



European
Commission

Management Plan 2020

DG COMPETITION

Contents

INTRODUCTION 3

PART 1. Delivering on the Commission’s priorities: main outputs for the year 4

 General objective 1: A European Green Deal 4

 General objective 2: A Europe fit for the digital age 8

 General objective 3: An economy that works for people 21

PART 2. Modernising the administration: main outputs for the year 26

 A. Human resource management 26

 B. Sound financial management 29

 C. Fraud risk management 30

 D. Digital transformation and information management 30

 E. Sound environmental management 33

 F. Example of initiatives to improve economy and efficiency of financial and non-financial activities 34

ANNEX: Performance tables 35

INTRODUCTION

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

This Management Plan defines the most important outputs DG Competition will deliver in 2020 to achieve the objectives set out in its Strategic Plan 2020-2024. It follows the structure of the Strategic Plan and reflects the priority policy actions identified in the Commission Work Programme for 2020, as amended on 27 May 2020.¹

The planned outputs contribute to the Commission headline ambitions, in particular, “*A European Green Deal*”, “*A Europe fit for the digital age*” and “*An economy that works for people*”.² EU competition policy also strives to shape global economic governance by strengthening international cooperation in competition enforcement and making steps towards increased convergence of competition policy instruments across different jurisdictions.

EU competition policy contributes to the Commission’s efforts to respond to and overcome the covid-19 pandemic. The crisis has affected all branches of EU competition policy but in particular State aid control. On 19 March 2020, the Commission adopted a Temporary Framework³ in the State aid area to help target support to the economy, while limiting negative effects on the internal market. It provides for the maximum degree of flexibility allowed under State aid rules. In the European Council conclusions on 21 July 2020⁴, EU leaders agreed on a *Recovery package*, based on a proposal by the Commission, and on the *Multiannual Financial Framework 2021-2027* that will help the EU to recover from the covid-19 crisis and make the Member States’ economies more resilient and better prepared for the challenges posed by the green and digital transitions.

Even in the time of crisis, it must be recalled, however, that a strong and effective EU competition policy is a cornerstone of the EU securing a functioning single market. Therefore, the Commission will in 2020 continue to ensure that EU competition policy is fit for the challenges ahead and enforced rigorously.

¹ Adjusted Commission Work Programme 2020 COM(2020) 440 final, 27.05.2020, see https://ec.europa.eu/info/sites/info/files/cwp-2020-adjusted_en.pdf https://ec.europa.eu/info/sites/info/files/cwp-2020-adjusted-annexes_en.pdf.

² Ursula von der Leyen, “A Union that strives for more. My agenda for Europe” Political Guidelines for the next European Commission 2019-2024, Opening Statement in the European Parliament Plenary Session, 16 July 2019. See https://ec.europa.eu/commission/sites/beta-political/files/political-guidelines-next-commission_en.pdf.

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

⁴ See <https://www.consilium.europa.eu/media/45109/210720-euco-final-conclusions-en.pdf>.

PART 1. Delivering on the Commission’s priorities: main outputs for the year

General objective 1: A European Green Deal

In December 2019, the Commission adopted the [European Green Deal Communication](#)⁵ outlining policy initiatives needed to reach net-zero greenhouse gas emissions in the EU by 2050 and to tackle other environment-related challenges.

All instruments of EU competition policy – antitrust, merger control and State aid – will through updated policy guidance and strengthened enforcement contribute to the European Green Deal and the plan for a future-ready economy and a climate-neutral EU by 2050. Indeed, the Commission’s [Recovery package](#) emphasises the crucial importance of the European Green Deal as “the EU’s growth strategy” and observes that the green transition has become even more important than before the covid-19 crisis.

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

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

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

It is [in particular the State aid rules](#) that will deal with the vast investments that the EU will need, to make Europe climate neutral by 2050. [State aid rules](#) enable Member States to steer investment towards objectives of common interest, such as aid for environmental protection, renewables and energy savings governed by [the Guidelines on State aid for environmental protection and energy 2014-2020 \(EEAG\)](#).⁶ The EEAG requires among other things competitive bidding for supported investments in renewables and has helped to significantly reduce the costs of renewable energy in recent years.

The Commission has launched an evaluation of the EEAG⁷ as part of a broader Fitness check⁸ of the State aid modernisation package (i.e. the wide overhaul of State aid rules in

⁵ Communication from the Commission to the European Parliament, the European Council, the Council, the European Economic and Social Committee and the Committee of the Regions *The European Green Deal*, COM/2019/640 final. See: https://ec.europa.eu/info/publications/communication-european-green-deal_en.

⁶ Guidelines on State aid for environmental protection and energy 2014-2020, OJ C 200, 28.6.2014, p. 1–55.

⁷ Communication from the Commission — Guidelines on State aid for environmental protection and energy 2014-2020, OJ C 200, 28.6.2014, p. 1–55. A public consultation was conducted and the responses were published in 2019 See: https://ec.europa.eu/competition/consultations/2019_eeag/index_en.html.

2012-2014) to assess and review the EEAG in view of market developments (such as the nature and extent of market failures). To allow a proper assessment of their fitness, their validity has been extended beyond 2020. The review will reflect the policy objectives of the European Green Deal, in particular the need to support further decarbonisation across the economy with a view to a faster and sustainable recovery.

As part of the Fitness check, [the General Block Exemption Regulation \(GBER\)](#)⁹ is also assessed in order to bring it in line with the European Green Deal. The GBER allows the Member States – without the Commission’s approval – to provide significant support for environmental protection, renewables and energy savings as well as for other horizontal objectives in the common interest. The GBER thus shortens the lead-time for investments in support of the European Green Deal targets, which will facilitate the recovery.

Policy action in support of the green transition also needs to prevent carbon leakage. To that end, the Commission will finalise this year its review of the State aid [Guidelines for Emission Trading Scheme \(ETS Guidelines\)](#),¹⁰ which define the conditions under which State aid can be used to help energy-intensive industries to cope with higher electricity costs resulting from the EU’s emissions trading system, while maintaining incentives for green investments and ensuring a level playing field in the internal market. The review aims to ensure that the Guidelines are adapted to EU’s Emissions Trading Scheme for 2021-2030.¹¹

In addition, the assessment of a number of other State aid rules can contribute to the European Green Deal. These concern, among other, [the Railways guidelines](#),¹² [the Aviation Guidelines](#)¹³ and the rules on important projects of common European interest (IPCEIs).¹⁴

⁸ The fitness check covers: the ‘De minimis’ Regulation; the Regional aid Guidelines; the Research, Development and Innovation (RDI) Framework; the Communication on State aid for important projects of common European interest (IPCEI Communication); the Risk finance, Airport and aviation Guidelines; the Energy and Environmental Aid Guidelines (EEAG); the Rescue and restructuring Guidelines; the Railways Guidelines; as well as the Short term export credit Communication (the two latter were not included in the 2012 State Aid Modernisation package). See https://ec.europa.eu/info/law/better-regulation/initiatives/ares-2018-6623981_en. See Commission press release at https://ec.europa.eu/commission/presscorner/detail/en/ip_20_1247. Communication from the Commission concerning the prolongation and the amendments of the Guidelines on Regional State Aid for 2014-2020, Guidelines on State Aid to Promote Risk Finance Investments, Guidelines on State Aid for Environmental Protection and Energy 2014-2020, Guidelines on State aid for rescuing and restructuring non-financial undertakings in difficulty, Communication on the Criteria for the Analysis of the Compatibility with the Internal Market of State Aid to Promote the Execution of Important Projects of Common European Interest, Communication from the Commission – Framework for State aid for research and development and innovation and Communication from the Commission to the Member States on the application of Articles 107 and 108 of the Treaty on the Functioning of the European Union to short-term export-credit insurance 2020/C 224/02, OJ C 224, 8.7.2020, p. 2–4. Available at https://eur-lex.europa.eu/legal-content/EN/TXT/?uri=uriserv:OJ.C_2020.224.01.0002.01.ENG&toc=OJ:C:2020:224:FULL.

⁹ Commission Regulation (EU) No 651/2014 of 17 June 2014 declaring certain categories of aid compatible with the internal market in application of Articles 107 and 108 of the Treaty.

¹⁰ Communication from the Commission — Guidelines on certain State aid measures in the context of the greenhouse gas emission allowance trading scheme post-2012 (SWD(2012) 130 final) (SWD(2012) 131 final), OJ C 158, 5.6.2012, p. 4–22. See: https://ec.europa.eu/info/law/better-regulation/initiatives/ares-2018-6600267/public-consultation_en and https://ec.europa.eu/competition/consultations/2020_ets_stateaid_guidelines/index_en.html.

¹¹ Directive (EU) 2018/410 of the European parliament and of the Council of 14 March 2018 amending Directive 2003/87/EC to enhance cost-effective emission reductions and low-carbon investments, and Decision (EU) 2015/1814, OJ L 76, 19.3.2018, p. 3-27.

¹² Communication from the Commission on interpretative guidelines concerning Regulation (EC) No 1370/2007 on public passenger transport services by rail and by road, OJ C 92 of 29.03.2014, p. 1-21.

¹³ Communication from the Commission Guidelines on State aid to airports and airlines, OJ C 99, 4.4.2014, p. 3.

IPCEIs is a way for governments from different EU countries to come together with business to support breakthrough innovation and to share the results widely throughout Europe.

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

In the area of [antitrust](#), the European Green Deal objectives will, where relevant, also be factored into the ongoing reviews of the [Vertical Block Exemption Regulation](#) (VBER) and [Horizontal Block Exemption Regulations](#) (HBER) as well as their accompanying [guidelines](#).¹⁵

Strengthening competition enforcement in support of the European Green Deal

[Enforcement action](#) in the antitrust, merger control and State aid areas can also contribute to the Green Deal objectives in 2020.

In 2020, in the area of [State aid control](#), the Commission will continue to review and authorise State measures promoting the deployment of renewables, improving energy efficiency, stimulating demand for low emission vehicles for public and private transport, and reducing CO2 emissions. It may for example approve aid for charging infrastructure and retrofitting of diesel vehicles.

Where market failures exist, it may – in line with the European Green Deal objectives – improve projects involving several Member States under the framework for Important Projects of Common European Interest (IPCEI).¹⁶ More specifically, and as set out in the Industrial strategy communication of 10 March 2020, a new European Clean Hydrogen Alliance will be launched to steer and coordinate the rapid upscaling of clean hydrogen production and use in Europe, which may include the design of one or more ICPEIs in this area.

In addition, [antitrust enforcement](#) can target private behavior potentially aimed at restricting competition in the development of clean technologies. In 2020, the Commission will, among other things, continue its investigation of BMW, Daimler and VW (Volkswagen, Audi, Porsche) for their potential breach of EU antitrust rules by allegedly colluding to limit the development and roll-out of emission cleaning technology for new diesel and petrol passenger cars sold in the EEA.¹⁷

¹⁴ Communication from the Commission — Criteria for the analysis of the compatibility with the internal market of State aid to promote the execution of important projects of common European interest, OJ C 188, 20.6.2014, p. 4–12.

¹⁵ See pages 9–10.

¹⁶ In 2019, the Commission approved IPCEI in the batteries value chain (from materials, chemicals, cells, modules and packs to recycling and reuse), with seven participating Member States (Belgium, Finland, France, Germany, Italy, Poland and Sweden). The project will be pursued under the Commission's mandate and beyond with a planned completion date for 2031 (with differing timelines for each sub-project). The total State aid approved is nearly EUR 3.2 billion, with approximately EUR 5 billion in additional private investments.

¹⁷ See https://ec.europa.eu/commission/presscorner/detail/en/IP_19_2008.

At the same time, antitrust enforcement action can tackle or deter conduct aimed at foreclosing access to infrastructure essential for the circular economy, or gas and electricity markets. For example, recent antitrust enforcement has addressed the curtailment of interconnector capacity for cross-border flows.

In the gas sector, enforcement has targeted territorial restrictions in supply contracts and other export restrictions which may have led to the segmentation of certain geographic markets. In 2020, the Commission will continue its investigation in the LNG markets¹⁸, to assess whether the long-term agreements of Qatar Petroleum, the largest supplier of LNG to the EU, contain territorial restrictions.

Antitrust enforcement will continue paying particular attention to ensure that energy trading is not distorted with the objective of allowing an efficient use of all available resources and fostering even more cross-border exchanges of energy. The Commission will also continue its investigation of ethanol producers suspected of having colluded to manipulate ethanol benchmarks published by the price reporting agency Platts.¹⁹ Enforcement actions relating to, inter alia, car emissions or rail can also contribute to the greening of the industry and economy.

EU merger control²⁰ aims to prevent mergers from showing anti-competitive effects in the internal market. In its assessment, the Commission pays particular attention to protecting competition for the benefit of customers, be they businesses or consumers, not least by paying particular attention to ensuring post-merger innovation in the market. In the context of the European Green Deal, particular vigilance is required to ensure that mergers do not create excessive market power, eliminate promising emerging entrants or lead to foreclosure in areas that are central to the green transition, such as renewables and infrastructure essential for recycling and other aspects of the circular economy.

In 2020, the Commission will likely continue to assess transactions involving renewable electricity generation, given the recent sustained pattern of investments in such assets by non-energy companies, including investment funds, as well as by energy companies not previously involved in renewables. In the emerging and ever growing circular economy markets merger control needs to ensure that existing monopolies or dominant positions do not become entrenched, stifling innovation in business models addressing new consumer needs and behaviours.

¹⁸ Case AT. 40416 *LNG supply to Europe*, Commission decision of 21 June 2018. See: https://ec.europa.eu/competition/elojade/isef/case_details.cfm?proc_code=1_40416.

¹⁹ Case AT.50054 – Abengoa Alcogroup.

²⁰ Council Regulation (EC) No 139/2004 of 20 January 2004 on the control of concentrations between undertakings (the EC Merger Regulation), OJ L 24, 29.1.2004, p. 1-22.

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

Against this background, EU competition policy, through its updated competition rules, policy guidance and strengthened enforcement will contribute, in 2020, to several major initiatives and objectives forming part of the European Green Deal, such as the [Climate Law](#)²¹, the [post-2020 Emissions Trading System](#), the [Circular Economy Action Plan](#),²² the [Just Transition Fund](#)²³, the [Farm to Fork Strategy](#)²⁴ and the [Strategy for sustainable and smart mobility](#)²⁵.

General objective 2: A Europe fit for the digital age

As set out in the Mission letter of Executive Vice-President Vestager, Europe must focus on maintaining the digital leadership where it has it, catching up where it lags behind and moving first on new-generation technologies. In striving for digital leadership, focus must be on [making markets work better for consumers, businesses and society, and support industry to adapt to globalisation and the twin green and digital transition](#). In support of this ambition, the Commission, at the beginning of its mandate, adopted the [Shaping Europe's Digital future Strategy](#)²⁶ and the [New Industrial Strategy](#).²⁷

The foundations of EU competition law are as relevant for digital industries as for industries which are not yet digital.²⁸ At the same time, it is important that competition rules remain fit for a world that is changing fast through digitisation. With this in mind, the Commission is evaluating and reviewing a significant number of its rules in the area of competition policy to ensure that they meet the challenges ahead and provide legal certainty to stakeholders.

A strong and effective EU competition policy is a cornerstone of the EU securing a functioning single market and a level playing field for businesses to thrive in. The

²¹ Proposal for a Regulation of the European Parliament and of the Council establishing the framework for achieving climate neutrality and amending Regulation (EU) 2018/1999 (European Climate Law) of 4 March 2020, see https://ec.europa.eu/info/sites/info/files/commission-proposal-regulation-european-climate-law-march-2020_en.pdf.

²² Commission Communication A New Circular Economy Action Plan for a cleaner and more competitive Europe COM(2020) 98 final 11.03.2020. See <https://eur-lex.europa.eu/legal-content/EN/TXT/?qid=1583933814386&uri=COM:2020:98:FIN>.

²³ Proposal for a Regulation of the European Parliament and of the Council establishing the Just Transition Fund, of 14.01.2020, COM(2020) 22 final 2020/0006 (COD). See <https://ec.europa.eu/info/law/better-regulation/have-your-say/initiatives/12113-Fast-track-interservice-consultation-on-the-SEIP-including-a-JTM-and-the-JTF->.

²⁴ Communication from the Commission A Farm to Fork Strategy for a fair, healthy and environmentally-friendly food system COM(2020) 381 final, 20.05.2020. Annex https://eur-lex.europa.eu/resource.html?uri=cellar:ea0f9f73-9ab2-11ea-9d2d-01aa75ed71a1.0001.02/DOC_2&format=PDF.

²⁵ Communication from the Commission Strategy for sustainable and smart mobility (Commission Work Programme 2020, planned for Q4 2020).

²⁶ Commission Communication Shaping Europe's Digital future, 19 February 2020. See https://ec.europa.eu/info/sites/info/files/communication-shaping-europes-digital-future-feb2020_en_4.pdf.

²⁷ A new Industrial Strategy for a globally competitive, green and digital Europe COM(2020) 102 final, 10.03.2020, see https://ec.europa.eu/info/sites/info/files/communication-eu-industrial-strategy-march-2020_en.pdf.

²⁸ OECD Factsheet on how competition policy affects macro-economic outcomes (October 2014), p. 2, <http://www.oecd.org/daf/competition/2014-competition-factsheet-iv-en.pdf>.

enforcement actions in 2020 will encompass a wide range of sectors important for EU citizens, businesses and the EU economy, whether digital or not.

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

In 2020, DG Competition will continue its substantive policy review agenda in the area of antitrust policy as well as merger control and State aid control to provide updated rules and policy guidance to the stakeholders.²⁹

Review of antitrust rules and guidance

Current competition and internal market rules cannot address all the systemic problems that may arise in the platform economy and beyond. For that reason, and in parallel with the Digital Services Act, the Commission is consulting stakeholders on a possible [New Competition Tool](#)³⁰ in the field of antitrust policy, accompanied by an impact assessment in 2020. The initiative addresses gaps in the current EU competition rules, which have been identified based on the enforcement experience of the Commission in digital and other markets, as well as the worldwide reflection process about the need for changes to the current competition law framework to allow for enforcement action preserving the competitiveness of markets. The rationale is that digital markets present characteristics that can partly also be found in other markets but the effect of which is typically much more pronounced in a digital environment, thus resulting more frequently in competition concerns and a greater need for enforcement action.

Digital platforms can also change the way that people work. They can provide access to work, and flexibility in doing it; but they can also leave those workers isolated and vulnerable. The purpose of EU competition rules is not to stand in the way of collective bargaining for those that need it. The Commission will assess [options for a framework](#)³¹ clarifying that those who need to, can negotiate collectively, even if they are classified as [self-employed](#), without fear of breaking the competition rules.

In 2020, the Commission is submitting a [Report on the impact of Regulation \(EU\) 2015/751 on interchange fees for card-based payment transactions](#) (“the IFR”) to the European Parliament and to the Council. The IFR came into effect in December 2015 and aimed at promoting a single market for card payments and preventing competition restrictions. While highlighting the major positive results already achieved, it will also indicate the areas where further monitoring and data gathering is necessary before deciding on the necessity of a legislative proposal to review the IFR.

²⁹ It must be noted that, apart from the initiative of levelling the playing field as regards foreign subsidies and the New Competition Tool, all current Commission policy initiatives in the area of competition policy intend to achieve burden reduction (Refit).

³⁰ See the Commission press release, available at https://ec.europa.eu/commission/presscorner/detail/en/ip_20_977, and <https://ec.europa.eu/info/law/better-regulation/have-your-say/initiatives/12416-New-competition-tool>

³¹ See scope of the application of EU competition rules to collective bargaining agreements, Commission press release of 30 June 2020, at https://ec.europa.eu/commission/presscorner/detail/en/IP_20_1237

In 2020, evaluation of the [rules governing horizontal and vertical agreements](#) will continue with a view to deciding whether the current rules, which expire in May and December 2022 respectively, should be lapsed, prolonged or revised in light of notably new market developments.

The EU competition rules on horizontal agreements³² include two Block Exemption Regulations for horizontal co-operation agreements that exempt, respectively, certain research and development, as well as specialisation agreements from the application of Article 101 TFEU. The accompanying Guidelines on Horizontal cooperation agreements (Horizontal Guidelines) provide further guidance to help companies in their efforts to engage in competition law compliant cooperation agreements. The Horizontal Guidelines also give detailed recommendations on matters such as information exchanges, joint purchasing, joint commercialisation and standardisation.

The EU competition rules on vertical agreements³³ include a Vertical Block Exemption Regulation (VBER) and of the accompanying Guidelines on Vertical Restraints (Vertical Guidelines). The VBER review considers among others new market trends and developments with regard to supply and distribution agreements since the adoption of the current rules, including increasing online sales and the emergence of new market players such as online platforms.

The Commission will also continue its [evaluation of the Motor Vehicle Block Exemption Regulation \(MVBER\)](#)³⁴, which will expire in May 2023.

The [Notice on the relevant market in competition cases](#)³⁵ (Market Definition Notice) is also covered by an evaluation, which will continue in 2020. The Market definition notice provides guidance as to how the Commission applies the concept of relevant product and geographic market in its enforcement of EU competition law. The main objective of the evaluation is to analyse to what extent the Notice is up-to-date and reflects market realities across different industries in antitrust and merger assessment.

³² Commission Regulation No 1217/2010 of 14 December 2010 on the application of Article 101(3) of the Treaty on the functioning of the European Union to categories of research and development agreements, OJ L 335, 18.12.2010, p. 36; Commission Regulation No 1218/2010 of 14 December 2010 on the application of Article 101(3) of the Treaty to categories of specialisation agreements, OJ L 335, 18.12.2010, p. 43. Communication from the Commission - Guidelines on the applicability of Article 101 of the Treaty on the Functioning of the European Union to horizontal co-operation agreements, OJ C 11, 14.1.2011, p. 1.

³³ Commission Regulation (EU) No 330/2010 of 20 April 2010 on the application of Article 101(3) of the Treaty on the Functioning of the European Union to categories of vertical agreements and concerted practices, OJ L 102, 23.4.2010, p. 1. Commission Notice - Guidelines on Vertical Restraints, OJ C 130, 19.05.2010, p. 1.

³⁴ Commission Regulation 461/2010 on the application of Article 101(3) of the Treaty on the Functioning of the European Union to categories of vertical agreements and concerted practices in the motor vehicle sector, OJ L 129, 28.5.2010, p. 52. See also at <https://ec.europa.eu/info/law/better-regulation/have-your-say/initiatives/2008-Evaluation-of-the-Motor-Vehicle-Block-Exemption-Regulation>.

³⁵ Commission Notice on the definition of relevant market for the purposes of Community competition law, OJ C 372, 9.12.1997, p. 5–13. See also at <https://ec.europa.eu/info/law/better-regulation/have-your-say/initiatives/12325-evaluation-of-the-commission-notice-on-market-definition-in-eu-competition-law/public-consultation>.

In the context of the covid-19 outbreak, the [Commission's Temporary Framework Communication in the antitrust area](#)³⁶ sets out the main criteria that the Commission will follow when assessing cooperation projects, aims at addressing a shortage of supply of essential products and services during the coronavirus outbreak. The Communication also foresees the possibility of providing companies with written comfort via ad hoc “[comfort letters](#)” on specific cooperation projects falling within the scope of the Temporary Framework.

In response to the covid-19, the [European Competition Network](#) (comprising the Commission and the National Competition Authorities) also published a [joint statement](#)³⁷ in March 2020 outlining the basic orientation of how the European Competition Network and the EFTA Surveillance Authority intended to apply the antitrust rules during the crisis. The competition agencies made it clear that they would not actively intervene against necessary and temporary measures aimed at tackling shortages of supply as they were likely to be unproblematic. The joint statement however warned that the crisis should not be used as a disguise for anticompetitive practices unrelated to covid-19.

On 4 December 2018, the European Parliament and the Council adopted the [Directive to empower Member States' competition authorities to be more effective enforcers](#) (the so-called ECN+ Directive). The ECN+ Directive will ensure that when applying the same legal provisions - the EU antitrust rules - national competition authorities have the appropriate enforcement tools to create a genuine common competition policy enforcement area. To that end, the Directive provides for minimum guarantees of independence and resources, as well as the tools needed to effectively detect, stop and sanction infringements of the EU competition rules. Member States must transpose the Directive into national law before the end of a two-year implementation period. In 2020, the Commission will [monitor the transposition process and assist the Member States](#) when they transpose the Directive into national law.

Moreover, in 2020, DG Competition will continue to foster, organise and animate multilateral work in the [European Competition Network](#) at different levels.

Review of EU merger control rules and guidance

In 2020, the Commission will work towards finalising its [evaluation of selected procedural and jurisdictional aspects of EU merger control](#),³⁸ in accordance with the Better Regulation framework. The evaluation focusses on four topics, namely (i) possible further simplification of EU merger control, (ii) the functioning of the jurisdictional thresholds, (iii) the functioning of the referral system, and (iv) specific technical aspects of the procedural and investigative framework for the assessment of mergers. In particular, the Commission

³⁶ Communication from the Commission Temporary Framework for assessing antitrust issues related to business cooperation in response to situations of urgency stemming from the current COVID-19 outbreak (2020/C 116 I/02), 08.04.2020, OJ C 116, p.7. See also <https://ec.europa.eu/competition/antitrust/coronavirus.html>

³⁷ See https://ec.europa.eu/competition/ecn/202003_joint-statement_ecn_corona-crisis.pdf.

³⁸ See https://ec.europa.eu/smart-regulation/roadmaps/docs/2017_comp_003_evaluation.pdf.

is considering to explore strengthening the use of Article 22 referrals to capture potentially problematic transactions below the turnover-based thresholds, and to make EU merger control more flexible, agile, and less burdensome.

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

Review of State aid control rules and guidance

Broadband infrastructure is key to meeting the EU's digitisation objectives. It is essential to invest in broadband infrastructure that meets the needs for very high digital speeds, capacities, and quality. Public funding may, however, be required to ensure that rural, remote and other underserved areas, where private providers are unlikely to invest, can also benefit from new technologies.

Where there is no incentive for commercial operators to provide sufficient broadband coverage, the current EU State aid Broadband guidelines³⁹ allow the Commission to authorise State aid on the condition that it brings about a so-called step change, i.e. a significant improvement. State aid control thus contributes to the rollout of performant broadband networks in the EU.

Against this background, the Commission has launched an [evaluation of the Broadband guidelines](#), which will take account of recent market developments as well as the Commission's policy objectives for a Gigabit society⁴⁰. The covid-19 outbreak has only underlined the wider economic and social importance of high-speed internet infrastructure and connections.

In 2020, DG Competition [continues to evaluate the State aid rules adopted as part of the State Aid Modernisation](#) (Fitness check).⁴¹ To allow sufficient time to finalise the evaluation and incorporate future changes, the Commission has prolonged⁴² the validity of those State aid rules which expire by the end of 2020.

³⁹ EU Guidelines for the application of state aid rules in relation to the rapid deployment of broadband networks, OJ C25, 26.01.2013, p.1.

⁴⁰ See the Commission's Gigabit Communication of 2016, in which the roll-out of very high capacity networks was set as one of the Commission's strategic priorities; available at <https://ec.europa.eu/digital-single-market/en/news/communication-connectivity-competitive-digital-single-market-towards-european-gigabit-society>

⁴¹ See https://ec.europa.eu/info/law/better-regulation/initiatives/ares-2018-6623981_en.

⁴² Commission Regulation (EU) 2020/972 of 2 July 2020 amending Regulation (EU) No 1407/2013 as regards its prolongation and amending Regulation (EU) No 651/2014 as regards its prolongation and relevant adjustments (Text with EEA relevance) C/2020/4349 OJ L 215, 7.7.2020, p. 3–6. See Commission press release at https://ec.europa.eu/commission/presscorner/detail/en/ip_20_1247. Communication from the Commission concerning the prolongation and the amendments of the Guidelines on Regional State Aid for 2014–2020, Guidelines on State Aid to Promote Risk Finance Investments, Guidelines on State Aid for Environmental Protection and Energy 2014–2020, Guidelines on State aid for rescuing and restructuring non-financial undertakings in difficulty, Communication on the Criteria for the Analysis of the Compatibility with the Internal Market of State Aid to Promote the Execution of Important Projects of Common European Interest, Communication from the Commission – Framework for State aid for

The Fitness check also covers the de minimis regulation⁴³; the Regional aid guidelines⁴⁴; the Research and development framework⁴⁵; the IPCEI communication; the Risk finance guidelines⁴⁶; the Airport and aviation guidelines⁴⁷; the Environmental and energy guidelines; the Rescue and restructuring guidelines⁴⁸ as well as the GBER. The Railways guidelines⁴⁹ and Short-term export credit communication, which did not form part of the 2012-2014 State aid modernisation, are also included in the Fitness check. The latter Communication was revised to provide for more flexibility in response to the covid-19 outbreak⁵⁰.

EU state aid rules also enable Member States to pool their resources, and fund innovation that benefits the entire Union. [The rules on important projects of common European interest \(IPCEIs\)](#)⁵¹ have opened the way for governments from different EU countries to come together with business to support breakthrough innovation and to share the results widely throughout Europe. A review and update of those rules will be continued in 2020 in view of it being concluded by the end of 2021. This review is also indicated in the Industrial Strategy Communication.⁵²

Following the reorganisation of the Commission at the start of the mandate, DG Competition assumed responsibility for State aid in the agricultural and fisheries sectors. [The Agricultural, forestry and rural guidelines](#)⁵³, [the Agricultural block exemption regulation](#)⁵⁴, [the Fishery guidelines](#)⁵⁵, [the Fishery block exemption regulation](#)⁵⁶ and [the Fishery de minimis regulation](#)⁵⁷ are also being evaluated and the work continues in 2020.

research and development and innovation and Communication from the Commission to the Member States on the application of Articles 107 and 108 of the Treaty on the Functioning of the European Union to short-term export-credit insurance 2020/C 224/02, OJ C 224, 8.7.2020, p. 2–4. Available at https://eur-lex.europa.eu/legal-content/EN/TXT/?uri=uriserv:OJ.C_2020.224.01.0002.01.ENG&toc=OJ:C:2020:224:FULL. See also https://ec.europa.eu/info/law/better-regulation/initiatives/ares-2018-6623981_en.

⁴³ Commission Regulation (EU) No 1407/2013 of 18 December 2013 on the application of Articles 107 and 108 of the Treaty on the Functioning of the European Union to de minimis aid Text with EEA relevance, OJ L 352, 24.12.2013, p. 1–8.

⁴⁴ Guidelines on regional State aid for 2014–2020. The new Guidelines have entered into force on 1 July 2014, Official Journal C209, 23.07.2013.

⁴⁵ Framework for State aid for research and development and innovation, OJ C 198 of 27.06.2014, p. 1.

⁴⁶ Guidelines on risk finance aid for 2014–2020, OJ C19, 22.01.2014, p. 4–34.

⁴⁷ Guidelines on State aid to airports and airlines OJ C 99, 4.4.2014, p. 3.

⁴⁸ Guidelines on State aid for rescuing and restructuring non-financial undertakings in difficulty, OJ C 249, 31.07.2014, p. 1.

⁴⁹ Community guidelines on State aid for railway undertakings, OJ C184 of 22/07/2008, p. 13.

⁵⁰ Revised Short-term Export Credit Communication (OJ C 1011, 28.3.2020, p. 1–3). The revision involved considered all commercial and political risks associated with exports to the countries listed in the Annex to the Communication (including all Member States) as temporarily non-marketable until 31 December 2020, in line with the duration of Temporary Framework.

⁵¹ Communication from the Commission — Criteria for the analysis of the compatibility with the internal market of State aid to promote the execution of important projects of common European interest, OJ C 188, 20.6.2014, p. 4–12.

⁵² *A New Industrial Strategy for Europe*, see https://ec.europa.eu/info/sites/info/files/communication-eu-industrial-strategy-march-2020_en.pdf.

⁵³ European Union guidelines for State aid in the agricultural and forestry sectors and in rural areas 2014 – 2020 (consolidated version), OJ C 204, 1.7.2014, p. 1.

⁵⁴ Commission Regulation (EU) No 702/2014 of 25 June 2014 declaring certain categories of aid in the agricultural and forestry sectors and in rural areas compatible with the internal market in application of Articles 107 and 108 of the Treaty on the Functioning of the European Union (consolidated version), OJ L 193, 1.7.2014, p. 1.

⁵⁵ Guidelines for the examination of State aid to the fishery and aquaculture sector (consolidated version), OJ C 217, 2.7.2015, p. 1.

As envisaged in the President's Mission letter to Executive Vice-President Vestager and the Industrial Strategy Communication, the Commission will, in 2020, continue to explore how best to strengthen anti-subsidies mechanisms and tools to better tackle the distortive effects of foreign state ownership and subsidies in the internal market. In this context, the Commission published a [White Paper on an instrument on foreign subsidies](#) on 17 June 2020⁵⁸ and envisages presenting a legislative proposal in 2021.

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

A strong and effective EU competition policy is a cornerstone of the EU securing a functioning single market. The competition enforcement actions in 2020 will target a wide range of sectors important for EU citizens, businesses and the EU economy, whether digital or not yet digital, thereby promoting open and efficient markets also in the current economic conditions. To speed up the recovery, effective enforcement of EU competition rules will be particularly important, as according to a large body of findings in economic literature, competition enforcement contributes to growth⁵⁹.

Antitrust enforcement

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

On 16 July 2020, the European Commission launched an antitrust [sector inquiry into the sector of Internet of Things \(IoT\) for consumer-related products and services](#) in the European Union.⁶⁰ The sector inquiry will focus on consumer-related products and services that are connected to a network and can be controlled at a distance, for example via a voice assistant or mobile device. These include smart home appliances and wearable

⁵⁶ Commission Regulation (EU) No 1388/2014 of 16 December 2014 declaring certain categories of aid to undertakings active in the production, processing and marketing of fishery and aquaculture products compatible with the internal market in application of Articles 107 and 108 of the Treaty on the Functioning of the European Union, OJ L 369, 24.12.2014, p. 37.

⁵⁷ Commission Regulation (EU) No 717/2014 of 27 June 2014 on the application of Articles 107 and 108 of the Treaty on the Functioning of the European Union to de minimis aid in the fishery and aquaculture sector OJ L 190, 28.6.2014, p. 45.

⁵⁸ See Commission press release, available at https://ec.europa.eu/commission/presscorner/detail/en/ip_20_1070 See Commission Work Programme 2020, as amended, 27.05.2020 at https://ec.europa.eu/info/publications/2020-commission-work-programme-key-documents_en.

⁵⁹ Notably, studies have shown the macroeconomic impacts of EU competition enforcement to be significant. For example, see Dierx, Adriaan and Fabienne Ilzkovitz (2019), "How to measure the direct benefits of competition policy interventions?", *Concurrences*, No. 1, pp. 46-51, which finds that EU competition policy enforcement in the cartel and merger areas supported growth, employment, while reducing inequalities between rich and poor households. The magnitude of the inclusive impact on growth and employment could be stressed. In a metastudy published in October 2014, the OECD reached similar conclusions in 2014 OECD Factsheet on how competition policy effects macroeconomic outcomes (October 2014), p. 4.

⁶⁰ See the Commission press release, available at https://ec.europa.eu/commission/presscorner/detail/en/ip_20_1326. The Commission is empowered to carry out sector inquiries in both the antitrust and State aid areas.

devices. Knowledge about the market gained through the inquiry will contribute to the Commission's enforcement of competition law in this sector.

The Commission will continue to investigate potential anti-competitive agreements and practices in [the e-commerce sector](#) that could be detrimental to the internal market and competition and follow up on concerns about "dual-role" platforms. This includes the on-going investigation to assess whether Amazon's use of sensitive data from independent retailers who sell on its marketplace is in breach of EU competition rules⁶¹, the investigation into Apple's App Store rules, cases in relation to the way that Facebook and Google obtain and use data in their products, a case relating to Facebook Marketplace and cases concerning *Google Local*⁶² and *Google Jobs*.⁶³

In 2020, the Commission will also continue its investigation concerning *Valve*, owner of *Steam*, the world's largest PC [video game](#) distribution platform, and five PC video game publishers *Bandai Namco*, *Focus Home*, *Koch Media* and *ZeniMax*.⁶⁴ The Commission is concerned that Valve and the five PC video game publishers may have agreed to use geo-blocked activation keys to prevent cross-border sales of PC video games.

In the area of [mobile network](#), the Commission will continue its investigation into a mobile network-sharing agreement between the two largest operators in Czechia, *O2/CETIN* and *T-Mobile*⁶⁵ to avoid that the arrangement could remove the incentives of the two mobile operators to improve their networks and services.

In [the insurance market](#), the Commission will continue its antitrust investigation to assess whether the access conditions to the *Insurance Link* data pooling system administered by Insurance Ireland is in breach of Article 101 TFEU.⁶⁶

In [the pharmaceutical and biotechnology sectors](#), antitrust enforcement will continue to tackle potentially abusive unilateral conduct or potentially anticompetitive agreements involving the blocking or delaying the entry of rival products, such as generic versions or biosimilars. In 2020, the Commission will continue investigating two cases relating to consumers' access to effective, innovative and affordable medicines. The first case concerns *Cephalon* and the market entry of generic modafinil (a sleeping disorder medicine)⁶⁷ and the second *Aspen Pharma*⁶⁸ and the pricing practices of a range of cancer

⁶¹ Case AT.40462 - *Amazon Marketplace*, Commission decision of 17 July 2019. See: https://ec.europa.eu/competition/elojade/isef/case_details.cfm?proc_code=1_40462.

⁶² Case AT.40585 *Google Local*.

⁶³ Case AT.40592 *Google Jobs*.

⁶⁴ Cases AT.40413 - *Focus Home*, AT.40414 - *Koch Media*, AT.40420 - *ZeniMax*, AT.40422 - *Bandai Namco* and AT.40424 - *Capcom*. See: https://europa.eu/rapid/press-release_IP-19-2010_en.htm.

⁶⁵ Case AT. 40305 *Network sharing – Czechia*, Commission decision of 7 August 2019. See: https://ec.europa.eu/competition/elojade/isef/case_details.cfm?proc_code=1_40305.

⁶⁶ Case AT. 40511 *Insurance Ireland: Insurance claims database and conditions of access*, Commission decision of 14 May 2019. See: https://ec.europa.eu/competition/elojade/isef/case_details.cfm?proc_code=1_40511.

⁶⁷ Case AT.39686 *Cephalon*, see: IP/17/2063 of 17 July 2017: http://europa.eu/rapid/press-release_IP-17-2063_en.htm and daily news of 8 June 2020: https://ec.europa.eu/commission/presscorner/detail/en/mex_20_1018

⁶⁸ Case AT.40394 *Aspen*. See: IP/17/1323 of 15 May 2017: http://europa.eu/rapid/press-release_IP-17-1323_en.htm and http://ec.europa.eu/competition/antitrust/cases/dec_docs/40394/40394_235_3.pdf.

medicines in all countries in the EEA except Italy.⁶⁹ EU competition policy is thus well placed to support the EU's pharmaceutical strategy, one of the key actions in the Industrial Strategy Communication.

In the area of [retailer buying alliances](#), the Commission will continue to investigate the business practices of retailers *Casino* and *Les Mousquetaires/Intermarché*.⁷⁰ The purpose of the retailer buying alliances is to pass on to consumers (downstream) the better prices obtained from their suppliers (upstream). However, retailers joining forces in buying alliances may not deliver such lower prices if they do not keep competing on downstream markets.

In the [aviation industry](#), the Commission will continue its investigations relating airline ticketing by Amadeus⁷¹ and Sabre⁷². The investigations concern terms in the agreements with airlines and travel agents which may restrict the ability of airlines and travel agents to use alternative suppliers of ticket distribution services.

On-going investigations by the Commission are always without prejudice to the final decision to be taken by the Commission in the case.

The Commission's enforcement actions will continue to be significantly supported by the national competition authorities within [the European Competition Network](#) whose enforcement has recently increasingly focused on digital economy cases, a development expected to continue. Approximately 90% of enforcement decisions derived from the application of Article 101 and 102 TFEU are adopted at national level.

In 2020, DG Competition will continue working with National Competition Authorities (NCAs) on individual cases with a view to ensuring a coherent and effective application of Articles 101 and 102 TFEU, among other things by scrutinising envisaged national decisions submitted to the Commission in accordance with Regulation 1/2003.

In recent years the Commission has increased the effectiveness of its antitrust enforcement, for example by inducing companies to [cooperate](#)⁷³. In 2020, the Commission will continue to examine means by which it could further increase the effectiveness and timeliness of competition law enforcement in the area of antitrust, for example in relation

⁶⁹ The Italian competition authority adopted an infringement decision against Aspen on 29 September 2016. (upheld in last instance by Council of State judgment of 20 February 2020).

⁷⁰ Case AT.40466. See: https://ec.europa.eu/commission/presscorner/detail/en/IP_19_6216.
Case 40617 Airline ticket distribution (Amadeus), see https://ec.europa.eu/competition/antitrust/cases/dec_docs/40617/40617_28_8.pdf.

⁷² Case 40618 Airline ticket distribution (Sabre),
See https://ec.europa.eu/competition/antitrust/cases/dec_docs/40618/40618_35_7.pdf.

⁷³ This voluntary practice which can lead to a reduction of the fine is similar to the cartel settlement procedure but applies outside the context of cartels. Another example is the "eLeniency" online tool launched in March 2019; eLeniency is designed to make it easier for companies and their legal representatives to submit statements and documents as part of leniency and settlement proceedings.

to [remedies and interim measures](#). Interim measures can be used in case there is a risk of “serious and irreparable damage to competition”⁷⁴.

Merger control

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

In 2020, the Commission will remain vigilant in order to ensure that [markets are kept open and competitive in the internal market](#) and effectively underpin the Commission's key priorities, even in the current economic circumstances. The Commission has put in place a number of measures to ensure business continuity in this policy area and has continued to ensure the implementation of the EU Merger Regulation.

State aid control

State aid control is an integral part of EU competition policy and a necessary safeguard to preserve effective competition and free trade in the internal market.⁷⁵

The outbreak of [covid-19 pandemic](#) has had an unprecedented economic impact world-wide and brought a number of economic sectors, in particular in services but also in manufacturing, to a temporary halt.⁷⁶ Member States have taken support measures for citizens or companies and some of these measures may entail State aid within the meaning of Article 107(1) TFEU. Therefore, a major part of the Commission's efforts in the area of State aid control in 2020 will be devoted to the support measures and measures accompanying the recovery from the crisis.

The Commission will continue [reviewing individual aid measures and schemes](#) by Member States as well as recovering illegal and incompatible aid from beneficiaries. The General

⁷⁴ See also Case AT.40608 – Broadcom. See: https://ec.europa.eu/commission/presscorner/detail/en/IP_19_6109. The decision imposing interim measures is currently under appeal before the General Court of the Court of Justice of the EU.

⁷⁵ The Treaty establishes the principle that State aid that distorts or threatens to distort competition is prohibited if it affects trade between Member States (Article 107(1) TFEU). However, State aid which contributes to well-defined objectives of common European interest without unduly distorting competition between undertakings and trade between Member States, may be considered compatible with the internal market (under Article 107(3) TFEU).

⁷⁶ Communication from the Commission Europe's moment: Repair and Prepare for the Next Generation COM(2020) 456 final, 27.05.2020, p. 3. The Commission estimates that tourism, the social economy and the creative and cultural ecosystems could see a more than 70% drop in turnover in the second quarter of 2020. Textile, transport, energy intensive industries and the renewable energy sector will also be hit hard. Ecosystems with higher consumer confidence, such as manufacturing, retail or health are likely to bounce back faster, while others may face a delayed economic hit.

Block Exemption Regulation (GBER)⁷⁷ has simplified aid-granting procedures for Member States by authorising without prior notification a wide range of unproblematic measures fulfilling EU objectives in the common interest. Only cases with the biggest potential to distort competition are still subject to notification. Approximately 89% of all measures fell under GBER in 2018.

Evaluation of the impact is required for large GBER schemes in certain aid categories⁷⁸ as well as for a selection of notified schemes under the new generation of State aid guidelines.⁷⁹ In 2020-2021, the Commission will conduct targeted monitoring and continues to analyse schemes covering a total of 15 Member States.⁸⁰ Most schemes monitored in 2019 concerned either large regional aid projects or Research, Development and Innovation (RDI) aid schemes under GBER or notified energy and broadband schemes.

The State aid [RDI Framework](#), using flexible and simple criteria for assessing the compatibility of State aid, facilitate the implementation of support for RDI projects by Member States. In 2020, the Commission will continue to ensure that aid schemes and individual measures notified or pre-notified under the RDI Framework are well targeted to projects enabling ground-breaking research and innovation activities.

EU state aid rules also enable Member States to pool their resources, and fund innovation that benefits the entire Union. The rules on important projects of common European interest ([IPCEIs](#))⁸¹ from 2014 open the way for governments from different EU countries to come together with business to support breakthrough innovation – and to share the results widely throughout Europe.

Those rules have already made two EU-wide projects possible, enabling the development of cutting-edge products such as low-power microchips, and more environmentally friendly batteries.

To ensure the integrity of the single market, the Commission has the power and the duty to request that Member States recover unlawful and incompatible aid which has unduly distorted competition and trade between Member States. The purpose of [recovery](#) is to re-establish the situation that existed on the market prior to the granting of the aid. The Commission will continue the recovery efforts also in 2020.

⁷⁷ Commission Regulation (EU) No 651/2014 of 17 June 2014 declaring certain categories of aid compatible with the internal market in application of Articles 107 and 108 of the Treaty on the Functioning of the European Union (TFEU), OJ L 187, 26.6.2014, p. 1.

⁷⁸ Schemes with an average annual State aid budget above EUR 150 million in the fields of regional aid, aid for SMEs and access to finance, aid for research and development and innovation, energy and environmental aid and aid for broadband infrastructures.

⁷⁹ Evaluation can apply to notified aid schemes with large budgets, containing novel characteristics or when significant market, technology or regulatory changes are foreseen.

⁸⁰ Czechia, Germany, Greece, Spain, France, Hungary, Ireland, Italy, Lithuania, Austria, Poland, Portugal, Finland, Sweden and the United Kingdom.

⁸¹ Communication from the Commission — Criteria for the analysis of the compatibility with the internal market of State aid to promote the execution of important projects of common European interest, OJ C 188, 20.6.2014, p. 4–12.

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

The main objective of the Commission's international activities in the competition field is to [advocate a global competition culture](#), promoting competition conditions allowing companies to compete on the merits on fair and equal terms across the world. The Commission also [seeks to reinforce the role of competition policy in international organisations](#) and [cooperates with agencies globally](#) also contributing to the “A stronger Europe in the world” headline ambition.⁸²

Multilateral relations

In 2020, the Commission will continue its endeavours to improve international rules for subsidies. Reforming the [subsidy rules](#) is one of the EU's main priorities for the modernisation of WTO trade rules. Moreover, the Commission engaged in several international initiatives addressing sectoral issues, for example the G20 Global Forum on steel excess capacity. The Commission will also continue the work with EU Member States in the International Subsidy Policy Group, exchanging views and coordinating initiatives concerning international subsidy policies at multilateral and bilateral level.

In 2020, DG Competition will continue its active engagement in competition-related international fora such as the [OECD Competition Committee](#), the [International Competition Network \(ICN\)](#), and [United Nations Conference on Trade and Development \(UNCTAD\)](#). DG Competition is co-chairing the ICN Unilateral Conduct Working Group, where it co-organised the ICN Unilateral Conduct Workshop on digital matters in competition law in Mexico City in 2019. DG Competition will also continue to contribute to the Cartel Working Group's ongoing projects on “Enhancing Coordination on Leniency Matters” and the “Big Data Project”. DG Competition is also an active member in the other ICN Working Groups and participates in the UNCTAD Intergovernmental Group of Experts on Competition Law and Policy.

Bilateral relations

At bilateral level, the Commission aims at including provisions on competition and State aid control when negotiating [Free Trade Agreements \(FTAs\)](#). In 2020, the Commission will continue FTA negotiations with Australia, Azerbaijan, Chile, Indonesia, New Zealand, Tunisia and Uzbekistan.

⁸² As noted in the Industrial strategy communication, “Europe's response cannot be to erect more barriers, shield uncompetitive industries or mimic the protectionist or distortive policies of others. Being competitive requires competition - both at home and in the world”. The Communication observes that “independent EU competition policy has served Europe well by helping to level the playing field, driving innovation and giving consumers more choice” and that “competition brings the best out of our companies and enables them to stay competitive globally”. At the same time, the EU must ensure a level playing field. For example, the Communication notes that “the EU will make the most of its full toolbox of trade defence mechanisms” and that “global rules on industrial subsidies in the World Trade Organization” will be strengthened.

Negotiations on a Comprehensive Investment Agreement with [China](#) are ongoing. The Commission will also continue its close cooperation in competition policy and in cases with China's State Administration for Market Regulation (SAMR).

As regards the draft Second Generation Cooperation Agreement between the Commission and [Canada](#), DG Competition is in regular contact with the Competition Bureau of Canada to find a solution on data protection in Canada so that it aligns with the standards established by the Opinion of the Court of Justice on the 2014 EU Canada Passenger Name Record Agreement. DG Competition will continue the negotiations with Japan on a Second Generation Agreement with a view to updating the existing cooperation agreement from 2003.

The Commission also assists [neighbouring countries](#) and negotiations with enlargement [candidate countries](#) and [potential candidate countries](#). The Commission's main policy objective - in addition to advocating a competition culture - is to help these countries to create legislative frameworks with well-functioning operationally independent competition authorities that build up a solid enforcement record. In 2020, the Commission will continue to monitor candidate countries' compliance with their commitments under the Stabilisation and Association agreements.

In 2020, the Commission will continue to monitor the implementation of the [EU-UK Withdrawal Agreement](#), which sets out the continued application of the EU acquis during the transition period until the end of 2020. It includes comprehensive provisions for State aid and competition policy.

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

DG Competition will continue throughout 2020 to actively contribute through updated competition rules, policy guidance and strengthened enforcement to the initiatives and objectives forming part of this Commission headline ambition.

It will contribute, inter alia, to [European Data Strategy](#)⁸³, [Digital Services Act](#)⁸⁴, [Shaping Europe's Digital future Strategy](#),⁸⁵ [White Paper on Artificial Intelligence](#)⁸⁶, [European Cloud Initiative](#), [New Industrial Strategy](#)⁸⁷ [SME Strategy](#)⁸⁸ [Single Market Enforcement Barriers](#)

⁸³ Communication from the Commission A European strategy for data COM(2020) 66 final, 19.02.2020. See https://ec.europa.eu/info/sites/info/files/communication-european-strategy-data-19feb2020_en.pdf.

⁸⁴ Commission Work Programme 2020, as amended, 27.05.2020. See [see https://ec.europa.eu/info/publications/2020-commission-work-programme-key-documents_en](https://ec.europa.eu/info/publications/2020-commission-work-programme-key-documents_en).

⁸⁵ Commission Communication Shaping Europe's Digital future, 19 February 2020. See https://ec.europa.eu/info/sites/info/files/communication-shaping-europes-digital-future-feb2020_en_4.pdf.

⁸⁶ White Paper on Artificial Intelligence -A European approach to excellence and trust COM(2020) 65 final, 19.02.2020. See https://ec.europa.eu/info/sites/info/files/commission-white-paper-artificial-intelligence-feb2020_en.pdf.

⁸⁷ A new Industrial Strategy for a globally competitive, green and digital Europe COM(2020) 102 final, 10.03.2020, see https://ec.europa.eu/info/sites/info/files/communication-eu-industrial-strategy-march-2020_en.pdf.

⁸⁸ Commission Communication An SME Strategy for a sustainable and digital Europe COM/2020/103 final, 10.3.2020, see <https://eur-lex.europa.eu/legal-content/EN/TXT/PDF/?uri=CELEX:52020DC0103&from=EN>.

Report and Enforcement Action Plan⁸⁹, new European network of Broadband Competence Offices⁹⁰ and the Toolkit for Rural Broadband⁹¹.

General objective 3: An economy that works for people

The social market economy is a foundation the EU is build upon. Individuals and businesses thrive when the economy works for them. When Europe is restored from the current crisis, the economy can again respond to the needs of the EU's citizens. Therefore, it is essential to take the necessary measures to support the EU economy recover from the crisis.

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

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

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

State aid expenditure kept increasing in 2018, both in absolute terms and relative to GDP⁹² Member States spent EUR 120.9 billion (0.76% of GDP) on State aid at EU level, an increase of about 0.01% of GDP compared to 2017. Aid for horizontal objectives in the common interest accounted for the overwhelming majority of all aid. Much of that horizontal aid fell under the General Block Exemption Regulation (GBER)⁹³, which also forms part of the Fitness check of the State aid rules modernised during 2012-2014. While GBER uptake steadily increased, it is yet to reach its full potential⁹⁴. [The increased use of the GBER](#) also means State aid measures can be processed much more rapidly, since an increasing share of measures under the GBER do not require any decision from the

⁸⁹ Commission Communication Long term action plan for better implementation and enforcement of single market rules 10.3.2020 COM(2020) 94 final, see https://ec.europa.eu/info/sites/info/files/communication-enforcement-implementation-single-market-rules_en_0.pdf.

⁹⁰ For further information see <https://ec.europa.eu/digital-single-market/en/broadband-competence-offices>.

⁹¹ For further information see <https://ec.europa.eu/digital-single-market/en/news/european-commission-joins-forces-help-bringing-more-broadband-rural-areas>.

⁹² Excluding aid to agriculture, fisheries and railways. See State aid scoreboard 2019.

⁹³ Leaving aside the largest State aid scheme in 2018, the share of GBER in State aid spending (49% and 45.0 billion EUR) was at a comparable level as spending for notified schemes (51% and 46.8 billion EUR) in 2018. Other categories of horizontal aid included research, development and innovation (9%) and regional development (9%).

⁹⁴ See State aid Scoreboard 2019. https://ec.europa.eu/competition/state_aid/scoreboard/index_en.html.

Commission before being implemented, thus reducing lead times for the deploying investment necessary to speed up the recovery.

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

Indeed, to ensure that national and EU funds can be combined seamlessly under the proposed Multiannual Financial Framework for 2021-2027 without undermining competition in the internal market, the [GBER review](#) also aims to improve the interplay between EU funding rules and State aid rules and streamline State aid control of national funds, including EU shared management funds, combined with EU programmes managed centrally by the Commission.

Apart from monitoring the compatibility of aid falling under the GBER, the Commission has also requested Member States to carry out evaluations of major aid schemes, e.g. to verify whether they are cost-effective without significantly distorting competition in the internal market.

During the 2020-2024 mandate, the Commission will continue to look at evaluations of the impact of large national aid schemes involving such horizontal objectives.⁹⁵ This evaluation work will also feed into the Fitness check, i.e. the ongoing evaluation of EU State aid rules, as revised during the State aid modernisation in 2012-2014. The large part of the rules covered by the Fitness check are scheduled to be updated and in force during the second half of 2021, some later.

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

In 2020, enforcement action by all EU competition policy instruments: antitrust, merger control and, in particular State aid control, will support this headline ambition of the Commission, whether by facilitating and approving growth-enhancing horizontal aid in the common interest or intervening against distortive aid without any countervailing benefits.

Banking aid necessary to safeguard financial stability, while protecting competition

EU competition policy with its three enforcement instruments, antitrust, merger and State aid control plays an important role in ensuring that competition takes place on fair and equal terms throughout [the financial sector](#) and that disruptive technologies are developed and applied for the benefit of consumers and businesses alike. Financial services is a sector

⁹⁵ By the end of 2019, the Commission had approved evaluation plans covering State aid schemes, most of which concerned aid in the form of large regional aid projects, RDI aid schemes under the GBER as well as notified energy and broadband schemes. Those schemes accounted, in total, for over EUR 54 billion during 2019.

also undergoing rapid and profound change. Innovative technology should, however, not be used to erect barriers in emerging markets.

Ahead of the covid-19 outbreak, the EU financial sector had, to a large extent, overcome the financial crisis. This positive development was reflected in the limited number of State aid measures to banks being notified to the Commission. In 2019, there was only one direct support measure⁹⁶ for a commercial bank in the EU that contained State aid.

The Commission will continue to assume its role in State aid control in the financial and banking sectors protecting the internal market from fragmentation. The Commission will continue assessing public support in the financial sector either for ailing banks to exit the market or for solvent banks to overcome a temporary liquidity strain or potential capital challenges under adverse scenarios. In the current economic conditions, this control activity continues to play an important role, together with other actors in bank supervision and resolution, to ensure that any potential provision of public support would preserve equality of treatment among Member States and maintain the integrity of the internal market.

State aid enforcement in the area of taxation

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

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

The Commission will continue to investigate whether Member States have granted selective fiscal advantages to individual companies or groups of companies. While designing tax systems and collecting taxes are competences of EU Member States, they have to comply with internal market rules and competition law. Fair tax competition is essential for the integrity of the Single Market and for ensuring that companies active in the EU can compete on fair and equal terms. Moreover, such selective benefits would deprive the public purse and EU taxpayers of much needed funds to fight climate change, to build infrastructure and to invest in innovation.

EU State aid enforcement in the taxation area will remain a key priority during the mandate. It will contribute to and complement the EU's comprehensive strategy to tackle tax avoidance in line with efforts made at the international level, in particular the OECD.

⁹⁶ Case SA.52917(2019/N) *Liquidity support to Banca Carige - Cassa di Risparmio di Genova e Imperia*, Commission decision of 18 January 2019. See: https://ec.europa.eu/competition/elojade/isef/case_details.cfm?proc_code=3_SA_52917.

The main objective is to tackle tax base erosion and profit shifting to better align the right to tax with economic activity.

Individual State aid investigations into Member States' tax ruling practices are one of the tools the Commission has at its disposal to ensure that companies pay the taxes they owe in the Member States where they generate economic value.

Temporary support of the economy through covid-19 aid

Specific EU State aid tools are temporarily used to review the support by the Member States to alleviate the economic and social consequences of the covid-19 outbreak preserving the functioning of the internal market.

In March 2020, the Commission adopted a [Temporary Framework](#)⁹⁷ to enable Member States to use the full flexibility provided for under State aid rules to support the economy in the context of the covid-19 outbreak. Together with many other support measures that can be used by Member States under the existing State aid rules, the Temporary Framework enables Member States to ensure that sufficient liquidity remains available to businesses of all types and to preserve the continuity of economic activity during and after the covid-19 outbreak.

In April 2020, the State aid Temporary Framework was extended⁹⁸ to cover support to companies that develop, test and manufacture much needed products to fight the coronavirus such as vaccines, medicines, medical devices, disinfectants and protective equipment, as well as wage support and tax deferral schemes. A second extension⁹⁹ was adopted in May, setting out criteria based on which Member States can carry out recapitalisations and provide subordinated debt to companies in need, while protecting the level playing field in the EU. A third extension was adopted in June 2020 extending the Temporary Framework to enable Member States to provide public support to all micro and small companies, even if they were already in financial difficulty on 31 December 2019.¹⁰⁰

The Commission also decided to temporarily remove all countries from the list of "marketable risk" countries under the Short-term export-credit insurance Communication.¹⁰¹ This will make public short-term export credit insurance more widely available in light of the current crisis linked to the coronavirus outbreak. The amendment further expands on the flexibility introduced by the Commission's State aid Temporary Framework with respect to the possibility by State insurers to provide insurance for short-term export-credit.

⁹⁷ Temporary Framework to support the economy in the context of the coronavirus outbreak, OJ C 91I, 20.3.2020, p. 1–9.

⁹⁸ First Amendment to the Temporary Framework to support the economy in the context of the coronavirus outbreak, OJ C 112I, 4.4.2020, p. 1–9.

⁹⁹ Second amendment to the Temporary Framework to support the economy in the context of the coronavirus outbreak, OJ C 164, 13.5.2020, p. 3–15.

¹⁰⁰ OJ C 218, 2.7.2020, p. 3–8.

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

The covid-19 outbreak is having a major impact on European transport and mobility. The Commission has also provided [guidance on State aid rules and public service obligations rules applicable to the air transport](#)¹⁰² and [maritime transport](#)¹⁰³ during the covid-19 outbreak as well recommendation on vouchers offered to passengers and travellers as an alternative to reimbursement for cancelled package travel and transport services.¹⁰⁴

The Commission has been swift in reviewing and responding to the requests coming from the Member States. Between 21 March and 31 August 2020, the Commission adopted around 300 decisions based on the Temporary Framework. DG Competition will also contribute to the assessment of the [draft Recovery and Resilience Plans \(RRPs\)](#) by the Member States under the [Recovery and Resilience Facility \(RRF\)](#), and, wherever relevant, assess individual State aid notifications on specific projects implementing the RRP.

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

DG Competition will throughout 2020 continue to actively contribute through policy guidance and strengthened enforcement to the initiatives and objectives forming part of the headline ambition, in particular, actions aimed at completing the [Capital Markets Union](#) and the [Banking Union](#), actions relating to [effective taxation](#)¹⁰⁵, the [Recovery package](#)¹⁰⁶ and the [Economic Governance](#).¹⁰⁷

¹⁰² State aid rules and public service obligations rules applicable to the air transport sector. See https://ec.europa.eu/competition/state_aid/what_is_new/air_transport_overview_sa_rules_during_coronavirus.pdf.

¹⁰³ State aid rules and Public Service rules applicable to the maritime sector during the COVID-19 pandemic. See https://ec.europa.eu/competition/state_aid/what_is_new/maritime_transport_overview_sa_rules_during_coronavirus.pdf.

¹⁰⁴ Commission Recommendation of 13.5.2020 on vouchers offered to passengers and travellers as an alternative to reimbursement for cancelled package travel and transport services in the context of the COVID-19 pandemic. See https://ec.europa.eu/info/sites/info/files/recommendation_vouchers_en.pdf.

¹⁰⁵ Communication from the Commission. Action Plan to fight tax evasion and to make taxation simple and easy (Q2 2020) included in the Adjusted Commission Work Programme 2020 COM(2020) 440 final Annex 1 and 2, 27.05.2020. See https://ec.europa.eu/info/sites/info/files/cwp-2020-adjusted-annexes_en.pdf.

¹⁰⁶ Commission proposal 27.5.2020.

¹⁰⁷ The European Semester provides a framework for the coordination of economic policies across the European Union. It allows EU countries to discuss their economic and budget plans and monitor progress at specific times throughout the year. See https://ec.europa.eu/info/business-economy-euro/economic-and-fiscal-policy-coordination/eu-economic-governance-monitoring-prevention-correction/european-semester_en.

PART 2. Modernising the administration: main outputs for the year

This section explains how DG Competition envisages to deliver the planned outputs and results described in the previous section. It is divided into two subsections.

The first subsection sets out the control results and all other relevant information that support management's assurance on the achievement of the internal control objectives¹⁰⁸. The second subsection deals with the other components of organisational management: human resources, sound financial management, fraud risk management, digital transformation and information management and sound environmental management.

The internal control framework¹⁰⁹ supports sound management and decision-making. It notably ensures that risks to the achievement of objectives are taken into account and reduced to acceptable levels through cost-effective controls.

DG Competition has established an internal control system tailored to its particular characteristics and circumstances. The effective functioning of the service's internal control system will be assessed on an ongoing basis throughout the year and be subject to a specific annual assessment covering all internal control principles.

A. Human resource management

On 16 February 2017, DG Competition joined, alongside the other Commission services, the second pilot phase of the HR Modernisation Project. DG Competition's HR policy is planned and implemented under the HR delivery model put in place by the HR Modernisation Project.

It is to be noted that this HR policy does not only form an integral part of the DG's HR Strategy, but is also embedded in its ongoing DG COMP Sounding Board initiative which is due to be finalised in parallel to the local HR strategy, ie presumably in the course of September 2020. In the meanwhile, DG COMP continues implementing the Action Plan adopted on 14 December 2016 in the framework of the "Smarter Working Initiative".

DG Competition's 10 DOs – the charter for good people management

Following the positive results received from a staff survey launched in May 2017, a renewed version of the '*10 DOs for people management*' was signed by all senior and middle managers as well as Deputy Heads of Unit in 2018. The compliance with the 10 DOs will be further monitored in 2020 through entry, exit and career development interviews with staff members. Furthermore, following the appointment of a new Director-

¹⁰⁸ Art 36.2 FR: a) effectiveness, efficiency and economy of operations; b) reliability of reporting; c) safeguarding of assets and information; d) prevention, detection, correction and follow-up of fraud and irregularities; and e) adequate management of risks relating to the legality and regularity of underlying transactions. Moreover, the internal control framework is a principle-based system with the aim of ensuring robust internal control, by providing the necessary flexibility to allow departments to adapt to their specific characteristics and circumstances.

¹⁰⁹ [Communication C\(2017\)2373 – Revision of the Internal Control Framework](#).

General and the finalisation of the Sounding Board process, a new signing ceremony could be envisaged.

180° feedback development exercise for DG Competition's managers

As an integral part of staff motivation, engagement, and retention strategy in DG Competition, a 180° feedback exercise for managers was launched in September 2014. So far, DG Competition's Senior Managers, Heads of Unit and Deputy Heads of Unit participated in the exercise. Further to previous rounds of the 180° feedback exercise and based on its results in terms of areas for further development, a first follow-up course focussing on the most prevailing development area perceived by the participating Heads of Unit namely managing and dealing with conflicts was organised in October 2019. A second follow-up course will be organised in spring 2020 covering the area of 'coaching and developing others'. Moreover, regular lunchtime sessions - including on the crucial issue of prevention of psycho-social risks - for managers dedicated to issues of people management will continue to take place in 2020. In spring 2020, DG Competition will launch another round of the 180° feedback exercise for 32 Deputy Heads of Unit.

Staff engagement index

The Staff Survey 2018, which was launched on 19th November, gave staff the opportunity to express their views about their current work and workplace. DG Competition carefully analysed the COMP-related results and particular issues raised at the survey have been noted and addressed in particular in the training sessions described above. Moreover, DG Competition is continuously striving to improve working conditions and in making the DG a better place to work.

In comparison to the 2016 Staff Survey, DG Competition's staff engagement index increased by 6 pts to 76% which is higher than the Commission staff engagement index of 69%. Moreover, DG COMP ranked on average highly on the vast majority of indicators as compared to the rest of the Commission.

In close cooperation with our internal communication unit, the (COMP-related) results have been communicated to DG Competition's staff at a dedicated 'hot topic' session chaired by the Director-General. In addition, the results have also been published on DG Competition's internal website.

Other initiatives for a better workplace

In the context of the Commission's Health and Wellbeing programme, DG Competition will continue to organise several conferences and events such as a "Health Day", during which there will be presentations on health-related topics and possibilities for staff to consult medical specialists on an individual basis. Moreover, a voluntary blood collection is organised on a yearly basis in cooperation with the Red Cross.

Both the use of flexible working arrangements and of fit@work initiatives will be reviewed in the context of DG Competition's Sounding Board initiative. New initiatives, tailor-made to

the needs of the DG, will continue to be developed in 2020. DG Competition will continue to monitor, in 2020, initiatives launched in the the past years, such as the “Guidelines on flexible working arrangements”.

As regards career development and guidance, in 2020 DG Competition strives to continue securing staff integration through dedicated coaching and mentoring for every newcomer. Furthermore, it will continue to conduct entrance, career development, exit and return interviews.

DG Competition intends to continue contributing to corporate HR initiatives, such as the Commission’s Career Day, in 2020. It will also look into further ways to promote DG Competition as an attractive workplace, e.g. through a COMP-specific career day. Moreover, further reflection on alternative career paths (i.e. Senior Experts) and on additional initiatives to retain and attract experienced staff will continue in 2020.

On 19 July 2017, The Commission adopted a Communication on *A better workplace for all: from equal opportunities towards diversity and inclusion*¹¹⁰. The Diversity and Inclusion Charter is an integral part of the Communication, setting out the guiding principle for the Commission’s HR policies. It also reinforces and formalises the institution’s commitment to diversity and inclusion. Also in 2020 and beyond, DG Competition is committed to giving all staff members the same opportunities independent of their background and undertakes to respect the principle of non-discrimination in all its forms and at all stages of human resources management.

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

Objective: DG Competition employs a competent and engaged workforce and contributes to gender equality at all levels of management to effectively deliver on the Commission’s priorities and core business

Main outputs in 2020:

Output	Indicator	Target
Implementation of initiatives aimed at increasing the number of female candidates to middle management positions	Female representation in middle management	DG Competition was assigned a quota of two first female appointments by 2022 ¹¹¹ .
Implementation of the Action Plan	Staff engagement index	At least 76% and maintain above

¹¹⁰ Communication of 19 July 2017 from the Commission *A better workplace for all: from equal opportunities towards diversity and inclusion*, C(2017)5300 final <https://myintracomm.ec.europa.eu/staff/Documents/working-conditions/diversity/commission-diversity-inclusion-strategy-c20175300-en.pdf>.

¹¹¹ The target will be reviewed for the period 2023-2024 by January 2023.

<i>in the framework of DG Competition's Smarter Working initiative</i>		<i>Commission average (69% in 2018)</i>
<i>Local fit@work and well-being activities, tailor-made to DG Competition's need</i>	<i>Percentage of staff who feel that the Commission cares about their well-being</i>	<i>At least 59% and maintain above Commission average (55% in 2018)</i>

B. Sound financial management

Competition policy is implemented through enforcement and involves predominantly investigative (case-handling) and advocacy activities. DG Competition manages a relatively modest administrative budget under direct centralised management. The budget covers the administrative costs in support of DG Competition's operations such as mission costs, expert groups, advisory committees, conferences, studies, consultations, expert advice and IT. Financial management is therefore not a critical challenge for the DG's operations.

The Commission's proposals for the next Multiannual Financial Framework 2021-2027 include, for the first time, a [Competition Programme](#) within the Single Market Programme.¹¹² When adopted, the Programme will enable the Commission to directly support competition policy, while strengthening enforcement. The Competition Programme will also enable the Commission to strengthen the cooperation between the Commission and the Member States' competition authorities in all areas of EU competition law as well as its ability to increase global presence. The Competition Programme will also help to raise stakeholder awareness of EU competition policy.

In 2020, DG Competition will focus on analysing and assessing its financial management in order to prepare for the implementation of the new Competition programme in the next Multiannual Financial Framework 2021-2027. It will in particular consider whether there is scope to further improve the efficiency of its financial operations without risking the legality and regularity of its transactions.

Objective: The authorising officer by delegation has reasonable assurance that resources have been used in accordance with the principles of sound financial management and that cost-effective controls are in place which give the necessary guarantees concerning the legality and regularity of underlying transactions

Main outputs in 2020:

Output	Indicator	Target
Effective controls: Legal and	Risk at payment	< 2 % of relevant expenditure

¹¹² Proposal for a Regulation of the European Parliament and of the Council establishing the Programme for single market, competitiveness of enterprises, including small and medium-sized enterprises, and European statistics and repealing Regulations (EU) No 99/2013, (EU) No 1287/2013, (EU) No 254/2014, (EU) No 258/2014, (EU) No 652/2014 and (EU) No 2017/826. See: <https://eur-lex.europa.eu/legal-content/EN/TXT/?qid=1540389031742&uri=CELEX%3A52018PC0441>. Commission Staff Working Document Impact Assessment accompanying the document Proposal for a Regulation of the European Parliament and of the Council establishing the Programme for single market, competitiveness of enterprises, including small and medium-sized enterprises, and European statistics and repealing Regulations (EU) No 99/2013, (EU) No 1287/2013, (EU) No 254/2014, (EU) No 258/2014, (EU) No 652/2014 and (EU) No 2017/826. See: <https://eur-lex.europa.eu/legal-content/EN/TXT/?qid=1540389285918&uri=CELEX%3A52018SC0320>.

regular transactions	Estimated risk at closure	< 2 % of relevant expenditure
Efficient controls	Budget execution and time-to-pay	> 90% of budget appropriations > 90% payments executed within the contractual limits
Economical controls	Overall estimated cost of controls	remains < 8 % of funds managed

C. Fraud risk management

In 2020, DG Competition will finalise the review of its Anti-Fraud Strategy in line with the 2019 Commission Anti-Fraud Strategy. The aim of the strategy will be to ensure continued vigilance against the risk of fraud, in particular in non-spending activities given the specificity of DG Competition operations and context. The implementation of the strategy will focus on training and awareness raising actions, including the compulsory trainings for newcomers, as well as specific declarations regarding possible conflicts of interest.

Objective: The risk of fraud is minimised through the application of effective anti-fraud measures and the implementation of the Commission Anti-Fraud Strategy (CAFS)¹¹³ aimed at the prevention, detection and correction¹¹⁴ of fraud

Main outputs in 2020:

Output	Indicator	Target
DG COMP Anti-Fraud Strategy is revised in line with the latest Commission Anti-Fraud Strategy	Strategy adopted by management [Yes/No]	Yes
Newcomers are aware of fraud prevention and ethics rules	% of newcomers that attended the specific DG COMP training	100%

D. Digital transformation and information management

Adapting to an increasingly digital and globalised environment is a major challenge for the enforcement of EU competition policy. New sophisticated IT tools and algorithms used by economic operators combined with an exponential increase in electronic communications, quantity of data and the number of documents on case files make many competition investigations increasingly complex and burdensome.

Document Management

Document management is essential to the mission of DG Competition since competition enforcement must be based on factual evidence. Documents are delivered to case handlers in an electronic format in the reference file hosted within the electronic Case Management Information systems.

¹¹³ 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'.

¹¹⁴ Correction of fraud is an umbrella term, which notably refers to the recovery of amounts unduly spent and to administrative sanctions.

Following the entry into force of the new data protection rules (Regulation 2018/1725), and the adoption of the Commission's Data Protection Action Plan (C(2018)7432), DG Competition implemented the specific Decision in the field of competition (C(2018)8109) and is regularly reviewing its data processing operations in order to make sure that they are in line with the new legal framework, notably with the general principles laid down in the regulation. In a first stage, priority was given to the core activity of the DG (investigations in the three instruments) for which the records in the DPMS (Data protection records management system) and central system (corporate application for registering processing operations) were finalised, and privacy statements meeting the new standards were published on DG Competition webpage. The review of other, more limited, processing operations has been finalised in 2020.

In addition, awareness on data protection requirements has been raised through centrally-organised courses and specific actions carried out by the Data Protection Coordinators (DPC) team: presentations by the Director General and COMP DPC, internal blog posts, implementation of the Commission's Data Protection Action Plan at the DG level and regularly updated Intranet section. Information sessions will be pursued for newcomers. The awareness activities will contribute to ensure full embedding of data protection rules in the daily work of all staff.

Finally, DG Competition will monitor the deployment of electronic means within its management validation circuit (e-signatures based on e-mails, while awaiting implementation of such functionality in CASE@EC).

Digital transformation

Competition enforcement is evidence-based and electronic documents have become the most important sources of evidence. Digital solutions contribute to a secure, efficient and integrated management of competition cases and constitute essential support functions for the daily operations of DG Competition.

In line with the European Commission Digital Strategy, DG Competition has defined actions for 2020:

Case management full digitisation

DG Competition is the domain leader for case management and has developed a common case management system (CASE@EC) for the Commission and beyond. At DG Competition, CASE@EC will replace the ageing case and document management systems. In 2020, CASE@EC will be rolled out for all State Aid processes and an enhanced version will be deployed for DG Competition's Horizontal Projects.

Digital exchanges with Member States' administrations, companies and citizens

DG Competition will continue to improve the State Aid digital solutions (GENIS), the platform to communicate securely with the European Competition network in the context of Antitrust and Mergers proceedings (ECN2) and the digital solution for leniency applications.

Also, in 2020, DG Competition will launch two new applications, in phases: eRFI - to better support requests for information -, and eConfidentiality - to support the confidentiality negotiations with undertakings mainly in the context of access to file in Antitrust, Cartels and Merger cases.

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

In 2020, DG Competition will focus on pain points and opportunities to make the best of the use of data artificial intelligence to competition enforcement. For this, DG Competition has defined concrete initiatives, building on the results of experimentation done in 2019: data tools and support for sector inquiries, improvements of e-Discovery and Knowledge base tools, small scale artificial intelligence solutions for document review and management dashboards. Also, DG Competition will work on a comprehensive view of State aid data across all categories (governance, infrastructure and tools). These initiatives will set the foundation for a data and artificial intelligence platform for DG Competition, built on top of the European Commission data platform. The outcomes will serve as basis for refining the Data and Artificial Intelligence@COMP approach and roadmap for 2021-2027.

Objective: Information and knowledge in your DG is shared and reusable by other DGs. Important documents are registered, filed and retrievable.

Main outputs in 2020:

Output	Indicator	Target
Filing is mandatory in DG COMP. 100% of the documents must be filed, in 2018 in the own registration/document system(EDMA)of DG COMP and in 2019 in CASE@EC with a link to ARES.	Percentage of registered documents that are not filed (ratio)	0%
In DG COMP documents are exchanged and made visible in its own registration/document system (EDMA in 2018/2019; CASE@EC in 2020/2021). Security based on the need to know principle is implemented in the system also at the attachment level.	Percentage of documents in case files readable/accessible by all units in the DG.	99% of documents in case files are accessible to the whole DG

Outside DG COMP, no files are shared with other DGs. Competition regulations set out a strict professional secrecy obligation and limitations on use of data for any other purposes than competition cases. Therefore, by definition DG COMP files are restricted to DG COMP.	Percentage of files shared with other DGs	0%
Acceptance and use of the collaborative tools	Percentage of sectoral and policy units using collaborative tools	100%
Paperless workflow of validation	Percentage of documents approved through an electronic workflow of validation	80% (all documents except when a signature on paper is required such as e-greffe or some financial transactions)

Objective: DG Competition is using innovative, trusted digital solutions for better policy-shaping, information management and administrative processes to forge a truly digitally transformed, user-focused and data-driven Commission

Main outputs in 2020:

Output	Indicator	Target
Implementation of a common Case Management System CASE@EC	Degree of implementation of the digital solutions modernisation plan: case management solutions (CASE@EC)	Release the version 2 of CASE@EC covering all State Aid processes and enhanced Horizontal Projects.
Digital solutions supporting negotiation on confidentiality claims (eConfidentiality) and requests for information (eRFI)	Degree of implementation of the digital solutions modernisation plan: exchanges with external stakeholders	Release in phases of eConfidentiality and eRFI
Data and Artificial Intelligence	Degree of implementation of the digital solutions modernisation plan: data and AI	Data tools and support for sector inquiries, improvements for eDiscovery solutions, artificial intelligence solutions for document review at small scale, data and artificial intelligence pilot on State Aid data, management dashboard

E. Sound environmental management

Since 2002, the European Commission implements the Eco-Management and Audit Scheme (EMAS) in order to improve its environmental performance by systematically setting objectives and targets, and measuring progress towards achieving them. DG HR is in charge of coordinating the system Commission-wide. However, DG Competition and its staff will also contribute with local actions promoting more environmentally-friendly working

methods, as per the action plan outlined below. The main focus for 2020 is to set up a group of volunteers to come up with and drive selected local actions and promote applicable EC wide initiatives.

Action plan objectives for 2020:


- Setting up the EMAS Team;
- Launching a call for greening ambassadors and volunteers;
- Organising local communication campaigns in line with the corporate campaigns.

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






In 2019, in the context of the Smarter Working Initiative of DG Competition, the Sounding Board of around 60 staff reviewed current working methods to identify additional efficiencies and synergies to make DG Competition a better workplace. In spring 2020, DG Competition set up a Sounding Group to review and propose adjustments to working methods following the covid-19 confinement period. The work of both Sounding Board and Sounding Group concentrated on non-financial activities. In 2020, DG Competition will also obtain two performance audit Special Reports from the European Court of Auditors, one on antitrust and merger control and the second on State aid to financial institutions. In 2020, DG Competition will focus on making the best use of these proposals and recommendations to improve its economy and efficiency.

ANNEX: Performance tables

1. A European Green Deal




General objective: European Green Deal		
Specific objective 1: State aid control contributes to environmental protection, renewables and energy savings		Related to spending programme(s) -
Initiatives linked to regulatory simplification and burden reduction		
Output	Indicator	Target
Revision of the Guidelines on certain State aid measures in the context of the greenhouse gas emission allowance trading scheme post-2020 	Impact Assessment	Q4 2020

2. A Europe fit for the digital age



General objective: A Europe fit for a digital age		
Specific objective 2.1: Updated rules and policy guidance in support of A Europe fit for the digital age, including tackling systemic competition in the platform economy and beyond		Related to spending programme(s) -
New policy initiatives		
Output	Indicator	Target
New Competition Tool 	Impact Assessment	Q4 2020
White Paper on an Instrument on Foreign Subsidies 	Adoption of the White Paper	Q2 2020
Initiatives linked to regulatory simplification and burden reduction		
Output	Indicator	Target
Consortia Block Exemption Regulation (exemption from Article 101 TFEU for certain types of cooperation agreements among shipping operators) 	Adoption	Q1 2020
Targeted modification of the General Block Exemption Regulation in relation to the EU funding programmes 	Adoption	Q4 2020
Prolongation of the State aid rules reformed under the State aid modernisation (SAM) package and expiring by the end of 2020:  <ul style="list-style-type: none"> Guidelines on regional State aid for 2014-2020 Guidelines on risk finance aid for 2014-2020 Communication from the 	Adoption	Q4 2020

<p>Commission — Criteria for the analysis of the compatibility with the internal market of State aid to promote the execution of important projects of common European interest</p> <ul style="list-style-type: none"> • Guidelines on State aid for environmental protection and energy 2014-2020 • Guidelines on State aid for rescuing and restructuring non-financial undertakings in difficulty 		
<p>Prolongation of the Commission Regulation (EU) N°651/2014 of 17 June 2014 declaring certain categories of aid compatible with the internal market in application of Articles 107 and 108 of the Treaty</p>	Adoption	2020
<p>Prolongation of the Commission Regulation (EU) No 1407/2013 of 18 December 2013 on the application of Articles 107 and 108 of the Treaty on the Functioning of the European Union to de minimis aid</p>	Adoption	2020

Evaluations and fitness checks

Output	Indicator	Target
<p>Fitness check of 2012 State aid modernisation package, railways guidelines and short term export credit insurance </p>	Publication of fitness check results	Q3 2020
<p>Evaluation of the Vertical Block Exemption Regulation¹¹⁵ </p>	Publication of evaluation results Launch of Impact Assessment	Q3 2020 Q4 2020
<p>Evaluation of procedural and jurisdictional aspects of merger control </p>	Publication of the evaluation results	Q4 2020
<p>Fisheries guidelines, Block Exemption Regulation (FIBER) and Regulation on de minimis</p>	Publication of evaluation results	Q4 2020
<p>Aid to the agricultural and Forestry Sectors and in Rural areas (AGRI GL) and Agricultural Block Exemption Regulation (ABER)</p>	Publication of the evaluation results	Q4 2020

¹¹⁵ Commission Regulation (EU) No 330/2010 of 20 April 2010 on the application of Article 101(3) of the Treaty on the Functioning of the European Union to categories of vertical agreements and concerted practices, OJ L 102, 23.4.2010, p. 1.

Public consultations		
Output	Indicator	Target
Targeted modification of the General Block Exemption Regulation in relation to the EU funding programmes 	Second Public consultation	Q1 2020
Guidelines on State aid for environmental protection and energy 2014-2020 (EEAG)	Public consultation on the Inception Impact Assessment	Q3 2020
Framework for State aid research, development and innovation (RDI Framework)	Public consultation	Q4 2020
Communication on Important Projects of Common European Interest (IPCEI Communication)	Public consultation	Q4 2020
Regional Aid Guidelines (RAG)	Public consultation	Q4 2020
State aid Broadband Guidelines	Public consultation	Q3 2020
Horizontal Block Exemption Regulation ¹¹⁶ 	Stakeholder workshop	Q4 2020
Market Definition Notice	Public consultation	Q2 2020
Specific objective 2.2: State aid State aid control contributes to high performant broadband network		Related to spending programme(s) -
Enforcement actions		
Output	Indicator	Target
Commission decisions authorising State aid for broadband measures	Number of the Commission decisions per year	Increasing trend
Specific objective 2.3: Strengthening competition enforcement in support of A Europe fit for the digital age		Related to spending programme(s) -
Enforcement actions		
Output	Indicator	Target
Enforcement of antitrust rules	Number of the Commission decisions per year (intervention rate) ¹¹⁷	No target
Effective support to NCAs on individual cases with a view to ensure coherent and effective application of Articles 101 and 102 TFEU	Number of envisaged enforcement decisions and similar case consultations in the European Competition Network (ECN)	No target

¹¹⁶ Commission Regulation (EU) No 1217/2010 of 14 December 2010 on the application of Article 101(3) of the Treaty on the Functioning of the European Union to certain categories of research and development agreements, OJ L 335, 18.12.2010, p. 36; Commission Regulation (EU) No 1218/2010 of 14 December 2010 on the application of Article 101(3) of the Treaty on the Functioning of the European Union to certain categories of specialisation agreements, OJ L 335, 18.12.2010, p. 43.

¹¹⁷ Intervention rate consists of antitrust interventions (decisions) by the Commission. In 2019, 15 interventions by the Commission included 10 antitrust decisions (3 commitment decisions, 4 cooperation decisions, 3 prohibition decisions and 1 procedural decision), 5 cartel prohibition decisions (4 settlement decisions and 1 prohibition decision).

	Implementation rate of comments on envisaged decisions received from the NCAs pursuant to article 11.4 of Regulation (EC) No 1/2003.	No target
	Time to reply to NCAs pursuant to article 11.4 of Regulation (EC) No 1/2003	Within 30 days or as otherwise agreed with the NCAs
Enforcement of EU merger control	Number of the Commission decisions per year	No target
	Number of the Commission decisions adopted in a simplified procedure per year	No target
	Intervention rate ¹¹⁸	No target
	Ratio of the Commission merger decisions adopted in a simplified procedure	Stable trend
Enforcement of EU State aid control	Number of opening decisions per year	No target
	Adoption of Commission decisions in the field of State aid in accordance with EU State aid rules	No target
Monitoring of schemes in the field of State aid in accordance with EU State aid rules (2020-2021)	Number of aid schemes subject to ex-post monitoring	Around 50
Prevention and recovery of incompatible aid	Adoption of recovery decisions in the field of State aid in accordance with EU State aid rules	No target

3. An Economy that works for people

General objective: An Economy that works for people

Specific objective 3.1: State aid control facilitates aid in the common interest	Related to spending programme(s) -
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Enforcement actions

Output	Indicator	Target
State aid falling under the GBER	State aid scoreboard value	Increasing trend

Specific objective 3.2: Banking aid necessary to safeguard financial stability, while protecting competition	Related to spending programme(s) -
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Enforcement actions

Output	Indicator	Target
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¹¹⁸ Intervention rate indicator includes the Commission's prohibition decisions and mergers approved subject to commitments, as well as withdrawals during second phase investigation (in-depth investigation by the Commission).

State aid enforcement in the financial sector	Number of Commission decisions adopted	No target
Specific objective 3.3: Temporary support of the economy through covid-19 aid		Related to spending programme(s) -
Initiatives linked to regulatory simplification and burden reduction		
Output	Indicator	Target
The State aid Temporary Framework to support the economy in the context of the covid-19 outbreak, based on Article 107(3)(b) of the Treaty on the Functioning of the European Union.	Adoption by the Commission	Q1 2020
Framework Communication addressing the antitrust issues related to cooperation between competitors in covid-19 related urgency situations.	Adoption by the Commission	Q2 2020
Amendment of short-term export-credit insurance Communication (removing all countries from "marketable risk" -list)	Adoption by the Commission	Q2 2020
The State aid Temporary Framework to support the economy in the context of the covid-19 outbreak related to financial sector	Adoption by the Commission	Q2 2020
Enforcement actions		
Output	Indicator	Target
Commission decisions adopted based on the State aid Temporary Framework to support the economy in the context of the covid-19 outbreak, based on Article 107(3)(b) of the Treaty on the Functioning of the European Union.	Number of Commission decisions adopted per year in 2020 and 2021	No target
Commission guidance provided to the market participants in the field of antitrust in the context of the covid-19 outbreak	Number of comfort letters adopted per year in 2020 and 2021	No target
Amount of covid-19 aid	Aid granted under the Temporary Framework (Article 107(3)(b) and Article 107(2)(b))	Increasing (2020)