



Annual Activity Report 2023

**Directorate General for Internal
Market, Industry, Entrepreneurship and
SMEs**


Contents

DG GROW IN BRIEF	3
EXECUTIVE SUMMARY	5
A. Key results and progress towards achieving the Commission's general objectives and department's specific objectives	5
B. Key performance indicators	9
C. Key conclusions on internal control and financial management	12
D. Provision of information to the Commissioner	12
1. KEY RESULTS AND PROGRESS TOWARDS ACHIEVING THE COMMISSION'S GENERAL OBJECTIVES AND SPECIFIC OBJECTIVES	13
2. INTERNAL CONTROL AND FINANCIAL MANAGEMENT	30
2.1. Control results	30
2.1.1. Effectiveness of controls	32
2.1.2. Efficiency of controls	37
2.1.3. Economy of controls	38
2.1.4. Conclusion on the cost-effectiveness of controls	41
2.2. Audit observations and recommendations	41
2.3. Assessment of the effectiveness of internal control systems	44
2.4. Conclusions on the assurance	45
Declaration of Assurance	47
3. MODERNISING THE ADMINISTRATION	48
3.1. Human resource management	48
3.2. Digital transformation and information management Data, information, and knowledge management	49
3.3. Sound environmental management	52
3.4. Examples of economy and efficiency	53

DG GROW IN BRIEF

Mission Statement of DG GROW


DG GROW is well placed to foster opportunities and welfare for all, allowing citizens, entrepreneurs, small and large businesses as well as their employees to reap the benefits from a large, integrated and globally competitive Single Market. Our aim is to help entrepreneurs with great business ideas obtain the necessary support to start up, grow and thrive. We want to help them find opportunities for their innovative products and services in the global economy.

DG GROW manages ca. 115 major pieces of the EU Single Market legislation representing a large part of the total EU *acquis*. The DG is also in charge of broad policy initiatives, for example the SME Relief Package and the EU industrial policy strategy and prepares major pieces of legislation such as the Net-Zero Industry Act and the Critical Raw Materials Act  (1). As the year 2023 marked the 30th anniversary of the Single Market DG GROW took this opportunity to reach out directly to the citizens to explain its benefits. The DG enhanced its efforts to further digitalise and make more efficient the Single Market governance tools such as for example the Your Europe/Single Digital Gateway portal, SOLVIT and the Internal Market Information system. Work continued to negotiate the Internal Market Emergency and Resilience Act (IMERA), which will avoid undue obstacles to the Single Market in times of crises. The Annual Single Market and Competitiveness Report from January 2023 – highlighted that the Single Market features as one of the most important competitiveness drivers. In 2023, DG GROW also prepared the IP package adopted by the Commission, which proposed harmonised EU patent rules to boost innovation, investment and competitiveness in the Single Market

DG GROW continued to handle a wide-ranging portfolio, aiming at achieving the policy priorities of the Commission towards the green and digital transition. This operating context necessitates close and frequent consultations across the Commission services.

To provide adequate financing to those activities, DG GROW is participating in the implementation of two different financial programmes:

- In the [Single Market Programme \(2\)](#), DG GROW is in charge of the coordination at programme level. The DG is also responsible for the Small and medium-sized enterprises (SMEs) pillar, the European Standardisation, the reinforcement of the Internal Market, the Market Surveillance and the governance tools activities. The implementation of the Single Market Programme is partially delegated to European

(1) Initiatives that are part of the 2023 CWP are marked with this icon: 

(2) Details about the SMP programme implementation and added value, including performance information, are available in the programme statements of the [Draft general budget of the European Union](#).

Innovation Council and Small and Medium Enterprises Agency (EISMEA)⁽³⁾ as well as some legacy programmes such as Competitiveness of Enterprises and Small and Medium-sized Enterprises (COSME).

- For [Horizon Europe](#), DG GROW is co-chair DG of Cluster 4 (Digital, Industry and Space), which includes the raw materials activities for which the implementation is largely delegated to Health and Digital Executive Agency (HADEA)⁽⁴⁾.

On top of this, DG GROW remains the partner DG of two decentralised agencies, European Chemicals Agency (ECHA)⁽⁵⁾ to which a subsidy is transferred every year, and European Union Intellectual Property Office (EUIPO), a fully self-financed agency. At the end of 2023, DG GROW had 586 officials and temporary staff and 152 external staff organised in 9 Directorates and 34 Units.

⁽³⁾ The activities of the DG GROW budget delegated to the Executive Agency EISMEA are subject to the AAR of EISMEA.

⁽⁴⁾ The activities of the DG GROW budget delegated to the Executive Agency HaDEA are subject to the AAR of HaDEA.

⁽⁵⁾ For more details for ECHA and EUIPO please cf. to Annex 13.

EXECUTIVE SUMMARY

This annual activity report is a management report of the Director-General of DG GROW to the College of Commissioners. Annual activity reports are the main instrument of management accountability within the Commission and constitute the basis on which the College takes political responsibility for the decisions it takes as well as for the coordinating, executive and management functions it exercises, as laid down in the Treaties ⁽⁶⁾.

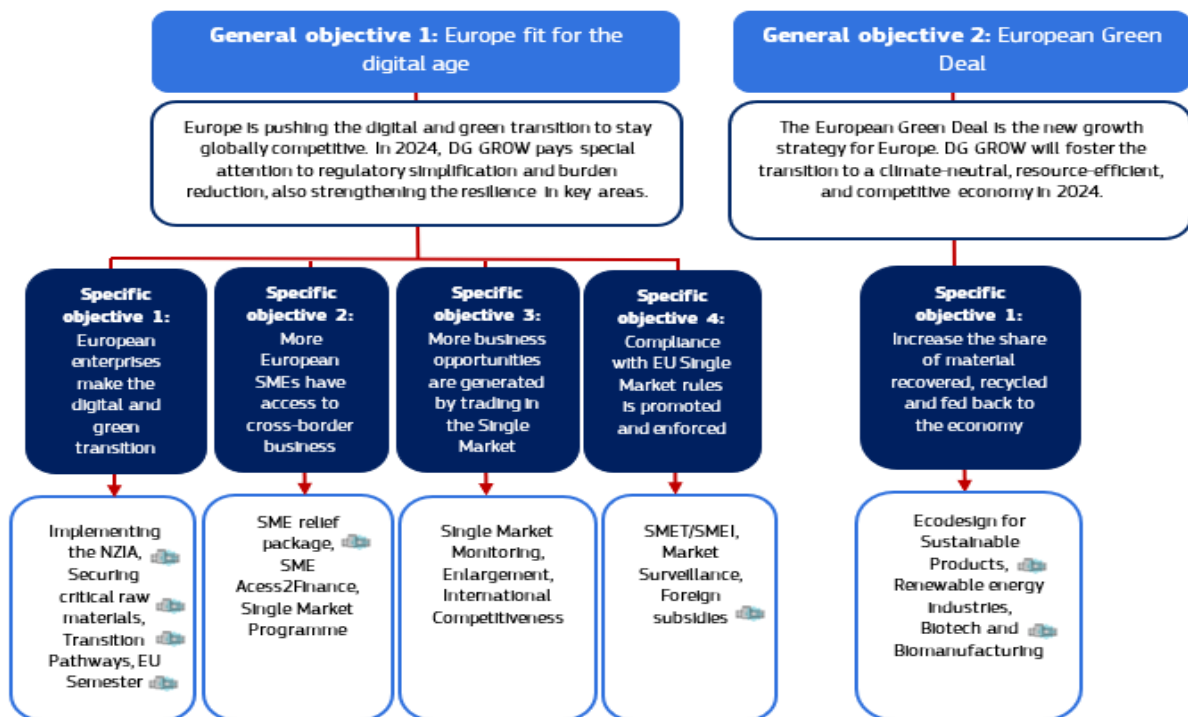
A. Key results and progress towards achieving the Commission's general objectives and department's specific objectives

In line with the criteria for a strengthened common control approach to provide reasonable assurance of the reliability of performance information about the EU budget spending programmes, DG GROW has put in place an assurance process based on a strong control framework and procedures to identify potential significant weaknesses. This assurance framework covers the DG's financial programmes and activities, and the entrusted entities involved. No issues were identified.

In 2023, DG GROW delivered on the main outputs as announced in the Management Plan of the DG. Last year was marked by major challenges to the competitiveness of European economy, the most prominent of which were the consequences of Russian aggression against Ukraine and the aftermath of the Covid-19 epidemic. The US Inflation Reduction Act (IRA) and the increasing share of Chinese products in the European market, such as electric cars, batteries, and solar panels, put an extra pressure on European industry and SMEs.

DG GROW responded to these challenges with initiatives that strengthen the European stance on green technologies, reduce the raw material dependencies, support the SMEs and address supply chains risks. The key deliverables of DG GROW in 2023 helped mainly achieve two of the six headline ambitions of the European Commission: "A Europe fit for the Digital Age" and "A European Green Deal":

⁽⁶⁾ Article 17(1) of the Treaty on European Union.



General objective 1 – A Europe fit for the digital age

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

In its role to support European competitiveness, DG GROW contributed to the recovery and resilience plans of the Member States by preparing country specific annexes and recommendations within the **European semester**. The DG was leading on the preparation and adoption by the co-legislators in 2023 of the **Critical Raw Materials Act (CRMA)** to reduce the dependencies of strategically important value chains. To contribute to the EU's competitiveness and technological sovereignty, the **Patent Package** was prepared by the DG and adopted by the Commission in April 2023, followed by the launch of the unitary patent system on 1 June 2023. DG GROW continued to develop **transition pathways for industrial ecosystems** to support them on their way to the digital and green transition.

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

SMEs are central to Europe's economic and social fabric. Yet, SMEs have not yet returned to their pre-pandemic performance levels. This is why DG GROW prepared the **SME Relief Package** in 2023 to provide short-term relief, boost long-term SME competitiveness, and foster a SME-friendly business environment. A core concern for SMEs is **access to finance**, and DG GROW helped SMEs to get financing through the InvestEU fund, the Single Market Programme (SMP-SME pillar actions address issues, opportunities and market failures related to access to finance and communication actions on relevant sources of finance for SMEs in the context of InvestEU, and the Horizon Europe Cluster 4 (Digital, Industry, Space). **Better Regulation** is a policy supported by DG GROW which aims to

ensure evidence-based, transparent EU law-making and reduce administrative burden. In this context DG GROW uses several instruments to ensure the SMEs dimension. The EU SME Envoys network continued to be the voice of SMEs in preparing legislation at EU and national level. A special focus in 2023 was to reduce burden associated with **reporting requirements** for companies and Member States by 25%. DG GROW proposed to simplify the reporting obligations of two directives, and a rationalisation plan for further legislative measures was prepared.

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

2023 marked the **30th anniversary of the Single Market**, an essential foundation of European competitiveness. DG GROW led the preparation of the Communication “The Single Market at 30” , which took stock of the achievements and ways forward. DG GROW was instrumental in preparing the Commission Communication ‘**Long-term competitiveness of the EU - looking beyond 2030**’, which charted the way forward to achieve Key Performance Indicators of the nine drivers of competitiveness, among which the good functioning of the Single Market figures prominently. In order to deepen the Single Market, legislation was created to help non-profit organisations to operate across borders. Skills shortages in the Single Market were addressed through skills partnerships and easing the recognition of professional qualifications for third country nationals. Implementation of the 2022 EU Standardisation Strategy continued in 2023 with the launch of the High-Level Forum and the Excellence Hub. In 2023, DG GROW engaged in **economic diplomacy** to expand the benefits of the Single Market internationally. The DG participated in the negotiations of free trade agreements, and assisted enlargement countries in their effort to align their acquis to the Single Market. The integration of Ukraine and Moldova into the Single Market was supported by working towards Agreements on Conformity Assessment and Acceptance of Industrial Products (ACAA).

Specific objective 4: Compliance with EU Single Market rules is promoted and enforced

Compliance with Single Market rules remained a priority for DG GROW in 2023. The Single Market Enforcement Task Force (SMET) continued to remove barriers in 2023 and addressed issues such as the recognition of professional qualifications, and the speeding up of permitting procedures for wind and solar energy projects. DG GROW assisted Member States to prepare their National Market Surveillance Strategies. Through managing various networks, portals and digital applications DG GROW is providing the “**engine room**” for **the Single Market**, for example with the SOLVIT network which resolves complaints related to the Single Market, and the Internal Market Information (IMI) System, which supports administrative cooperation. The Your Europe / Single Digital Gateway portal informs citizens and businesses about EU rights within the Single Market, and last year it passed 400 million visitors since its launch making it the Commission's most visited website.

General objective 2 - A European Green Deal

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

To strengthen European manufacturing of clean technologies, DG GROW was the lead service to prepare the proposal for a **Net-Zero Industry Act (NZIA)**, which was agreed by the legislators in early 2024. DG GROW worked on the Green Deal first by preparing legislation. The new **Construction Products Regulation (CPR)** adopted by the co-legislator in December 2023 will facilitate the recycling of construction materials, while the **Ecodesign for Sustainable Product Regulation (ESPR)** and the future introduction of the Digital Product Passport (DPP) system will increase transparency for better safety and environmental protection. Furthermore, DG GROW prepared several legislative proposals to increase the safety and digitisation of chemical products. Beyond legislation, DG GROW engages with stakeholders to achieve the goals of the Green Deal. In this context, the DG continued to support the **Circular Plastics Alliance (CPA)** to implement the European Plastics Strategy. DG GROW supported the development of the **hydrogen economy**, organising forums to discuss the results achieved with industry.

B. Key performance indicators

In the DG GROW Strategic Plan 2020-2024 three key Performance Indicators (KPIs) were chosen from the result indicators as the most relevant to illustrate the performance of the DG. However, since the adoption of the Strategic Plan in 2020, the economic environment in which the EU operates has changed drastically (COVID-19 pandemic, Russian war of aggression against Ukraine, high energy prices).

Hence, in March 2023 the Commission presented the “[Long term competitiveness of the EU – Looking Beyond 2023](#)” communication and improved the data sets of the Single Market Economy, with the main drivers of competitiveness, to which all DG GROW contributes. The following table provides a snapshot of EU performance based on KPIs reported in the [Annual Single Market and Competitiveness Report \(ASMCR\)](#) of February 2024 with data of December 2023. While it is too early to establish stable trends, the report notes that for the last two years for which data are available, 9 KPIs have improved, 5 have disimproved; 3 are stable, and 2 do not yet have data to assess progress. The details of each KPI are reported in the chapters of the Annual Single Market and Competitiveness Report that are dedicated to the corresponding driver of competitiveness. Moreover, Annex 1 “Overview of Key Performance Indicators (KPIs) on long-term competitiveness” in SWD(2024)78 provides information on longer trends.

KPI overview by competitiveness driver

Competitiveness driver	KPI	Reference years ⁽⁷⁾
Functioning Single Market	Integration in the Single Market	2021 and 2022
	Conformity deficit in EU law transposition	2022 and 2023
Access to private capital and investment	Private investment (% of GDP)	2021 and 2022
	Venture capital investment	2021 and 2022
Public investment and infrastructure	Public investment (% GDP)	2021 and 2022
Research and Innovation	R&D intensity (% of GDP)	2020 and 2021
	Number of patent applications	2021 and 2022
Energy	Share of energy from renewable sources	2021 and 2022
	Electricity prices for non-household consumers	1 st semester 2022 and 1 st semester 2023
Circularity	Circular material use rate	2021 and 2022
Digitalisation	SMEs with basic level of digital intensity	2021 and 2022
	Digital technologies adoption by companies	Only 1 year available (2020 or 2021 depending on technologies)

⁽⁷⁾ Based on latest data available as of December 2023.

Education and skills	Adult participation in education and training	Only 1 year available (2016)
	Adult employment rate	2021 and 2022
	ICT specialists	2021 and 2022
	Reading, math and science-skills for 15 year olds (PISA)	2018 and 2022
Trade and open strategic autonomy	Trade with the rest of the world (% of GDP)	2021 and 2022
	Exports of goods and services as shares of the rest of the world's imports	2021 and 2022
Regulatory burden	Ease of regulatory compliance	2021 and 2022

Notes: Green (red) signals improving (worsening) performance over the last 2 years for which data are available. Yellow indicates stability. Grey means no data are available to measure progress.

Progress on the three KPIs in the DG GROW Strategic Plan 2020-2024 is reported below for completeness:

KPIs in the DG GROW Strategic Plan 2020-2024	
KPI 1 The number of European SMEs which have access to cross-border business ⁽⁸⁾	<p>Target: increase % of SMEs making cross-border sales online</p> <p>Result: The percentage of SMEs in the EU making cross-border sales online increased from 8.29%⁽⁹⁾ in 2019 to 8.73% in 2022⁽¹⁰⁾.</p> <p>Source: Annual Digital Economic and Social Indicator (DESI reports, European Commission based on Eurostat data desi_idt_sellcb).</p> <p>Explanation: The slight increase in this indicator shows that digitalisation is on the right track. However, it also shows that we need to further strengthen work, especially in spurring digitisation of our SMEs. We need to step up the efforts to make sure that all SMEs in the EU have the best digital solutions available to them. The Recovery and Resilience Facility with about EUR 175 billion dedicated to reforms and investments in the area of digital, offers an opportunity to accelerate the digital transformation.</p>
KPI 2 Compliance and enforcement of EU Single Market rules ⁽¹¹⁾	<p>Target: Reduce the average duration of infringement procedures under GROW responsibility to a maximum of 18 months.</p> <p>Result: The average duration of infringement procedures amounted to 37.5 months by the end of 2023 (slight decrease from 38.1 months at end of 2022).</p> <p>Source: DG GROW + THEMIS/Infringements database.</p> <p>Explanation: The average duration of cases in 2023 differs significantly from the baseline and target. This is because, since COVID-19 pandemic, the Commission has given preference to an approach based on dialogue and has also privileged, instead of opening new cases, the preventive dialogue with Member States. Consequently, alongside the numerous resolved cases from the past which have improved the overall average duration, the final calculation is still significantly influenced by the few new cases which have been launched and by the remaining old ones.</p>

⁽⁸⁾ Cf. Result indicator related to Specific Objective 1.2 in Annex 2 'Performance tables'

⁽⁹⁾ Adaptation of baseline value in line with updated source of data

⁽¹⁰⁾ Latest available data

⁽¹¹⁾ Cf. Result indicator related to Specific objective 1.4 in Annex 2 'Performance tables'

<p>KPI 3 The share of material recovered, recycled and fed back into the economy ⁽¹²⁾</p>	<p>Target: Increase the share of circular materials</p> <p>Result: The share of materials that were recovered, recycled and fed back into the economy remained stable since 2016, i.e. 11.5% in 2022.</p> <p>Source: Eurostat online data code: Circular material use rate SDG 12 41</p> <p>Explanation: While this pace is stable since 2016, in the longer run the growth rate has been on a positive trend since 2004 (8.3 %), the first year for which data are available. This shows that the circular economy is developing at a stable pace year on year. DG GROW has been proposing measures, like Circular Plastics Alliance to further accelerate this pace.</p>
-------------------------------------------------------------------------------------------------------------------------	------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------

⁽¹²⁾ Cf. Result indicator related to Specific Objective 2.1 in Annex 2 'Performance tables'

C. Key conclusions on internal control and financial management

In line with the Commission's Internal Control Framework DG GROW has assessed its internal control systems during the reporting year and has concluded that it is effective, and the components and principles are present and functioning as intended. Please refer to annual activity report section 2.3 for further details.

In addition, DG GROW has systematically examined the available control results and indicators, including those from supervised entities to which it has entrusted budget implementation tasks, as well as the observations and recommendations issued by the internal auditor and the European Court of Auditors. These elements have been assessed to determine their impact on management's assurance about the achievement of the control objectives. Please refer to section 2 for further details.

In conclusion, management has reasonable assurance that, overall, suitable controls are in place and working as intended; risks are being appropriately monitored and mitigated. The Director-General, in her capacity as Authorising Officer by Delegation, has signed the Declaration of Assurance.

D. Provision of information to the Commissioner

In the context of the regular meetings during the year between the DG GROW and the Cabinet of the Commissioner, the main elements of this report and assurance declaration, have been brought to the attention of Commissioner Breton.

1. KEY RESULTS AND PROGRESS TOWARDS ACHIEVING THE COMMISSION'S GENERAL OBJECTIVES AND SPECIFIC OBJECTIVES

Supporting reform, resilience and open strategic autonomy in the aftermath of COVID and Russia's war of aggression against Ukraine

A focus of the Commission in 2023 was to counter negative effects of Russia's war of aggression against Ukraine and the aftermath of the COVID-19 pandemic. While the work of the Task Force for Industrial Scale-up of COVID-19 vaccines ended in June 2023, the lessons learned were conducive to the identification of the actions envisaged in the Communication on Addressing Medicine Shortages in October 2023.

DG GROW contributed to the European Economic Security Strategy by working on supply chains risk assessment. Two important analytical tools were rolled out: First, an updated methodology to monitor strategic dependencies (SCAN Dependencies), and second, an early warning monitoring system to identify signs of distress in supply chains ([SCAN Distress](#)).

The majority of EU Export Credit Agencies (ECAs), which are fundamental in supporting trade and allow European exporters to offer beneficial payment conditions to Ukrainian importers, have largely suspended their risk coverage for Ukraine. In 2023, DG GROW with DG TRADE and the European Investment Fund set up a new pilot facility to share the risk of such transactions with Member State ECAs under the InvestEU Fund SME Window. The pilot is expected to be launched in 2024.

To support the integration of the Ukrainian SMEs into the Single Market, calls for proposals titled "ReadyForEU" were launched in 2023 under the SME Pillar of the Single Market Programme: The first call "Business Bridge" worth EUR 4.5 million provides financial support to Ukrainian SMEs to access business services to get familiar with the Single Market. The second call, the "Erasmus for Young Entrepreneurs - Ukraine" worth EUR 3 million allows 430 new Ukrainian entrepreneurs to gain business experience in the EU.

General objective 1 - A Europe fit for the digital age



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


Main policy initiatives

Fostering reform: European Semester and Recovery and Resilience Facility


The [European Semester](#) is the EU's framework for economic and social policy coordination with Member States. Since 2021 it has been linked to the [Recovery and Resilience Facility](#) (RRF), which added sizeable funding (EUR 723.8 billion) to back up the European semester

governance. DG GROW is a core DG in the European Semester process. The DG focuses on promoting policy reforms on competitiveness and resilience with a view to foster the green and digital transition. The DG drafted country-specific annexes to the Semester Country Reports and helped draft Country-Specific Recommendations. In 2023, DG GROW was involved in the negotiation of 23 REPowerEU chapters which respond to the global energy market disruption aiming to diversify energy supplies.

Securing raw materials for Europe

To enhance its economic resilience and address the need to mitigate the risks of strategic dependencies, DG GROW led the work on the Critical Raw Materials Act . The Regulation was proposed in March 2023 and was adopted with an overwhelming majority in the European Parliament on 12 December 2023. After it will enter into force in May 2024, the first call for Strategic Projects should follow. Furthermore, the Act provides that Union recycling capacity should cover 25% of the Union's annual consumption of strategic raw materials by 2030. DG GROW also pursued the Raw Materials International Partnership with third countries and led the work on the Memorandum of Understandings (MoUs) with Argentina (June 2023), Chile (July 2023), Democratic Republic of Congo (October 2023) and Greenland (November 2023) as well as Norway (March 2024). The DG prepared the negotiations of MoUs with, Australia, Serbia, and South Africa.

Improving the EU intellectual property (IP) framework

On 27 April 2023, the Commission adopted its Patent Package  comprising three legislative proposals on: (1) standard essential patents, (2) compulsory licensing of patents in crisis situations, and (3) the revision of the legislation on supplementary protection certificates with the aim to help companies, especially SMEs, leverage new technologies and contribute to the EU's competitiveness and technological sovereignty.

The Unitary Patent (UP) system became operational in June 2023. Over 18,000 unitary patents have been registered so far, mainly in medical technology and civil engineering.

A new Regulation on the protection of geographical indications for craft and industrial products entered into force on 16 November 2023. The new scheme will allow the craft and industrial goods to fully benefit from EU-wide geographical indication (GI) protection.

The revision of the European Design Protection system aims to make the legal framework fit to support the digital and green transition. It will create the repair spare parts market and benefit consumers in terms of greater choice and lower prices.

In 2023, 22,899 SMEs were supported financially under the SME fund. This represents a 55% increase compared to 2022. For 78% of the companies, this was the first time they had protected their IP. This is important given that intangible assets protected by IP exponentially increase the value of a company.

The adoption of a Recommendation to combat counterfeiting was initially planned for 2023 and was adopted in March 2024.


Increasing transparency in tourism: short term rentals

In November 2023, the co-legislators agreed on a new Regulation on data collection and sharing relating to short-term accommodation rental services. The new measures provide for harmonised registration schemes for hosts and obligations for online platforms to display registration numbers and share specific data about hosts with public authorities.

Enhancing product liability

Following its adoption in 2022 by the Commission, a new Product Liability Directive (PLD) and new liability rules for AI (DG JUST in the lead) are currently in the inter-institutional phase. Once adopted, the new PLD will provide for a modern liability framework whereby manufacturers can be held liable when their products cause harm.

Monitoring asbestos

DG GROW continued work on a legislative proposal on asbestos screening, registering and monitoring  in view of its adoption in 2024.

Charting transitional pathways

Transitional pathways for industrial ecosystems are strategic plans to reinforce the digital and green transition and strengthen resilience of EU industry. In the context of its continuous support, DG GROW has been developing a stakeholders' support platform, to be made available in 2024. In 2023, work continued on existing pathways (Tourism and Proximity/Social Economy), new pathways were launched (Chemicals, Construction, Textiles and Mobility) and further pathways prepared (Agri-food, and Retail):

Transition Pathways			
	Ecosystem	Launch dates	Commitments
1	Tourism (GROW in lead)	4 February 2022	Launched
2	Proximity and Social Economy (GROW in lead)	14 November 2022	Launched
3	Chemicals (GROW in lead)	27 January 2023	Launched
4	Construction (GROW in lead)	15 March 2023	Launched
5	Textiles (GROW in lead)	6 June 2023	Launched
6	Mobility (GROW in lead)	Q1 2024	Q1 2024
7	Metals (GROW in lead)	01/02/2024	01/02/2024
8	Aerospace and defence (DEFIS in lead)	01/02/2024	01/02/2024
9	Agri-food (GROW in lead, AGRI/SANTE supporting)	Q1 2024	Q1 2024
10	Retail (GROW in lead)	Q1 2024	Q1 2024

Initiatives linked to regulatory simplification and burden reduction

Revising the Textile Labelling Regulation

DG GROW initiated the review of the [Textile Labelling Regulation](#) with the launch of an evaluation study and impact assessment; a public consultation started in December 2023.

Main evaluations and fitness checks

- Evaluation of the [Metrology Directive](#) and [Non-automated Weighing Instruments Directive](#);
- Evaluation of the Directive [on the placing on the market of pyrotechnic articles](#) and civil explosives;
- Evaluation of the implementation of Regulation on the EU [trademark](#);
- Evaluation of the [Directive on electronic invoicing in public procurement](#) published in Q1 2024;
- Evaluation of the [Directive on “3R type-approval”](#); and
- Evaluation of, and report on the implementation of the Platform-to-business or P2B regulation.

Outreach

The 2023 EU Industry Days took place in Malaga, Spain, on 4-6 October with 1200 participants from 68 countries. DG GROW organised nine “[Clusters meet Regions](#)” events in 2023 showcasing good practices where clusters play an active role in regional economies and are drivers for economic transition. The European Tourism Day 2023 on 5 May 2023 gathered 450 stakeholders focusing on green, digital and resilient tourism. The Commission had a prominent presence with a high-level participation from DG GROW at the Hannover Fair 2023 hosting about 600 visitors at 20 stands. The Raw Materials Week in November 2023 brought together ca. 1000 stakeholders.

Other initiatives

Supporting industrial ecosystems in their economic transition

The current data landscape in the **mobility** value chain is highly complex, fragmented, and lacks sufficient transparency and interoperability. To address this, DG GROW worked in 2023 on an initiative on access to in-vehicle data.

By 2023, 424 pledges from **tourism** stakeholders were collected for the transitional pathway demonstrating a broad interest. To facilitate exchanges, DG GROW set up the Together for EU Tourism (T4T) expert group. Their work will be supported by the upcoming online T4T transition pathways stakeholder support platform. On 20 July 2023 the Commission adopted a Communication Towards a Common European Tourism Data

Space ⁽¹³⁾ which will allow businesses and public authorities to share data to inform innovative tourism services.

DG GROW continued to support the Worth Partnership Project, a Europe-wide accelerator programme for **Cultural and Creative Industries** (CCIs). In 2023, 65 projects contributing to the New European Bauhaus were showcased and 70 new transnational partnerships started. The skills partnership reached over 120 members and delivered on first commitments (e.g Creative Skills Week 2023).

DG GROW supported actions to boost the digital transformation to make **social economy businesses** operating in rural areas more connected and to increase the outreach through the European Affordable Housing European Partnership. The Pact for Skills partnership continued. A mapping of the socio-economic performance of the proximity and social economy has been launched to enhance sustainability, innovation, and resilience. DG GROW continued shaping an enabling environment for social innovators through the annual Social Innovation competition under Horizon Europe and by setting up a dedicated network.

DGGROW launched the new phase of the **Intelligent Cities Challenge** (ICC) which supports a network of 80 EU cities in 18 countries. Focusing on Local Green Deals (LGDs), the ICC will continue to implement the Green Deal Industrial Plan at local level by further helping cities to conclude LGDs with industry and SMEs. In 2023, 182 LGDs were launched.


In 2023, DG GROW launched the first edition of its yearly [Fellowship Programme](#) with top economists and academics to support the DG in its **economic analysis** and policy making. Also, the DG published the [Single Market Economic Paper series](#).



Specific objective 2: More European small and medium-sized enterprises have access to cross-border business ⁽¹⁴⁾

Main policy initiatives

SME relief package

SMEs are central to Europe's economic and social fabric. The 24 million European SMEs represent 99% of all businesses in the EU. Yet, SMEs have not yet returned to their pre-pandemic performance. This is why DG GROW helped prepare and adopt the SME Relief Package in September 2023 to provide short-term relief, boost long-term SME competitiveness, and foster a SME-friendly business environment. The package includes a proposal for a Regulation combatting late payment in commercial transactions, improve access to finance and skilled workforce, and support SMEs throughout their business lifecycle. As mandated by the Late Payments Directive , public authorities must pay for procured goods and services within 30 days. However, payment delays remain an issue,

⁽¹³⁾ C(2023)4787

⁽¹⁴⁾ In the DG GROW Strategic Plan 2020-2024, this objective read: "More European SMEs have access to cross-border business by digital means". In this Management Plan, the addition "by digital means" is deleted as DG GROW came to consider that the objective should not be confined to "digital means".

putting financial pressure particularly on SMEs. To address the situation, the Commission adopted 12 decisions against five Member States in 2023. DG GROW is closely monitoring the progress in this regard. The EU Payment Observatory adopted a report on preventive measures to be published in 2024.

Several reports on European SMEs were published in 2023: The 2023 SME Performance Review of June was discussed by the European Parliament in its 2023 State of the SME Union debate. The Eurobarometer on SMEs and skills shortages was published in November, the study on SMEs and high inflation in December and the report on the survey of EU start-ups and the COVID-19 pandemic in March. The first implementation report of the Platform-to-Business regulation (P2B) concluded that P2B should better exploit its potential to the benefit of the tourism SMEs, retail and cultural and creative industries.

DG GROW supported [ESTEAM](#) Festivals which aims to empower girls and women to take up careers in entrepreneurship, science and technology. The DG initiated a project to collect data on women entrepreneurship and organised a media campaign to inspire girls and women to go into technical sectors.

The SME Relief Package stated that the Commission will be attentive to the needs of companies that outgrow the thresholds of the SME definition. Based on an analysis of the economic impact on such mid-caps, DG GROW may adapt the SME definition to their needs.

Accessing finance: InvestEU and ESCALAR

For the period 2021-2027, EUR 6.9 billion are allocated under the InvestEU Fund's SME Window. In addition to the InvestEU Guarantee Agreement with the European Investment Bank Group, and notably the European Investment Fund, which is the main InvestEU implementing partner for SMEs, the Commission signed guarantee agreements with two new implementing partners, one in France and one in Hungary in 2023.

The [InvestEU Fund](#) reported its first achievements: more than 1,800 SMEs and small mid-caps received over EUR 800 million in debt and equity financial support, which helped them improve their competitiveness, benefit from solvency support and foster their innovation, digitalisation and transition to sustainability. Work also advanced on the InvestEU Fund Member State compartment: contribution agreements and guarantee agreement amendments were signed for Bulgaria, Czechia, Finland, Greece, Malta and Romania, referring mainly to financial products supporting SMEs.

DG GROW is responsible for the policy steer of the InvestEU Fund's SME Window. The roll-out of ESCALAR, a first-of-a-kind risk/reward mechanism, continued with a [new call for expressions](#) of interest to select financial intermediaries. ESCALAR provides up to EUR 300 million aiming to increase the investment capacity of venture capital and private equity funds, triggering investments of up to €1.2 billion to support high-growth scale-ups in the EU.

DG GROW monitored developments in SMEs' access to finance through the joint European Commission/European Central Bank Survey on the Access to Finance of Enterprises ([SAFE](#)).

Supporting SMEs through the Single Market Programme (SMP)

An important source of SME support is the Single Market Programme (SMP). Its total budget for 2021 to 2027 is EUR 4.2 billion, of which 24% (ca. EUR 1 billion) is devoted to the SME Pillar. The 2023 work programme continued to implement the SME strategy in the context of industrial ecosystems and the SME components of the updated Industrial Strategy, with strong emphasis on supporting SMEs' recovery and the green and digital transition while helping them achieve success in an increasingly competitive and fast-moving environment. The 2023 SME Pillar work programme included the budget for multi-annual actions launched in 2021: the Enterprise Europe Network (EEN), the Joint Clusters Initiative, Erasmus for Young Entrepreneurs (EYE) and the Intellectual Property voucher for post-COVID-19 recovery and the green and digital transition. The SME Pillar contains several measures addressing serious challenges due to the pandemic and the Russian aggression in Ukraine for European SMEs' competitiveness, resilience and access to markets. Calls for proposals were published for tourism and social economy projects, agri-food clusters, the Enterprise Europe Network (EEN) energy efficiency action, and measures to help Ukrainian enterprises integrating.

Supporting competitiveness through Horizon Europe

In 2023, DG GROW continued to co-chair the Horizon Europe Cluster 4 (Digital, Industry and Space). This Cluster foresees EUR 15.349 billion for 2021-27 and contributes to the twin transition of industrial ecosystems. Notably, it contributes to the Critical Raw Materials Act through financing research and innovation in the critical raw materials value chain. So far, the Horizon Europe work programmes has assigned EUR 500 million for Research and Innovation (R&I) critical raw materials projects. In 2023, the Commission presented 10 proposals for new candidate partnerships, including on raw materials and on textiles. In the construction sector, R&I on intelligent data collection and analysis from materials and structures in buildings has been supported, including R&I for civil engineering infrastructure.

Regulating better

In 2023, the SME Envoy Network continued to be the focal point for SME policies at national level. The Network gave input to a number of reports on the state of play of SMEs in the EU. For example, it contributed to the Letta report on the Future of the Single Market requested by the European Council and to be presented in April 2024.

DG GROW's SME test helpdesk is responsible for supporting all Commission departments in applying the SME test in impact assessments. Work has been done to promote the SME dimension in the draft legal proposals of the Commission. In 2023, the SME Envoy Network has filtered 18 announced legislative initiatives and found 67% of them to be relevant for SMEs (a total of 12 legislative initiatives). It also contributed to the 2024 annual work programme of the Fit for Future platform by proposing topics for platform's opinions.

The SME Relief Package of September 2023 announced actions to strengthen the business environment such as the systematic consideration of the use of SME-friendly provisions in its legislative proposals, the appointment of an EU SME Envoy and the promotion of on-the-

spot assessments of the impact of amendments by the European Parliament and the Council on SMEs during the legislative process. In 2023, DG GROW carried out three SME panel consultations and informed SME associations about other consultations. The DG finalised 10 impact assessments, including research, stakeholder consultations and procuring of studies.

Initiatives linked to regulatory simplification and burden reduction


Rationalising reporting obligations

In the context of the Commission's effort to reduce reporting requirements by 25%, with the aim to reduce administrative burden for companies and Member States, in October 2023 DG GROW proposed to:

- Eliminate, under the Outdoor Noise Directive, the reporting obligation for manufacturers to deliver a copy of the EC declaration of conformity of their equipment to both the Member States authorities and the Commission;
- Reduce the frequency of the reporting obligation for Member States on the Radio Equipment Directive implementation to every five instead of every two years.

DG GROW cooperated with DG TAXUD on the initiative VAT in the Digital Age that aims at simplified reporting obligations for EU companies, especially SMEs. At the end of 2023, DG GROW prepared a plan with further measures to reduce reporting obligations.

Major public consultations

- Final evaluation of the COSME Programme from 15 June - 18 September 2023 
- Revision of the Late Payments Directive from 20 January - 17 March 2023

Outreach

This 2023 European SME Week featured for the first time the SME Assembly back-to-back with the Enterprise Europe Network Annual Conference and took place in Bilbao, Spain on 13-17 November. The SME Assembly featured workshops on policy issues of fundamental interest to SMEs. It was followed by the [Enterprise Europe Network \(EEN\) Annual Conference](#) with over 800 participants from 50 countries.

In 2023, DG GROW organised multiple awareness raising activities for SMEs on the Single Market at 30th anniversary. They were organised in collaboration with the EEN, which in turn organised 57 local events with SMEs and supported DG GROW's presence at major European events. In 2023 the EU Finance Days took place in Athens, Lisbon, Helsinki, and Prague. Organised by DG GROW and its implementing partners, they presented new financial and support programmes. DG GROW promoted the Acces2Finance portal to disseminate information on financial support under InvestEU.

The business support networks and programmes overseen by DG GROW delivered results in 2023: the Industrial Forum held 2 plenaries discussing the reduction of administrative burdens, European economic security, and transition pathways. The EEN helped ca. 250,000

SMEs, with an impact survey showing that client SMEs created 2,386 jobs between January 2022- June 2023 and increased their turnover by 19.7%. The European Cluster Collaboration Platform helped connect 171 cluster partners, with the Euroclusters project benefitting around 2,000 SMEs. The Erasmus for Young Entrepreneurs programme benefitted 1,778 entrepreneurs (in 889 exchanges) including 35 entrepreneurs from Ukraine.



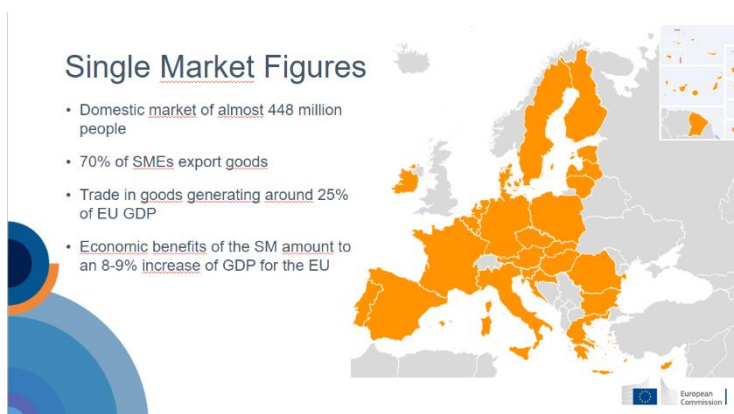
Specific objective 3: More business opportunities are generated by trading in the Single Market ⁽¹⁵⁾

New policy initiatives

The Single Market at 30

To mark the 30th anniversary of the Single Market and responding to calls from Member States and stakeholders for renewed impetus, DG GROW prepared a Communication The Single Market at 30, published in March 2023, following the 2023 Annual Single Market and

Competitiveness Report and a new edition of the Single Market and Competitiveness Scoreboard. The Communication and the 2023 Annual Single Market and Competitiveness Report took stock of the progress of the Single Market over the past 30 years and explored the way forward.



Enhancing cross-border activities of associations

In September 2023, DG GROW proposed a Directive for European cross-border associations (ECBAs), establishing a new form of non-profit association to facilitate their cross-border activities. This proposal is accompanied by a proposal for a technical regulation allowing cooperation among competent authorities.

Addressing skills shortages

To address skills shortages in the EU, DG GROW manages 19 large-scale skills partnerships aiming to up- and re-skill 10 million people by 2030 in industrial ecosystems. DG GROW prepared the establishment of skills academies in strategic net-zero industry technologies such as solar, hydrogen and raw materials, modelled on the European Battery Academy to promote professional skills required for the green and digital transition.

⁽¹⁵⁾ In the DG GROW Strategic Plan 2020-2024, this objective reads: “More business opportunities are generated in the Single Market”. In this Management Plan, the term “by trading” was added to better reflect the actual responsibilities of the EU covering the cross-border aspect.

Recognising qualifications of third country nationals

In November 2023, the Commission adopted a Recommendation on the recognition of qualifications of third country nationals prepared by DG GROW. It will facilitate attracting third country nationals to the EU's labour market. DG GROW launched preparations for a Common Training Framework for the automatic recognition of professional qualifications and updated the minimum training requirements underpinning automatic recognition.

Ensuring European Standardisation supports the twin transition

DG GROW continued to implement the 2022 EU Standardisation Strategy: the High-Level Forum and the Excellence Hub established as a Community of Practice to enhance EU coordination of standardisation activities were launched in January 2023. A project on skills' standardisation was launched under the Horizon Europe programme. Overall, in 2023, the Commission adopted 15 standardisation requests and 20 Commission Decisions, including 200 new and amended harmonised standards. The evaluation of the Standardisation Regulation was launched in September 2023 and is currently ongoing.

Harnessing the power of public procurement

In April 2023, DG GROW launched the Public Buyers Community Platform to improve cooperation between public buyers. The DG also launched the Strategic Public Procurement project, which helps to develop a dialogue with Member States on the use of green, social and innovative procurement. On 28 July, the Commission adopted the first application Report on the Directive on the award of concession contracts showing how the legal framework has led to more transparency on concession awards and higher SMEs participation.

The Commission's public procurement data initiative requires all public buyers to use the new [eForms](#) to publish notices on the EU wide Tenders Electronic Daily (TED) portal since the end of 2023. The common eForms will improve data quality contributing to the success of the Public Procurement Data Space ([PPDS](#)) of March 2023. The PPDS will for the first time integrate European and national procurement data sets and analyse them using state-of-the-art technologies.

Fostering professional services in the Single Market

In 2023, DG GROW continued to implement the EU Services Directive and the Professional Qualifications Directive. It carried out assessments of services barriers in construction and tourism. DG GROW launched an evaluation exercise of Points of Single Contact for service providers. In cooperation with DG EMPL, it worked with interested Member States to agree on a common form for the electronic declaration of posted workers to reduce the administrative burden for service providers posting workers to other EU countries. For example, since 2022, road transport operators have submitted 34 million declarations. These operators are making use of the simple online procedure and the harmonised uniform content.

Opening global markets

In 2023, GROW participated in trade negotiations to improve EU industry's access to third markets. Before negotiations start, DG TRADE assesses the possible benefits in terms of increased access for European goods and services, reduction of tariffs and non-tariff barriers, and the overall positive impact on GDP growth for both the EU and its trading partners.

Trade Partner	Sustainability Impact Assessment (SIA) estimated economic impact once FTA is concluded
New Zealand	EU GDP increase between €1.8 billion and €3.9 billion. The most positive effects are predicted for motor vehicles and machinery in the EU.
Australia	By 2030, there will be a small but positive economic benefit on both sides, with an increase in EU GDP between €1.8 billion and €3.9 billion. Most notably, motor vehicle exports are estimated to increase between 37.7% to 52.1%.
Indonesia	The projected increase in EU GDP is between €2.5 and €3.1 billion by 2032. Sectors profiting most are motor vehicles, machinery and dairy in the EU.
India	The EU's GDP could be increased between €25.5 billion and €47.9 billion by 2030. The EU-India FTA is expected to more than double the value of bilateral exports to India for most EU sectors, significantly benefiting sectors such as minerals, machinery, paper, electronics, and non-ferrous metals, which are key for the EU's SME-intensive merchandise sectors.
Malaysia	EU GDP could increase between €3.54 billion and €4.63 by 2032. The EU's manufacturing sector would see the greatest gains, especially in motor vehicles and parts, metal products, and, to a lesser extent, electronics and machinery.
Philippines	A future EU-Philippines FTA would increase EU exports to the Philippines by 30.3% to 40.4%, and bilateral EU imports by 7.5% to 8.8%. The manufacturing sector in the EU is expected to primarily benefit, with substantial increases in exports and output, particularly in electronics, motor vehicles, other transport equipment, chemicals, rubber, and plastic.

DG GROW promoted the EU policy on free movement of goods towards third countries by acting as an EU Enquiry Point on Technical Barriers to Trade – a central point to process all EU notifications submitted to the World Trade Organisation (WTO).

DG GROW continued exporting the European model for e-Invoicing with EU trade partners. The DG finalised negotiations with the US in the Trade and Technology Council on aligning e-Invoicing models. The DG also exported the European model through WTO negotiations on e-commerce and FTA negotiations with New Zealand, India, and Australia, as well as the Digital Partnerships concluded with Singapore and South Korea in 2023 with DG CONNECT in lead.

DG GROW provided analyses for developing Trade Defence Instruments and contributed to tackling market distortions linked to foreign subsidies. The DG helped to implement the screening mechanism to identify and mitigate security risks from foreign direct investments.

DG GROW worked to strengthen the EU's international commitments on supply chains. The DG steered cooperation with Ukraine, Taiwan, South Korea, China and Japan through established Supply Chain and Industrial Policy Dialogues, regulatory dialogues, and business roundtables. It engaged with the US by co-chairing working groups on technology standards cooperation, securing supply chains and promoting SME access in the framework of the EU-US Trade and Technology Council. DG GROW participated in the EU-US Inflation Reduction Act (IRA) Taskforce and in the EU-US Clean Energy Incentives Dialogues on how to build net-zero industries. The DG was involved in the EU-India Trade and Technology Council, notably on areas related to clean technologies and the resilience of value chains.

The DG engaged in economic diplomacy: it supported the EU-Japan Centre for Industrial Cooperation and the EU SME Centre in China, both providing information services for EU companies. DG GROW also facilitated the annual meeting of the European Business Organisations World Wide Network (EBOWWN). It fostered cooperation with Africa and South-East Asia, including opportunities under the Global Gateway Strategy, such as the Strategic Partnerships on raw materials with Africa. The DG contributed to the preparation and follow-up of the G7 meeting on economic resilience and security, as well as of G20 and UN meetings.

The DG supported enlargement countries to align with the EU *acquis* by contributing to the Western Balkans Growth Plan and the 2023 Enlargement package. The integration of Ukraine and Moldova into the Single Market was supported by working towards Agreements on Conformity Assessment and Acceptance of Industrial Products (ACAA). The DG concluded Single Market Programme (SMP) Association Agreements with Ukraine, Kosovo, Montenegro, Bosnia and Herzegovina, Moldova, Serbia, and Albania, and started negotiations with Armenia and Georgia. The DG supported the accession of enlargement countries to the WTO Government Procurement Agreement (GPA) with a successful North Macedonia's accession.

Closing the Single Market gap for non-road mobile machinery

In March 2023, the Commission proposed to harmonise the technical requirements for non-road mobile machinery (e.g. construction and agricultural vehicles) to ensure the free movement of such mobile machinery and a high level of safety. It will save manufacturers around EUR 800 million in compliance costs over 10 years.

Main evaluations and fitness checks

- Evaluation of the Standardisation Regulation

Major enforcement actions

With the Foreign Subsidies Regulation coming into force in July 2023, DG GROW is responsible for enforcing the Regulation as regards financial contributions in public procurement procedures and for starting ex officio procedures to tackle distortive effects.

Outreach

In 2023, DG GROW delivered a campaign on the 30th anniversary of the Single Market. It organised a travelling exhibition, the Single Market Tour, showcasing the benefits of the Single Market and covering 15 cities in 7 countries. Almost 10,000 people visited the stand. The social media outreach of the Tour reached over 2 million people and led to almost 50 reports in local media. A social media online quiz on Instagram had ca. 50,000 participants. The campaign generated 142,897 link clicks and reached over 16 million users. A video explaining EU policy on sustainable textiles on Instagram generated 3 million plays and reached almost 13 million people. Several video episodes of the “Business Planet” Programme produced by the DG together with Euronews generated over 150 million views on Euronews TV and over 400,000 views online; these episodes illustrate how the Single Market benefits businesses. These benefits also featured in events organised by local stakeholders; on the [Single Market anniversary page](#), more than 100 such decentralised events were registered. DG GROW, together with the Swedish Council Presidency hosted the Single Market Forum conference (SIMFO) in May 2023, which focused on topics like the future of the Single Market, the digital Single Market, standardisation and skills supply.



Specific objective 4: Promote compliance with EU Single Market rules and enforce them ⁽¹⁶⁾

New policy initiatives

Strengthening resilience of the Single Market during a crisis

During the [COVID-19](#) pandemic, the Single Market witnessed serious free movement restrictions and disruptions resulting in acute supply shortages. In order to prevent such disruptions in times of future crises, DG GROW prepared a legislative proposal for a Single Market Emergency Instrument in 2022. In 2023, DG GROW engaged with the European Parliament and the Council to advance the inter-institutional negotiations on the proposal. On this, the legislators reached agreement in early 2024 under a new title: Internal Market Emergency and Resilience Act (IMERA).

Removing obstacles via the Single Market Enforcement Task Force (SMET)

In 2023, the Single Market Enforcement Task Force (SMET) worked on thematic issues like recognising professional qualifications and facilitating administrative requirements for cross-border service providers to tackle Single Market barriers. SMET screened over 170 process-related barriers to permitting for wind and solar energy projects. Measures for around 60% of the confirmed barriers are already implemented or are being finalised.

⁽¹⁶⁾ In DG GROW Strategic Plan 2020-2024, this objective reads: “EU Single Market rules are enforced more efficiently by the Commission and Member States.” DG GROW concluded that this objective should be re-formulated to better reflect the DG’s enforcement strategy.

Ensuring products' conformity in the Single Market

In 2023, DG GROW fostered market surveillance in the EU to ensure product conformity. Almost all Member States delivered their first National Market Surveillance Strategies (NMSS). Six training sessions were provided for Product Contact Points with over 500 participants. DG GROW upgraded the Information and Communication System for Market Surveillance (ICSMS) – a digital tool facilitating cooperation between market surveillance authorities: New rules will provide an overview of product imports in ICSMS based on customs data. Product controls at EU borders were strengthened by further developing an electronic interface between national customs systems and the ICSMS. DG GROW launched the Single Market Compliance Space, an information system combining the New Approach Notified and Designated Organisations (NANDO) and the Noise Emissions by Outdoor Equipment (NOISE) systems.

Ensuring mutual recognition

[Mutual recognition of goods](#) is a core principle of the Single Market. It guarantees that any good lawfully sold in one EU country can be sold in another. DG GROW initiated an evaluation study of the Mutual Recognition Regulation in 2023 to be finalised in 2025. DG GROW also conducted awareness campaigns on mutual recognition.

Preventing barriers in the Single Market

In the area of goods and information society services, in 2023, DG GROW coordinated the Commission response to ca. 800 notifications of technical regulations under the Single Market Transparency Directive (SMTD). The focus was on transparency, dialogue with Member States and stakeholders, and on better regulation. Stakeholders participated in the procedures to prevent obstacles to trade through the Technical Regulations Information System (TRIS) managed by DG GROW. This approach was confirmed by the European Court of Justice, which recalled the importance of the SMTD for preventing Single Market barriers.

In the area of services, in 2023 the Commission received 78 notifications from Member States. DG GROW worked to ensure the proper transposition of the Proportionality Test Directive, which lays down a framework to assess the proportionality of new professional regulations in Member States before they are introduced. To this end the Commission took enforcement action against Member States for the non-conformity of their transposition.

Reinforcing compliance – infringement procedures

In 2023, the Commission took 87 decisions to go ahead on infringement cases in the remit of DG GROW. Nevertheless, around 90% of all infringement cases are settled before being referred to the European Court of Justice. Among those 87 decisions, 10 were referrals to the Court, almost half of them in the area of late payments.

Solving disputes in the Single Market – SOLVIT

SOLVIT is a network of national centres for resolving Single Market complaints. In 2023, the network handled 4,800 complaints of which 2,200 fell in SOLVIT's remit and 88.3 % were solved. DG GROW supported the centres with legal advice, awareness raising and networking events. SOLVIT deepened the cooperation with other EU organisations, such as the [Enterprise Europe Network](#) and the [European Labour Authority](#). Revamping the SOLVIT database (SOLVIT IMI application) was a priority. A focus was on creating a repository of structural cases detected via SOLVIT to allow for more efficient reporting to policy makers.

Supporting administrative cooperation – Internal Market Information (IMI) System

IMI celebrated 15 years of connecting authorities in the EU. In 2023, DG GROW worked on a [report](#) of IMI and organised a high-level conference reflecting on its future. The DG expanded IMI, with one single digital tool, IMI now supports 20 policy areas and 97 cross border administrative cooperation procedures with a total of more than 585,000 exchanges over the years. DG GROW made progress on integrating the Regulated Professions Database into IMI. A major success was the improvement of the Road Transport Posting Declaration portal via which road transport operators have submitted more than 34 million posting declarations online in the past two years, saving them time and resources.

Measuring performance – Single Market and Competitiveness Scoreboard

The Single Market and Competitiveness Scoreboard is an online tool monitoring the performance of Member States in the Single Market. The Scoreboard was upgraded in 2023 to provide more structured information. New indicators were added on output, competitiveness and business framework conditions. This will enhance its usability for policy making and for monitoring trends and competitiveness of the Member States.

Developing alternative compliance tools – Your Europe/Single Digital Gateway

The Your Europe portal informs citizens and businesses about Single Market rules and rights. It is the hub of the EU's Single [Digital Gateway](#) (SDG). Last year, it passed the 400 million visitor benchmark since its launch and was the most visited Commission website with 32 million visitors in one year. DG GROW launched the SDG's Once Only Technical System to facilitate cross-border online exchange between public administrations. In 2023, the Commission adopted the first [Implementation report](#) on the Gateway.

General objective 2 – A European Green Deal



Specific objective 1: Increase the share of material recovered, recycled and fed back to the economy ⁽¹⁷⁾

⁽¹⁷⁾ Please note that DG GROW policies in practice will aim at a larger remit which is best described as fostering the transition to a climate neutral, resource efficient and competitive economy.

Main policy initiatives

Supporting clean tech: Net-Zero Industry Act

The Commission presented on 1 February 2023, a [Green Deal Industrial Plan](#), an adjustment of EU state aid rules to facilitate public investments for the green transition, a focus on skills as well as a trade policy to ensure resilient supply chains for the twin transition. In this context, DG GROW, with support of DG ENER, prepared the proposal for a Net-Zero Industry Act (NZIA) adopted in March 2023 by the Commission. The co-legislators finally agreed on a text in early 2024. The regulation aims at boosting the industrial deployment of net-zero technologies needed to achieve EU's climate goals, using the strength of the Single Market to reinforce Europe's leadership in industrial green technologies.

Working on the Green Deal through legislation

The Commission proposal for an **Ecodesign for Sustainable Products Regulation (ESPR)** of 2022 is part of the Circular Economy Action Plan. The ESPR proposes a Digital Product Passport (DPP) on which DG GROW worked to ensure coherence with other product-related legislation, steered a study on the possible design and prepared a standardisation request.

The new **Construction Product Regulation (CPR)** agreed by legislators in December 2023 will facilitate recycling of construction materials while the introduction of a Digital Product Passport system will increase transparency for better safety and environmental protection.

Making chemicals more sustainable

In 2023, DG GROW prepared the following legislative proposals to boost the safety and the digitalisation of chemical products: An amendment of the Fertilising Products Regulation to introduce digital labelling; and a proposal to replace the Toys Safety Directive by a Regulation to protect children from harmful chemicals in toys.

Initiatives linked to regulatory simplification and burden reduction

A revision of the Regulation on detergents to better protect health and the environment and simplify the current rules by introducing digital labelling was adopted in 2023.

In 2023 preparatory work started on the revision of the REACH Regulation. During this period DGs GROW and ENV continued to engage with all relevant parties. However, as this initiative requires thorough preparation and analysis, it is not likely to be presented by the end of 2024.

Other initiatives

In 2023, DG GROW continued to support the **Circular Plastics Alliance** (CPA) to implement the European Plastics Strategy. Its aim is to achieve the EU target of 10 million tons of recycled plastics in the EU by 2025. In 2023, the Alliance focused on design-for-recycling standards and collection and sorting of plastic waste, as well as on fostering cooperation with national governments.

In 2023, DG GROW continued managing the **European Clean Hydrogen Alliance** Two Forums were organised to discuss progress in the ramp up of the hydrogen economy. The Electrolyser Summit, organised in June 2023, resulted in a Joint Declaration, where industry committed to increase tenfold electrolyser manufacturing capacity.

2. INTERNAL CONTROL AND FINANCIAL MANAGEMENT

Assurance is provided on the basis of information on the efficiency and effectiveness of internal control systems and governance processes. The management monitors the functioning of the internal control systems on a continuous basis and carries out an objective examination with internal and external auditors. The results are explicitly documented and reported to the Director-General. The following reports / documentation have been considered:

- the annual reports from Authorising Officers by Sub-Delegation (AOSDs), submitted by the Directors, which include the outcome of internal control monitoring within each Directorate;
- the reports on control results from entrusted entities in indirect management, as well as the results of the Commission's supervisory controls on the activities of these bodies;
- the contribution by the Director in charge of Risk Management and Internal Control, including the results of internal control monitoring at department level;
- the reports on recorded exceptions, non-compliance events and any cases of 'confirmation of instructions' (Art 92.3 FR);
- the results of ex ante and ex post controls;
- the limited conclusion of the Internal Auditor on the state of internal control, and the observations and recommendations reported by the Internal Audit Service (IAS);
- the observations and the recommendations reported by the European Court of Auditors (ECA).

The systematic analysis of the available evidence provides sufficient guarantees as to the completeness and reliability of the information reported and results in the full coverage of the budget delegated to the Director-General of DG GROW.

This section covers the control results and other relevant elements that support management's assurance. It is structured into 2.1. Control results, 2.2. Audit observations and recommendations, 2.3. Effectiveness of internal control systems and resulting in 2.4. Conclusions on the assurance.

2.1. Control results

This section reports on the control results used by management to support the assurance on the achievement of the internal control objectives (ICO) ⁽¹⁸⁾. The DG's assurance building

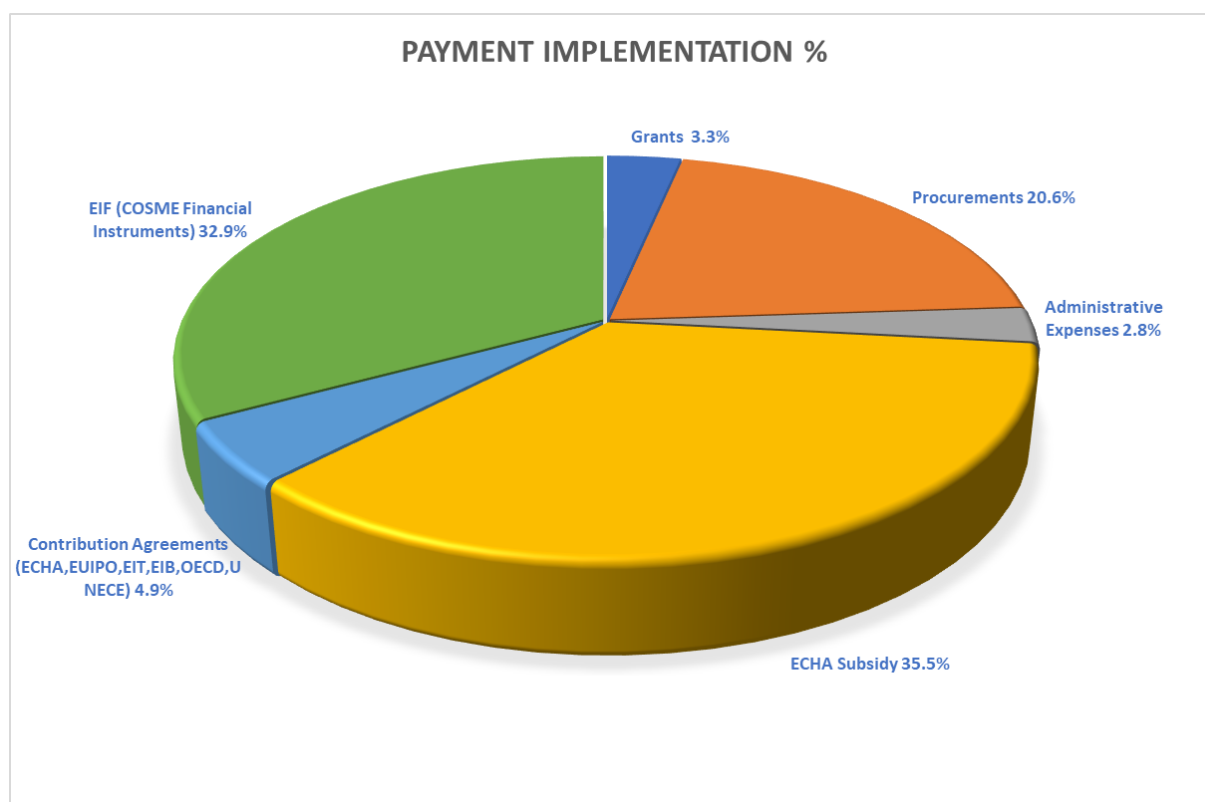
⁽¹⁸⁾ 1) Effectiveness, efficiency and economy of operations; 2) reliability of reporting; 3) safeguarding of assets and information; 4) prevention, detection, correction and follow-up of fraud and irregularities; and 5) adequate management of the risks relating to the legality and regularity of the underlying transactions, taking into account the multiannual character of programmes as well as the nature of the

and materiality criteria are outlined in Annex 5 of the annual activity report . Annex 6 of the annual activity report outlines the main risks together with the control processes to mitigate them and the indicators used to measure the performance of the relevant control systems.

DG GROW budget is implemented under both direct and indirect management modes. In direct management, DG GROW implements its budget through procurements and grants. In 2023 payments linked to procurement (including administrative expenditure) amounted to EUR 45.3 million while amounts paid for grants were EUR 6.4 million.

Indirect management payments comprise the contribution paid to the European Investment Fund (EIF) for the COSME financial instruments (EUR 63.7 million), the balancing subsidy and contribution agreement to ECHA (EUR 70.5 million), and other contribution agreements to EUIPO, Organisation for Economic Co-operation and Development (OECD), United Nations Economic Commission for Europe (UNECE), European Institute of Innovation and Technology(EIT) and European Investment Bank (EIB) (EUR 7.8 million).

The following chart ⁽¹⁹⁾ gives an overview of the payments made in 2023 covering both management modes.



payments (FR Art 36.2). The 2nd and/or 3rd Internal Control Objective(s) (ICO) only when applicable, given the DG's activities.

⁽¹⁹⁾ This chart represents the outturn on payment appropriations made in 2023, i.e. €193.69 million, including the administrative expenditure and expenditure under cross-delegation executed by other DGs. The reader is referred to Annex 3 for more details

In relation to income, the total recovery orders issued during the year amounted EUR 70.3 million, corresponding in terms of budgetary chapter to single market, innovation and digital (EUR 37.1 million), natural resources and environment (EUR 29 million) and other contributions and refunds (EUR 4.2 million).

The recently updated Control strategy of DG GROW (December 2023) groups the related risks in four Relevant Control Systems (RCS) for budget implementation: (i) budget entrusted to external entities, (ii) financial instruments, (iii) procurement and (iv) grants.

The Relevant Control Systems (RCS) description, risks and controls are detailed in Annex 6.

In line with the 2018 Financial Regulation, DG GROW's assessment for the new reporting requirement is as follows:

- Cases of "confirmation of instructions" (FR art 92.3) – such cases are listed in DG GROW register of exceptions and non-compliance events which contains 5 cases for 2023.
- Cases of financing not linked to costs (FR art 125.3) – no such cases at DG GROW for 2023.
- Financial Framework Partnerships >4 years (FR art 130.4) – no such cases at DG GROW for 2023.
- Cases of flat-rates >7% for indirect costs (FR art 181.6) – no such cases at DG GROW for 2023.
- Derogations from the principle of non-retroactivity pursuant to Article 193 of the Financial Regulation – 3 cases in DG GROW in 2023.

For the implementation of Internal Control Principle 12, DG GROW follows procedures and practical arrangements on "exception reporting" which encompasses both financial and operational transactions. Total of 5 cases were reported in 2023, a notable decrease from 14 cases reported in 2022.

2.1.1. Effectiveness of controls

a) Legality and regularity of the transactions

DG GROW uses internal control processes to ensure sound management of risks relating to the legality and regularity of the underlying transactions it is responsible for, taking into account the multiannual character of programmes and the nature of the payments concerned.

1) Control objective

The control objective is to ensure that the cumulative residual error rate by the end of the programme would not exceed 2 %, as determined in the materiality criteria in Annex 5.

DG GROW's portfolio consists of segments with a relatively low error rate, all below materiality.

This is, respectively, thanks to the inherent low risk profile of the DG GROW's programmes (DG GROW delegates most of its activities to external entities) and the performance of the related control systems.

2) Assessment of the control results

For the 2023 reporting year no serious control issues were signalled by the operational units. From the outcome of the monitoring and supervision as well as the audit reports, there is no indication that the reporting would not be reliable.

In 2023, the controls as defined in DG GROW control strategy continued to be applied to cover the needs in terms of monitoring the portfolio of DG GROW activities. This strategy has been reviewed and updated in 2023 to reflect the current situation of DG GROW and to re-assess its control mechanism. This revision integrated the lessons learned from previous control activities with the aim to ensure the effectiveness and efficiency of the controls, as well as their proportionality. It also took on board the rationalisation process of the financial management at DG GROW that became effective in May 2022.

Regarding the EU funds managed directly by the Directorate-General via grants and procurement (including the administrative related expenditures), there were no major control weaknesses affecting assurance (no reservation for 2023).

The calculation method of the error rate on the grants to the European standardisation organisations has been reviewed in 2020 based on the recommendation of the Court of Auditors. This methodology takes into account the audited items, which resulted in an overall error rate of 0,85% for the standardisation grants. In 2023, no ex-post audits were carried out on the standardisation programme and hence no error rate was detected ex post. Reinforced internal checks carried out did not reveal significant deficiencies in the process. However, as a conservative approach, the same error rate as in 2020 (0,85%) was used for the purpose of the 2023 risk calculation.

3) Supervision/Coordination of EU bodies (executive agencies, decentralised agencies, and other union bodies).

The supervision of the external entities implementing the EU budget on behalf of DG GROW will continue. This supervision aims at ensuring that the legal, institutional and governance framework of agencies is respected, that coherence and synergies are achieved and that agencies are managed efficiently and provide added value.

DG GROW remains the partner DG of two decentralised agencies, European Chemicals Agency (ECHA), to which a subsidy is transferred every year, and European Union Intellectual Property Office (EUIPO), a fully self-financed agency.

DG GROW supervises the activities of these agencies at different levels, notably through its presence in their management and executive boards, its formal opinions on the draft annual work programmes, and its regular contacts with the other DGs involved in the work of the agencies (namely DG ENV and DG SANTE for ECHA). The budgetary governance of ECHA is monitored by the regular coordination meetings between the relevant budgetary units (every second month and more frequent contacts are taking place during the preparation of the draft budget). In contrast, EUIPO is a fully self-financed agency with its own budgetary governance.

Both decentralised agencies have confirmed to DG GROW the absence of critical risks. More details on the supervisory control measures are to be found in Annex 13.

DG GROW remains also parent DG of the two executive agencies, HaDEA ⁽²⁰⁾ and EISMEA ⁽²¹⁾, executive agencies for which DG GROW delegates parts of its activities. DG GROW continued supervising those two executive agencies as follows:

- DG GROW takes an active role as member of the steering committee.
- The representative of EISMEA is invited to take part in the weekly Directors' meetings of DG GROW.
- The Agencies' budget and finance units maintain regular contacts with their counterparts in DG GROW to ensure an optimal planning and implementation.
- Regular coordination meetings, at management level are organised when deemed necessary.
- The Agencies' relevant units and mirror units in DG GROW maintain regular contacts to ensure an effective exchange of information and coordination in line with their respective roles.

Neither of these executive agencies have reported any critical risks.

4) Overview of DG GROW risk profile

DG GROW's portfolio consists of segments with a relatively low error rate, all below materiality.

This is, respectively, thanks to the inherent risk profile of the programmes (DG GROW delegates most of its activities to external entities) and the performance of the related control systems.

For the 2023 reporting year, no serious control issues were signalled by the operational units. From the outcome of the monitoring and supervision as well as the audit reports, there is no indication that the reporting would not be reliable.

⁽²⁰⁾ Health and Digital Executive Agency

⁽²¹⁾ European Innovation Council and Small and Medium-sized Enterprises Executive Agency

5) Table (X): Estimated risk at payment and at closure

Based on all the above, DG GROW presents in the following Table X an estimation of the risk at payment and risk at closure for the expenditure managed during the reporting year.

The full detailed version of the table is provided in annex 9.

Table X : Estimated risk at payment and at closure (amounts in EUR mios)

DG GROW	Payments made	Relevant expenditure	Estimated risk (error rate %) at payment		Estimated future corrections and deductions		Estimated risk (error rate %) at closure	
	m EUR	m EUR	m EUR	%	m EUR	%	m EUR	%
RCS1 EUIPO (Contribution agreement)	1.93	0.20	0.00	0.50%	0.00	0.00%	0.00	0.50%
RCS1 ECHA (Balancing subsidy)	68.81	63.23	0.00	0.00%	0.00	0.00%	0.00	0.00%
RCS1 ECHA (Contribution agreement)	1.67	0.00	0.00	0.50%	0.00	0.00%	0.00	0.00%
RCS1 OECD (Contribution Agreement)	1.52	0.00	0.00	0.50%	0.00	0.00%	0.00	0.00%
RCS1 UNECE (Contribution Agreement)	0.20	0.00	0.00	0.50%	0.00	0.00%	0.00	0.00%
RCS1 EIB (Contribution Agreement)	0.19	0.00	0.00	0.50%	0.00	0.00%	0.00	0.00%
RCS1 EIT (Contribution Agreement)	3.92	0.00	0.00	0.50%	0.00	0.00%	0.00	0.00%
RCS2 EIF (COSME Financial Instruments)	63.73	63.73	0.32	0.50%	0.00	0.00%	0.32	0.50%
RCS3 Procurement	39.92	39.36	0.20	0.50%	0.00	0.00%	0.20	0.50%
RCS3 Administrative Expenses	5.36	5.36	0.03	0.50%	0.00	0.00%	0.03	0.50%
RCS4 Grants (Other)	3.19	6.01	0.03	0.50%	0.00	0.00%	0.03	0.50%
RCS4 Grants (Standardisation)	3.24	2.31	0.02	0.85%	0.01	0.35%	0.01	0.50%
DG total	193.69	180.19	0.59	0.33%	0.01	0.00%	0.58	0.32%

The estimated overall risk at payment for 2023 expenditure, 0.33%, is the AOD's best conservative estimate of the amount of relevant expenditure during the year, not in conformity with the contractual and regulatory provisions applicable at the time the payment was made. This expenditure will subsequently be subject to ex-post controls and a proportion of the underlying errors will be detected and corrected in subsequent years, corresponding to the conservatively estimated future corrections for 2023 expenditure, 0.01%.

The difference between those two, results in the estimated overall risk at closure ⁽²²⁾, 0.32%. This is a decrease compared to 2022 (0.38%) mainly due to the more streamlined processes.

As of 2022, to avoid double reporting, contributions in the form of subsidies to the operating budget of ECHA decentralised agency are reported without risk at payment nor future corrections as this entrusted entity reports on the risk at payment and recoveries in its own annual statement of assurance.

⁽²²⁾ This is the AOD's best, conservative estimation of the expenditure authorised during the year that would remain not in conformity of applicable regulatory and contractual provisions by the end of implementation of the programme.

For an overview at Commission level, the departments' estimated overall risk at payment, estimated future corrections and risk at closure are consolidated in the Annual Management and Performance Report AMPR.

6) Preventive and corrective measures

As regards the corrections carried out in 2023, DG GROW has in place an effective mechanism for correcting errors, through ex-ante and ex-post controls, resulting in preventive and corrective measures, amounting to EUR 0.64 million and EUR 0.008 million respectively. This is higher than last year with EUR 0.012 million and EUR 0.014 million respectively. This represents an overall increase of EUR 0.626 million compared to 2022, which is mostly explained by the increased efficiency of the ex-ante control systems.

b) Fraud prevention, detection and correction

DG GROW has developed and implemented its own anti-fraud strategy (AFS) since 2011, based on the methodology provided by OLAF. It is updated every two years and was last updated in December 2022. Its implementation is being monitored and reported to the management at request. All necessary actions have been implemented or are continuously being implemented.

DG GROW also contributed to the revised Commission Anti-Fraud Strategy (CAFS) Action Plan of July 2023 ⁽²³⁾. The development of the new action plan was a joint effort of Commission services, executive agencies and OLAF and therefore the implementation of all actions is also a joint responsibility. No specific actions are attributed to DG GROW.

DG GROW also followed up to OLAF's financial recommendations. There is one old OLAF case (from 2014) with financial recommendations, which is still ongoing and closely monitored by DG GROW services.

The results achieved during the year thanks to the anti-fraud measures in place can be summarised as follows: DG GROW smoothly implemented its AFS, inspired by the CAFS and aiming at improving prevention and detection of fraud. On a regular basis, DG GROW organised trainings for newcomers on ethics and anti-fraud matters in order to increase awareness of staff/ newcomers of ethic rules and knowledge of anti-fraud matters. In addition, DG GROW regularly attended the FPDNet meetings to discuss and exchange best practices. All information related to fraud risk management was regularly published on DG GROW's Intranet and updated whenever needed.

On the basis of the available information, DG GROW has reasonable assurance that the anti-fraud measures in place are effective.

⁽²³⁾ COM(2023) 405 final

c) Safeguarding of assets and information

Most of the amounts included in the Balance Sheet as assets refer to the COSME financial instruments which are managed by the EIF and integrated in DG GROW financial statements.

Based on the information available in the audit reports prepared by external auditors on both financial instruments and DG GROW verification process (operational and financial checks), DG GROW has a reasonable assurance in all material aspects that the EU funds transferred to the EIF are used for the intended purposes, including what concerns legality and regularity.

d) Reliability of reporting

Taking into consideration the legacy of the past MFF, 32.9% of DG GROW payments concern the management of the two financial instruments established under the legacy of COSME programme: the Loan Guarantee Facility (LGF) and the Equity Facility for Growth (EFG). Both instruments are managed by the European Investment Fund (EIF). They are internally closely monitored based on the regular reporting provided by the EIF and in close cooperation with DG BUDG.

Regarding the assessment of the Accounting Quality Programme (validation of local systems in accordance with Article 77 (1) e) FR), DG GROW yearly accounting synthesis note 2022 and Action Plan 2023, were both transmitted to DG BUDG on 16 May 2023 ⁽²⁴⁾. The Action Plan 2023 reflects the centralisation of the financial management functions launched in May 2022. Concerning the accounting data quality, DG GROW obtained very good results based on the 2023 financial score board edited by DG BUDG combined with the regular quality checks made during the year. Before the closure, accounting quality controls have been performed to verify the correct encoding of financial data in ABAC ⁽²⁵⁾. All these controls give reasonable assurance on the reliability of the available financial data.

2.1.2. Efficiency of controls

DG GROW manages a large portfolio of activities involving different ways of implementation.

A centralisation of the financial management took place in May 2022 with an aim to improve the control efficiency in the financial management. The procurement sector was created to manage the administrative aspects of grants and procurement procedures. The centralisation also merged the financial initiation role into a single service with the following positive effects: sharing experience, increased quality of files, increased

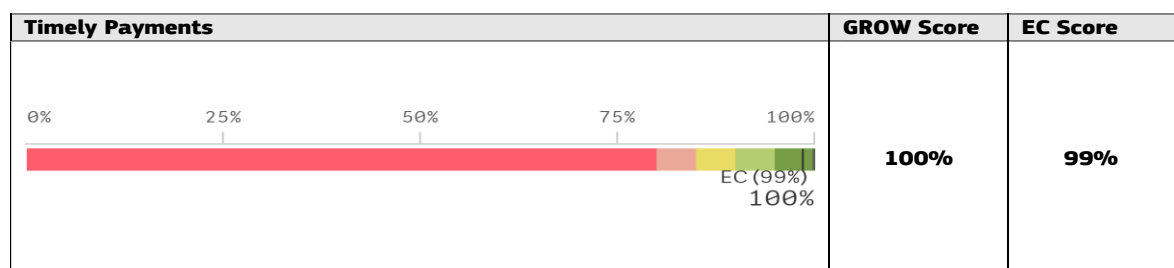
⁽²⁴⁾ Validation of local systems in accordance with Art. 77(1)(e) FR. Assessment of the Accounting Quality Programme (dated 16/05/2023)

⁽²⁵⁾ DG GROW accounting quality data 21/12/2023

responsiveness of financial management and business continuity. The contact persons (budgetary correspondents) remained within the Directorates.

DG GROW continued to improve sound financial management and achieved 11 indicators of high scores (out of 12) in DG BUDG dashboard of 31 December 2023.

In 2023, DG GROW's score for timely payments reached 100%, above the EC average score of 99%.



The average **Time-To-Pay** (TTP) indicator has further improved from 21 days in 2022 to 19 days in 2023 and remains at excellent level as in previous years.

The average **Time-To-Grant** (TTG) indicator increased compared to 2022 (82 days in 2023 compared to 62 days in 2022), however far below the 9 months imposed by the Financial Regulation for the grant agreements to be signed. This deterioration is essentially due to extensive negotiations on the operating grants with two beneficiaries, preventing DG GROW to conclude those agreements within four months of the start of the beneficiary's financial year in line with the FR Article 193.

The percentage of payments suspended compared to the total number of payments remained stable at 8%.

The efficiency of the procurement process is reinforced by the use of corporate tools (eProcurement and PPMT). In addition, no complaint was received in 2023 from unsuccessful economic operators.

In 2023, DG GROW at 12 Ombudsman cases. None of them represented a financial risk for the DG.

Based on an assessment of the most relevant key indicators and control results, DG GROW has assessed the efficiency of the control systems and reached a positive conclusion.

2.1.3. Economy of controls

The estimation of the overall cost of control in relation to the total amount paid provides a ratio of 1.52%. In the following tables the split of the costs by management type as well as more detailed information is provided in annex 7.

Cost of control – direct management

DG results for the reporting year - <i>Direct management</i>		
Common indicators on <u>cost of control</u>	Grants	Procurements
Percentage of overall cost of control of grant / procurement process in comparison to total expenditure <u>executed</u> during the year	5.32%	5.05%
Percentage of overall cost of control of grant / procurement process in comparison to total expenditure <u>executed</u> during the year - Ex Ante	2.18%	2.33%
Percentage of overall cost of control of grant / procurement process in comparison to total expenditure <u>executed</u> during the year - Ex Post	0.00%	0.03%
Overall cost of control (grant/procurement)	€ 342,205	€ 2,287,290
Overall cost of control (grant/procurement) - Ex Ante	€ 342,205	€ 2,274,480
Overall cost of control (grant/procurement) - Ex Post	€ 0	€ 12,810
Average number of ongoing contracts (grant/procurement) managed per full time equivalent	8.32	38.32
Percentage of costs of control related to the evaluation and selection procedure in comparison to the total value of grants / procurement contracted	2.18%	2.3%
Average value of ongoing grant / procurement agreements managed per full time equivalent	€ 7,242,725	€ 6,283,270
Average project management costs per ongoing grant / procurement agreement	€ 19,011	€ 3,823
Total Costs of ex post audits	€ 0	

For procurement, representing the bulk of the activities managed by DG GROW, the cost of control decreased further in 2023, evidencing the benefit of the financial reorganisation that took place mid-2022.

In 2023, on average 38 on-going procurement contracts have been managed per FTE (vs 32 in 2022 and 15 in 2021). This clearly shows an increase in efficiency while keeping the similar level of controls to assure the quality of the delivered services. On this item, the reduction of costs following the financial centralisation is significant.

The overall cost of control concerns mainly DG GROW financial resources on the procurement contracts. In 2023 the cost of control dropped to 5 %, which is lower than in previous years (5.9% in 2022 and 7.8% in 2021 on the procurement activities).

As regards grant management at DG GROW, the cost of control for the grants increased to 5.3% in 2023, compared to 3% in 2022. This is mainly explained by the extensive negotiations on the operating grants with two beneficiaries ⁽²⁶⁾. The cost of controls in 2023 is similar to the one in 2021 (5% for 2021 vs 12% in 2020).

DG GROW continued in 2023 to promote corporate initiatives, such as eProcurement (where DG GROW is Business Process Owner of eSubmission and eEvaluation) and the AGM (reimbursement of experts). Moreover, DG GROW was involved in the business development of the corporate planning tool (SUMMA planning). Additionally, the eSignature (Qualified

⁽²⁶⁾ See section 2.1.2

Electronic Signature), remains in 2023 the standard for all the authorising officers signing legal commitments on behalf of DG GROW.

The “GROW Light” workflow continued to be in force at DG GROW in 2023, with a simplified workflow for approval of payments up to EUR 15.000.

We conclude that efficient workflows for financial transactions in DG GROW are in place helping to achieve optimal results in the most efficient way. In summary, the level of costs of control in direct management was very cost-effective in 2023 for both procurement and grant processes.

Cost of control – Indirect management

DG results for the reporting year - <i>Indirect management</i>		
Common indicators on <u>cost of control</u>	Entrusted Entities	EIF
Overall cost of control of supervision process	€ 287,732	€ 36,185
Percentage of overall cost of control of supervision process in comparison to the total <u>annual</u> amount delegated excluding any remuneration paid	0.37%	0.06%
Remuneration fees paid (to international organisations, agencies, EIF)	€ 0	€ 436,100
Percentage of cost of remuneration fees paid to entrusted entities in comparison to the total annual amount delegated excluding any remuneration paid	0.00%	0.69%

DG GROW implemented all necessary controls at operational and financial levels to ensure that all requirements are fully respected. The cost of controls is highly outweighed by its benefits. For the COSME financial instruments, the overall cost of control level, 0,06% in 2023, is much lower than the one from previous years (3.24% in 2022 vs 3.06%). This cost of control of the supervision process also includes the management and administrative fees paid to the EIF for 2023. The costs of control decreased in comparison to the 2022 reporting because DG GROW paid less costs in 2023 for managing the two COSME financial instruments. It is because those fees had reached their contractual maximum threshold. Entrusted entities mainly involve decentralised agencies - the European Chemicals Agency (ECHA) and the European Union Intellectual Property Office (EUIPO). The cost of control level (0.37%) is very low in comparison to the total annual amount delegated and is comparable to the one from 2022 (0.43%).

The control strategy in indirect management is considered to be cost-effective.

In summary, DG GROW managed to keep largely the indicators stable or even to improve some of them compared to those of last year assuring the adequate level of cost-effectiveness of the controls.

2.1.4. Conclusion on the cost-effectiveness of controls

Based on the most relevant key indicators and control results, DG GROW has assessed the effectiveness, efficiency and economy of its control system and reached a positive conclusion on the cost-effectiveness of the controls for which it is responsible.

DG GROW has a stable control environment and its control strategy is consistent with the nature of activities carried out. Overall, DG GROW has very good performance indicators and error rates for all programmes are far below materiality. The costs of control levels are very far below 10% indicated by central services and considered as satisfactory taking into account the profile and funds managed by DG GROW.

DG GROW is of the opinion that the current control system applied is the best suited to fulfilling the relevant control objectives efficiently and at a reasonable cost. It represents a good balance between the invested efforts (internal control costs and remuneration fees), the obtained error rates (effectiveness of controls) and the delivery of objectives (efficiency).

The declaration of assurance (Section 2.5) includes no reservation for the expenditure categories or control systems concerned.

2.2. Audit observations and recommendations

This section sets out the observations, opinions and conclusions reported by auditors – including the limited conclusion of the Internal Auditor on the state of internal control. Summaries of the management measures taken in response to the audit recommendations are also included, together with an assessment of the likely material impact of the findings on the achievement of the internal control objectives, and therefore on management's assurance.

The Directorate-General is audited by both internal and external independent auditors: the Internal Audit Service (IAS) of the European Commission and the European Court of Auditors (ECA).

The Directorate-General has not received any critical recommendations arising from the IAS and ECA audits. The Director-General is informed on the conclusions and the main recommendations stemming from the work of the internal and external auditors. A regular monitoring ensures the timely implementation of all recommendations. An inventory of all open IAS and ECA recommendations at end 2023 is kept in DG GROW services and available upon request.

Internal Audit Service (IAS)

Conclusions of the Internal Auditor on the state of internal control in DG GROW are based on all work undertaken by the Internal Audit Service in the period 2019-2023, namely:

- Audit on information technology security management (2020);
- Limited review on the error rate calculation (2021);
- Audit on the performance of the treatment of stakeholders' complaints concerning the internal market (2021);
- Audit on Horizon Europe governance arrangements, preparation of the work programmes and of budget planning, allocation and monitoring (2023).

At the end of 2023, there were four open recommendations issued by the IAS following the audit on *"Performance of DG GROW's treatment of stakeholders' complaints concerning the internal market"*. These recommendations were rated as *"important"*. DG GROW Action Plan for their implementation has been submitted to the IAS and the progress of implementation of the recommendations is closely monitored and regularly updated. There was one IAS audit for DG GROW during the year: *"Horizon Europe governance arrangements, preparation of the work programmes and of budget planning, allocation and monitoring"* which was launched by the IAS in April 2022. This audit was closed in October and there were no recommendations addressed to DG GROW. IAS also opened an audit on the *"Planning, programming, governance, coordination, reporting and performance indicators of the Single Market Programme"*.

In its contribution ⁽²⁷⁾ to the 2023 AAR process of DG GROW, IAS states that: 1) *Management has accepted all the recommendations issued in 2019-2023;* 2) *Management has adopted action plans to implement all the accepted recommendations. The IAS considers that these action plans are adequate to address the residual risks identified by the auditors;* 3) *The implementation of these action plans is monitored through reports by management and follow-up audits by the IAS;* 4) *Management has assessed a recommendation as implemented, which has not yet been followed up by the IAS.*

The IAS therefore concluded that the internal control systems in place for the audited processes are effective.

European Court of Auditors (ECA)

ECA's Annual Report 2022

The assessment of the legality and regularity of DG GROW transactions and the effectiveness of its supervisory and control systems are treated in Chapter 5 of the Court's Annual Report - Single Market, Innovation and Digital representing 12.9 % of EU budget expenditure. An overall material error rate of 2.7 % was found for 2022, compared to the 4.4% in 2021 and 3.9% error rate in 2020. However, it was not related to DG GROW transactions.

Implementation of ECA recommendations

⁽²⁷⁾ IAS Contribution to the 2023 AAR process of DG GROW (dated 14 February 2024)

At the end of 2023, there were no “critical” recommendations from the ECA audits for DG GROW. In total there are 33 ECA recommendations from audit reports where DG GROW was either lead or associated DG. For 25 recommendations, where DG GROW is the lead audited DG, there are seven open recommendations with the ranking “very important”. They are with the status “partially implemented” or “accepted” and with expected completion date not yet “due”.

ECA Special Reports

DG GROW was involved in a number of ECA audits in 2023. Six audits and one review have been closed in 2023 following publication of the Special Report. In two of the audits below DG GROW has been the lead audited DG and in the remaining five audits, DG GROW has been an associated DG.

- [Special report 15/2023: The EU’s industrial policy on batteries – New strategic impetus needed](#) – 19 June 2023 (DG GROW was lead DG)
- [Special report 28/2023: Public procurement in the EU – Less competition for contracts awarded for works, goods and services in the 10 years up to 2021](#) – 04 December 2023 (DG GROW was lead DG)
- [Special report 06/2023: Conflict of interest in EU cohesion and agricultural spending](#) – 13 March 2023 (DG GROW was associated DG)
- [Special report 17/2023: Circular economy – Slow transition by member states despite EU action](#) – 13 July 2023 (DG GROW was associated DG)
- [Review 04/2023: Digitalising the management of EU funds](#) – 06 July 2023 (DG GROW was associated DG)
- [Special report 22/2023: Offshore renewable energy in the EU – Ambitious plans for growth but sustainability remains a challenge](#) – 18 September 2023 (DG GROW was associated DG)
- [Special report 29/2023: The EU’s support for sustainable biofuels in transport – An unclear route ahead](#) – 13 December 2023 (DG GROW was associated DG)

At 31 December 2023, DG GROW was involved in 10 ongoing ECA performance audits and one review. For one audit DG GROW is the lead audited DG: *“Recognition of professional qualifications within the EU”*. DG GROW is an associated DG in these 9 audits: *“Infringement procedure and enforcing EU law”*, *“EC’s control of state aid measures in times of crisis”*, *“Design and implementation of the business environment reforms in the national recovery and resilience plans address the main business needs”*, *“EU’s industrial policy on microchips”*, *“Reaching EU road safety objectives: time to move up a gear”*, *“Reducing carbon dioxide emissions from passenger cars – Finally picking up pace, but challenges on the road ahead”*, *“Design and adoption of the geo-blocking regulation”*, *“The EU’s industrial policy on renewable hydrogen”* and *“The landfill of the solid waste”*. DG GROW is further involved in the ECA review *“Ecodesign and Labeling”*.

As an overall conclusion, based on the assessment of the risks underlying the auditors' observations combined with the measures taken in response, DG GROW is of the opinion that the recommendations issued do not raise any material implications on the assurance since none of these recommendations is "critical". The implementation of the "very important" and "important" recommendations is closely monitored to ensure timely and quality response to the ECA. Therefore, the current state of play does not lead to any assurance related concerns on the activities performed by DG GROW.

2.3. Assessment of the effectiveness of internal control systems

The Commission has adopted an Internal Control Framework based on international good practice, to ensure the achievement of its policy and management objectives. Compliance with the internal control framework is a compulsory requirement.

DG GROW uses the organisational structure and the internal control systems suited to achieving its policy and internal control objectives in accordance with the internal control principles and has due regard to the risks associated with the environment in which it operates.

DG GROW annually assesses the **effectiveness of its internal control systems**⁽²⁸⁾, including the internal control processes in place at the level of its implementing bodies in accordance with the methodology established in the "Implementation Guide of the Internal Control Framework of the Commission". The assessment relies on extensive monitoring throughout the reporting year, supported by various information sources such as: an assessment of the functioning of the components and principles of the internal control framework set up by the DG; an assessment of audit findings and the implementation of recommendations (both from the IAS and the ECA); a register of detected exceptions, non-compliance events and internal control weaknesses, identified both by the management and by auditors in their audit reports; management assurance declarations outlining the control environment and any control issue; annual risk assessment; and internal control monitoring criteria.

The functioning of the internal control systems has closely been monitored throughout 2023 by the systematic registration of exceptions and non-compliances with the rules and procedures and of internal control weaknesses. The underlying causes behind these exceptions and weaknesses were analysed and mitigated as necessary. All related audit recommendations were either successfully implemented as reaffirmed by auditors in their follow-ups, are ready for review or are currently under implementation, mitigating any significant risks. Further enhancing the effectiveness of the DG GROW control arrangements in place taking into account the cost-effectiveness and risk differentiation of controls is an ongoing effort.

⁽²⁸⁾ State of the internal control at DG GROW for 2023 (dated 11 March 2024)

The centralisation of the financial management allowed for better ex-ante detection of any weaknesses and potential insufficiencies in the internal control process. As a result, the number of exception and non-compliance notes reached 5 in 2023 compared to 14 in 2022.

DG GROW's internal control assessment relies on a number of monitoring measures and sources of information to obtain a complete data set covering all aspects of DG GROW's operations. The Internal Control Monitoring Criteria (ICMC) are part of the building blocks for assurance on the functioning of the internal control systems. These criteria are also the basis for the annual assessment of the DGs' internal control framework in the context of the Annual Activity Report. They provide a sound basis for effective internal control, allowing for regular monitoring and annual assessment.

Based on the above, the Director in charge of Risk Management and Internal Control reported on the state of internal control and provided an opinion to the Director-General. Taking into account all these elements, no issues were raised that may impact assurance.

Concerning the overall state of the internal control systems, the DG complies with the three assessment criteria for effectiveness, i.e. (a) staff has the required knowledge and skills, (b) systems and procedures are designed and implemented to manage the key risks effectively, and (c) there are no instances of ineffective controls that have exposed the DG to key risks.

For the achievement of its objectives, DG GROW also relies on executive and decentralised agencies, as well as on a close cooperation with various partners and international organisations. With the further delegation of budget implementation, DG GROW focuses more on policy making and supervision and less on direct project management.

DG GROW has assessed its internal control system during the reporting year and has concluded that it is effective and the components and principles are present and functioning as intended.

2.4. Conclusions on the assurance

The information reported in Section 2.1 stems from the results of management and auditor monitoring contained in the reports listed. These reports result from a systematic analysis of the evidence available. This approach provides sufficient guarantees as to the completeness and reliability of the information reported and results in a comprehensive coverage of the budget delegated to the Director-General of DG GROW.

In 2023 there are no significant weaknesses reported in Sections 2.1, 2.2 and 2.3, for consideration of their potential impact on the declaration of assurance, and hence no elements leading to a reservation.

In 2023, DG GROW has managed its resources to the best effect for the intended purposes, in line with the Financial Regulation and according to the principles of sound financial management, legality and regularity.

The internal control systems in the DG are in place, and they function effectively to the extent that they enable the Director-General to give her assurance on the resources used. With the help of the internal control systems, weaknesses could be detected and corrected with relevant measures in place.

In conclusion, based on the elements reported above, management has reasonable assurance that, overall, suitable controls are in place and working as intended; risks are being appropriately monitored and mitigated; and necessary improvements and reinforcements are being implemented. The Director-General, in her capacity as Authorising Officer by Delegation has signed the Declaration of Assurance.

Declaration of Assurance

I, the undersigned,

Director-General of DG GROW

In my capacity as authorising officer by delegation

Declare that the information contained in this report gives a true and fair view ⁽²⁹⁾.

State that I have reasonable assurance that the resources assigned to the activities described in this report have been used for their intended purpose and in accordance with the principles of sound financial management, and that the control procedures put in place give the necessary guarantees concerning the legality and regularity of the underlying transactions.

This reasonable assurance is based on my own judgement and on the information at my disposal, such as the results of the self-assessment, ex-post controls the work of the Internal Audit Service and the lessons learnt from the reports of the Court of Auditors for years prior to the year of this declaration.

Confirm that I am not aware of anything not reported here which could harm the interests of the Commission.

Brussels, 02 April 2024

(e-signature)

Kerstin Jorna

⁽²⁹⁾ True and fair in this context means a reliable, complete and correct view on the state of affairs in the DG/

3. MODERNISING THE ADMINISTRATION

3.1. Human resource management

DG GROW delivers on a big number of political priorities in the realm of the Single Market and Industrial Policy. Resources are extremely tight, calling for outmost efficiency and seamless collaboration within the DG and with other services.

To deliver on the political priorities, an important re-organisation was put in action in 2021. It allowed the DG to channel its sectoral economic and regulatory expertise in a more impactful way, fostering collaboration and organising work streams along industrial ecosystems. The renewed organisational structure is delivering: teams are working more closely together across units and along specific projects, developing cross-cutting expertise around areas such as standards and clean tech manufacturing. In the context of the Covid crisis and a more challenging geo-economic and competitive environment, DG GROW has further stepped up, adopting and implementing, among others, the Critical Raw Materials Act (CRMA), the Net-Zero Industry Act (NZIA), and the Internal Market Emergency and Resilience Act (IMERA). In addition, the Foreign Subsidy Regulation and the Forced Labour Regulation give additional enforcement competences to the Commission and DG GROW. This new role in terms of competences is then a new challenge for human resource management: finding new profiles, upskill people, reallocate posts across the Units in a context of non-increase of FTEs.

DG GROW is organised in 9 Directorates and 34 Units with their respective Head of Units and Deputy Head of Units. In 2023, DG GROW continued to ensure that the allocation of available resources is matching the workload of the units, talent is retained, and high-quality work is rewarded. To do that, DG GROW continued producing its monthly internal heatmap to measure and compare the workload in each Unit. The use of ATLAS allowed to better identify the skills and expertise available and needed at the DG. The DG makes regular use of cross-unit project teams and gives staff opportunities to work on files outside of their unit structure. Such flexible work arrangements foster development opportunities for staff, allow for efficiency gains and help break silos.

With the increase of workload due to DG GROW's ambitious agenda, specific attention has been paid to well-being, the right to disconnect, and the equipment of managers with tools to prevent and avoid burnouts in their teams. For this purpose, DG GROW has proposed relevant trainings and corporate events to colleagues.

DG GROW implemented its internal communication strategy to better use the different communication channels and to increase staff engagement at the DG. In 2023, DG GROW increased the number of physical and hybrid events and launched a DG GROW campaign called "I am GROW" with colleagues' interviews and photos to strengthen the sense of belonging. Regular all-staff meetings chaired by the Director-General are part of these efforts.

Concerning the internal dimension of DG GROW equality mainstreaming work plan, the network with Equality Contact Points has been developed further, with members representing each Directorate. Thanks to the cooperation with the communication team, staff has been informed on activities and trainings available in EU learn and awareness has been raised on different equality topics. Moreover, work has also been carried out to ensure that DG GROW building is accessible to everyone (e.g., add lower buttons in elevators for persons with disabilities).

Besides HR-related efforts on gender equality, DG GROW Equality Network updated its Equality Mainstreaming Work Plan with targeted 'internal' actions for DG GROW staff and 'external' actions ensuring the equality, diversity and inclusion angle in DG GROW policies to effectively deliver on the Commission's priorities. DG GROW contributed to the update of the Commission's Equality Mainstreaming Toolbox, providing guidance to Commission staff on promoting equality mainstreaming in EU policies, legislation and funding programmes.

The main achievements in the remit of the HR Correspondent team are the development of a cross-DG female talent development programme to promote female talent networks and mentoring programmes and achieving our female targets on Head of Unit management appointments. This action initiated in the previous years continued in 2023 and had a great success. DG GROW reached in 2022 its target in terms of gender equality as defined in the Commission decision SEC(2020)146 of 1 April 2020 for middle management positions. For the period 2023-2024, the target of two first female appointments set by the College (SEC (2023) 200) was met in 2023. At the end of 2023, DG GROW had a representation rate of 63.6 % of female senior managers (1 vacant post), 44% of female middle managers, as well as 53% of female Deputy Heads of Unit (2 vacant posts). Following the College decision on complementary measures for reinforcement of gender equality policy at management level, DG GROW has designated Heads of Unit to deputise for Directors. DG GROW has now four female Heads of Unit as Deputies to the Directors at the end of 2023, reaching thereby 44.5% of female representation (target 55%).

In accordance with the HR strategy, DG GROW effectively attracts and retains talent. This is reflected in the numerous applications received for the Deputy Heads of Units vacancies (5 procedures) in 2023, and for the Head of Units in 2022 (4 procedures) with an average of 15 applicants per position in both categories.

3.2. Digital transformation and information management Data, information, and knowledge management

2023 was a standout year, with work [organised in accordance with the 2022 report *Data in DG GROW*, which then fed the 2022 and 2023 Data Action Plans.](#)

DG GROW data teams worked together with the business units, in particular through the data ambassadors network, to operationalise the corporate [Data governance and data](#)

[policies](#) to its key data assets. Throughout the year, the teams delivered on a number of actions, namely:

- Active participation/representation of DG GROW in eight corporate boards⁽³⁰⁾, networks or coordination groups. In particular DG GROW has been one of the leading DGs in the AI area and has launched a joint initiative with the Secretariat-General of the Commission for a pilot project aiming at facilitating the work of complaint handlers by implementing AI techniques (CHAI)
- Six training sessions for DG GROW colleagues involved in data management and analytics, including on the possibilities offered by generative AI for supporting administrative work;
- Creation of dataflows available to different DG GROW data user and expert profiles allowing for easy access to data from over 15 organisations (namely European Central Bank, Eurostat, World Bank, and World Economic Forum).

Further horizontal and governance tasks were carried out to foster the data-driven nature of DG GROW, with its over 100 data assets. These tasks were complemented by arduous work on 15 different projects for tailor-made data solutions to meet the demand for highly interactive and responsive dashboards and reporting. DG GROW is now not only leveraging its own databases and data sources at levels not seen before but is also continuously adding other external data sources and databases to further service its data needs.

2023 saw DG GROW go beyond the pilot projects of 2022 into an established service for data solutions that enable better policy-making and make the DG even more data-driven. Such work has not only meant the delivery of the aforementioned projects, but also the servicing of 174 ad hoc data management and analytics requests. Of these requests, 70% were serviced within the same day or the next.

During 2023, DG GROW continued to be at the forefront both on the corporate efforts in introducing modern eProcurement tools at the Commission (as one of the main Business Process Owners for eProcurement), as well as with an initiative aimed at the implementation of public procurement data spaces in the EU (PPDS project).

Document management

Regarding the records and archives strategy, the following tasks were the focus in 2023.

DG GROW Document Management Officer (DMO) team carried a general inventory count of the existing paper archives in both GROW buildings and raised awareness with different

⁽³⁰⁾ ITCB (Information Technology Cybersecurity Board);
IMSB (Information Management Steering Board);
LDC (Local Data Correspondents) network;
CRDM (Corporate Reference Data Management) Coordination Group;
Statistical Correspondents network;
AI@EC network;
ISG-AI (InterService Group on Artificial Intelligence);
Open Data contact point.

communication activities, including a DG GROW video, on the importance of following the established eDomec policy on archives and records management.

DG GROW's archivist, recruited in the fourth quarter of 2022, continued working and analysing the identified 1.3 linear km of paper archives in the BREYDEL building, and ensuring their transfer to the historical archives. Additional archive's' locations and files owned by other services such as the Secretariat General were identified and transferred.

After the centralisation in 2022 of the management of the electronic files, the quality of DG GROW manually created electronic files (content coherence and metadata legibility) has continuously increased. Basic rules for some standard files including financial files were devised by the DMO and implemented by the network of Document Management Correspondents (DMCs). The first transfers to the electronic repository of the Historical Archives were accepted.

On the foreign subsidies instrument, a smooth integration of the Information Systems for the appropriated record management of the upcoming notifications was ensured. and the use of a new IT Tool Case@EC.

DG GROW task COMPASS created in 2021 was regularly updated in 2023 either proactively or upon request. It has proven to be a very useful tool for performing attributions and develop the knowledge of the files across the DG.

In 2023 the work was focused on the further development of a collaborative culture for data in DG GROW,. A data ambassador's network counting on a variety of profiles, such as data suppliers, users and experts was created. Such efforts were part of the overall work to further build on the DG's data governance, implementing the data strategy, data action plans and pilot projects set up in 2022 to deliver on data solutions for different policy fields. In the context of developing the DGs general digital culture, GROW Talks' sessions and dedicated trainings were organized covering topics like IT Governance, Generative AI and Cybersecurity.

The work to operationalise corporate principles and other good practices for data governance was further complemented with DG GROW's participation in the corporate governance board Information and Management Steering Board (IMSB), support to the network of Local Data Correspondents (LDCs), including in task forces such as the Corporate Reference Data Management (CRDM) and the Statistical Correspondents Network.

The work carried out is essential to allow DG GROW to better develop a service for the provision of data solutions that enable better policy-making and make the DG more data-driven, in accordance with the data strategy. The work of 2023 sets the ground for the proper leverage of GROW databases and data sources in accordance with the needs of the policy units and other partners. Additionally, during 2023 a group of GROW IT correspondents was set up with the goal to enable the Digital Ready Policy Making by identifying earlier the digital perspective in the policy making of the respective directorates as defined in the Digital Strategy.

The digital transformation activities of DG GROW in 2023 aimed at accommodating two major strategic developments that were conceived during 2022: on one hand, implementation of industrial ecosystems' lenses for the analysis and monitoring of execution of the Recovery and Resilience Plans of Member States, and on the other hand for the Streamline IT@GROW programme.

As part of the Digital Preservation strategy's action plan, and with the introduction of the single integrated framework for collaboration, DG GROW DMO called on to help business owners to decide which, and at what stage, documents on existing collaborative sites should be registered, particularly those available on the GROWNet platform. Analyses of the needs for preservation and records transfer of new or updated Information Systems (IS) has been continuously carried out.

Data protection

In 2023, the Data Protection Coordinator of DG GROW further implemented and improved the actions and objectives of the DG's Personal Data Protection Action Plan (C(2018) 7432 final). This was done mainly by conducting awareness raising activities through emails, notes, bilateral and multilateral meetings, including targeted visits to Unit meetings, practical trainings and information sessions.

As a result, most of the nominated Units' contact points followed trainings or information sessions, created or updated procedures, records and privacy statements, carried out legislative consultations of the European Data Protection Supervisor (EDPS), correctly addressed data protection considerations in the design of new IT systems and websites and complied with the procedure to address personal data breaches.

3.3. Sound environmental management

In order to implement the Commission Communication and action plan on greening the Commission. DG GROW continued to work in close collaboration with OIB on the following:

- Infrastructure (buildings, lifts, water fountains, waste collection etc.);
- Supplies, including food in cafeterias and canteens, stationery and meeting material;
- Rationalise missions and travelling;
- Promote environment conscious behaviour (waste collection, biking, use of stairs).

For missions, DG GROW continued to carefully track its mission activity, in order to optimise the planning to control costs and CO2 emissions. DG GROW also encouraged staff to have smaller delegations and use more hybrid meetings while continuing to maintain close contacts with its stakeholders in their home country.

DG GROW staff follow Eco-Management and Audit Scheme (EMAS) best practices, such as drinking tap/dispenser water, recycling paper and plastic and turning off lights and laptops when leaving the [home] office. Many colleagues walk, cycle or drive hybrid/electric cars to

commute to the office. In total at least 7 posts in DG GROW newsletters and at least 5 detailed articles were published on DG GROW Intranet to increase the awareness raising for environmental issues. The structure of the newsletter changed to make it more targeted and more visible. Out of those figures for posts and articles, dedicated awareness raising actions were also launched to face the energy crisis and the temperature of DG GROW buildings in the winter was decreased to 19°C.

In support of the Commission's energy-saving efforts, DG GROW actively participated in the Summer and Winter Actions on Energy Savings. This involved temporarily closing one of its two buildings for several weeks. One building stayed open during these actions, linked to corporate business continuity needs. To make best use of available office space, DG GROW successfully organised a voluntary office sharing platform during this period, optimising space and contributing to the overall energy-saving initiative.

3.4. Examples of economy and efficiency

In 2023, DG GROW continued the work from the previous years to propose measures both at the corporate level and GROW specific ones in a number of areas in accordance with the overall corporate strategy to reduce the administrative burden and facilitate the day-to-day work while being more efficient on several aspects:

- The finetuning of the centralisation of the financial management at DG GROW continued focusing to improve the quality of financial transactions and efficiency aiming at best possible financial indicators.

DG GROW continued to be actively involved in the business development of the eProcurement IT tools aiming at the full digitalisation of the procurement process (DG GROW being Business Process Owner of eSubmission and eEvaluation).

DG GROW was also actively involved in the business development and pilot phase of the EC planning tool (SUMMA/SAC planning) in view of replacing its current planning tool PLATO and furthermore to support the implementation of the multi-DGs programmes (DG GROW coordinating the Single Market Programme).

DG GROW participated in the testing of new SUMMA IT tool and continued to improve its readiness (related financial indicators) for the migration.