



# Strategic Plan 2020-2024

**Directorate-General  
for Internal Market,  
Industry, Entre-  
preneurship and  
Small and Medium-  
sized Enterprises**

**(DG GROW)**

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## INTRODUCTION

President von der Leyen's six headline ambitions are the reference points for the Commission over the 2020-2024 period. DG GROW will be at the forefront in achieving two headline ambitions:

- A Europe fit for the digital age, and
- A European Green Deal.

This Strategic Plan explains how DG GROW will work over the mandate of this Commission on these ambitions, as well as fulfilling other legal obligations and international commitments. The strategy is expressed through general objectives (the headline ambitions) and specific objectives, linked to them, reflecting the specific responsibilities of DG GROW.



**'We will need to build a resilient, green and digital Europe. At the heart of this will be our growth strategy, the European Green Deal, and the twin transition'**

President Ursula von der Leyen

In addition to the work on the two main headline ambitions on Digital Age and Green Deal, DG GROW will help achieve other relevant ambitions, for example with contributions to An economy that works for people and to a Stronger Europe. As this work is mostly supportive in nature, no specific objectives and indicators are foreseen..

In the political guidelines and mission letters, President von der Leyen has also placed strong emphasis on modernising the way the Commission works, for example through digitalisation, collaborative methods and an increased focus on e-sustainability. The Strategic Plan, therefore, covers not only the Commission's strategy for delivering on the political priorities but also for modernising the way the Commission administration functions and for improving efficiency.

For the period 2020-2024, the political highlights for DG GROW are to implement the actions in the Communications on Industrial Policy and SME strategy, both adopted in March 2020 and on the Green Deal, adopted in December 2019. The common aim is to help European enterprises in their digital and green transition. Ensuring the proper functioning and modernising, the Single Market will continue to be the main ground work of the DG. The basis of this work is outlined in the Action plan for better implementation and enforcement of Single Market rules and the Single Market Enforcement Action Plan, both adopted in March 2020.

The UK left the EU on 1 February 2020 and will leave the Single Market and the Customs Union at the end of transition period on 31 December 2020. DG GROW participates in the Commission work on facilitating readiness for changes, which will arise as of 1 January 2021, regardless of the outcome of negotiations between the European Union and the United Kingdom. The focus is to address the potential consequences on the industrial and services sectors, including SMEs, under DG GROW responsibility.

The outbreak of the COVID-19 pandemic in early 2020 affected all countries and ecosystems/sectors of the economy dramatically. The Commission's Spring economic forecast estimates that in case the baseline economic scenario materialises (GDP drop by 7.5%), the total equity losses of EU firms due to lower profits could exceed EUR 720 billion by the end of the year and would increase to above EUR 1.2 trillion in the stress scenario with longer lasting lockdown measures. DG GROW prepared a number of measures to mitigate the immediate negative effects on public health Europe-wide and beyond.

To help repair the economic and social damage brought by the coronavirus pandemic, kick-start a European recovery and protect and create jobs, the European Commission came forward on 27 May 2020 with a major recovery plan for Europe. On 21 July 2020, European leaders agreed on the recovery plan and European long-term budget 2021-2027, which needs to be discussed with the European Parliament; DG GROW, together with other Directorates-General, is working on recovery strategies for specific ecosystems such as tourism, construction and mobility-transport-automotive. The DG has a leading role in the preparation and monitoring of national Recovery and Resilience plans, which Member States will draft in the context of the European Semester.

## **PART 1. Delivering on the Commission's priorities**

### **A. Mission statement of DG GROW**

***DG GROW works to create opportunities for all – European businesses & citizens***

“Every European citizen should benefit from a dynamic and sustainable economy, characterised by a favourable entrepreneurial climate and respect for core European values like cultural diversity, social cohesion and protection of the environment.

Working together at the European level allows us to make the best out of the opportunities and challenges arising from an increasingly digitalised global and rapidly changing world.

A vibrant economy will create ample job opportunities for a well-trained and well-skilled European workforce and offer to the consumer products and services that are safe, affordable, of good quality and produced under environmentally and socially sound conditions.

DG GROW is well placed to foster opportunities and welfare for all, allowing citizens, entrepreneurs, small and large businesses as well as their employees to reap the full benefits from a large, integrated and globally competitive Single Market.

Our aim is to help entrepreneurs with great business ideas obtain the necessary support to start up, grow and thrive. We want to also help them find opportunities for their innovative products and services in the global economy beyond the EU's borders.”

### **B. Operating context**

#### **Obligations in the Treaty of the Functioning of the European Union (TFEU)**

Article 4(2)(a) TFEU stipulates that the Single Market is a shared competence between the Union and the Member States.

The right to free movement of goods is one of the fundamental principles of the Treaty (Article 34 to 36 TFEU). The freedom of establishment is stipulated in Article 49 and the free movement of services in Article 56 TFEU. Article 53(1) TFEU provides for the mutual recognition of diplomas. Article 118 TFEU provides for measures to create European intellectual property rights.

Article 173 TFEU stipulates that the Union and the Member States shall ensure that the conditions necessary for the competitiveness of the Union's industry exist and measures to that end are co-ordinated. Article 195 TFEU stipulates that the Union shall complement the action of the Member States in the tourism sector.

## **Organisational changes**

At the start of 2020, DG GROW saw major organisational changes under the new Commission. Defence Industry and Space were separated from GROW and are now under a new Directorate-General called DEFIS. DG GROW continues to work closely with DG DEFIS and also with DG CNECT as the policy areas are related and as the three DGs are united under Commissioner Breton's leadership. A new Director-General, Ms Kerstin Jorna, took office on 1 April 2020.

## **Types of interventions**

DG GROW manages more than 120 pieces of major legislation, such as Regulations and Directives in the area of the Single Market for goods and services. It is responsible for implementing this acquis and helping Member States enforce it efficiently. DG GROW is responsible for evaluating and developing this body of law, managing of infringement procedures, preparing guidance for implementation or legal acts and preventing technical barriers to the freedom of movements of goods and services. The DG manages the EU standardisation policy and monitors the implementation of the relevant regulatory framework, as well as the relations with the European standardisation organisations.

DG GROW co-ordinates policies, such as Single Market, industry, competitiveness, SMEs, industrial sectors, services, professional qualifications, entrepreneurship, intellectual property rights, public procurement, social economy, as well as enterprise innovation policies. DG GROW coordinates Single Market governance services and tools for the benefit of companies, citizens and public administrations. DG GROW also provides input for the review of the economic performance of Member States and for the formulation of country specific recommendations in the European Semester, including the Annual Growth Survey.

DG GROW leads industrial policy dialogues and contributes to trade negotiations with Third countries with the aim to improve regulatory convergence and access to markets.

## **Management modes of the spending programmes**

The proposed Single Market Programme 2021-2027 will be mainly implemented by direct management, using in particular grants, prizes and procurement<sup>1</sup>. Parts of the Programme will be implemented by executive agencies. These parts concern, in particular, DG GROW activities with regard to the competitiveness of businesses and SMEs and activities under the responsibility of other Directorates-General, like human health, animals and plants along the food chain, and animal welfare. DG GROW ensures the coordination of the implementation of the Programme.

## **Key Stakeholders**

DG GROW's main stakeholders are

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<sup>1</sup> For a more detailed description of the Single Market Programme see Theme C below.

- the business, trade and industry organisations, including the Chambers of Trade and Commerce; as well as consumer organisations, environmental organisations, social partners, civil society NGOs; and
- the national, regional and local administrations in the EU, as well as non-EU public administrations.





DG GROW is the partner DG for the regulatory European Chemicals Agency (ECHA) and the European Union Intellectual Property Office (EUIPO).

## C. Strategy

### General objective 1: A Europe fit for the Digital Age

The majority of DG GROW actions contribute to this ambition. In order to measure progress in achieving the general objective, DG GROW selected the Digital Economy and Society Index as the **impact indicator** (see the performance tables in the annex). The Digital Economy and Society Index is an aggregate indicator on Europe’s digital performance covering key dimensions like the level of connectivity, human capital, use of internet, integration of digital technology and digital public services. The indicator is particularly suitable to illustrate the desired way forward. The target is to achieve an increase, which would mean that the EU has progressed on its way to the Digital Age.

The four **specific objectives** presented under the themes A to D below are more closely related to what the concrete actions of DG GROW can achieve towards this general objective. The rationale for these specific objectives is related to the mission President von der Leyen has entrusted on Commissioner Breton:

|   |  |
|---|--|
|  <p><b>Theme A: Industrial Policy</b></p> <p><b>Specific objective 1: European enterprises make the digital and green transition</b></p>               |  <p><b>Theme B: SME strategy</b></p> <p><b>Specific objective 2: More European SMEs have access to cross-border business by digital means</b></p>                           |
|  <p><b>Theme C: Single Market opportunities</b></p> <p><b>Specific objective 3: More business opportunities are generated in the Single Market</b></p> |  <p><b>Theme D: Enforcement of EU laws</b></p> <p><b>Specific objective 4: EU Single Market rules are enforced more efficiently by the Commission and Member States</b></p> |

First, Europe’s industry provides a livelihood for millions and is a driver of jobs, growth and competitiveness. The digital transition is helping to redesign the European economy, make its industry more competitive and find new solutions to societal challenges. GROW actions

aim at making the most of the opportunities this creates, while preserving the high privacy, security, safety and ethical European standards. The objective to be achieved by 2024 is:

- **European enterprises make the digital and green transition.**

Since the aims of the Commission Industrial Strategy of March 2020 cover a large part of the economy and relate to the digital and green transition two indicators are relevant: the percentage of enterprises in the EU using Big Data and the share of the environmental economy in the overall GDP in the EU (see the performance tables in the annex).

Second, Europe's 25 million SMEs are the backbone of the EU economy. They employ around 100 million people, account for more than half of Europe's Gross Domestic Product (GDP). But SMEs still need to boost their efforts to go digital. Only 17% of SMEs have successfully integrated digital technologies into their businesses, compared to 54% of large companies. The specific objective of DG GROW is that by 2024:

- **More European SMEs have access to cross-border business by digital means.**

The indicator chosen is the percentage of SMEs selling online cross-border. This indicator combines the use of digital technology and the access to international markets by SMEs. It measures progress for SMEs on two central policies: internationalisation and digitalisation (see the performance tables in the annex)..

Third, EU companies, big and small, are able to thrive because of Europe's Single Market, the largest in the world and one of Europe's greatest assets. By removing barriers and opening access for firms to a large and competitive market, it drives innovation and competitiveness and makes Europe a desired global trading partner. The COVID-19 outbreak clearly demonstrated how important the free flow of goods is for delivering essential lifesaving goods and services. The core task of DG GROW is to guarantee the smooth functioning of the Single Market, not by virtue of itself but by generating benefits for all in Europe. Thus, the specific objective for DG GROW is:

- **More business opportunities are generated in the Single Market.**

A relevant indicator to measure progress is the evolution of the intra-EU trade in goods and services measured as a percentage of the total gross domestic product (GDP). This indicator will rise when enterprises realise more and better business opportunities across EU borders (see the performance tables in the annex)..

Fourth, the Single Market (physical and digital) is based on rules, which is the prerequisite for its smooth functioning and generating benefits. The digital transition will bring about new products and services (e.g. Artificial Intelligence, Internet of Things). New challenges of enforcing the Single Market laws will need to be tackled. For a modernised Single Market, the specific objective for DG GROW is that:

- **EU Single Market rules are enforced more efficiently by the Commission and the Member States**



The result indicator chosen is the average duration of infringement procedures under GROW's responsibility. The rationale behind is that the full benefits of the Single Market, including free movement of products and services, can only be felt by enterprises and consumers if the Commission pursues complaints and infringement cases efficiently and tackles all transposition deficits.

## Theme A: Industrial Policy



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

European industry has long powered the economy. It makes up more than 20% of the EU's economy and employs around 35 million people. The twin digital and ecological transitions will affect every part of our economy, society and industry. These transitions will require new technologies, with new investment and innovation to match them.

The mission of DG GROW is to develop and implement the policy for a digital and sustainable EU industry in a number of ways:

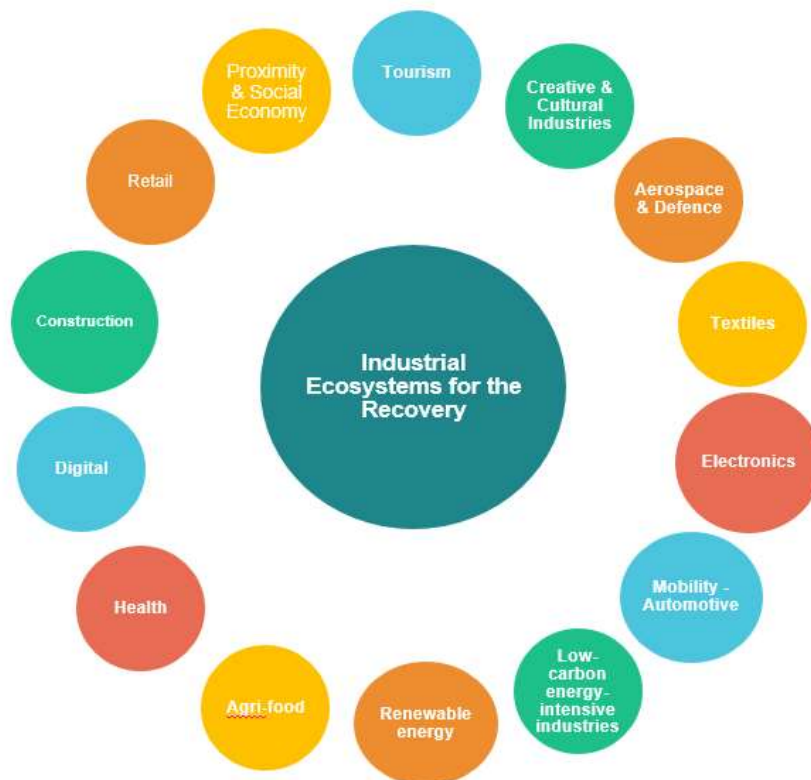
- stimulating the uptake of key enabling technologies, ensuring adequate financing instruments at EU level,
- facilitating industrial modernisation through inter-regional partnerships,
- steering an inclusive dialogue with all stakeholders on the future of EU industry, and
- promoting new sources of growth.

These actions are required in order to reach the specific objective 1: **European industry has increased investments to the twin green and digital transition** until 2024.

The **new Industrial Strategy for Europe**, adopted by the Commission on 10 March 2020, is a comprehensive strategy that sets out the vision, the ambition and the pace towards the digital and ecological transition. DG GROW has contributed significantly in its shaping. This strategy will lead the way for the years to come in the context of the recovery, as it provides a long-term vision for a greener, more digital and resilient future of European industry and DG GROW will support its implementation.

The Industrial Strategy introduces **the concept of industrial ecosystems**. The ecosystems encompass all players operating in a value chain: from the smallest start-ups to the largest companies, from academia to research, service providers to suppliers. The concept is useful to identify efficiency bottlenecks and Single Market shortcomings, highlighting interdependence between Member States, designing specific policies and accelerating economic recovery at regional level.

DG GROW has currently identified 14 ecosystems, which represent roughly 90% of the value added of European business economy. Their selection and definition was done in the context of the preparatory work for the Recovery Plan Communication "Europe's moment: Repair and Prepare for the Next Generation". The figure below ("la marguerite") shows the list of ecosystems and their indicative composition.



The three drivers outlined in the new Industrial Strategy; **a globally competitive and world-leading industry** paving the way to **climate-neutrality** and **Europe’s digital future** show the extent of transformation Europe will undergo. These will also be key drivers for the economic recovery and the strengthening of the EU’s resilience and industrial and strategic autonomy. The next five years will be decisive to repair the short-term damage from the pandemic crisis while setting the right conditions for the long-term transformation of European industry.

The strategy lays out the vision of what the Commission wants to achieve by 2030 and beyond, and the set of fundamentals necessary for its achievement, some of which renew or expand on existing approaches in innovation and investment, whilst the others reflect the need for new ways of working.

This new Industrial Strategy lists several key policy outputs that contribute to the twin transitions of European Industry and enhance Europe’s industrial and strategic autonomy. While many of them will be under the responsibility of other Commission services, DG GROW will be actively participating in this work:

| Fundamental                             | Strategies                               | Action Plans   |
|---|--|--|
| A deeper and more digital Single Market | -Follow-up to the European Data Strategy | -Single Market Enforcement Action Plan<br>-Intellectual Property Action Plan<br>-Follow up to Barriers Communication |

|  |  |   |
|--|--|---|
| Supporting Industry towards climate neutrality | -Strategy for smart sector integration<br>-EU Strategy on Clean Steel<br>-EU Strategy on Offshore Renewable Energy<br>-Comprehensive Strategy for Sustainable and Smart Mobility<br>See also initiatives under the theme Circular economy under General Objective 2 (European GreenDeal) below | ---   |
| Building a more circular economy               | See initiatives under the theme Circular economy under General Objective 2 (European GreenDeal) below  | -Circular Economy Action Plan (2020)                    |
| Skilling and reskilling                        | -Implementation of the EU Gender Strategy (2020)   | -Digital Education Action Plan<br>- New Pact for Skills |
| Investing and financing the transition         | -A renewed sustainable finance strategy<br>-A new Digital Finance Strategy   | -Action Plan on the Capital Markets Union (2020)        |

DG GROW will also actively participate in the work on the International Procurement Instrument and the follow-up of the the White Paper on the instrument on foreign subsidies under the fundamentals of upholding the global level playing field and embedding a spirit of industrial innovation.

In a fast changing world and at a time when Europe's industry is embarking on a major transition, it is crucial to ensure that European regulation stays fit for today's world and is future-proof. DG GROW will contribute to a number of relevant initiatives, such as

- Reviewing the **Trans-European Network Energy regulation**;
- Proposing a **Carbon Border Adjustment Mechanism** in 2021 to reduce carbon leakage;
- Reviewing **State aid rules for Important Projects of Common European Interest** (IPCEIs) to clarify the conditions under which Member State-led projects can move forward. It should also help SMEs participate in the future IPCEIs.

In 2020, DG GROW will prepare an **Intellectual Property (IP) Action Plan** presenting the Commission's vision on the role of IP in the years ahead (patents, trade marks, designs, geographical indications, trade secrets, copyright etc.). The IP policy will be developed around five pillars: upgrading the IP system, promoting a smart use of IP, facilitating an effective and fair diffusion and deployment of IP protected assets, ensure a better enforcement of IP, promoting fair play in a global context. The greening of the economy; the digitalisation of society; the challenges of businesses in times of COVID-19 and the promotion of resilience in the industrial ecosystems are to be integrated in these pillars.

The transformation of industrials sectors should be enabled by high quality research and skills and supported by the EU. There is also a role to play for the creative industries and their potential for contributing to transformation of the more traditional industrial ecosystems with their creative approach to processes and products and design-oriented thinking. DG GROW will contribute to the **Communication on the Future Research and Innovation and the European Research Area**, which will map out a new approach to innovation and ensure the EU budget is used with maximum impact.

Beyond this long-term vision, **the COVID-19 outbreak** in early 2020 and the reduction of economic activity has created significant challenges for European industry. Immediately after the outbreak, DG GROW together with other Commission services launched emergency measures to mitigate the risks for health and the economy (see the Management Plan 2020 of DG GROW). While the longer-term effects on industry are not yet fully measurable at the time of writing this Strategic Plan, DG GROW has started to interact with industry and national authorities, as well as international organisations like the World Trade Organisation (WTO) and the Technical Barriers for Trade (TBT) Committee, on developing ideas on exit and recovery strategies in 2020. It is foreseeable that DG GROW will deliver on these work strands in the context of the EU Recovery Plan and on the more long-term strategy to help develop greener, more digital and more resilient industrial ecosystems in the years to come.

The effective launching and implementation of the **Recovery and Resilience Facility in the framework of the European Semester** will be important to overcome the COVID-19 crisis and lead Europe on the path of economic reform. DG GROW has been playing a leading role as a core DG in the European Semester. Together with previous recommendations for economic reform, the future recommendations will provide the analytical basis for Member States to develop their Recovery and Resilience plans early in 2021. DG GROW will provide inputs to the assessment of the draft national plans and, in the years to come, will contribute to the monitoring of their implementation, which will be embedded in the European Semester.



**'A strong European industry is needed to recover from the crisis with two key pillars: autonomy and sustainability'**

Commissioner Thierry Breton

The outbreak of COVID-19 also demonstrated the complexity of global value chains and their vulnerability. The EU's dependency on imports of chemicals used for

the production of medicines is of particular concern. In line with what was announced in the Industrial Strategy and in the recovery plan for Europe, DG GROW will work closely together with DG SANTE to reinforce the EU's industrial and strategic autonomy in this field..

### **External communication activities**

DG GROW's communication aim is to ensure the uptake of the new EU Industrial Strategy. As this policy is linked to the EU's economic recovery efforts, in particular via innovation in green and digital growth and since EU law and standards are followed by industry worldwide not only for production of goods exported to the EU, DG GROW will hook its communication actions on three currently planned Commission corporate campaigns: 'EU recovery', 'EU Green Deal' and 'EU in the world'.

DG GROW mainly plans the further editions of (i) the European Industry Days to become the leading industrial forum worldwide, (ii) the EU Cluster Weeks every second year to connect businesses according to their value chains and (iii) a regular EU participation at the Hannover Industrial fair to spread knowledge about the new Industrial Policy, as well as displaying inspiring benefits from show cases of current applications.

**Theme B: SME strategy**



**Specific objective 2: More European SMEs have access to cross-border business by digital means**

The Strategy for SMEs adopted by the Commission on 10 March 2020, aims to reduce red tape and help Europe's SMEs, which are the backbone of Europe's economy, do business across the Single Market and beyond, access financing and help lead the way on the digital and green transitions.

Together with the Industrial Strategy, the SME strategy builds on the EU's existing SME policy framework and support programmes including the Competitiveness of Enterprises and Small and Medium-sized Enterprises (COSME) programme. DG GROW was the lead Commission service in preparing the SME strategy.

The new SME strategy puts forward actions based on the following three pillars:

- Capacity-building and support for the transition to sustainability and digitalisation;
- Reducing regulatory burden and improving market access; and
- Improving access to financing.

The objective of the plan is to considerably increase the number of SMEs engaging in sustainable business practices, as well as the number of SMEs employing digital technologies. The table below lists the key policy outputs under the first pillar and their contribution to the **specific objective 2**.

| Focus area  | Policy output   | Contribution to the specific objective 2  |
|---|---|---|
| <b>SMEs driving the sustainable transition</b>                        | -Enterprise Europe Network (EEN) will provide <b>dedicated Sustainability advisors</b><br>-The Commission allocates <b>EUR 300 million to high-potential start-ups and SMEs</b> to deliver breakthrough Green Deal Innovation   | Provide SMEs advice on investment in more resource-efficient and circular processes and support innovations in the green sector                           |
| <b>Empowering SMEs to reap the benefits of the digital transition</b> | -Expanding the <b>Digital Innovation Hubs (DIH)</b> up to 240<br>- Establishing common <b>European data spaces</b> , fair access especially for SMEs will be ensured<br>- Running SME retailer workshops to encourage SME retailers to make the digital transition                    | Connect support structures so that every SME has sustainability and digitalisation advice nearby and enable data flows between businesses and governments |
| <b>Leveraging talent and intellectual property</b>                    | - <b>Digital Crash Courses</b> for SME employees to become proficient in areas such as AI, cybersecurity or block chain<br>- <b>Update the Skills Agenda for Europe</b> , including a dedicated component for SMEs<br>- Better uptake and deployment of Intellectual Property by SMEs | Make sure that workforce has the digital skills needed in the labour market<br><br>Provide SMEs assistance to create and manage an IP portfolio           |

Complying with regulations, technical specifications, labels and administrative formalities affects SMEs more than larger companies due to their limited resources. The cumulative

impact of regulation remains a major problem for SMEs when operating in the Single Market<sup>2</sup>. DG GROW is committed to reduce the burden on SMEs with better regulation tools and this way facilitates the easier transition to digitalisation and sustainability. Some of the regulation tools listed in the SME strategy include:

- The **“One-in, one-out” principle** of the Commission completing its regulatory fitness and performance (REFIT) programme
- **EU Start-up Nations Standard** to share and adopt best practices from Member States to accelerate the growth of high-tech SMEs and start-ups
- **Regulatory sandboxes** to allow innovative solutions to be live-tested with supervisors and regulators
- One-stop-shops to provide SMEs in different Member States with **easy online access** to information regarding doing business across borders

**The EU SME Envoy** will filter EU initiatives in collaboration with SME stakeholders to signal the Commission those that merit close attention from an SME perspective. The ambition is that all future legislation at EU and national levels is made with the end user in mind. Thus enabling SMEs to make the twin transition to digitalisation and sustainability.

The EU SME Envoy and the **network of national SME Envoys** will contribute to the work of the Commission’s **Single Market Enforcement Task Force** to be set up as a result of the Enforcement Action Plan (see below Theme D). The Commission will take strong enforcement action where necessary to ensure that the Single Market benefits SMEs.

Access to finance is essential for SMEs to finance the investment needs for the twin transition. As key actions for improving SMEs access to financing, the SME Strategy lists an **EU pilot on ‘Tech due diligence’** allowing a better evaluation of investment ready start-ups, the **ESCALAR initiative** to boost the size of venture capital funds and laying the ground work for an **SME Initial Public Offering (IPO) Fund** that would support SMEs through and beyond listing process.

Under the **SME window of InvestEU** DG GROW will create a single integrated guarantee facility targeting the SMEs perceived as high risk or having insufficient collateral. It will also provide for equity support to start-ups and scale-ups, including for those that engage in sustainability, digitalisation, innovation and gender-smart financing.

As part of its SME Strategy, the Commission announced a set of actions to strengthen the **enforcement of the Late Payment Directive**.

In **reaction to the COVID-19** outbreak, the Commission has proposed to redirect EUR 700 million from the European Fund for Strategic Investments (EFSI) to the COSME Loan Guarantee Facility in April 2020 so that the European Investment Fund (EIF), the Commission’s implementing partner, could incentivise banks to provide much needed

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<sup>2</sup> Eurochambres 2019 Business Survey



liquidity to SMEs. This COVID-measure should help at least 70,000 European SMEs access around EUR 5.6 billion of financing (see DG GROW Management Plan 2020).

The new **ESCALAR investment approach** will deliver on actions announced in the SME strategy by supporting venture capital and growth financing for promising companies, enabling them to scale up in Europe. The pilot scheme launched in April 2020, which will provide up to EUR 300 million from EFSI aims to increase the investment capacity of venture capital and private equity funds by crowding-in private investments, triggering total investments of up to EUR 1.2 billion.

While the mid- to long-term effects of the crisis on SMEs cannot be fully established at the time of this Strategic Plan, the SME strategy will remain an essential instrument to support SMEs in their recovery in the years to come, ensuring that it is sustainable and digital.

### External communication activities

DG GROW plans further editions of (i) the European SME Week to connect and foster innovation among SMEs as innovation drivers, (ii) hold further editions of the EU retail conference and workshops to promote uptake of best practices, (iii) promote the Your Europe Business portal to help companies doing cross-border business in the EU; DG GROW will enhance coordination with DG CNECT and DG DEFIS to promote business uptake of digital EU space data as a new and important market segment for digital innovation.

## Theme C: Single Market opportunities



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

The modernisation and strengthening of the Single Market is one of the main priorities of the Commission for the next five years. Removing existing barriers and not creating new ones will therefore be of paramount importance towards this objective.

A recent update of the European Parliament's "**Cost of non-Europe**" study<sup>3</sup> estimates that the benefits of removing the remaining barriers to a fully functioning Single Market for goods and services could amount to EUR 713 billion by the end of 2029. It is estimated that further improvements of the Single Market for manufactured products could generate between EUR 183 and 269 billion annually, while further integration of the services markets could amount to gains of EUR 297 billion per year. This increase could raise the economic benefits from 8-9% to around 12% of additional GDP.

Removing barriers becomes even more pertinent in these times when all of Europe is confronted with the extraordinary challenge of the coronavirus. In the critical situation of the **COVID-19 outbreak**, the Single Market contributes to the protection of health by making sure that essential goods necessary to mitigate risks are available across the EU. It

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<sup>3</sup> [https://www.europarl.europa.eu/RegData/etudes/STUD/2019/631745/EPRS\\_STU\(2019\)631745\\_EN.pdf](https://www.europarl.europa.eu/RegData/etudes/STUD/2019/631745/EPRS_STU(2019)631745_EN.pdf)

is crucial that the Single Market remains functional in order to address the vital needs of citizens across the EU coherently and in the spirit of solidarity.

In reaction to the **COVID-19 outbreak**, DG GROW has taken immediate action in 2020 to ensure open borders for protective material and certain ingredients used for the production of a potential vaccine for COVID-19 (see DG GROW Management Plan 2020). This crisis has shown the benefits of the Single Market, but also its vulnerability as Member States initially inhibited the free flow of sensitive goods. DG GROW will work on two main strands in order to ensure that the Single Market continues to generate benefits for citizens and businesses: 1) eliminating national export restrictions on intra-EU exports of sensitive material, and 2) on national border management measures that have a negative impact on the availability of goods and services throughout the EU.

DG GROW is at the forefront of ensuring that border management control measures do not cause serious disruption of supply chains, essential services for both national economies and the EU economy as a whole. DG GROW has, inter alia, taken action to make available for free the standards for producing protective and medical equipment, supporting those who want to start production. DG GROW has issued guidance on conformity assessment procedures to allow personal protective equipment without CE marking that comply with the necessary health and safety standards to enter the EU market, as well as guidance on the options and flexibilities under the EU public procurement rules in cases of urgency, extreme urgency and contingency measures. DG GROW also issued guidance on the free movement of health professionals, in particular doctors and nurses. The DG is strongly engaging with industry to activate alternative ways of producing, increasing and diversifying production. Finally, as tourism and transport are among the most affected ecosystems by the COVID-19 pandemic, DG GROW issued a package of recommendations and guidance towards lifting travel restrictions, safely restoring transport services and resuming tourism activities.

The **United Kingdom left the EU** on 1 February 2020 and the Withdrawal Agreement entered into force. In 2020, DG GROW works on updating the readiness notices for the economic stakeholders. The DG participates in the negotiations for a new economic partnership with the UK. It is also closely involved in the implementation of the Protocol on Ireland and Northern Ireland (see DG GROW Management Plan 2020). In the years to come, DG GROW will focus on facilitating the adaptation of the ecosystems under its remit to the far-reaching consequences, which will arise as of 1 January 2021, regardless of the outcome of negotiations between the EU and the United Kingdom.

The free movement rights of market operators and investors still encounter many regulatory and administrative barriers. In particular service providers, many of them SMEs, suffer from persisting barriers to service provision and establishment across borders. Furthermore, European consumers are exposed to illicit or dangerous products due to lack of practical surveillance, inspection, detection and sanctioning of economic operators when they violate Single Market rules. This has been demonstrated in the **Communication on barriers to the Single Market** of 10 March 2020 as a response to a call from the European Council. The report highlights 13 key barriers from a user perspective and shows



that barriers are not only of a regulatory or administrative nature, but also of a practical nature. A business or a consumer often faces several constraints simultaneously when engaging in cross-border activities. The report shows that the users most penalised by this situation are SMEs and professionals due to their limited resources. Businesses report difficulties in obtaining information, not only on market opportunities and potential business partners but also on the relevant regulatory requirements. Particularly for start-ups and highly innovative SMEs, these obstacles may be a hindrance to becoming competitive players on an international scale. The aim is to ensure that their products and services can freely circulate in the Single Market.

The proposed **Single Market Programme** for the next financing period of the EU 2021-2027 will provide the financial framework and technical support for optimising the implementation and enforcement capacities, as well as enabling SMEs to grow, scale up and employ more people. Its overarching aim is to improve the functioning of the internal market on the ground, while its main objectives are to maintain a high level of food safety, give even higher protection to consumers, boost the competitiveness of businesses, in particular SMEs, improve the governance of the Single Market and compliance with the rules, develop effective European standards, develop high quality statistics, and support specific activities in the field of financial reporting and auditing.

The implementation of the **Single Digital Gateway Regulation** is an essential part of getting more out of the Single Market. It helps EU citizens and businesses by reducing administrative complexity, providing information, assistance, full digitalisation of key procedures, full non-discriminatory cross-border accessibility of all online procedures, and implementation of the cross-border once-only system by the end of 2023.

A smoother functioning of the Single Market, more consumer trust in safe products circulating in the Single Market, better knowledge about the Single Market and providing support to SMEs facilitating their access to markets, uptake of innovation and reducing administrative burden will directly increase the economic benefits of the Single Market.

The aim of DG GROW is to strengthen the competitiveness of EU enterprises at **global level**, ensure a level playing field and promote the principles of the Single Market worldwide. Strengthening cooperation with partner countries, as well as developing the EU's strategic resilience, will be of key importance in the post-COVID-19 crisis period. To this end, DG GROW will participate in all trade and investment negotiations as an associated DG across different chapters, such as trade in goods, services, government procurement, technical barriers to trade, IPR, SMEs, etc. DG GROW is one of the main DGs in developing the EU Economic Diplomacy via supporting EU Chambers of Commerce and Industry in third countries organised in the European Business Organisations World Wide Network.

DG GROW is also leading the horizontal agenda of the **Technical Barriers to Trade** (TBT) Committee in the World Trade Organisation (WTO), where the EU approach to TBT is portrayed and specific trade concerns derived from technical rules adopted by third countries affecting EU industry are raised and challenged. A streamlined operation of the notification procedure under the WTO TBT Agreement will have a positive effect on the prevention of technical barriers affecting EU business.

DG GROW is working on opening the **public procurement markets** of third countries notably by continuing the work in the relevant subcommittees of the World Trade Organisation. The adoption by the EU legislator of the International Procurement Instrument would be a major step forward.

The DG will continue to hold **industrial policy dialogues** with third countries with the aim to converge regulations, improve market access and find business opportunities. It will seek to reinforce cooperation with the US in areas under its responsibility and take advantage of the strong bilateral trade relationship to the benefit of EU businesses and citizens.

DG GROW will continue to assist enlargement countries in their respective paths towards **EU accession** for chapters under our responsibility, and continue cooperating with Eastern and Southern Neighborhood countries in the framework of the Eastern Partnership and the Union for the Mediterranean, respectively. Within the framework of the **EU-Africa Partnership** DG GROW will work with other DGs and stakeholders to support business cooperation and value chain integration, both in the EU and in Africa to increase trade and investment integration through the Africa Continental Free Trade Area and Economic Partnership Agreements and finally to jointly address the profound changes related with tackling COVID-19, as well as the green transition and digital transformation.

### **External communication activities**

DG GROW's communication objective is to promote the benefits of the Single Market to citizens and, in particular, businesses fostering demand for better national application of existing rules and their extension to reach a real functioning Single Market in practice. As this policy is intrinsically linked to the EU's economic recovery and green and digital transition and since the EU Single Market must remain competitive with the rest of the world, DG GROW will hook its communication actions on the three current Commission campaigns 'EU recovery', 'EU Green Deal' and 'EU in the world'.

DG GROW plans to (i) promote the 'Your Europe' portal (citizens and business) as enhanced via the Single Digital Gateway hence likely to become the most visible EU interface with citizens, (ii) deploy a 'Pan European campaign for business' as a successor of the previous 'EU Open for business campaign', helping SMEs to find the relevant information on EU support for growing internationally, (iii) deploy further editions of the Single Market Forum fostering business activities across the EU, (iv) develop a new 'Single Market virtual expo' encouraging entrepreneurs to challenge always more barriers to the functioning of the Single Market and raising awareness on benefits that lifted barriers provide to entrepreneurs and citizens/consumers, as well as carry out related social media campaigns to remind that such benefits cannot be taken for granted.

**Theme D: Enforcement of EU laws**



**Specific objective 4: EU Single Market rules are enforced more efficiently**

Insufficient or incorrect implementation and lack of enforcement has damaging consequences, both at the European and national level. Citizens and businesses cannot fully benefit from their free movement rights. Businesses cannot realise the economies of scale that the Single Market can offer. Consumers are put at risk by non-compliant products or enjoy less choice. The security of energy supply is endangered. EU environmental and climate goals become more difficult to achieve. Law-abiding businesses lose market share due to unfair competition from businesses that do not follow the rules and that offer non-compliant products. The proper application and enforcement of EU legislation are therefore key to the existence of the Single Market.

Acknowledging this need and responding to a call from the European Council of March 2019, the Commission adopted on 10 March 2020 a long-term **action plan for better implementation and enforcement of Single Market rules** that presents a range of actions with the objective to maximize the effectiveness and efficiency of compliance and enforcement across the EU.

Improving the enforcement and compliance of Single Market rules are the shared responsibility of Member States and the Commission. It is a continuous task starting with designing the rules, through their transposition by Member States, where applicable, their application and the sanctioning of violations. The Action Plan includes all actors involved, such as national enforcement authorities and all levels of Member States’ administrations. Procedures and monitoring need to be fit for purpose. Actors on the ground, such as public officials or judges, need to fully understand and be able to apply EU law on a daily basis. It is crucial that Member States and the Commission support each other in their respective roles to live up to their shared responsibility.

Following this logic, the enforcement action plan is a comprehensive plan with 22 actions divided into six thematic strands that cover the full span of the enforcement cycle starting from preventive measures as an important means to avoid the need for remedial action at later stages and ending up with an effective post intervention mechanism. DG GROW will significantly contribute to all the strands of the action plan:

| DG GROW contribution  | Key actions  |
|---|--|
| <p><b>Increasing knowledge and awareness of Single Market rules</b></p> | <ul style="list-style-type: none"> <li>-Updating the handbook on the implementation of the <b>Services Directive</b></li> <li>- Updating the <b>Guidance on Articles 34-36 TFEU</b> on the Free movement of goods</li> <li>- Publishing guidance on the <b>Principle of Mutual Recognition</b></li> <li>- Publishing guidance on the <b>Product Liability Directive</b></li> <li>- Publishing guidance on the “<b>responsible person</b>” (Article 4) of the Market Surveillance Regulation 2019/1020)</li> <li>- Updating the Blue Guide on the implementation of <b>EU product rules of 2016</b></li> <li>-Publishing <b>updated reform recommendations</b> for regulation of</li> </ul> |

|  |  |
|--|--|
|  | <p>professional services on the basis of the Commission Communication of 17 January 2017</p> <ul style="list-style-type: none"> <li>-Improving access to information, assistance and procedures through the <b>Your Europe</b> required by the single digital gateway Regulation, the <b>EU Product Contact Points</b> and capacity building offered by the <b>Single Market Programme</b> for 2021-2027</li> </ul>  |
| <b>Improving the transposition, implementation and application of EU rules</b>       | <ul style="list-style-type: none"> <li>-Structured dialogue for <b>better transposition of Single Market directives</b> and better implementation of Single Market regulations as well as meetings with the Member States</li> <li>-Ensuring that the Internal Market Information system (IMI) becomes the default tool for administrative cooperation in the Single Market</li> </ul>   |
| <b>Making the best use of preventive mechanisms</b>                                  | <ul style="list-style-type: none"> <li>- Ensuring that national authorities effectively perform ex-ante assessments of restrictive regulation under the <b>Proportionality Test Directive</b></li> <li>-Streamlining the <b>operation of the Single Market Transparency Directive</b></li> <li>-Preventing new barriers to providing services in the Single Market and in particular inviting the European Parliament and Council to proceed with a <b>speedy adoption of the legislative proposal for a new Services Notifications Directive</b></li> </ul> |
| <b>Detecting non-compliance inside the Single Market and at the external borders</b> | <ul style="list-style-type: none"> <li>- Make systematic use of the evidence in SOLVIT</li> <li>-Creating a complementary <b>Single Market obstacles tool</b> to allow citizens and businesses to flag unsolved issues or expectations from Single Market legislation, as required by the single digital gateway Regulation</li> </ul>   |
| <b>Strengthening enforcement on the ground</b>                                       | <ul style="list-style-type: none"> <li>-Set up of the <b>EU Product Compliance Network</b> as from January 2021 to reinforce market surveillance</li> <li>-Making <b>SOLVIT the default tool</b> for Single Market dispute resolution involving Member State authorities in cross border situations</li> </ul>   |
| <b>Improve handling of infringement cases</b>  | <ul style="list-style-type: none"> <li>-Better prioritizing enforcement action on cases which have a significant impact on the Single Market</li> <li>-Making better use of the EU pilot system</li> <li>-Promote systematic periodic meetings with the Member States</li> </ul>   |

In order to keep the momentum in the implementation, the Single Market Scoreboard will provide both Member States and the Commission with a useful performance-monitoring tool on the application of Single Market rules. In 2020, DG GROW will start preparing the update of the Scoreboard, building on the conclusions of a study, with the aim of better reflecting and measuring the end user situation in the Single Market and to support the European Semester.

The Commission will adopt an annual Single Market Enforcement Strategic Report with DG GROW in the lead identifying specific areas of concern and priorities for enforcement taking into consideration the findings of the European Semester and relevant studies.

Finally, the Single Market Enforcement Task Force (SMET) will be key in ensuring that the Single Market works properly again and in identifying and addressing barriers that arise due to improper application or enforcement. The first formal meeting took place in June 2020.

## Better Regulation

Better Regulation principles will continue to guide DG GROW in designing legislation and in ensuring that our acquis remains fit for purpose. This will be structured around three main actions: the strict application of the evaluate first principle before modifying any existing legislation, a solid evidence-based methodology for assessing the impacts of envisaged actions and extensive stakeholder consultations (public and targeted).

DG GROW embeds the REFIT (REgulatory FITness) agenda in the strategic work plan by focusing on the most serious sources of inefficiencies and unnecessary burden for businesses, citizens or public administrations. The overarching objective is to produce high quality legislative proposals based on the best available evidence and to ensure that existing rules deliver on important societal goals more effectively and efficiently. Particular attention will be devoted to SMEs. DG GROW supports a wider application of the “think small” principle that should guide every EU initiative.

## External communication activities

The Communication objective is to let citizens and businesses know how to get help for overcoming barriers to the good functioning of the Single Market and hence reaching its full benefits. DG GROW will promote ‘SOLVIT’, ‘Your Europe Advice’ and any Single Market information and assistance tools on a continuing basis, in particular via social media.

## General objective 2: A European Green Deal

The European Green Deal is Europe’s new agenda for sustainable growth in the years to come. This requires a strong, ambitious, comprehensive and coherent Industrial Strategy that enables Europe’s businesses – big and small – to innovate, to develop new technologies, and to quickly take advantage of the transition. The industrial transformation is equally a question of competitiveness, as well as sustainability and climate neutrality.

DG GROW chose the impact indicator size of the green economy in Europe (see the performance tables in the annex). The environmental goods and services sector comprises parts of the economy that generate environmental products, i.e. those produced for environmental protection or resource management. Gross value-added represents the contribution made by the production of environmental goods and services to the gross domestic product in million euros.



### Theme A: Circular Economy

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

In order to measure progress in achieving the specific objective, DG GROW selected the share of circular materials in the overall material use in the EU (see the performance tables in the annex). The indicator measures the share of material recovered and fed back into the

economy - thus saving extraction of primary raw materials - in overall material use. The indicator is also part of the monitoring framework for the circular economy. It is also an EU Sustainable Development Goal indicator.

The new **Circular Economy Action Plan for a Cleaner and More Competitive Europe** of March 2020 is one of the main blocks of the European Green Deal. The plan presents a set of interrelated initiatives to establish a strong and coherent product policy framework that will make sustainable products, services and business models the norm and transform consumption patterns so that no waste is produced in the first place. This product policy framework will be progressively rolled out, while key product value chains will be addressed as a matter of priority. Further measures will be put in place to reduce waste and ensure that the EU has a well-functioning Single Market for high quality secondary raw materials. Out of the 36 key actions in the annex to the plan, 12 are either under GROW responsibility or will require substantial GROW input.

Scaling up the circular economy from front-runners to the mainstream economic players will make a decisive contribution to achieving climate neutrality by 2050 and decoupling economic growth from resource use, while ensuring the long-term competitiveness of the EU. Building on the Single Market and the potential of digital technologies, the circular economy can strengthen the EU's industrial base and foster business creation and entrepreneurship among SMEs.

The transition is an opportunity to expand sustainable and job-intensive economic activity. This will create new opportunities for European businesses, notably in renewable sources of energy, circular products, and mobility systems. Creating demand and markets for these products and services is key. DG GROW will continue to support creating value in Europe, increase productivity, ensure sustainable prosperity in regions and strengthen resilience. This requires well-coordinated policies and transnational investments by public authorities and companies from Member States.

In the area of **industrial symbiosis**, DG GROW will:

- support stakeholder-led initiatives for the development of an industry-led reporting and certification approach;
- support an open, stakeholder-inclusive voluntary system for measuring gains and benefits from the industrial symbiosis exchanges;
- promote awareness among SMEs; and
- help the networking among economic operators including matchmaking and trust-building infrastructures.

This approach will be linked with the development of Horizon Europe funded hubs for circularity to provide large scale demonstration of novel business models, processes and technologies to establish fully circular, safe and clean value chains in real existing contexts (e.g. industrial clusters, regions).

The Commission has been developing the policy framework in close co-operation with key stakeholders, particularly through an **Energy-intensive industries'** 2050 Competitive Industrial Transformation Masterplan to Climate-neutral and Circular Economy developed



under the High Level Group on Energy Intensive Industries, and roadmaps for strategic value chains under the Strategic Forum for Important Projects of Common European Interest (IPCEI).

As announced in the European Green Deal, the Commission will launch the **Renovation Wave** for a more performing built environment, focusing on energy performance but including also proposals to integrate sustainability, climate resilience, digitalisation and competitiveness. The revision of the Construction Products Regulation will address sustainability performance and support greater circularity of construction products. The Commission will also study the possibility of a follow-up initiative on the sustainable built environment depending on the results achieved by the Renovation Wave.

Actions towards greening the **European tourism** ecosystem will contribute to the objectives of Green Deal.

The key actions under GROW responsibility or requiring substantial input from the DG are the following:

| Focus area                                    | Key actions  |
|---|--|
| <b>A sustainable product policy framework</b> | <ul style="list-style-type: none"> <li>-Develop a Sustainable Product Policy Framework, including the revision of the Ecodesign Directive – together with DG ENER and DG ENV (2021)</li> <li>-Mandatory <b>Green Public Procurement (GPP) criteria</b> and targets in sectoral legislation and phasing-in mandatory reporting on GPP (as of 2021)</li> <li>-<b>Review of the Industrial Emissions Directive</b>, including the integration of circular economy practices in upcoming Best Available Techniques reference documents – together with DG ENV (as of 2021)</li> </ul>  |
| <b>Key product value chains</b>               | <ul style="list-style-type: none"> <li>-<b>Circular Electronics Initiative, common charger solution</b>, and <b>reward systems</b> to return old devices (2020/2021)</li> <li>-<b>Review of the Directive on the restriction of the use of certain hazardous substances in electrical and electronic equipment</b> and guidance to clarify its links with REACH and Eco-design requirements – together with DG ENV (2021)</li> <li>-Proposal for <b>new regulatory framework for batteries</b> – together with DG ENV(2020)</li> <li>- Mandatory requirements on <b>recycled plastic content</b> and plastic waste reduction measures for key products such as packaging, construction materials and vehicles (2021/2022)</li> <li>-<b>EU Strategy for Textiles</b> (2021)</li> <li>- Construction ecosystem: Participation in DG ENER Renovation Wave (2020)</li> </ul> |
| <b>Less waste more value</b>                  | <ul style="list-style-type: none"> <li>-Methodologies to <b>track and minimise the presence of substances of concern</b> in recycled materials and articles made there of - together with DG ENV (2021)</li> <li>-<b>Harmonised information systems</b> for the presence of substances of concern - together with DG ENV (2021)</li> <li>- Launch of an industry-led <b>industrial symbiosis</b> reporting and certification system – (2022)</li> </ul>  |
| <b>Monitoring the progress</b>                | <ul style="list-style-type: none"> <li>-<b>Updating the Circular Economy Monitoring Framework</b> to reflect new policy priorities and develop further indicators on resource use, including consumption and material footprints (2021)</li> </ul>   |

The following areas are of prime importance for DG GROW:

## **Sustainable product policy**

The new Circular Economy Action Plan announced that the Commission will propose in 2021 a sustainable product policy legislative initiative. The core of this legislative initiative will be to widen the Ecodesign Directive beyond energy-related products so as to make the Ecodesign framework applicable to the broadest possible range of products and make it deliver on circularity. DG GROW will be co-responsible for this initiative together with DG ENV and DG ENER.

## **Green and resilient procurement**

The public sector has a key role in accelerating the transition to climate neutrality. Public buyers manage budgets worth 14% of EU GDP (roughly 2 trillion EUR/year) and 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.

Public demand will be crucial for the recovery in several ecosystems and many projects will be front-loaded. New initiatives will aim at setting the right incentives for the green transition and sustainable growth, strengthening also the resilience of the EU economy. This includes ensuring that those objectives are achieved on the ground, for example through advisory services, ambitious and specific green criteria and targets, in line with the EU taxonomy.

## **Chemicals strategy**

The Green Deal announcing the Chemicals strategy for sustainability has two ambitions: increase further the protection of citizens and the environment against hazardous chemicals and ensure that innovation for safe and sustainable alternatives is encouraged in a way that also increases the EU industry's global competitiveness. To achieve this goal, DG GROW together with DG ENV will prepare several actions under REACH and the CLP (classification, labelling and packaging Regulation). The strategy will also cover other pieces of legislation (detergents, cosmetics, toys, etc.) that GROW manages alone. This strategy follows the outcome of the REACH review and the fitness check on other chemicals legislation, which concluded that the chemicals legislation is overall fit for purpose, but there is scope for improvement.

## **Plastics Alliance**

DG GROW continues to support voluntary commitments of stakeholders around key challenges. The Circular Plastics Alliance established in December 2018 aims to boost the EU market for recycled plastics to 10 million tonnes by 2025. The alliance covers the full plastics value chains and includes now over 200 organisations representing industry, academia and public authorities. New stakeholders can join. Future alliances (e.g. electronics) will benefit from the lessons learned.

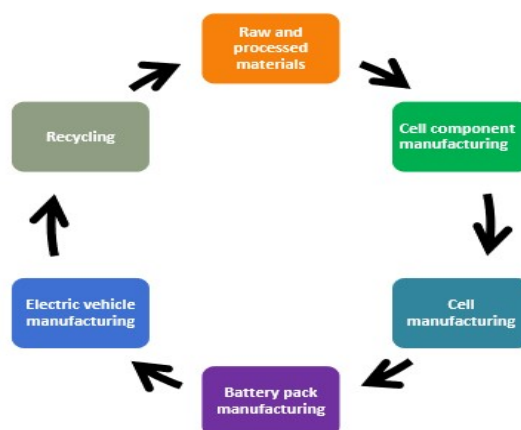


## Battery Alliance

The Commission's new Industrial Strategy goal is to make the EU the world leader in innovation, digitisation and decarbonisation. For Europe, battery production is a strategic imperative to meet this goal especially for the clean energy transition and the competitiveness of its mobility sector. The implementation of the Commission's strategic action plan for batteries is already delivering results. It will guide the work of DG GROW in developing an innovative, sustainable and competitive battery 'ecosystem' in Europe and it will continue to guide DG GROW's work in this area.

The sustainability challenge posed by key value chains requires urgent, comprehensive and coordinated actions, which will form an integral part of the sustainable product policy framework. The forthcoming comprehensive European Strategy on Sustainable and Smart Mobility will look into enhancing synergies with the circular economy transition, in particular by applying product-as-service solutions to reduce material consumption, use sustainable alternative transport fuels, optimise infrastructure and vehicle use, increase occupancy rates and load factors, and eliminate waste and pollution. DG GROW will contribute extensively to this initiative.

Battery value chain:



## Industry Alliance on circular and sustainable textiles

The new Circular Economy Action Plan proposes a comprehensive **EU Strategy for Textiles** for 2021 based on input from industry and other relevant stakeholders. Its objective is to strengthen industrial competitiveness and innovation in the textiles sector, boost the market for sustainable and circular textiles, including the market for textile reuse, and driving new business models.

## Clean hydrogen alliance

Building on the successful template of **industrial alliances**, a **new European Clean Hydrogen Alliance** was launched in July 2020. Alliances can steer work and help finance large-scale projects with positive spillover effects across Europe. This has already shown its benefit in the area of batteries, plastics and microelectronics. Alliances on Low Carbon

Industries and Raw Materials should follow. DG GROW will continue actively contributing to this progress.

### **External communication activities**

The communication objective is to promote green economic activities, in particular the development of the circular economy. DG GROW will (i) continue deploying further editions of the circular economy conference and (ii) promote green/circular innovation in conferences such as European Industry Days, SME Week and others, as well as fully contributing to the corporate communication campaign on the 'European Green Deal'..

An additional objective is to promote the uptake of green EU financing. DG GROW will use (i) web advertising, (ii) social media campaigns, and (iii) network activities, such as promoting this type of financing via the Enterprise Europe Network.

### **D. Key performance indicators**

The KPIs were chosen from the result indicators. These are considered as the most relevant to illustrate the performance of the Directorate-General. DG GROW has chosen three of its result indicators as key performance indicators. These are:

- **Percentage of SMEs selling cross-border online**
- **Average duration of infringement procedures under GROW responsibility**
- **Share of material recovered and fed back into the economy (circular economy)**

## **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 Organisations 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 GROW 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**

A performing and agile organisation can achieve its potential only with the help of every single staff member. The objective of the Human Resource Business Correspondent (HRBC) team is to design, implement and monitor a Human Resource Strategy that envisages individual empowerment through the development of soft and hard skills among the entire organisation. The strategy shall always promote lean processes and put in place the right framework conditions for a performing human resources (HR) management.

The HRBC Team develops its actions assuring that the HR modernisation project will be fine-tuned, consolidating the role of the Account Management Centres (AMC) in delivering HR services from inside DG GROW. DG GROW's HR Business Correspondent maintains responsibility for defining HR strategy – in consultation with the management of the DG – and facilitates and supports the decision-making processes on HR issues. The DG GROW HRBC team implements the core values on which an effective HR strategy is based: people enablement, improvement of working conditions, learning and development framework delivery.

#### **People enablement through a talent management framework**

DG GROW wants to retain its talents and enable everyone to unlock their full potential by matching people's competencies and aspirations with corporate business needs. Activities such as Mindful Mobility and Career guidance are constantly delivered and reinforced in order to help all staff to better explore opportunities within DG GROW and to develop their career. In addition, ad-hoc trainings are rolled out to not only take stock and share the achievements of DG GROW but also to increase colleagues' resilience and adaptability to new challenges. Among other activities, the HRBC Team carries out the following:

- Develop a personnel strategy for the DG, monitor the workforce, take care of the workforce planning exercise;
- Oversee talent management and succession planning in the DG and develop a learning strategy, conduct learning needs analysis and deploy a consistent strategy;

- Propose and advise the DG on posts allocations and reorganisation to the DG;
- Monitor and ensure effective execution of the external staff budget.

### **Working conditions improvement**

Ensuring that people's efforts and commitment are supported by good working conditions is one of the core values of our HR strategy and one of the objectives of the Business Correspondent.

Measures and tools to increase and monitor the work-life balance of colleagues within DG GROW are delivered to managers (DG GROW HR Dashboard project). Initiatives to spur a better and healthier approach to every-day-working life are rolled out on an ongoing basis. Among other activities, the HRBC Team carries out the following:

- Contact point in case of conflictual/problem cases;
- Oversee the appraisal and promotion process, prepare exceptional promotion requests, perform certification assessments;
- Support management in managing difficulties during the probation period of a staff member and in underperformance management, in particular when contract termination or dismissal are considered or in other cases such as long-term/repeated absences;
- Monitor and report to DG HR on progress made in relation to imposed gender targets and geographical balance.

### **Learning and development framework delivery – soft and hard skills**

The Business Correspondent ensures that an effective framework of continuous education trainings is in place in the DG, ensuring the development of the necessary tools for staff to succeed, both at a personal and a professional level. One of the main goals of the HRBC Team is to increase everyone's personal contribution to the organisation's achievements.

Soft skills trainings (i.e. resilience and communication) are accompanied by hard skills trainings (i.e. Project management PM<sup>2</sup> framework) to improve agility and dynamism between DG GROW colleagues. Among other activities, the HRBC Team carries out the following:

- Define the training priorities, validate the content of specific courses or learning events prepared by the AMC in close collaboration with unit management and/or the BC and request their organisation to the AMC;
- Monitor any staff issues in the DG and request specific reports when necessary;
- Monitor and implement the Learning and Development budget;
- Oversee talent management and succession planning in the DG and develop a learning strategy, conduct learning needs analysis, approve the L&D requests.

In order to ensure the effective management of human resources and to optimise the capacity to deliver on priorities in this Strategic Plan, DG GROW will develop a local HR

strategy with a medium to long-term outlook (3–5 years) consistent with the overall corporate HR strategy. For more details, see KPIs under Annex 1.

|   |  |
|---|--|
| Objective: DG 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 |  |
| <b>Indicator 1: Number and percentage of first female appointments to middle management positions</b>   |  |
| <b>Source of data:</b> Commission Decision SEC(2020)146 of 1 April 2020   |  |
| <b>Baseline (female representation in management)</b>   | <b>Target<sup>4</sup></b>                            |
| 1 December 2019   | 2022   |
| 44% (19 out of 43)  | 2 first female appointments                          |
| <b>Indicator 2: DG GROW staff engagement index</b>  |  |
| <b>Source of data:</b> Commission staff survey  |  |
| <b>Baseline</b>   | <b>Target</b>  |
| 2018  | 2024   |
| 68%   | At least +10pp (78%) by 2020 and +15pp (83%) by 2024 |



## B. Sound financial management

The objective is to assure that 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

At the end of 2019, DG GROW went through a reorganisation. As of 1 January 2020, the activities related to Space and Defence Industry were transferred to the newly created DG DEFIS while pharmaceuticals and medical devices to DG SANTE, and the firearms dossier to DG HOME. This significant change in the portfolio will have an important impact on the financial management of DG GROW over the period 2020-2024. For instance, in the next long-term budget (MFF), the number of ex-post audits will drastically decrease since the majority was conducted on the Space programmes.

During the upcoming five years, DG GROW aims to keep the good financial performance achieved last years. This performance will be measured by the DG GROW Budgetary and Financial Monitor, which includes the relevant Key Performance Indicators (KPIs) to ensure a sound and efficient management and follow-up of financial transactions (Budget execution, Time-To-Respond, Time-To-Pay, quality of the financial files, etc.). They are related to key control objectives set by rigorously applying its **control strategy** (updated in 2019) for the

<sup>4</sup> The target will be reviewed for the period 2023-2024 by January 2023.

expenditure managed (directly or indirectly) in the framework of the rules and procedures of the European Commission.

Adequate **risk management** will decrease to the minimum any likelihood of instances of ineffective controls, which might expose the DG to risks.

To this end, DG GROW will review every two years the functioning of its **control strategy** as a whole and will base its assessment on both internal analyses and independent information. This includes the update in 2020 of the current DG GROW control strategy to take into account the portfolio change. In addition, respective audit recommendations for further improvements will be duly addressed.

DG GROW will also closely monitor its **internal control system** throughout the year via various control mechanisms in place. By following the principle of continuous improvement, any risks affecting the functioning of the internal control system will be addressed accordingly. Every year, for the preparation of the Annual Activity Report, DG GROW will assess the state of its internal control system according to the Internal Control Framework.

In the context of **synergies and efficiencies**, DG GROW is continuously working on optimising its financial processes. Three waves of simplification measures with financial implications took place in the period 2016-2018. In 2019, the DG GROW financial community reflected on further improvements of the financial management in the DG. DG GROW is constantly reflecting on new measures and initiatives to further enhance efficient and effective financial management and optimise its processes also in view to reduce globally the estimated overall amount at risk to be reported in the Annual Activity Report. Finally, the reinforcement of the supervision (both budgetary and internal control) of DG GROW agencies will continue in the next long-term budget.

DG GROW will continue to play an active role to allow a **corporate common approach in financial management**, such as eProcurement (where DG GROW is Business Process Owner of eSubmission and eEvaluation), the Public Procurement Management Tool (PPMT), as well as the management of expert groups. Besides, DG GROW is fully engaged in finding adequate corporate IT solutions (budgetary planning, monitoring and reporting) for the multi-DG programmes, such as Single Market Programme.

All the above actions and controls will ensure DG GROW to manage adequately the risks relating to the legality and regularity of the underlying transactions, taking into account the multiannual character of the programmes, as well as the nature of the payments concerned. The main control objective is to ensure that the estimated amount at risk is below 2% of the relevant expenditure being the materiality threshold.

**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:** DG GROW Annual Activity Report

**Baseline**

(2019)

< 2% of relevant expenditure

**Target**

(2024)

< 2% of relevant expenditure



## C. Fraud risk management

The objective is that the risk of fraud is minimised through the application of effective anti-fraud measures and the implementation of the Commission Anti-Fraud Strategy (CASF) aimed at the prevention, detection and correction of fraud.

DG GROW has developed and implemented its own Anti-Fraud Strategy since 2011, elaborated on the basis of the methodology provided by OLAF. This local strategy is updated every two years; the last one from February 2018 should be reviewed by the end of 2020 based on a limited fraud assessment. It is an essential element in the development of a strong anti-fraud culture in the Directorate-General. DG GROW puts a strong emphasis on ethics and fraud prevention by encouraging proportionate and targeted preventive ex-ante controls.

DG GROW organises on a regular basis trainings for newcomers on ethics and anti-fraud. An awareness campaign to the whole DG GROW has been conducted in 2018 focusing on anti-fraud measures and ethics, the updated Anti-Fraud Strategy being an essential element of it. All information related to fraud risk management is published on DG GROW's Intranet and updated whenever needed.

DG GROW has put in place adequate controls to ensure monitoring of all open OLAF cases and follow-up of their recommendations.

DG GROW is an active member of OLAF's Fraud Prevention and Detection Network and in that frame, will continue to contribute to the implementation of the CASF (together with its action plan to be further developed in the upcoming years with the other DGs).

Since 2013, the fraud risk assessment is integrated in the annual risk assessment exercise. The controls aimed at preventing and detecting fraud are intended to ensure the legality and regularity of the transactions. Their effectiveness is assessed in the frame of the annual risk assessment exercise.

**Objective:** The risk of fraud is minimised through the application of effective anti-fraud measures and the implementation of the Commission Anti-Fraud Strategy<sup>5</sup> aimed at the prevention, detection and correction<sup>6</sup> of fraud

**Indicator : Implementation of the actions included in DG GROW anti-fraud strategy over the whole strategic plan lifecycle (2020-2024)**

**Source of data:** DG GROW annual activity report, DG GROW anti-fraud strategy, OLAF reporting

| Baseline<br>(2018)                        | Target<br>(2024)  |
|---|---|
| Update of the DG GROW anti-fraud strategy | Update or renewal of the anti-fraud strategy every two or three years, or earlier depending on concrete developments around the specific fraud environment, to which DG GROW is exposed |



## D. Digital transformation and information management

The objective is that DG GROW is (co-) creating and maintaining innovative and user-focused digital solutions for better policy-making, to forge a truly digitally transformed and data-driven Commission. Accordingly, DG GROW plays a pivotal role in the delivery of the Commission's Digital Strategy and its Information, Data and Knowledge Management Strategy and the Data @ EC Action Plan through its active involvement in the corporate IT and Cybersecurity Board and the Information Management Steering Board (IMSB). DG GROW leads the corporate action 5 of the work programme, 'Foster the use of single market data to support policymaking'.

DG GROW's Digital Strategy<sup>7</sup> and Action Plan identify six priorities areas for the period 2020–2024: data; digital skills; focus on end-users; security and privacy and cross-DG cooperation. It places the focus of our digital transformation on the power of data as a major enabler of better policy-making and enforcement. Secondly, the data revolution, and the new digital technologies, require a radical upgrade of our skills' base; therefore, high priority is attached to building the necessary digital skills and mind-set. Furthermore, digitalisation is not an end in itself; it is a means to benefit EU citizens, businesses and competent authorities. Hence, the third priority area is the focus on end-users. Maximising net benefits for the end-user means better policy making and more efficient provision of public services, which requires public administration with higher digital productivity, more creative working together, data and knowledge sharing with less hierarchy and bureaucracy.

<sup>5</sup> Communication from the Commission 'Commission Anti-Fraud Strategy: enhanced action to protect the EU budget', COM(2019) 176 of 29 April 2019 – 'the CAFS Communication' – and the accompanying action plan, SWD(2019) 170 – 'the CAFS Action Plan'.

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

<sup>7</sup> Approved by the ITSC on 28/01/2020.



Furthermore, the data revolution, connected networks and sharing raise new cybersecurity and privacy challenges, which need to be adequately tackled. IT governance and digital solutions have to enable co-creation between DGs. Finally, the strategy relies crucially on the active involvement of the policy units.

DG GROW's Digital Strategy is delivered through two major instruments. The first one is its rolling implementation plan, containing the actions and deliverables that put into practice the strategic and operational objectives of the Strategy. It is about *how* we will change the way to do business. The second instrument is the annual IT investment plan of DG GROW, which concerns the concrete IT projects and services. It is about *what* we will deliver to make DG GROW fit for the digital age. The Strategy with its rolling implementation plan and the annual IT Investment Plan feed into the Digital Solutions Modernisation Plan, which is the corporate instrument to deliver the Commission's Digital Strategy. The degree of implementation of the EC Digital Strategy principles (Indicator 1 in the table below) will be computed based on the three most important IT solutions in the Digital Solutions Modernisation Plan after its finalization and approval.

The objective is that DG GROW contributes to the respect of the data protection obligations incumbent to the Commission under Regulation (EU) 1725/2018, including to the implementation to the Commission's Data Protection Action Plan<sup>8</sup>.

To ensure the respect of the revised personal data protection rules, DG GROW supervises the implementation of the DG Personal Data Protection Action Plan by different DG actors, with special attention to the creation or update of records and privacy statements, awareness, general compliance and reporting obligations. In that context, DG GROW Data Protection Coordinator (DPC) ensures awareness (via a network of Unit's contact points, communication actions, information sessions, a GROWNet space, etc.), provides models and advice, reports to senior management and the Data Protection Officer (DPO), and cooperates, as necessary, with other DPCs, the DPO and the European Data Protection Supervisor. Particular importance is given to the respect of the privacy by default and by design principles as regards IT systems, including via close cooperation of the DPC with the Informatics Unit and DG GROW LISO.

**Objective:** DG GROW is co-creating and maintaining innovative, trusted digital solutions for better policy-shaping and information management to forge a truly digitally transformed, user-focused and data-driven Commission

**Indicator 1: Degree of implementation of the digital strategy principles by the most important IT solutions<sup>9</sup>**

**Source of data:** DG GROW data

<sup>8</sup> C(2018)7432.

<sup>9</sup> 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.

| <b>Baseline</b> | <b>Interim milestone</b> | <b>Target</b> |
|-----------------|--------------------------|---------------|
| (2019)          | (2022)                   | (2024)        |
| 0%]             | 40%                      | 100%          |

**Indicator 2: Percentage of DG GROW's key data assets for which corporate principles for data governance have been implemented.**  
**Source of data:** DG GROW data

| <b>Baseline</b> | <b>Interim milestone</b> | <b>Target</b> |
|-----------------|--------------------------|---------------|
| (2019)          | (2022)                   | (2024)        |
| 25%             | 50%                      | 90%           |

**Indicator 3: Percentage of staff attending awareness raising activities on data protection compliance**  
**Source of data:** EU Learn and in-house information sessions attendance

| <b>Baseline</b> | <b>Interim milestone</b> | <b>Target</b> |
|-----------------|--------------------------|---------------|
| (2018)          | (2022)                   | (2024)        |
| 5%              | 50% (all target groups)  | 100% of staff |



## E. Sound environmental management

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.

DG GROW will promote the EMAS corporate campaigns at local level and identify local environmental actions in order to support the Commission's commitment to implement the objectives of the Green Deal for its own administration, including becoming climate neutral by 2030. A working group to propose and analyse practical measures has been established. The aim is to propose measures both at the corporate level and DG GROW specific. These measures will pertain the following areas of actions:

- Interventions on the infrastructure (buildings, lifts, water fountains, waste collection etc.) in accordance with the overall corporate strategy;
- Measures on the supplies, including food supplies in cafeterias and canteens, stationery and material for meetings;
- Initiatives to rationalise missions and travelling, including daily commuting; and
- Initiatives to promote virtuous behaviour (waste collection, biking, use of stairs), through information campaigns and ad-hoc events (e.g. Green Summer party, zero waste competition among units/directorates etc.).

## ANNEX: Performance tables

Note that the impact indicators are not influenced alone by actions of the Commission, but by larger developments like economic growth or societal attitudes. The result indicators, on the other hand measure progress towards the specific objectives, which are more specific to the policy area of DG GROW.

| General objective 1: A Europe fit for the digital age  |                             |                  |
|--|-----------------------------|------------------|
| <b>Impact indicator 1: Aggregate score in the Digital Economy and Society Index (DESI)</b><br><b>Explanation:</b> DESI is a composite index that summarises relevant indicators on Europe's digital performance and tracks the evolution of EU Member States in digital competitiveness. Higher values indicate a better performance<br><b>Origin of the indicator:</b> European Commission<br><b>Source of the data:</b> <a href="#">DESI</a><br><b>Methodology for calculating the indicator:</b> The DESI index is calculated as the weighted average of the five main DESI dimensions: 1 Connectivity (25%), 2 Human Capital (25%), 3 Use of Internet (15%), 4 Integration of Digital Technology (20%) and 5 Digital Public Services (15%) |                             |                  |
| Baseline<br>(2019)   | Interim milestone<br>(2022) | Target<br>(2024) |
| 52.45  | Increase                    | Increase         |

| Specific objective 1.1: European enterprises make the digital and green transition   |                             | Related to spending programme(s): No  |
|--|-----------------------------|---------------------------------------|
| <b>Result indicator 1: Percentage of enterprises in the EU using Big Data</b><br><b>Explanation:</b> In recent years, the quantity of digital data created, stored and processed in the world has grown exponentially. Digital imprints generated by governments and public institutions, businesses, associations and individuals, given their volume, variety and velocity, are referred to as 'big data'.<br><b>Source of data:</b> Integration of Digital Technology, Europe's Annual Digital Progress Report based on Eurostat data |                             |                                       |
| Baseline<br>(2018)   | Interim milestone<br>(2022) | Target<br>(2024)                      |
| 12%  | Increase                    | Increase                              |
| <b>Result indicator 2: Share of the environmental economy in the overall GDP in the EU</b><br><b>Explanation:</b> It measures the progress towards the green transition of the European economy towards<br><b>Source of data:</b> Eurostat (env_ac_egss2)  |                             |                                       |
| Baseline<br>(2017)   | Interim milestone<br>(2022) | Target<br>(2024)                      |
| 2.2%   | Increase                    | Increase                              |
| Specific objective 1.1 Indicator on simplification and burden reduction  |                             | Related to spending programme(s): YES |
| <b>Result indicator: Proportion of proposed legislative revisions that include burden reduction measures</b><br><b>Explanation:</b> The indicator measures how the Commission upholds its commitment to ensure that proposals for legislative revisions incorporate burden reduction measures, in the broader context of REFIT programme   |                             |                                       |

and One-In, One-Out approach. The indicator shows how many proposed legislative revisions out of the total, for each relevant specific objective, include measures that concretely reduce burden.

**Source of data:** DG GROW

| Baseline | Interim milestone        | Target                   |
|----------|--------------------------|--------------------------|
| (N/A)    | (2022)<br>Positive trend | (2024)<br>Positive trend |

**Specific objective 1.2: More European SMEs have access to cross-border business by digital means** Related to spending programme(s): Yes

**Result indicator: % of SMEs selling cross-border online**

**Explanation:** This indicator combines the use of digital technology and the access to international markets by SMEs. It measures progress for SMEs on two central policies: internationalisation and digitalization.

**Source of data:** Annual DESI reports, European Commission based on Eurostat data

| Baseline | Interim milestone | Target   |
|----------|-------------------|----------|
| (2019)   | (2022)            | (2024)   |
| 8%       | Increase          | Increase |

**Specific objective 1.2: Indicator on simplification and burden reduction** Related to spending programme(s): Yes

**Result indicator: Proportion of proposed legislative revisions that include burden reduction measures**

**Explanation:** The indicator measures how the Commission upholds its commitment to ensure that proposals for legislative revisions incorporate burden reduction measures, in the broader context of REFIT programme and One-In, One-Out approach. The indicator shows how many proposed legislative revisions out of the total, for each relevant specific objective, include measures that concretely reduce burden.

**Source of data:** DG GROW

| Baseline | Interim milestone        | Target                   |
|----------|--------------------------|--------------------------|
| (N/A)    | (2022)<br>Positive trend | (2024)<br>Positive trend |

**Specific objective 1.3: The Single Market Programme generates more business opportunities in the EU** Related to spending programme(s): No

**Result indicator 1: Intra-EU trade in goods**

**Explanation:** This indicator measures the intra-EU trade in goods as a percentage of gross domestic product (GDP). The indicator excludes transport and financial services.

**Source of data:** Eurostat, Balance of payments (Eurostat online data code: bop\_gdp6\_q)

| Baseline          | Interim milestone | Target   |
|-------------------|-------------------|----------|
| (2018)            | (2022)            | (2024)   |
| tbd <sup>10</sup> | Increase          | Increase |

**Result indicator 2: Intra-EU trade in services**

**Explanation:** This indicator measures the intra-EU trade in services as a percentage of gross domestic product (GDP). The indicator excludes transport and financial services

<sup>10</sup> This baseline will be available with the next update of the regular publication

|  |  |   |
|--|--|---|
| <b>Source of data:</b> Eurostat, Balance of payments (Eurostat online data code: bop_gdp6_q)   |  |   |
| <b>Baseline</b><br>(2018)  | <b>Interim milestone</b><br>(2022)                   | <b>Target</b><br>(2024)                   |
| tbd <sup>11</sup>  | Increase   | Increase                                  |
| <b>Specific objective 1.3: Indicator on simplification and burden reduction</b>  |  | Related to spending programme(s): No      |
| <b>Result indicator: Proportion of proposed legislative revisions that include burden reduction measures</b>   |  |   |
| <b>Explanation:</b> The indicator measures how the Commission upholds its commitment to ensure that proposals for legislative revisions incorporate burden reduction measures, in the broader context of REFIT programme and One-In, One-Out approach. The indicator shows how many proposed legislative revisions out of the total, for each relevant specific objective, include measures that concretely reduce burden. |  |   |
| <b>Source of data:</b> DG GROW   |  |   |
| <b>Baseline</b><br>(N/A)   | <b>Interim milestone</b><br>(2022)<br>Positive trend | <b>Target</b><br>(2024)<br>Positive trend |

|  |  |   |
|--|--|---|
| <b>Specific objective 1.4: EU Single Market rules are enforced more efficiently</b>  |  | Related to spending programme(s): No      |
| <b>Result indicator: Average duration of infringement procedures under GROW responsibility</b>   |  |   |
| <b>Explanation:</b> The average duration refers to pending infringement cases not yet sent to the Court (pre-litigation stage) as of 1 December of a given year. The average duration is calculated in months as from the sending of the letter of formal notice. The infringement cases initiated for non-communication of national transposition measures are excluded from the calculation.                             |  |   |
| <b>Source of data:</b> DG GROW + NIF database  |  |   |
| <b>Baseline</b><br>1/12/2019   | <b>Interim milestone</b><br>1/12/2022                | <b>Target</b><br>1/12/2024                |
| 18.2 months  | Maximum 24 months*                                   | Maximum 18 months                         |
| * The interim milestone is longer than the indicator in the baseline as it takes into account the impact of the COVID-19 crisis on the handling of infringements.  |  |   |
| <b>Specific objective 1.4: Indicator on simplification and burden reduction</b>  |  | Related to spending programme(s): No      |
| <b>Result indicator: Proportion of proposed legislative revisions that include burden reduction measures</b>   |  |   |
| <b>Explanation:</b> The indicator measures how the Commission upholds its commitment to ensure that proposals for legislative revisions incorporate burden reduction measures, in the broader context of REFIT programme and One-In, One-Out approach. The indicator shows how many proposed legislative revisions out of the total, for each relevant specific objective, include measures that concretely reduce burden. |  |   |
| <b>Source of data:</b> DG GROW   |  |   |
| <b>Baseline</b><br>(N/A)   | <b>Interim milestone</b><br>(2022)<br>Positive trend | <b>Target</b><br>(2024)<br>Positive trend |

<sup>11</sup> This baseline will be available with the next update of the regular publication

## General objective 2: A European Green Deal

### Impact indicator 1: Size of the green economy

**Explanation:** The environmental goods and services sector comprises parts of the economy that generate environmental products, i.e. those produced for environmental protection or resource management. Gross value-added represents the contribution made by the production of environmental goods and services to the gross domestic product in million euros.

**Source of data:** Eurostat (Eurostat online data code: [env\\_ac\\_egss3](#))

| Baseline<br>(2016) | Interim milestone<br>(2022) | Target<br>(2025) |
|--------------------|-----------------------------|------------------|
| 11.2%              | Increase                    | Increase         |

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

Related to spending programme(s): No

#### Result indicator: Share of circular materials

**Explanation:** The indicator measures the share of material recovered and fed back into the economy - thus saving extraction of primary raw materials - in overall material use. The circular material use rate is defined as the ratio of the circular use of materials to the overall material use.

**Source of data:** Eurostat (Eurostat online data code: [sdg\\_12\\_41](#))

| Baseline<br>(2016) | Interim milestone<br>(2022) | Target<br>(2024) |
|--------------------|-----------------------------|------------------|
| 11.2%              | Increase                    | Increase         |

### Specific objective 1.1: Indicator on simplification and burden reduction

Related to spending programme(s): No

#### Result indicator: Proportion of proposed legislative revisions that include burden reduction measures

**Explanation:** The indicator measures how the Commission upholds its commitment to ensure that proposals for legislative revisions incorporate burden reduction measures, in the broader context of REFIT programme and One-In, One-Out approach. The indicator shows how many proposed legislative revisions out of the total, for each relevant specific objective, include measures that concretely reduce burden.

**Source of data:** DG GROW

| Baseline<br>(N/A) | Interim milestone<br>(2022)<br>Positive trend | Target<br>(2024)<br>Positive trend |
|-------------------|---|------------------------------------|
|                   |   |                                    |

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