europe Network and Digital Innovation Hubs. The SME Envoy network will be an entry point for the dialogue on those key actions where Member States are in the lead and on the use of the recovery package to support implementation of the strategy.

The internationalisation of new entrepreneurs will be reinforced with the geographical extension of the Erasmus for Young Entrepreneurs programme to new third countries with strong trade interest for the EU and a well-developed innovation ecosystem.

InvestEU SME window

Under the SME window of InvestEU, the Commission will build on the positive experience with previous EU SME guarantee schemes. It will create a single integrated guarantee facility targeting SMEs perceived as high risk or having insufficient collateral, including innovative ones, those from the cultural and creative sectors, SMEs transitioning from resource-intensive models towards more sustainable ones and those adopting digitalisation. The SME window will support equity finance for SMEs and small midcaps in areas of special EU interest such as space and defence, sustainability, digitalisation, innovation, gender-smart financing, deep and green tech. Invest EU will support final recipients whose activities are of strategic importance to the EU, in particular in view of the green and digital transitions, enhanced resilience and strengthening strategic value chains. The scheme will be implemented in cooperation with the European Investment Bank Group and interested partners.

Scaling-up: ESCALAR (European Scale-Up Action for Risk Capital)

ESCALAR will support venture capital and growth financing for promising companies, enabling them to scale up in Europe and thus reinforce Europe's technological sovereignty. It will be financed by private investors (e.g. pension funds) but guaranteed under the European Fund for Strategic Investments for 2020 (EFSI) and then under InvestEU 2021 - 2027. ESCALAR will provide up to EUR 300 million to increase the investment capacity of venture capital and private equity funds triggering investments of up to EUR 1.2 billion to support promising companies. The 2020 pilot phase saw 85 applications and the first funds were selected. After this phase, private funding will be mobilised through the European Investment Bank Group.

Advocating for SMEs: the network of SME envoys

The network of SME Envoys strives to make the voice of SMEs heard. The focus is on reducing administrative burden and helping enforce the Single Market rules. In 2020, the Envoys had to focus their national work on crisis management and recovery due to the COVID crisis. In 2021, the Network will focus on implementing the SME Strategy and the recovery plans. It will in particular contribute to the Fit for Future platform, the Single Market Enforcement Taskforce and liaise with the Regulatory Scrutiny Board.

Regulating better

SMEs are particularly affected by regulatory burden. The Green Deal will trigger the revision of many legislative acts and the introduction of new ones. It is crucial for the recovery to design Green Deal legislation in such a way that small companies assume new obligations while minimising additional administrative burden. To achieve this, the impact of new legislation on small businesses must be assessed using the SME test.

DG GROW will continue to apply Better Regulation principles to its own legislative work. EU actions are to be based on evidence and on understanding the impact and in a way that citizens and stakeholders can contribute throughout the process. Impact assessments of legislative proposals and evaluations of legislation and programmes are essential tools (see overviews in the Appendix).

In 2021, DG GROW plans to carry out preparatory work for 22 impact assessments and finalise 13 impact assessments. The preparatory work includes internal economic research, stakeholder consultations and procurement of studies.

DG GROW regularly seeks the views of citizens and stakeholders when it develops policy and legislation. All impact assessments and evaluations preparatory works include 12-week obligatory on-line open public consultations (OPCs). In 2021, DG GROW plans to launch 9 public consultations (see Annex).

Enforcement actions to start in 2021

Enforcing the Late Payment Directive

Despite the adoption of the Directive eight years ago, not even 40% of payments in the EU are made within the deadline agreed. In 2021, DG GROW will launch actions to increase the effectiveness of the Late Payment Directive and thus improve the liquidity of SMEs. Activities will focus on ecosystems that are particularly affected, such as construction and tourism, where late payments are very common due to uneven bargaining power between big operators and SMEs. The situation has been aggravated in the Corona crisis. DG GROW will support the Member States to apply the Directive more effectively by:

- improving the availability of data on average payment delays and unfair payment practices by setting up an EU Late Payment Observatory; and
- facilitating SMEs' access to 'Alternative Dispute Resolution' schemes to solve payment disputes faster. DG GROW is developing pilot schemes based on best practices.

Outreach

The communication plan on the SME strategy is being implemented. A promotion campaign for the 'Access to Finance' Webpage (A2F) on 'Your Europe Business' makes use of social media, search engine optimisation and virtual promotional as well as the multiplying capacity of the Enterprise Europe Network. Dedicated SME workshops, a Pan European business campaign as well as a social media campaign highlighting cross-border business support and opportunities are all foreseen to start in 2021 and to promote COVID aid for SMEs, Access to Finance, ESCALAR and any other 'hot' SME topics.

Continued cooperation with Euronews in the context of the feature 'Business Planet' will keep the spotlight on the most relevant SME topics and EU support provided to them. Actions will be carried out in national language where possible and branded under the #NextGenerationEU 'look and feel'.



Specific objective 3: More business opportunities are generated by trading in the Single Market

New initiatives

CWP 2021 – Foreign subsidies (with DG COMP)

Openness to trade and investment is essential to Europe's prosperity and competitiveness, but it must go hand in hand with fairness and predictable rules. The granting of subsidies can lead to unfair competition. In today's intertwined global economy, foreign subsidies can distort the EU internal market. Therefore, DG COMP and DG GROW work on developing appropriate legal action to be presented in 2021. As mentioned in the Inception Impact Assessment published on 1 October 2020, it aims at addressing the potentially distortive impact of foreign subsidies on the EU internal market, in three areas: (i) the acquisitions of EU undertakings, (ii) public procurement procedures; and (iii) other areas of potential distortions.


Enhancing the Single Market through a spending programme

The aims of the Single Market Programme is to improve the functioning of the Single Market, more consumer trust in safe products and better knowledge about the Single Market thus increasing its economic benefits. It is a EUR 4 billion programme bringing together six predecessor programmes from seven DGs, i.e. SME support, consumer protection, consumers and end-users in financial services, emergency measures along the food chain, European statistics, as well as financial reporting and auditing activities. Following approval by the European Parliament and the Council, first call for proposals can begin in January 2021 under all budget lines.

The programme will be via direct management, with some elements delegated to two new agencies: The (new) European Innovation Executive Agency (SME Strand, some aspects of European standardisation projects, and the consumer protection strand) and the European Health and Digital Executive Agency (food chain, animal health and animal welfare, plant health and plant reproductive material)..

Supporting European Standardisation


DG GROW will conclude Framework Partnership Agreements with the European standardisation organisations. The extended duration of these agreements will support the financing of European standardisation in setting up European standards during the entire period 2021-2027. The Commission will adopt the annual Union work programme standardisation for 2022. It will include the strategic priorities for the planning of the requests to the European standardisation organisations to draft European standards.



We need a strong European standardisation system to accompany the green and digital transition in the Single Market.

Kerstin Jorna, Director-General DG GROW

Guiding public procurement



With social and green criteria, public buyers can decide how to best use the 2 trillion € they spent every year in Europe.

Kerstin Jorna, Director-General DG GROW

Public buyers at various levels of government, who managed pre-COVID budgets worth 14 % of EU GDP, have a crucial role to play in the unprecedented investments needed to ensure a green, digital and resilient recovery. Public buyers are key investors in critical sectors for climate and environment, such as mobility, buildings and infrastructure. New initiatives will aim at climate-proofing public investment and will facilitate cooperative procurement projects, supporting the climate transition.

DG GROW will assist all Member States in ensuring a transparent, open and competitive system of public procurement. In 2021, DG GROW will adopt a package of guidance documents to further clarify the legal framework and share best practice in professionalising public procurement mainstreaming green and social sustainability and innovation.

DG GROW is working on opening the public procurement markets of third countries by continuing the work in the World Trade Organisation and will participate in the work on the International Procurement Instrument.

Updating the reform recommendations for regulation in professional services

The 2017 reform recommendations for regulation in professional services will be updated. These recommendations are largely based on a restrictiveness indicator developed for the benchmarking of national requirements. This indicator and the recommendations will be updated to take stock of the reforms implemented by the Member States so far, as well as other relevant developments such as digitalisation and increasing online presence of services.

Opening global markets

In 2021, DG GROW will enhance the external outreach of the Single Market and contribute to Europe's competitive position in global value chains. The overall objective is to facilitate the internationalisation of EU companies, in particular SMEs. The DG will engage in Europe's overall economic diplomacy through business support in third countries. This includes the EU-Japan Centre for Industrial cooperation and the European Business Organisations.

Implementing the Agreement on the withdrawal of the UK from the EU will be a major work strand in 2021. Implementing the Protocol on Ireland and Northern Ireland will require special

attention as regards the effective application and enforcement in Northern Ireland of the goods acquis within the remit of DG GROW. The DG will be involved in developing a new partnership with the UK based on the EU-UK Trade and Cooperation Agreement of 31 December 2020, in particular in the areas of goods, services, intellectual property, public procurement and SMEs. DG GROW will continue to assist the EU industry in adapting to the consequences of the UK withdrawal.

The DG will provide analyses and evidence to support the use of Trade Defence Instruments, as well as EU sanctions. It will contribute to tackling market distortions linked to foreign subsidies. DG GROW will also be involved in the screening mechanism to identify, assess and mitigate potential risks for security or public order of foreign direct investments.

DG GROW will facilitate cooperation with international partners through industrial policy and regulatory dialogues with Japan, the Republic of Korea, China, Taiwan and Ukraine. The DG will help pursue continued engagement with the US in selected areas. DG GROW assists enlargement countries in their path towards EU accession and cooperates with Eastern and Southern Neighbourhood, both at regional level (through economic cooperation within the Eastern Partnership and the Union for the Mediterranean) and bilaterally (including the implementation of Association Agreements such as with Ukraine, Morocco or Tunisia).

The DG seeks opportunities for market integration and business cooperation in the framework of the EU-Africa Partnership and explores opportunities for more business cooperation with strategic partners such as South East Asia. At the multilateral level, the DG will contribute in areas of its competence to Commission work in multilateral fora, i.e. G7, G20, UN, etc.

The DG will contribute to the negotiations and implementation of Free Trade Agreements focusing on better market access for EU ecosystems as well as ensuring that EU businesses get the full benefits via established networks such as the Enterprise Europe Network, Cluster internationalization, SME Centre in China and IPR Helpdesks (see the overview below).



Outreach

DG GROW will develop a communication ‘toolkit’ helping SMEs doing business abroad. Such a ‘toolkit’ may be disseminated via tools such as the ‘Enterprise Europe Network’ and ‘Your

Europe Business' web portal or events such as the SME Week, the SME Assembly, the Cluster conference and the European Industry Days, under the patronage of the SME Envoy and branded with the #NextGenerationEU 'look and feel'.



Specific objective 4: Promote compliance with EU Single Market rules and enforce them

New initiatives

Single Market Enforcement Task Force (SMET)

The SMET was established in April 2020 and will continue into 2021. It is a key tool for working together with all Member States to ensure the good functioning of the Single Market by establishing a coordinated approach to address restrictions and enforcing EU rules. Priority areas are coronavirus related restrictions and barriers in key industrial ecosystems.

The Task Force is determined to bust barriers in the Single Market. Because we all need our Single Market to power a recovery that leaves no one behind.

Kerstin Jorna, Director-General DG GROW

Enforcing the Services Directive

Enforcing the EU Services Directive will continue to be a key priority for DG GROW. The DG will continue to assess Member State legislation against the Directive and work in partnership with Member States towards a more ambitious implementation of the Directive across economic ecosystems. Where dialogues with Member States do not lead to satisfactory results, the Commission will continue to pursue legal action. DG GROW will take further steps to improve the effectiveness of the notification procedure foreseen under the Services Directive. DG GROW will also issue more legal guidance on how to apply the Directive.

Providing transparency – the Single Market Transparency Directive (SMTD)

The COVID crisis highlighted the strategic importance of the SMTD. The Directive was the entry point for urgent national measures with an impact on the free movement of medical equipment, medicinal products and medical information society services. In the course of 2021, DG GROW will further develop the strategic implementation of the SMTD, focussing on EU priority matters. DG GROW will consolidate the methodology to identify areas susceptible of increased regulatory convergence or harmonisation as a result of the experience gained when assessing draft national technical regulations.

Surveilling products in the Single Market

An enforcement of EU product rules requires a well-equipped, digitalised, efficient and well-coordinated market surveillance policy. The new Regulation on market surveillance and compliance of products of 2019 covers essentially all EU legislation with safety, environmental or other public interest requirements that affect non-food products. Most of the Regulation will start to apply on 16 July 2021.

In 2021, the DG GROW will prioritise those sectors, for which it would be necessary to designate Union testing facilities. The EU Product Compliance Network, which will be operational in January 2021, will then advise for which sectors the selection will be launched.

The ICSMS (Information and Communication System for Market Surveillance) is the digital backbone of the cooperation between market surveillance and customs authorities. The Commission is further developing ICSMS adding new functionalities. The Commission has launched the development of the digital interface between national customs systems and the ICSMS. This will strengthen the effectiveness of controls at the EU borders. The interconnection of systems should be operational by 2025.

Ensuring mutual recognition

As part of its efforts to fight systemic obstacles in the area of the free movement of goods related to a deficient application of the mutual recognition principle, the Commission has engaged with the relevant EU Product Contact Points. It is important for the Single Market for goods that businesses, in particular SMEs, can obtain reliable and specific information about the law in force in a given Member State, relying on the Product Contact Points. These Points therefore have an enhanced role to play.

Assessing national rules for professions

The transposition deadline for the Directive on a proportionality assessment for professional regulation of professions was 30 July 2020. Non-communication enforcement actions were launched in October 2020. The Commission published guidance to the Member States for the correct and ambitious application of the Proportionality Test Directive based on concrete examples from Member States. Next, DG GROW will engage in a systematic conformity assessment of the national transposition measures and take further steps where necessary.

Solving disputes in the Single Market - SOLVIT

SOLVIT is a network for resolving Single Market complaints or disputes. Commission services can transfer non-priority complaints to SOLVIT. In 2021, together with DG EMPL and the European Labour Authority, DG GROW will develop a model to ensure the articulation between SOLVIT and the Authority. A new workflow will allow flexibility to cater for specificities of other legal areas with a need for a problem-solving tool. The DG will tackle the question of resources for SOLVIT from Member States in fulfilling the call from the Competitiveness Council of September 2020 to prioritise SOLVIT.

Informing about the Single Market and measuring performance

The Your Europe portal informs citizens and businesses about EU and national rules in the Single Market. It was upgraded at the end of 2020 to become the hub of the EU single digital gateway, also providing access to advice and problem-solving services as well as, in the future, to e-procedures Member States are adding content to the gateway and prepare for the next milestone, the digitalisation of procedures by 2023. Tailor-made advice to citizens and businesses about their EU rights are also provided by the Your Europe Advice service.

The Single Market Scoreboard is an online tool monitoring and assessing the performance of Member States in specific areas of the Single Market, from law enforcement to trade integration. DG GROW will extend the scope and upgrade the IT system of the Scoreboard to identify barriers in the Single Market across sectors by bringing together the information sources in EU institutions and potentially beyond. The information will be presented in a more user-friendly way to reach a broader audience.

Implementing the Single Market rules through administrative cooperation

The Internal Market Information (IMI) system is the default secure platform for administrative cooperation and information exchange on Single Market rules mainly for public authorities. In 2021, DG GROW will upgrade IMI by the following actions:

- Complete the integration into IMI of the Regulated Professions Database by Q3 2021, which provides information on these professions in Europe; the aim is to improve access of national authorities for their reporting obligations and its use by a wider public;
- Launch a pilot project to implement the administrative cooperation provisions relating to refusals to grant authorisations for firearms (DG HOME in the lead); and
- Start devising a new public interface to be linked to IMI for declaring posted workers in transport, in the context of the recently adopted Mobility package.

Regulatory simplification and burden reduction, evaluations and fitness checks

CWP 2021 - REFIT - Evaluation of the New Legislative Framework for Products

The New Legislative Framework aims to improve the Single Market for goods by enhancing market surveillance and boosting the quality of conformity assessments. The initiative will evaluate whether the Framework remains fit for purpose in a digital and circular economy taking into account the COVID-19 experience.

Outreach

DG GROW's Single Market outreach plan will be rolled out. It will encourage: i) public authorities to be proactive in enforcing EU law; and ii) entrepreneurs and citizens in challenging barriers to the Single Market via the Your Europe, SOLVIT and Your Europe Advice tools. Your Europe being enhanced by the single digital gateway, a communication campaign will be carried out. Actions will be branded under the #NextGenerationEU 'look and feel'. Infringement procedures will continue to be communicated through press materials.

General objective 2 - A European Green Deal



Specific objective 1: Increase the share of material recovered, recycled and fed back into the economy

New initiatives

The European Green Deal is the new EU growth strategy fostering the transition to a climate-neutral, resource-efficient and competitive economy and the move towards zero-pollution in Europe. It has also set a goal to better protect health and the environment by tackling pollution from all sources and moving towards a toxic-free environment. This will create new markets where the European industry can be the first movers. It will lead to the development of climate-neutral competitive edge applications, such as the use of hydrogen, wind and advanced bio-based materials.

CWP 2021 New initiative – Sustainable products initiative (with DGs ENV/ENER)

The Sustainable Product Initiative (SPI) aims to make products fit for a climate neutral, resource efficient and circular economy and reduce waste. Priority will be on the value chains identified in Circular Economy Action Plan, such as electronics and ICT, textiles, but also furniture and high impact intermediary products like steel, cement and chemicals. The intention of the legislative proposal is to widen the scope of the Ecodesign Directive beyond energy-related products to make it applicable to the broadest possible range of products and make it deliver on circularity. This will be done in coordination with other EU product policy and sectoral initiatives on electronics, batteries, construction, textile, plastic and packaging.

CWP 2021 New initiative – Cars emissions (EURO 7)

To accelerate the shift to sustainable and smart mobility, transport should become significantly less polluting. Efforts have been made over the last four years to reduce emissions of air pollutants, in particular in the wake of the ‘Dieselgate’. New power trains – battery, electric and hydrogen – are emerging as an alternative to the combustion engine. While the roll out of such technologies is accelerating, it is still slow. In the meantime, more needs to be done to ‘clean’ the combustion engine to ensure the protection of health and the environment and to prevent fragmentation of the Single Market due to individual national measures (e.g. diesel bans, petrol bans). DG GROW will prepare more stringent yet realistic air pollutant emission standards for combustion-engine vehicles (‘Euro 7’). The legislative proposal is aimed to be adopted in Q4 2021 and will be accompanied by a back-to-back evaluation and impact assessment.

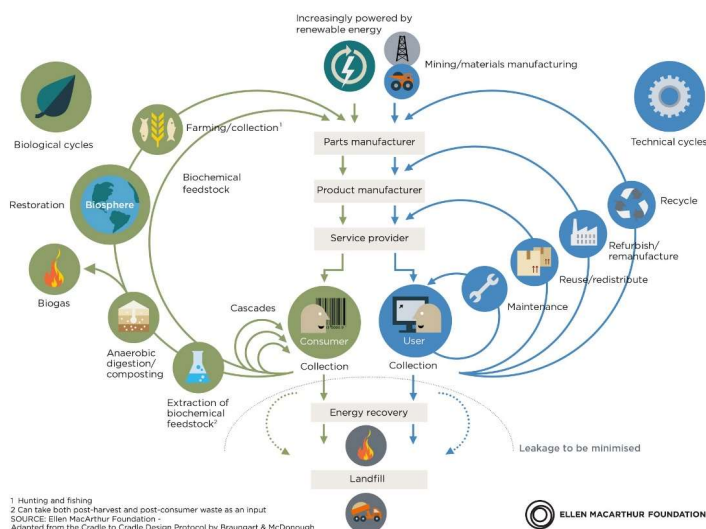
Making mobility sustainable and smart

A modern transport infrastructure supporting greater use of low/zero emission with increasingly connected and automated vehicles is crucial for Europe’s economy and climate neutrality goals. Digitalisation and automation is necessary to increase the levels of safety, security and comfort, thus maintaining the EU’s leadership and global competitiveness in mobility and rail transport. A Sustainable and Smart Transport Strategy to support this will be adopted by the end of 2020 including actions to be implemented in 2021.

Making the economy circular

The aim of the Circular Economy Action Plan of 2020 is to allow the decoupling of economic growth from resource use and environmental impacts, while ensuring the long-term competitiveness of the EU. It will create conditions for creating shorter value chains, strengthen the resilience of EU strategic manufacturing processes and products. It will maintain industry competitiveness globally during

CIRCULAR ECONOMY - an industrial system that is restorative by design



the transition towards full sustainability. It moves the market from quantity-driven short-term profits models to long-term sustainable ones by addressing real user needs and avoiding passing on external costs. DG GROW plans the following actions in 2021:

- Support the development of decontamination technologies that allow separation of waste containing substances of concern and work with industry to implement information systems on substances of concern for stakeholders and consumers; and
- Intensify the monitoring of national measures to accelerate the transition to a circular economy as part of the European Semester. The EU Circular Monitoring Framework will be the basis for benchmarking national performances. Together with DG ENV, Eurostat and JRC, the indicators used by the Framework will be expanded to cover consumption and material footprints.

Recycling raw materials to become independent

Europe needs to reduce its strategic dependencies on critical raw materials for its production. For example, China provides 98 % of the EU's supply of rare earth elements. In 2021, DG GROW will continue to monitor the situation and foster the efficient use and recycling of critical raw materials, as well as enhancing new mining in the EU.

Strengthening the sustainable textiles industry

In close cooperation with industry and other stakeholders, DGs ENV and GROW will present an EU Textiles initiative to strengthen industrial competitiveness and innovation and to boost the EU market for sustainable and circular textiles. It is a way to enable the textile sector to emerge as global leader in green and circular business models and technologies.

Making products energy-efficient

DG GROW will prepare potential Ecodesign measures for mobile phones, tablets and photovoltaic products, in order to make them more resource efficient, i.e. more energy efficient, more durable or more repairable.

Recycling plastics

In early 2021, the Circular Plastics Alliance will deliver on the quantification of the untapped potential in recycling, collection and sorting of plastic waste as well as a mapping of the investment needs to reach the 10 million tonnes target of recycled plastics used by 2025.

Making chemicals sustainable

The Chemicals strategy for sustainability presented in October 2020 is the first deliverable of the Green Deal's zero pollution ambition. It aims at a toxic-free environment, where chemicals are produced and used in line with the green and digital transition. It envisages the EU industry as a globally competitive player in the production and use of safe and sustainable chemicals. The strategy proposes a clear timeline for transforming industry with the aim of attracting investment into safe and sustainable products and production methods. In line with the new strategy a number of chemicals legislation needs to be amended or adapted (see below).

DG GROW with DG ENV will continue to implement the REACH Regulation (Registration, Evaluation, Authorisation and Restriction of Chemicals), in particular through authorisations and restrictions of substances. This will help protect health and the environment, and safeguard the competitiveness of EU companies while stimulating innovation. A wide-ranging restriction on the use of intentionally added micro plastics will pave the way for possible future measures to tackle unintentional releases of plastics, e.g. from textiles.

Preparation to amend the CLP (Classification, Labelling and Packaging of substances and mixtures) and REACH Regulations will start in 2021. As a first step, horizontal classification criteria for endocrine disruptors, persistent bio-accumulative and toxic (PBT) substances as well as persistent and mobile substances will be included in the CLP Regulation. A roadmap will be prepared prioritising substances subject to restrictions under REACH prior to implementing the new generic risk approach as well as criteria to ensure that harmful chemicals will only be authorised for essential uses. The 'one substance - one assessment' approach will lead to more transparent, more consistent and faster decision-making and thus reduce regulatory burden for all actors. Further actions will be launched in the coming years.

Amending the Toy Safety Directive may include a risk approach to endocrine disruptors and toxic substances. Other amendments, identified in the evaluation of the Directive, may include extending the current protection of children under 36 months from specific hazardous chemicals to children of all ages, close a gap in the protection from carcinogenic, mutagenic and reprotoxic chemicals, and improve the protection from carcinogenic nitrosamines.

DG GROW will start revising the Cosmetic Products Regulation in 2021. This will include a general ban to use endocrine disruptors, persistent bio-accumulative and toxic (PBT) substances, assess aggregate exposure from different sources and apply the 'one substance - one assessment' approach. DG GROW will report on and review the provisions of the Cosmetics regulation on nanomaterials, including adapting the nanomaterials definition.

Making housing affordable and sustainable

The initiative '100 lighthouse renovation districts' will start in 2021. The focus is on smart and energy-efficient neighbourhoods providing blueprints for replication. It will mobilise cross-sector project partnerships linking the construction ecosystem with the public and social housing sectors, including the social economy.

Regulatory simplification and burden reduction, evaluations and fitness checks

CWP 2021 – REFIT - Revision of the Construction Products Regulation

The revision will add environmental and circularity requirements for construction products leading to greater energy and material efficiency. The initiative will tackle the main issues identified in the evaluation, i.e. problems linked to the development of harmonised technical specifications and especially the blockage in the standardisation process. Improving market surveillance and tackling problems with national marks or additional national requirements are on the agenda. Adoption of the revision is scheduled for Q4 2021.

Review of the Ecodesign rules of professional refrigeration products

Thanks to the already existing Ecodesign and Energy Labelling regulations on professional refrigeration products, primary energy savings in the order of 15.6 TWh per year in 2030 have been estimated. The review will assess if further energy and resource savings can be attained by more stringent cost-effective requirements.

Public consultations to start in 2021

- Sustainable products initiative
- Ecodesign of mobile phones and tablets

Outreach

DG GROW's communication actions on the Green Deal are designed for its two main audience groups: Entrepreneurs and citizens. Where actions have industrial impacts for entrepreneurs, these will be communicated in a two-way dialogue between DG GROW and its industrial stakeholders. The tools will be the European Industry Days, the SME Week, the SME Assembly and the Enterprise Europe Network supported by social media campaigns mainly on LinkedIn and Twitter. The practical daily life benefits of EU actions for citizens will be highlighted in a visual and entertaining manner via (social media) campaigns mainly on Facebook and Instagram. They will be branded under the #NextGenerationEU 'look and feel'.

PART 2. Modernising DG GROW: main outputs for the year

In early 2021, DG GROW will see a major reorganisation and re-engineering of its working methods in order to be fit for achieving the objectives of the new Commission and coping with the COVID crisis while keeping in mind the staff needs.

The COVID-19 crisis highlighted the need for further harmonisation and digitalisation to modernise the administration in the Commission. In that spirit, DG GROW will continue in 2021 to promote corporate initiatives in financial management, such as eProcurement (where DG GROW is Business Process Owner of eSubmission and eEvaluation), the use of the qualified electronic signature, as well as the tools used for the expert groups. DG GROW will support the Commission in developing adequate corporate IT solutions for multi-DG programmes such as the Single Market Programme (Financial Forecasting Solution and Multi-annual Programming & Planning Solution).

The internal control framework¹ supports sound management and decision-making. It ensures that risks to the achievement of objectives are taken into account and reduced to acceptable levels through cost-effective controls. DG GROW has established an internal control system tailored to its characteristics and circumstances. The effective functioning of the internal control system will be assessed on an ongoing basis throughout the year and will be subject to a specific annual assessment covering all internal control principles.

DG GROW's transformation and information management is centered on: harnessing the power of data in support of its policies; modernising and bringing its portfolio of information systems in compliance with the new corporate security risk management methodology; and ensuring rigorous implementation of the data protection rules.



A. Human resource management

In light of the planned reorganisation of DG GROW in early 2021², change management has been the focus of the Human Resource Business Correspondent (HRBC) team. The objective is to ensure that the reorganisation is done in a transparent way with open communication and attention to individual staff needs.

Following a DG GROW staff survey in September 2020 and the subsequent broad consultations with managers and staff, a list of key organisational development goals and procedures was identified, e.g. specific recruitment needs, knowledge gaps on economics and data management, business processes and coordination points. The reorganisation will address such issues fostering efficiency in the organisation and effectiveness in the delivery.

The COVID-19 pandemic is changing the way of working. DG GROW will also implement the upcoming corporate HR strategy. Therefore, a 'Sounding Board' will be created to assess with staff the best way to design and implement 'the new normal' working setting in the DG.

¹ [Communication C\(2017\)2373 - Revision of the Internal Control Framework](#)

² Following corporate guidelines on reorganisations, DG GROW started a wide and substantial consultation process with all staff in the third quarter of 2020.

In tackling these challenges, the DG is pursuing the following strategy:

Organisational development and staffing pool

- Assessment of staff needs in the context of the reorganisation, with a view to a better allocation of resources in the DG based on files' priority and delivery commitment, taking due account of the Commission's work programme and DG GROW's policy priorities;
- Keep the staffing budget centrally managed to allow for quick reaction to changing needs;
- Continue promoting internal mobility and flexible staff allocation;
- Implement the already planned rebalance of the contract agent pool through an increase of contract agents of function group IV in relation to contract agent III contracts; and
- Increase the pool of specialist profiles to recruit from - to this effect, a specialist chemists' competition was organised together with DG ENV but delayed due to COVID-19 restrictions.

Recruitment & Performance

- Achieving the quantitative DG-specific targets set by DG HR for female first appointments to middle management functions³.
- Keeping a lean and functional recruiting process for staff by using videoconference interviews in view of possible COVID-19 restrictions to physical interviews.

Supporting new ways of working

With the COVID-19 pandemic in 2020, the way of working changed instantly. This includes technology access and platforms connecting many colleagues. But it also brings with it the risk of social isolation, being overwhelmed and losing one's sense of purpose. In order to adapt the work environment and the team relationships to a more dynamic and interconnected framework, the following areas will need further development⁴:

- Invest in intuitive technologies and tools, and ensure that they match the tasks;
- Experiment with "big conversations": invest in bringing people together on a broader scale;
- Re-imagine home workspace: protect against outside distractions; avoid feeling rootless; ensure easy access to tools;
- Make it human: need for face-to-face communication (video); make time for "water cooler" conversations beyond work (including virtual coffee meetings in front of screens);
- Create natural work rhythms: create touch points (kick-off, on-boarding, milestones); schedule team meetings at certain points;
- Focus on collaboration and trust: decide goals and key roles; define boundaries; clarify tools and processes; the mantra being trust.

The following actions will therefore be implemented:

³ Quantitative targets set by the new Commission, to be reached by the end of the mandate.

⁴ According to the latest HR and organizational development theories (notes from the webinar 'Leading virtual teams' with Lynda Gratton, 2020).

- Create intensive and ad-hoc trainings promoting the use of the “Teams” application – not only as videoconferencing tool but also as a working platforms at unit level;
- Continue to broadly consult staff through surveys and all-staff meetings to keep implementing the philosophy of “big conversations”;
- In collaboration with central services, set up a Sounding Board and re-imagine home workspace;
- Promote further exchange and belonging through all-staff meetings, collective exercises and communities of practice. Examples of groups or networks are: managers, deputy Heads of Unit, policy officers, legal officers and assistants, economists, moderators, Director’s assistants, assistants, participatory leadership practitioners, coaches, etc.;
- Support colleagues to get used to new working methods and cooperation within the new organisational chart, including becoming more technology savvy and more aware of the knowledge sharing tools at the disposal of our DG; continue promoting a new work-life balance and be attentive to physical and mental health. This will be achieved via awareness raising actions for managers and staff and a comprehensive coaching offer;
- Promote virtual and e-learning for staff (i.e. webinars, e-learning modules);
- Educate and support managers in leading remote and virtual teams, including dealing with new team dynamics; and
- Follow-up on implementing the GROW Management Charter by managers.

Talent management

To promote career development of staff the following measures will be implemented:

- Provide regular staff talk opportunities and coaching for colleagues, in particular those beyond four years on the post, to support them in their career development (build on the learning of the four-year career talks exercise for assistants conducted in 2019). Plan for a four-year career talk exercise for administrators.
- Implement the designed alternative career path with the functions of Senior Experts and Senior Assistants promoting an expert career as an alternative to the management career.

Objective: GROW 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

Main outputs in 2021

Output	Indicator	Target
Staff engagement index	<ul style="list-style-type: none"> • % of engagement 	<ul style="list-style-type: none"> • 83% by 2024
Reaching quantitative DG-specific targets for first female appointments to management functions.	<ul style="list-style-type: none"> • New quantitative DG-specific targets set by DG HR • Appointing Deputies of Directors according with gender balance targets 	<ul style="list-style-type: none"> • 50% or number of first female appointments as managers (Senior and Middle)
Sound environmental management: Promotional measures to reduce the related day-to-day impact of the DG	<ul style="list-style-type: none"> • Number of environmental awareness actions via internal communication or events 	<ul style="list-style-type: none"> • At least 10 awareness actions by the end of 2021
Continue promoting internal mobility and flexible staff allocation.	<ul style="list-style-type: none"> • Statutory staff vacancy rate • External budget execution • Number of successful internal publications 	<ul style="list-style-type: none"> • Keep statutory staff vacancy rate < 2% • External budget execution close to 99%

	<ul style="list-style-type: none"> • Number of staff changing tasks (change in job descriptions) • Number of FTA's shared in directorates 	<ul style="list-style-type: none"> • 1:2 ratio on number of internal publications : number of Sysper publication
Increase Contract Agent and specialist profiles pools	<ul style="list-style-type: none"> • Increase of number of contract agents of function group IV • Finalizing the organised specialist competition and envisage additional channels for sourcing, i.e. LinkedIn calls for contract agents and temporary agents. 	<ul style="list-style-type: none"> • +12 reconversions of contract agents CA III to function group IV • Finalise the specialist competition (chemists) • At least 10 new job posting in the new channels identified (LinkedIn) and used for external recruitment (officials and CA)
Promote virtual and e-learning opportunities for colleagues (i.e. webinars, e-learning modules)	<ul style="list-style-type: none"> • Number of trainings followed by GROW staff 	<ul style="list-style-type: none"> • 10% of trainings focussed on new tools, such as Teams and SharePoint
Implement the already designed career path for Senior Experts and Senior Assistants in promoting an expert career as an alternative to the management career.	<ul style="list-style-type: none"> • Setting up 	<ul style="list-style-type: none"> • Steering group of experts between DGs based on the actual population of SE and SA in DG GROW.



B. Sound financial management

The new long-term EU budget 2021-2027 and the #NextGenerationEU recovery programme comes with new challenges and new ways of working. This has implications on the financial management; namely on budget implementation, governance of the programmes, and simplified, harmonised and digital working methods. The year 2021 will be challenging regarding the new budget nomenclature and the setting up of the budgetary governance of multi-DG programmes (for DG GROW Single Market Programme and Horizon Europe) and their implementation (parts) delegated to executive agencies. The reorganisation of the DG GROW planned for early 2021 might bring new challenges for the financial management.

Regarding internal control, DG GROW will continue to improve its internal control system by performing in 2021 a review of its internal control indicators and its control strategy. The reinforcement of the supervision of the external entities implementing the EU budget on behalf of DG GROW (both budgetary and internal control) will continue under the next long-term EU budget. These actions aim to ensure identification and adequate management of the risks and to provide reasonable assurance on the legality and regularity of the financial transactions. Respective recommendations for further improvements (including those coming from European Court of Auditors and the Commission's Internal Audit Service) will be duly monitored and addressed on time in view of ensuring accountability and transparency.

DG GROW will continue to improve sound financial management and remain among the best performing DGs. To monitor the financial performance, the Budgetary and Financial Monitor report, including all necessary Key Performance Indicators (KPIs), will be reviewed to fit with the standard financial measurements included in the Financial Performance Scorecard currently under development by DG BUDG. This Monitor provides the necessary key indicators

to ensure a sound and efficient management and the follow-up of financial transactions (budget consumption, time-to-register, time-to-pay, quality of the financial files, etc.).

DG GROW will continue its efforts to reach the targets in the tables below. As every year, DG GROW will do the assessment of its internal control system together with the fraud risk assessment in the frame of the annual risk assessment exercise.

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

Main outputs in 2021:

Output	Indicator	Target
Effective controls: Legal and regular transactions	• Risk at payment	• remains < 2 % of relevant expenditure
	• Estimated risk at closure	• remains < 2 % of relevant expenditure
Effective Ex ante controls – public procurement and grant management verification	• Maximum 10 days for in-depth additional ex-ante legal controls	• Procurement and grant above 139 kEUR
Effective Ex ante controls – financial verification	• Maximum 4 days to perform financial ex-ante verification	• All transactions except low-value payments below 5k EUR
Efficient controls – budget	• Budget execution	• Remains 100% of commitment and payment appropriations in operational lines and of commitment appropriations in administrative line
Efficient controls - Legal time to execute the payment	• Time to pay	• % paid with delay - less than 1%
Efficient controls - Target date to register invoices within 7 calendar days	• Time-to-register	• % outside the 7 calendar days less than 1%
Economical controls - Cost of controls of procurement process	• % of overall cost of control in comparison to the total commitment appropriations consumed at year end	• Less than 10%
Economical controls - Cost of control of supervision process for entrusted entities	• % of overall cost of control in comparison to the total annual amount delegated excluding any remuneration paid	• Less than 5%

 **C. Fraud risk management**

The DG GROW anti-fraud strategy was reviewed in October 2020 following the update of the Commission anti-fraud strategy and the modification of the DG’s activities since 1 January 2020. DG GROW (with the support of DG REGIO) is in the lead of action 42 of the Commission anti-fraud strategy. Thus, the DG will promote the voluntary ex-ante assessment mechanism for the compliance of large-scale infrastructure projects with EU procurement rules. Measures include a helpdesk (already in place) and an information exchange mechanism.

On a regular basis, DG GROW organises information sessions for newcomers including ethics and anti-fraud aspects. All information related to fraud risk management is published on DG GROW’s Intranet and updated whenever needed. The implementation of its action plan is monitored on a regular basis.

Objective: The risk of fraud is minimised through the application of effective anti-fraud measures and the implementation of the Commission Anti-Fraud Strategy (CAFS) ⁵ aimed at the prevention, detection and correction ⁶ of fraud		
Main outputs in 2021		
Output	Indicator	Target
Provide information on ethics and anti-fraud aspects for the organisation of information sessions	<ul style="list-style-type: none"> Number of information sessions provided to newcomers including anti-fraud and ethics issues in the frame of the induction days 	<ul style="list-style-type: none"> At least two sessions per year
Enhance cooperation with OLAF to contribute to the implementation of the Commission Anti-fraud Strategy (CAFS) by participating in existing Commission Fraud Prevention and Detection Network (FPDNet)	<ul style="list-style-type: none"> Participation in the FPDNet meetings and exchange of best practices 	<ul style="list-style-type: none"> Publish at least once a year on anti-fraud/ethics page on GROWNet
Raise fraud awareness with adequate trainings on anti-fraud and on ethics and integrity	<ul style="list-style-type: none"> Training session to be organised in collaboration with DG HR and OLAF 	<ul style="list-style-type: none"> Organise at least once a year a training session for DG GROW staff
Update DG GROW Control Strategy	<ul style="list-style-type: none"> The Control Strategy is always reflecting DG GROW activities and adapted in case of change 	<ul style="list-style-type: none"> The DG GROW Control Strategy is up to date by 31.12.2021



D. Digital transformation and information management

DG GROW’s Digital Strategy 2020-2024 is centred on harnessing the power of data and data analytics in support of its policies, without compromising on security and privacy. The two key prerequisites and enablers in this regard are: a) establishing sound data management practices, and b) launching a more efficient data analytics supply chain that brings together data-suppliers, users and experts. The most important institutional enabler is the creation of a dedicated Data unit in DG GROW to drive its data analytics agenda.

The 2021 focus is on making best use of the new organisational set-up to expand the data analytics services offer, including testing new sources and techniques of business intelligence, while strengthening compliance with the corporate rules and standards of data management and governance; and further developing the collaborative culture for data.

At corporate level, DG GROW has lead responsibilities for delivering action five of the Information Management Work Programme 2020-2021 ‘Foster the use of single market data to support policymaking’. The main priorities for 2021 are Data for Recovery, Data for

⁵ Communication from the Commission ‘Commission Anti-Fraud Strategy: enhanced action to protect the EU budget’, COM(2019) 196 of 29 April 2019 and the accompanying action plan, SWD(2019) 170.

⁶ Correction of fraud is an umbrella term, which notably refers to the recovery of amounts unduly spent and to administrative sanctions.

Enforcement and identification of obstacles to the functioning of the Single Market. One multi-annual flagship deliverable – the Market Surveillance Modernisation Programme – retains its central place in the DG GROW digital transformation agenda in 2021.

In the area of information security, DG GROW will bring its portfolio of information systems in full compliance with the new corporate security risk management methodology a year earlier than initially planned. 2021 will see the large scale replacement of ‘ColdFusion’. The adoption of the corporate eUI framework will lead to a better user experience across the systems and the DG will introduce mechanisms for receiving further feedback.

To improve data protection, these actions are foreseen:

- 1) continue raising awareness among GROW management and staff to ensure the correct implementation of data protection rules, with a focus on the most recurrent or risky activities, such as public procurement, meetings and events, consultations, IT tools, international transfers and data subjects procedures;
- 2) improve continuous compliance monitoring, including awareness and engagement at Unit level, via a new mapping exercise and promotion of Units inventories, and
- 3) ensure that GROW IT systems and websites comply with data protection rules, including security aspects.

Objective: DG GROW is using innovative, trusted digital solutions for better policy-shaping and information management to forge a truly digitally transformed, user-focused and data-driven Commission		
Main outputs in 2021		
Output	Indicator	Target
Data for Single Market Policies: - New data analytics projects and services - Community of practice (CoP)	<ul style="list-style-type: none"> • Number of new data analytics projects and services offered/delivered to the user. • Number of active members and contributors of the CoP, number of initiatives launched/shared. 	<ul style="list-style-type: none"> • Launch of at least 3 projects/services using innovative technologies and new sources of data analytics by end 2021 • Activate and expand the CoP
Full alignment with the corporate security risk management standards.	<ul style="list-style-type: none"> • Share of systems with compliant security plans. • Awareness campaign for System Owners on their responsibilities according to the EC IT security guidelines. 	<ul style="list-style-type: none"> • Rate of compliance is evaluated. • Measures to fully align are put in place • 100% compliance rate
Phasing out of ColdFusion legacy systems	<ul style="list-style-type: none"> • Number of legacy systems migrated to alternative technology. 	<ul style="list-style-type: none"> • 6 systems migrated by end 2021
Strengthening compliance with standards of data management and governance: - Implement Data Management Guidelines of 2020 - New guidelines for data-driven development of GROW information systems.	<ul style="list-style-type: none"> • % of key data assets for which corporate principles for data governance have been implemented • Share of assets/projects screened for compliance and share of assets/projects in compliance with the guidelines. • Guidance finalised. 	<ul style="list-style-type: none"> • Increase of the percentage • Finalisation and introduction of data driven process for application development by the end of 2021.

Increase awareness of DG GROW staff on personal data protection rules and procedures.	<ul style="list-style-type: none"> • % of senior management attending awareness activities. • % of middle management attending awareness activities. • % of other staff attending awareness activities. 	<ul style="list-style-type: none"> • Senior management: 50%. • Middle management: 50%. • Other GROW staff: 40%.
Improve monitoring of compliance with data protection procedures.	<ul style="list-style-type: none"> • Mapping of processing operations, records, privacy statements (due) and Units contact points. • % of Units inventories. 	<ul style="list-style-type: none"> • Mapping finalised by end 2021. • Number of Units inventories prepared.



E. Sound environmental management

A working group to propose and analyse practical measures, called “Greening GROW Group” was established in 2020. The aim is to propose measures both at the corporate level and DG GROW specific in a number of areas in accordance with the overall corporate strategy:

- Infrastructure (buildings, lifts, water fountains, waste collection etc.);
- Supplies, including food in cafeterias and canteens, stationery and meeting material;
- Rationalise missions and travelling, including daily commuting; and
- Promote virtuous behaviour (waste collection, biking, use of stairs), through information campaigns and ad-hoc events.

Apart from regular internal promotion of corporate campaigns and actions, the DG is awaiting the Commission action plan to become climate neutral by 2030 to identify outputs for 2021.

Objective: DG GROW 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





Main results and outputs in 2021

Output	Indicator	Target
Promotional measures to reduce the related day-to-day impact of the DG	Number of awareness actions via internal communication or events	At least 10 awareness actions by the end of 2021

F. Examples of initiatives to improve economy and efficiency of financial and non-financial activities

1. DG GROW will participate in the pilot phases of the Financial Forecasting and Multi-annual Programming and Planning solutions being developed by DGs BUDG and DIGIT.
2. Active involvement in the development of new functionalities in eProcurement (DG GROW being Business Process Owner of eSubmission and eEvaluation).
3. eGrants onboarding with the use of the Model Grant Agreement for the funding programmes implemented by DG GROW.
4. As from the second semester 2021, the Qualified eSignature (QES) should become the standard for all the authorising officers signing legal commitments on behalf of DG GROW. This new corporate functionality will ensure the digital transformation and improve the efficiency of financial circuits.

ANNEX: Performance tables

General objective: A Europe fit for the digital age		
<i>Specific objective 1: European enterprises make the digital and green transition</i>		<i>Related to spending programme(s): No</i>
Main outputs in 2021:		
New initiatives		
Output	Indicator	Target
 Industrial strategy for Europe	Commission adoption	Q1 2021
 Follow-up to the White Paper on foreign subsidies	Commission adoption	Q2 2021
Intellectual Property package	Commission adoption	2021
Product Liability Directive (GROW and JUST)	Commission adoption	2021
Common chargers for mobile phones and similar devices (Delegated Act)	Commission adoption	Q3 2021
Cybersecurity of certain radio equipment (Delegated Act)	Commission adoption	Q2 2021
Compliance of software uploads into certain radio equipment (Delegated Act)	Commission adoption	Q4 2021 – Q1 2022
Type approval of motor vehicles regarding access to in-vehicle data (Delegated Act)	Commission adoption	Q3 2021
Road circulation requirements for mobile machinery	Commission adoption	Q4 2021
Regulatory simplification and burden reduction, evaluations and fitness checks		
Output	Indicator	Target
 Revision of the Machinery Directive	Commission adoption	Q2 2021
 Evaluation of the Electromagnetic Compatibility Directive	Finalisation	Q3 2021
Report on and evaluation of the Postal Services Directive	Finalisation	Q2 2021
Public consultations		
Output	Indicator	Target
Product Liability Directive (GROW and JUST)	Start of the consultation	2021
Type approval of motor vehicles regarding access to in-vehicle generated data	Start of the consultation	2021
Geographical indication for non-agricultural products	Start of the consultation	2021
Outreach		
Output/ Result	Indicator	Target
Seek at least the same level of participants to and engagement at main events (e.g. European Industry days, Cluster conference, SME Week, SME Assembly, Plastic Alliance conference) as in previous years even though comparison between physical and virtual meetings is not straight forward. Seek high reach in (social media) campaigns	Number of participants, reach, interactions, policy inputs	Reaching at least the 2020 levels

General objective: A Europe fit for the digital age		
Specific objective 2: More European SMEs have access to cross-border business		<i>Related to spending programme(s): No</i>
Main outputs in 2021:		
New initiatives		
Output	Indicator	Target
Enforcement actions on the Late Payments Directive	To be decided	2021
Outreach		
Output/ Result	Indicator	Target
Reaching the relevant target groups of entrepreneurs via mainly online campaigns on different 'hot' SME topics such as Access to finance, Escalar and internationalisation.	Number of audience reached and engagement received via feedback and policy input	For recurring campaigns reach at least 2020 levels and for new ones, where possible, build on existing audience from earlier campaigns to reach same levels
Specific objective 3: More business opportunities are generated by trading in the Single Market		<i>Related to spending programme(s): Yes</i>
Main outputs in 2021:		
New initiatives		
Output	Indicator	Target
Launch of the Single Market Programme	First calls for proposals	Q1 2021
Outreach		
Output/ Result	Indicator	Target
Disseminating and triggering demand with relevant entrepreneur audiences via Networks and events. Toolkit helping SMEs doing business abroad	Number of audiences reached and feedback received	Comparable to the EU Open for business yearly reach of entrepreneurs per Member State (in proportion of the budget invested)
Specific objective 4: Promote compliance with EU Single Market rules and enforce them		<i>Related to spending programme(s) : No</i>
Main outputs in 2021:		
New initiatives		
Output	Indicator	Target
Strategic Report of the Single Market enforcement	Commission adoption	Q2 2021
Regulatory simplification and burden reduction, evaluations and fitness checks		
Output	Indicator	Target
 Evaluation of the New Legislative Framework for products	Finalisation	Q4 2021 – Q2 2021
Outreach		
Output/ Result	Indicator	Target
Reaching authorities and entrepreneurs, increase the signalling of Single Market barriers via Your Europe and number of citizens made aware of the new Your Europe/Single Digital Gateway.	Number of audiences reached and feedback received.	Increase in visits on YourEurope/Single Digital Gateway and increase in Single Market barriers signalling via Your Europe

(single complaint access point)



General objective: A European Green Deal

Specific objective: Increase the share of material recovered, recycled and fed back into the economy


Related to spending programme(s): No

Main outputs in 2021:

New initiatives

Output	Indicator	Target
 Sustainable products policy initiative, including a revision of the Ecodesign Directive (with DGs ENV and ENER)	Commission adoption	Q4 2021
 Development of post-Euro 6/VI emission standards for cars, vans, lorries and buses	Commission adoption	Q4 2021
Amendments to certain chemicals legislation to implement the Chemicals Strategy	Commission adoption	2021

Regulatory simplification and burden reduction, evaluations and fitness checks

Output	Indicator	Target
 Revision of the Construction Products Regulation	Commission adoption	Q4 2021
Evaluation supporting the review of ecodesign of professional refrigeration products	Finalisation	2021

Public consultations

Output	Indicator	Target
Sustainable Products initiative	Start of the consultation	2021
Ecodesign of smartphones and tablets	Start of the consultation	2021

Outreach

Output/ Result	Indicator	Target
Reaching main audience groups (entrepreneurs and citizens) to inform on Green Deal advantages and receive feedback and ideas.	Number of audiences reached and feedback received.	At least same number of participants to related events as in 2020

APPENDIX

Overview of planned impact assessments in 2021

Title
Revision of the Machinery Directive – CWP 2021
Road circulation requirements for mobile machinery
Revision of Construction Product Regulation – CWP 2021
Common charger for mobile devices – CWP 2020
Reconfigurable Radio systems
European vehicle emissions standards – Euro 7 for cars, vans, lorries and buses- CWP 2021,
Revision of the Product Liability Directive
Geographical indication for non-agricultural products
Follow-up (possible regulation) to white paper on foreign subsidies (COMP + GROW) – CWP 2021
Review of the EU legislation on design protection
Sustainable Product Policy initiative (revision Ecodesign)
Supplementary Certification system for patents
Type approval of motor vehicles regarding access to in-vehicle generated data
Ecodesign requirements for smartphones and tablets

Overview of planned evaluations (5-year indicative planning)

Title	Planned end date
Evaluation supporting the review of Ecodesign of professional refrigeration products	2021
Evaluation of the Electro Magnetic Compatibility Directive (2014/30/EU)	2021
Evaluation of the Postal Service Directive	2021
Evaluation of the 'New Legislative Framework for Products'	2021
Ex-Post evaluation of CIP programme	2022
Final evaluation of COSME programme	2022
Evaluation supporting the Review of the Ecodesign Server Regulation (EU 2019/424)	2022
Evaluation of Reg. (EU)2015/78 of the eCall in-vehicle system	2022
Evaluation of the Cosmetics Regulation 1223/2009	2022
Evaluation of Regulation (EU) 2018/1724 of 02/10/2018 establishing a single digital gateway	2022
Evaluation supporting the Review of the Ecodesign Welding Tools Regulation EU 2019/1784	2023
Evaluation of the mutual recognition of goods (Reg 2019/515)	2024
Mid-term Evaluation of the Single Market Programme	2024
Evaluation of the return of cultural objects (Dir. 2014/60/EU)	2025
Evaluation of Reg 2019/1020 on market surveillance and compliance of products	2026
Evaluation of Regulation 2019/1010 on EU fertilising products	2026
Evaluation of pre-packaging directive 2007/45	2026

Glossary of main abbreviations

Acronym	Explanation
CWP	Commission Work Programme
DG BUDG	Directorate-General Budget Informatics

DG CLIMA	Directorate-General Climate Action
DG COMP	Directorate-General Competition
DG DEFIS	Directorate-General Defence Industry and Space
DG DIGIT	Directorate-General Informatics
DG ECFIN	Directorate-General Economic and Financial Affairs
DG EMPL	Directorate-General Employment, Social Affairs and Inclusion
DG MOVE	Directorate-General Mobility and Transport
DG ENER	Directorate-General Energy
DG GROW	Directorate-General Internal Market, Industry, Entrepreneurship and SMEs
DG ENV	Directorate-General Environment
DG CNECT	Directorate-General Communication Networks, Content and Technology
DG HOME	Directorate-General Migration and Home Affairs
DG JUST	Directorate-General Justice and Consumers
Q1	1st quarter year (and so on)
REFIT	Regulatory Fitness Programme of the European Commission
SME	Small and medium-sized enterprise