

European Commission

# Management Plan 2023

Directorate-General Internal Market, Industry, Entrepreneurship and SMEs

DG GROW

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# Introduction

This Management Plan defines the main outputs of DG for Internal Market, Industry, Entrepreneurship and SMEs (DG GROW) in 2023 based on the <u>2023 Commission work</u> <u>programme</u> (<sup>1</sup>) and the DG GROW <u>Strategic Plan 2020-2024</u>. The starting point of the work is DG GROW's mission statement:

#### To create opportunities for all – European business & citizens

With its vast regulatory powers, the Single Market Programme, a broad range of diverse policy measures, numerous fora with stakeholders and regular dialogues with key partners in third countries, DG GROW is well-placed to foster opportunities for all. The aim is to allow entrepreneurs, small and large businesses and their employees, as well as citizens, to enjoy the benefits from an integrated and globally competitive European Single Market.

The Single Market has been at the heart of the European project for 30 years and is one of the greatest achievements of the European Union. As one of the three largest economies in the world, accounting for 18% of global GDP (<sup>2</sup>), it acts as a springboard for businesses to grow, scale up and offer their goods and services to more than 440 million citizens across the continent. The Single Market therefore plays a pivotal role as the platform for the green and digital transformation of the EU economy and of industrial ecosystems.

In 2023, the DG will operate in a geopolitical environment marked by deep international and economic crises, putting at stake the competitiveness of European businesses and industry. While the European economy had embarked on a modest recovery course in the aftermath of the pandemic, Russia's war of aggression against Ukraine, the energy crisis and high inflation will continue to have negative consequences on businesses competitiveness. With GDP growth expected to reach 0.3% in 2023, while inflation will remain high at 7.0%, developments in energy markets will be key drivers of the slowdown in economic activity (<sup>3</sup>).

DG GROW will continue to adapt its regulatory framework to achieve the objective of competitive sustainability, by providing predictable market conditions and legal certainty needed for companies to invest in new clean technologies and to scale up. It will tackle barriers within the Single Market through a more a more joined-up and interconnected governance. To ensure availability of needed services and products, it will strengthen the resilience of Europe's supply chains and will seek to boost domestic production and diversify supply sources through international partnerships. With the "Supply Chain Task Force", DG GROW will continue to monitor the impact of Russia`s war of aggression against Ukraine on EU value chains and businesses.

DG GROW works in close cooperation with DG Communications Networks, Content and Technology (CNECT) and DG Defence, Industry and Space (DEFIS), which are all under the

<sup>(&</sup>lt;sup>1</sup>) The <sup>IIII</sup> icon indicates initiatives featured in the 2023 Commission Work Programme.

 $<sup>(^2)</sup>$  GDP at current prices.

<sup>(&</sup>lt;sup>3</sup>) <u>https://economy-finance.ec.europa.eu/economic-forecast-and-surveys/economic-forecasts/autumn-2022-</u> economic-forecast-eu-economy-turning-point\_en

political lead of the Commissioner for the Internal Market, Thierry Breton. DG GROW is managed by Director-General Kerstin Jorna.

The key deliverables of DG GROW in 2023 will mainly help achieve two of the six headline ambitions of the European Commission: "A Europe fit for the Digital Age" and "A European Green Deal", while substantially contributing to "An Economy that Works for People" and, to some extent, to "Promoting our European Way of Life". The specific objectives have been set in the Strategic Plan 2020-2024 of DG GROW:

#### A Europe fit for the Digital Age

In 2023, DG GROW will continue to deliver on Europe's digital decade. Main initiatives will cover the support of Europe's open strategic autonomy in key areas such as securing critical raw materials , improving the EU intellectual property framework , working towards an asbestos-free environment , and simplifying the Textile Labelling Regulation . The SME relief package, including the revision of the Late Payments Directive will help mitigate the negative consequences of the current crises on small and medium-sized enterprises (SMEs). The 30<sup>th</sup> anniversary of the Single Market will be the occasion of a major political Communication .

#### A European Green Deal

The European Green Deal is the new growth strategy for Europe. DG GROW will foster the transition to a climate-neutral, resource-efficient and competitive economy in 2023 by presenting major initiatives relating to the safety of chemical products and the competitiveness of the chemicals industry, in particular the revision of the REACH Regulation for chemical products.



DG GROW is also highly committed to advance the European model of the social economy under the headline ambition "An Economy that Works for People" with an initiative on enhancing the cross-border activities of associations <sup>(1)</sup>. And the DG will contribute to "Promoting our European way of life" by ensuring the recognition of qualifications of third country nationals <sup>(1)</sup> in the context of the skills agenda.

## PART 1. Delivering on the Commission's priorities: main 2023 outputs

## General objective 1 - A Europe fit for the digital age

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

#### New policy initiatives

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

Russia's war of aggression against Ukraine that started on 24 February 2022 will continue to negatively affect the EU economy in 2023, setting it on a path of lower growth and higher inflation. DG GROW will continue to track the impacts on the EU economy, with a focus on energy products, including prices and indirect impact on industry. A monitoring tool (SCAN) to identify supply chain disruptions and risks will be further developed.

The Task Force for Industrial Scale-up of COVID-19 vaccines (TFIS), set up by DG GROW under the political leadership of Commissioner Thierry Breton, has facilitated the ramp-up of production capacity for COVID-19 vaccines and therapeutics in the EU since its establishment in early 2021. The Task Force will continue to contribute to broader efforts in ensuring the EU's industrial preparedness and strategic autonomy for future health emergencies.

The Recovery and Resilience Facility (RRF) initially set up to mitigate the socio-economic impact of the pandemic is at the heart of the REPower<u>Europe Plan</u> of the Commission's response to the global energy market disruption caused by Russia's war of aggression against Ukraine. Member States are integrating dedicated chapters in their Recovery and Resilience Plans (RRPs).

#### The European Semester - Next Generation EU fund

The European Semester process has changed considerably since its inception in 2011. The establishment of the Recovery and Resilience Facility (RRF) and Member States' adoptions of Recovery and Resilience Plans (RRPs) have had important implications for the European Semester. While the Semester continues to be the main framework for integrated surveillance and coordination of economic and employment policies across the EU, the RRF has added a sizeable amount of funding to back this up. In their RRPs, each Member State has now committed to measures that address identified weaknesses in the context of the European Semester. With this additional incentive, it is GROW's objective to channel policy reforms towards competitiveness and resilience, so that Member States are better prepared for the challenges posed by the green and digital transitions.

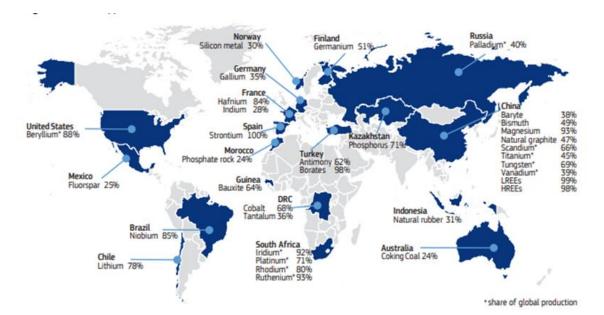
#### Europe's response to US measures

Commissioner Breton announced that the Commission is working on European subsidies measures in response to the US's Inflation Reduction Act (IRA), which gives incentives for European companies to invest in the US instead of Europe. The EU's response to the IRA will comprise three parts: a regulatory component, designed to accelerate the development of European "green tech"; a financial component, to ensure that all Member States have access

to the resources needed to support this sector; and the creation of a "sovereign wealth fund" capable of investing in European industrial projects. The first two components will be presented at the European Council in early 2023 and the third could be defined during the second half of the year.

#### Clean Tech Europe

On 30 November, Commissioner Thierry Breton, together with representatives from 24 Member States and representatives from the clean tech industry launched "Clean Tech Europe" – a new platform to discuss bottlenecks for scaling up EU clean tech manufacturing across the whole supply chain and options to address these bottlenecks. DG GROW is exploring policy avenues to support the acceleration of European clean energy technologies' manufacturing, addressing especially (1) permitting, (2) financing and (3) public procurement. In the upcoming year, Clean Tech Europe will remain key for gathering evidence from the industry and EU member States, and for defining and implementing policy support for clean energy technology supply chains.



#### Securing raw materials for Europe

The necessity to secure the EU's critical raw materials supply is witnessing momentum. In 2022, the European Council called on the EU to take actions, underlining the importance of critical raw materials for the green and digital transition. In her 2022 <u>State</u> <u>of the Union address</u> the President of the Commission announced a <u>European Critical Raw</u>

We need critical raw materials to build wind turbines, electric cars, semiconductors.... That means understanding our value chains. Demand and supply. They must be sustainable, resilient and future proof.

Director General Kerstin Jorna

<u>Materials Act</u> with the objective of increasing EU resilience and boosting EU capacities along the whole value chain. A public consultation was launched that will feed into the preparation of a legislative proposal, supported by an impact assessment, on EU resilience on critical raw materials in 2023. The proposal will focus on strengthening the value chain within and outside Europe, notably via investment, regulatory framework (e.g., for recycling) and standards, while increasing the EU's resilience and monitoring capacities. In the same vein, DG GROW will continue to negotiate and implement strategic partnerships with third countries to secure the supply of sustainable raw materials. DG GROW has organised the 7th edition of the "Raw Materials Week" in November 2022, a series of events, workshops, bilateral and multilateral meetings gathering a wide range of stakeholders discussing policies and initiatives in the field of raw materials.

# Improving the EU intellectual property (IP) framework

In 2023, DG GROW will launch a "<u>Patent Package</u>", at a time when the long-awaited Unitary patent will finally enter into force. As patents are the most potent intellectual property rights, critical for investment in the twin transition, this set of initiatives will ensure that the EU is an attractive place to do business and allow the companies to compete in the global market make use of the upcoming Unitary patent.

The proposed "Patent Package" consists of three legislative initiatives – Supplementary Protection Certificates (SPC), Compulsory Licensing (CL) and Standard Essential Patents – (SEPs) and aims at simplification, de-fragmentation, efficiency gains, and enhanced exploitation of patents, notably after the entry into force of the Unitary patent, crucial for developing European innovative technologies. All three legislative initiatives will be supported by impact assessments, while public consultations have been conducted for SPC and CL. The Patent Package would bring benefits for IP stakeholders, increasing the return on investment for large firms and small and medium-sized enterprises (SMEs) alike. In particular:

- The SPC reform would not only benefit patent holders such as SME and larger innovative pharma and agrochemical firms, but also new entrants such as generics makers, by providing higher legal certainty and transparency.
- The initiative on CL will offer an emergency backstop for governments and SMEs seeking access to patented technologies in particular foreign owned ones in crisis times.
- The initiative on SEPs will be beneficial to EU firms in many sectors, especially those active in the field of Internet of Things (IoT).

Furthermore, the Commission will present tools, best practices, and recommendations to tackle counterfeiting in 2023. In addition, co-legislators shall reach an agreement on the upcoming EU scheme on geographical indications to protect craft and industrial products, aiming to promote skills and jobs in Europe's regions, contribute to their economic development and boost traditional know-how and consumer trust. Finally, the rules to the protection of designs will be modernised and streamlined.

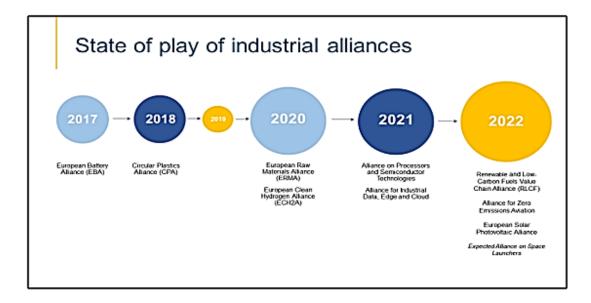
# Working towards an asbestos-free future

Asbestos is still widely present in buildings across the EU. Being committed to building an <u>asbestos-free future</u>, the Commission will propose legislation to ensure the screening and registration of asbestos in buildings at national level. A Digital Building Logbook should make the information easily accessible to facilitate the removal of asbestos. National strategies for asbestos removal will form the basis to protect all European citizens and the environment from the harmful exposure to asbestos. DG GROW has launched a call for evidence and an open public consultation for the wide public, whose results will feed into the impact assessment and help fine-tuning the initiative.

#### Implementing the updated the Industrial Strategy

In 2023, DG GROW's work will remain focussed on accelerating the green and digital transition and on strengthening resilient supply chains. DG GROW will also follow up on the recommendations of the Industry Forum to foster advanced manufacturing.

EU industrial alliances are an important tool to build Europe's strategic autonomy and increase its industrial capacity. DG GROW will continue leveraging the nine industrial alliances for resilient strategic supply chains and supporting new Important Projects of Common European Interest (IPCEIs) to deliver breakthrough innovation and develop green and digital standards As announced in the Update of the New EU Industrial Strategy and in the REPowerEU Plan, the Space Launchers Alliance is to be launched in 2023.



#### **Charting transitional pathways**

The updated EU Industrial Strategy stressed a swift green & digital transition of EU industry and its ecosystems. Industry, public authorities, social partners and stakeholders should cooperate to create each ecosystem's transition pathway. Each industrial ecosystem must transform its business models and value chains to become the foundation of a green, digital and resilient European economy. But such transitions require concrete and actionable plans (transition pathways) developed for each of the industrial ecosystems. Below is an overview of what has been achieved and what is planned:

Ecosystem	Transition pathway	
Energy Intensive Industries Pathway covered by: Masterplan for a competitive transformation of EU energy-intensive industries (2)		
Health         Pathway covered by: <u>HERA</u> (2020), the revision of the pharmaceutical legislation the IPCEI for health (2022) and the security of medicines supply under the <u>pharmaceutical strategy for Europe</u> (2020)		
Creative and Cultural Industries	Pathway covered by: European media action plan (2020)	
Digital	Pathway covered by: The digital decade compass and policy programme (2021)	
Renewables	Pathway covered by: <u>REPowerEU</u> (2022)	
Electronics Pathway covered by: <u>The EU Chips Act</u> (2022)		
Tourism	4 February 2022	
Proximity and Social Economy <u>14 November 2022</u>		
Chemicals	Q1 2023	
Textiles	<u>01 2023</u>	

Ecosystem	Transition pathway
Mobility	Q1 2023
Construction	<u>Q1 2023</u>
Retail	Q3 2023
Agri-food	Q3 2023
Aerospace and defence	Q3 2023

#### Initiatives linked to regulatory simplification and burden reduction

# Revision of the Textile Labelling Regulation

In 2023, DG GROW will revise the <u>Textile Labelling Regulation</u> with a view to update it in line with recent regulatory developments. The DG shall seek to expand the information conveyed to consumers on the characteristics of textile products in an accurate, intelligible and comparable manner, streamlining disparate requirements across Member States

#### Main evaluations and fitness checks

In 2023, DG GROW will work on the following evaluations:

- Evaluation of the <u>Metrology Directive</u> and <u>Non-automated Weighing Instruments</u>
   <u>Directive</u>
- Evaluation of the Directive <u>on the placing on the market of pyrotechnic articles</u>
- Evaluation of the implementation of Regulation on the EU trademark
- Evaluation of the Directive on electronic invoicing in public procurement
- Evaluation of the <u>Directive on "3R type-approval"</u>

#### Outreach

DG GROW will continue promoting the uptake of digital and green technologies by businesses, especially SMEs, particularly through its flagship events (EU Industry Days, SME Assembly, Enterprise Europe Network (EEN) Annual conference). DG GROW will also promote awareness initiatives such as the "European Enterprise Promotion Awards" and "Get digital: Go green and be resilient".

Events linked to different industrial ecosystems will also take place, such as the European Tourism Day in May 2023, which will take stock of the progress achieved in the transition pathway for tourism.

The EU presence at Hannover Messe, the largest industrial fair in Europe, led by DG GROW will also focus on providing both inspiration and support for European companies to make the digital and green transitions.

#### Other important initiatives

#### Data availability to support the twin transition in mobility

To create opportunities for services through the availability of data, DG GROW will propose an initiative aiming at making available to third party users some of the data that automotive vehicles produce in their operative system. This will help the mobility ecosystem to achieve societal objectives, such as road safety or the optimal integration of electric cars with the electricity system. It will promote the development of competitive data driven services in the automotive/mobility ecosystem. These issues have been consistently flagged by stakeholders, Member States, the European Parliament and experts. The initiative is a pillar of the European Strategy for Data as well as the smart and sustainable mobility strategy. It will feed into the development of the European Mobility Data Space.

In 2023, DG GROW will continue implementing the Transition pathway for tourism, to 0 accelerate the green DG GROW and digital transition and improve resilience. The follow-up of the Member States transition pathway will be facilitated by establishing an expert group and a stakeholder support



#### The creative economy contributing to the twin transition

platform. Actions will include <u>Pact for Skills in tourism</u>, Destination awards, and technical assistance for small and medium-sized enterprises.

DG GROW fosters the competitiveness of the textiles ecosystem to drive the twin transition and strengthen resilience. This includes both work on a transition pathway and promoting skills cooperation under the Pact for skills at national and regional level. DG GROW will cocreate with stakeholders a transition pathway with specific actions, among which the launch of a call for commitments and pledges. The publication of a policy report is planned in 2023.

DG GROW will continue supporting the Cultural and Creative industries (CCIs). The WORTH Partnership Project brings together designers, small and medium-sized enterprises and technology providers developing design and innovation driven products and services contributing to the New European Bauhaus. The skills partnership in the CCIs ecosystem under the EU Pact for Skills aims to improve green, digital, entrepreneurial, technical skills.

#### Proximity and social economy contributing to the twin transition

Following the co-creation phase with ca. 400 stakeholders, the transition pathway for the <u>"Proximity and Social Economy"</u> ecosystem will enter in its co-implementation phase in 2023. DG GROW will facilitate cooperation and will support public and private stakeholders to move towards the green and digital transition. A rolling call for commitments launched in 2022 will remain open. Events and workshops will be carried out with stakeholders' participation.

#### Supporting cities as brokers of the transition

The green transition of the social economy ecosystem is supported by the <u>Intelligent Cities</u> <u>Challenge (ICC)</u> bringing together 136 mostly EU cities to help them set the direction on an environmentally sustainable, socially just and knowledge-intensive development. The ICC offers cities strategic guidance and capacity building, supports them to develop local Green Deals and reskill their local workforce.

# Specific objective 2: More European small and medium-sized enterprises have access to cross-border business (<sup>4</sup>)

#### New policy initiatives

#### SME relief package, including the Revision of the Late Payments Directive

Following the President's State of the Union address, DG GROW will present actions, under the SME relief package in 2023, that will aim at ensuring a culture of prompt payments through the revision of the <u>Late Payment Directive</u>, and enabling the right business environment Europe's 25 million #SMEs employ 100 million people. They are the backbone of our industry & economy. For Europe to recover, SMEs need to recover. That is why we will present an « SME Relief Package », facilitate tax filings, and combat late payments.

Commissioner Thierry Breton

through actions tackling the regulatory burden of small and medium-sized enterprises (SMEs) and facilitating access to finance and skills.

The Late Payment Directive (LPD) regulates payment times in commercial transactions between businesses and from governments to businesses. Although in place for over a decade, less than 40% of payments in the EU are made within the contractual deadline. Its revision will aim at delivering a stronger legal framework with clearer maximum payment terms for B2B transactions, strengthen enforcement and monitoring, easy access of SMEs to effective means of redress such as mediation tools and clarify provisions against abuses and unfair practices.

#### Access to finance: InvestEU and ESCALAR

Following the launch of the <u>InvestEU debt and equity products</u>, 2023 will focus on the full roll-out of InvestEU. DG GROW will continue to steer the implementation of financing under the small and medium-sized enterprises (SME) window of InvestEU, in line with the targets and policy areas set, for example:

• Guarantee facilities target SMEs perceived as higher risk, with insufficient collateral or in need of solvency support.

<sup>(&</sup>lt;sup>4</sup>) In the DG GROW Strategic Plan 2020-2024, this objective read: "More European SMEs have access to crossborder 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.

- The EU guarantee helps SMEs and small mid-caps embarking on innovation, digitalisation or sustainability projects.
- the European Investment Fund (EIF) co-invests alongside public and private investors into funds supporting equity finance for SMEs sand midcaps in areas of EU policy interest such as life science, space and defence, AI, cybersecurity, environment, climate and women-led financing. Financing is supported along all stages from tech transfer to start-up, to scale-up and to the IPO stage.
- The EIF offers the ESCALAR mechanism to fund managers who are raising funds, to boost the availability of venture capital funds for high-growth scale-ups in the EU.

#### Rolling out the Single Market Programme (SMP)

The SMP work programme for 2023 sets out the main actions for implementation following its objectives (Internal Market, small and medium-sized enterprises (SMEs), Consumers, Food and feed, EU Statistics). DG GROW is responsible for the general coordination of the SMP and manages the SME Pillar and the Market Surveillance strands. The 2023 projects in the SME pillar of the SMP combine projects aiding SMEs as well as providing tailored help due to the COVID-19 consequences. The SME pillar continues to foster the implementation of the SME strategy and the SME components of the updated Industrial Strategy. There is a strong focus on supporting SMEs' green and digital transition while helping SMEs achieve success in an increasingly competitive environment. The 2023 work programme includes the budget for the calls for the Enterprise Europe Network, the Joint Cluster Initiative, Erasmus for Young Entrepreneurs and the Intellectual Property voucher for the green and digital transitions.

Implementing parts of the programme has been tasked to two Executive Agencies. EISMEA is delegated with the management of certain contracts under strands covering small and medium-sized enterprises, the Internal Market and support to standardisation and Consumers while European Health and Digital Executive Agency is delegated with parts of the health strand.

#### **Regulating better**

Faced with unprecedented challenges for a third year in a row, small and medium-sized enterprises (SMEs) are calling once again for quality legislation and a SME-friendly regulatory environment. Creating a business-friendly environment for SMEs requires a SME dimension to be considered in all EU acts and policies. In 2023, DG GROW will continue implementing burden reduction actions from the SME strategy and will ensure that no disproportionate burden is put on SMEs. DG GROW's helpdesk monitors and supports all Commission departments in applying the 'SME test' in impact assessments systematically.

DG GROW has always been a supporter of reducing burden for business and citizens wherever possible. DG GROW will continue to apply Better Regulation principles to its own legislative work. Impact assessments of legislative proposals and evaluations of legislation and programmes are essential tools, as well as the consultation of stakeholders. In 2023, DG GROW plans to finalise about 15 impact assessments. This includes economic research, stakeholder consultations and procurement of studies.

#### Initiatives linked to regulatory simplification and burden reduction

# Simplification of small and medium-sized enterprises digital reporting obligations through elnvoicing

IN 2023, DG GROW will cooperate with DG TAXUD on their initiative "VAT in the Digital Age" that aims at simplified reporting obligations for EU companies, especially SMEs. Based on this directive, the EU Standard on elnvoicing becomes the basis of Digital VAT Reporting for intra-community transactions.

#### Main evaluations and fitness checks

• Final evaluation of the COSME Programme (Europe's programme for small and medium-sized enterprises), including the ex-post evaluation Entrepreneurship and Innovation Programme (EIP). The public consultation of the COSME Programme will take place in the 2<sup>nd</sup> quarter of 2023.

#### Major public consultations

• Revision of the Late Payments Directive

#### Outreach

In 2023, DG GROW will organise awareness raising activities targeted at SMEs in close cooperation with the Enterprise Europe Network. Furthermore, DG GROW will continue disseminating information on financial support under InvestEU by promoting the Access2Finance portal and by organising four EU FINANCE DAYS in 2023, planned to take place in Greece, Portugal, Czechia and Finland.

# Specific objective 3: More business opportunities are generated by trading in the Single Market (<sup>5</sup>)

#### New policy initiatives

#### The Single Market at 30 🕮

A well-functioning Single Market is a strategic asset for a resilient EU economy and powerful

enabler of change and transformation. A seamless Single Market enhances security of supply, and fosters innovation and European business leadership in green and digital technologies. To mark the 30<sup>th</sup> anniversary of the Single Market and respond to calls from Member States and stakeholders for a new impetus, DG GROW will, together with other services, prepare a Communication with policy recommendations,



<sup>(&</sup>lt;sup>5</sup>) 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.

providing a mandate for further work on the Single Market, industrial competitiveness and the business environment. DG GROW will provide analytical evidence supporting the assessment of the Single Market at 30, both in terms of achievements and avenues for the future. The Communication will be accompanied by data and analysis: the 2023 Annual Single Market Report will highlight key trends, provide an outlook and take stock of progress in the Single Market integration and the enforcement of its rules.

#### Enhancing cross-border activities of associations

A number of associations and other non-profit organisations operate across Europe with considerable social and economic impact. However, current rules differ between EU Member States creating barriers when they operate across EU borders. This causes economic cost and ultimately hamper the non-profit sector, and associations in particular, to fully enjoy the Single Market potential. Under "An economy that works for people" headline ambition and following up on <u>the European Parliament Resolution</u> on 'A statute for European cross-border associations and non-profit organisations', DG GROW will prepare a legislative initiative that will aim to ensure full Single Market freedoms for associations operating cross-border, while protecting EU fundamentals rights. This initiative is being prepared under the better regulation rules. In light of this, a public consultation and a call for evidence have been launched over summer 2022 and closed on 3.11.22. An impact assessment study is also underpinning the future legislative initiative.

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DG GROW will work with other services to present an initiative to facilitate the recognition of qualifications of third country nationals under the headline ambition "Promoting our European way of life". The aim is to attract more skills in the EU and meet existing gaps in our industrial ecosystems. In parallel, under the EU Pact for Skills DG GROW will continue to manage a significant number of large-scale skills partnerships in industrial ecosystems. Finally, under the European Year for Skills 2023, DG GROW will propose the establishment of skills academies modelled on the European Battery Academy to promote professional skills required for the green and digital transition of our economy.

#### Ensuring European Standardisation supports the twin transition

DG GROW will focus on implementing the new EU Standardisation Strategy in 2023. A High-Level Forum will be launched in 2023 to assist in anticipating upcoming standardisation priorities. The Excellence Hub will establish a Community of Practice to enhance EU coordination of standardisation activities. In support of the European Year of Skills 2023, the first actions on standardisation skills will be launched as part of the Horizon Europe 2023-24 work programme. Transatlantic cooperation will be enhanced using the Strategic Standardisation Information (SSI) mechanism that is part of the EU-US Trade and Technology Council while possible cooperation with other like-minded countries will be explored. DG GROW will increase its support of small and medium-sized enterprises and civil society participation in the standardisation process. To obtain European standards supporting the green and digital transition, the Annual Union Work Programme 2023 for standardisation will envisage work on artificial intelligence, data, cybersecurity, solar panels, heat pumps, clean hydrogen and recycling of plastics.

#### Harnessing the power of public procurement

In 2023, DG GROW will set up dialogues with Member States to promote strategic and innovative procurement as a lever to implement a green, social and digital EU. DG GROW will also support the creation of laboratories (living labs and incubators) in order to establish a strong link between innovative entrepreneurs and public administration in areas such as mobility, green and digital transition, health, and education, but also to develop new purchasing practices that will help the creation of future markets for small and medium-sized enterprises and start-ups.

The Commission's public procurement data initiative aims to harness the power of data available in the EU thanks to a Public Procurement Data Space (PPDS). Every year in the EU, over 250 000 public authorities spend around EUR 2 trillion EUR, almost 13.6% of GDP, on public procurement. To date, only a small fraction of data, from only 20% of all tenders, is searchable for analysis in one place, the EU database Tenders Electronic Daily (TED). The Public Procurement Data Space will ensure more accessible and better quality data.

#### Fostering professional services in the Single Market

In 2023 DG GROW will continue to implement the existing services legal framework, notably the EU Services Directive and the Professional Qualifications Directive. The Communication on the 30<sup>th</sup> anniversary of the Single Market will feature an assessment of the state of play of services based within the Single Market, on which the Commission will announce further policy action. DG GROW will also continue its work on the introduction of a common electronic declaration for the posting of workers by service providers. It will support the effective mutual recognition of professional qualifications awarded in Member States, notably by launching a process to update minimum training requirements underlying the system of automatic recognition of qualifications.

#### **Opening global markets**

Enhancing Europe's open strategic autonomy is a central goal in its international economic relations. In 2023, DG GROW will facilitate the internationalisation of EU companies and support greater resilience of Europe's global value chains. DG GROW will engage in developing international partnerships with key partners. The DG will engage in Europe's economic diplomacy through business support in third countries. This includes the EU Japan Centre for Industrial cooperation and the European Business Organisations. DG GROW will develop cooperation with international partners through established industrial policy and regulatory dialogues with Japan, the Republic of Korea, China, Taiwan, and Ukraine. The DG will fully engage in the work of the EU-US Trade and Technology Council, notably in areas related to critical supply chains, small and medium-sized enterprises, and standardisation.

The DG will continue to assist enlargement countries in their path towards EU accession. Russia's war of aggression against Ukraine has led the DG to strengthen its engagement with Ukraine. The DG will further support Eastern and Southern Neighbourhood partner countries to align with EU rules. DG GROW will also seek to develop cooperation globally, notably with Africa and South-East Asia on opportunities for market integration and business cooperation through political outreach and targeted financial programming. DG GROW will contribute to the negotiations and implementation of Free Trade Agreements focusing on better market access for EU businesses. The DG will continue to represent the EU at the Technical Barriers to Trade (TBT) Committee of the World Trade Organization (WTO) and to protect EU interests in international trade by preventing technical barriers.

DG GROW works to export the European model for elnvoicing in international trade discussions. Elnvoicing will be part of the WTO negotiations on e-commerce with Australia in 2023. It is a key element of the digital partnerships with Japan, followed by Singapore and South Korea in 2023.

#### Closing the Single Market gap for non-road mobile machinery

The Commission is proposing (Q1 2023) to harmonise the technical requirements for the road approval of non-road mobile machinery (construction, agricultural, garden, forestry, material handling and municipal equipment). Through replacing 27 national systems by an EU framework, the free movement of such machinery will be facilitated and the sector is expected to save more than €800 million over 10 years in compliance costs.

#### Main evaluations and fitness checks

• Evaluation of the Standardisation Regulation

#### Major enforcement actions

Following the adoption of the new Regulation on foreign subsidies by EP and Council in 2022, work will focus on its implementation. DG GROW will prepare clarifications and guidelines regarding the criteria for determining a distortion caused by a foreign subsidy on the Single Market, the application of the balancing test, and the application of its power to request a prior notification of any concentration or foreign financial contributions received by an economic operator in a public procurement procedure.

#### Outreach

In 2023, DG GROW will place all its outreach actions under the umbrella of the 30<sup>th</sup> anniversary of the Single Market. This is a major opportunity to inform a broader audience about the benefits of the Single Market., with new communication tools and methods. The objective is to explain how the Single Market is relevant to the everyday life of Europeans, helping to address tangible problems – be it ensuring availability of life saving vaccines or supporting businesses in developing new digital solutions and services. A further aim is to improve the public understanding of the Single Market's key role in helping Europe to face today's major challenges like the digital transition, as well as the EU's strategic autonomy and the robustness of its supply chains.

The 30<sup>th</sup> Anniversary of the Single Market campaign will include the following:

- an anniversary website, including information and a calendar of events;
- a social media campaign, including an online quiz, targeting in particular young people;
- several video episodes of "Business Planet" in cooperation with Euronews illustrating how the Single Market benefits businesses concretely;

- cooperating with other multipliers, such as Commission Representations across the EU and the Enterprise Europe Network, to support stakeholders in the organisation of events on the anniversary;
- a travelling exhibition that will focus on non-capital EU cities leading up to a concluding finish at the Enterprise Europe Network/SME Assembly at the end of October/November.

In 2023, DG GROW will also set up a network of staff "Ambassadors" to have a pool of colleagues able to engage with stakeholders on all DG GROW related issues. This "Ambassadors" network could be used for specific communication campaigns, for example in the campaign around the 30<sup>th</sup> anniversary of the Single Market.

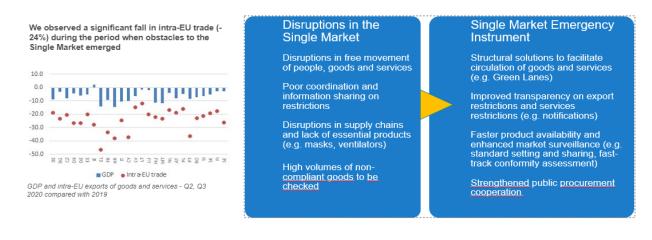


# Specific objective 4: Promote compliance with EU Single Market rules and enforce them (<sup>6</sup>)

#### New policy initiatives

#### Strengthening resilience of the Single Market during a crisis

During the pandemic, the Single Market witnessed grave disruptions resulting in acute supply shortages. In order to prevent such disruptions in times of crisis, DG GROW prepared a proposal for a Single Market Emergency Instrument, adopted by the Commission in September 2022. In 2023, DG GROW will engage with the European Parliament and the Council to ensure the final adoption of this instrument.



<sup>(6)</sup> In the 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.

#### Making sure products in the Single Market are safe

Applicable since 2021, the new Regulation on market surveillance and compliance of products enforces EU product rules by fostering cooperation among authorities and operators. DG GROW will continue to implement this policy, notably through the following:

- The new work programme for the EU Product Compliance Network (EUPCN), which includes Single Liaison Offices and specialised market surveillance authorities, will be launched in early 2023.
- New training sessions on product sector information for the Product Contact Points of market surveillance authorities are planned in 2023.
- EU Testing Facilities for market surveillance regarding toys and radio equipment will be designated. DG GROW will launch calls for expression of interest for new sectors.
- DG GROW will establish an electronic interface between market surveillance and customs authorities to allow better information exchange about goods suspended from free circulation.
- We will develop the Information and Communication System for Market Surveillance (ICSMS) for market surveillance authorities to have a better overview on imports.

#### Ensuring mutual recognition

Mutual recognition of goods is a core principle for the free flow of goods in the Single Market. Based on the <u>Regulation on the mutual recognition of goods</u>, DG GROW will carry out two projects launched in 2022: The 'Exchange of Officials' programme, allowing officials working in an authority in one country to visit their counterpart in another country. DG GROW will reach out to businesses and authorities via two videos, one for economic operators and one for national competent authorities. DG GROW will continue providing training courses for officials from national authorities involved in mutual recognition; reaching out to the product contact points to make sure they have updated their websites. Finally, DG GROW will continue to closely monitor the application of the Regulation in the Member States.

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

The Single Market Enforcement Taskforce (SMET) is a forum where Member States and Commission work on removing barriers to the Single Market. The SMET focuses on concrete projects to deliver tangible results. In 2023, the SMET will continue its work on thematic issues like recognising professional qualifications, facilitating administrative requirements for cross-border service providers, and permitting procedures for wind and solar projects to tackle barriers in the Single Market.

#### Solving disputes in the Single Market - SOLVIT

SOLVIT is a network for resolving Single Market complaints or disputes, which celebrated its 20<sup>th</sup> anniversary in 2022. It is mainly an online service, and there is a SOLVIT centre in each country (EU, Iceland, Lichtenstein and Norway). DG GROW will address the lack of resources in some of the centres. It will continue to make the extraction of data of the SOLVIT database more efficient, which is important to show where Single Market barriers are.

#### Supporting administrative cooperation - Internal Market Information System (IMI)

IMI facilitates cooperation between Member States' administrative bodies, thus simplifying cross border procedures in the Single Market. In 2023, the DG will:

- Launch a pilot project to implement certain administrative cooperation provisions relating to the Regulation on <u>free flow of non-personal data</u>;
- Introduce provisions of the <u>Single Digital Gateway Regulation</u> allowing Member States to inform each other of their online procedures; and
- Continue expanding this tool to other areas and modernise it.

#### Measuring performance - Single Market Scoreboard

The Single Market Scoreboard is upgraded to provide more structured information. The indicators are evaluated to enhance the relevance and usability of Scoreboard indicators for policy making and to provide a reinforced support for monitoring trends in the Single Market.

#### Developing alternative compliance tools - Your Europe/Single Digital Gateway

The Your Europe portal informs citizens and businesses about EU and national rules in the Single Market. It was upgraded at the end of 2020 to become the hub of the EU Single Digital Gateway. Starting in 2023, online procedures will be accessible via the site. Member States are adding content to the gateway and preparing for the digitalisation of procedures. The Single Digital Gateway is a one-stop-shop for businesses and citizens to exercise their rights in the Single market and reduce administrative burden. In 2023, the DG will submit a report on the functioning of the Gateway and its impact on the Single Market.

## General objective 2 - A European Green Deal



# Specific objective 1: Increase the share of material recovered, recycled and fed back to the economy (<sup>7</sup>)

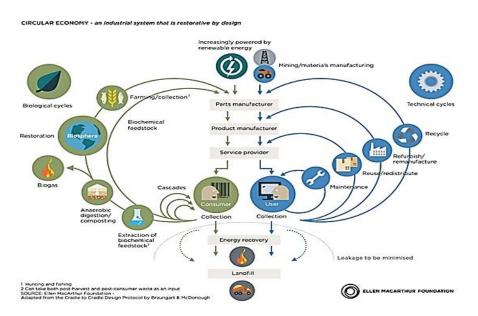
#### New policy initiatives

#### Fostering Circularity in the European Industry

In 2023, DG GROW will continue to support the Circular Plastics Alliance to implement the European Plastics Strategy and achieve the EU target of 10 million tons of recycled plastics in the European market by 2025. DG GROW, together with DG ENV and DG ENER, will continue the work on Ecodesign for Sustainable Products Regulation (ESPR). The regulation aims to make products fit for a climate-neutral, resource-efficient and circular economy. A key feature of the ESPR is the Digital Product Passport (DPP), a tool to support higher levels of circularity, sustainability and digitalisation of our economy, facilitating information exchange between industry sectors, Member States and citizens. The DPP will support the creation of

<sup>(&</sup>lt;sup>7</sup>) 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.

new business models, especially related to recyclability and remanufacturing, and improve the effectiveness of customs and market surveillance controls.



#### Fostering renewable energy industries

DG GROW will use different tools to help Industrial scale up of renewable energy production. The hydrogen alliance and the solar alliance announced in 2022 will help industry to scale up production to reach the targets set by FitFor55 and RePowerEU. Additionally, the Accelerator for low-carbon energy technologies and value chains will be launched under the Horizon Europe programme. The objective of the Accelerator is to support the scale up of industrial value chains in key low-carbon energy technologies.

#### Making chemicals sustainable

In 2023, DG GROW will prepare several legislative proposals to boost the safety and the digitalisation of products.

- An amendment of the <u>Fertilising Products Regulation</u> will introduce digital labelling.
- The <u>Cosmetics Regulation</u> ensures the safety of cosmetic products and their free movement in the Single Market. We will table a proposal for a targeted revision in 2023. Its main objective is to prohibit the use of endocrine disruptors in cosmetic products, to revise the definition of nanomaterials, to transfer the scientific committee on cosmetics to ECHA and to introduce voluntary digital labelling.
- The evaluation of the <u>Toys Safety Directive</u> pointed to some shortcomings, especially on some types of chemicals that might still be used in toys and on the high number of non-compliant and often dangerous toys. Therefore, we will come forward with a legislative proposal to strengthen the chemical requirements for toys and to introduce the digital product passport in order to facilitate the controls of toys at customs. It will also transform the directive into a regulation and make it more understandable and accessible for small and medium-sized enterprises.
- The proposal for a basic regulation of The European Chemicals Agency (ECHA) is expected in 2023. The proposal aims 'to strengthen the governance of the ECHA and increase the sustainability of its financing model'.

#### Initiatives linked to regulatory simplification and burden reduction

# Revision of the REACH Regulation

REACH stands for the Regulation on the **R**egistration, **E**valuation, Authorisation and **R**estriction of chemicals. The targeted <u>REACH</u> Revision is also a deliverable under the Chemical Strategy for Sustainability". The proposal is expected in the 4<sup>th</sup> quarter of 2023. DG Environment and DG GROW are working closely together on the revision.

#### **Revision of the Detergents Regulation**

The <u>Detergents Regulation</u> dates from 2004 and needs an update to allow for innovative products (e.g., microbial cleaning products), new sales methods (e.g. refill sales) and clearer labelling (e.g. dosage instructions and digital labelling). This revision will abolish several outdated obligations. This proposal should be adopted early in 2023.

# PART 2. Modernising the administration: main outputs for 2023

The internal control framework (<sup>8</sup>) supports sound management and decision-making. It notably ensures that risks to the achievement of objectives are taken into account and reduced to acceptable levels through cost-effective controls.

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

#### A. Human resources management

To deliver on its ambitious agenda, human resources management is a key priority and DG GROW continues counting on its skilled, motivated and dedicated staff. The competencies and engagement of our staff are our key assets. Motivation and constant development can be best achieved in an environment where rules and goals are transparent, achievement is rewarded, and where long-term orientation of personnel policy and the commitments made by the management are reliable.

To retain and attract this important and highly qualified staff, DG GROW will implement the corporate human resources strategy. DG GROW will complement these actions by implementing its local HR Strategy to address some of its specificities. DG GROW will continue to ensure that the allocation of available resources is matching the workload of the units, talents are retained, and high quality work is rewarded. In order to do that, DG GROW will continue to produce its monthly internal heatmap to measure and compare the workload in each Unit. The use of ATLAS allows to better identify the skills and expertise available and needed in the DG. The DG makes regular use of cross-unit project teams and giving 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 will be paid to well-being, the right to disconnect, and the equipment of managers with tools to prevent and avoid burnouts in their teams.

In DG GROW, internal communication is seen as an indispensable tool for informationsharing, community building as well as talent and achievement recognition. It is also a way of building staff engagement, enabling better cooperation between the services, developing a culture of openness, motivation and trust, where staff has a strong sense of belonging and purpose. DG GROW aims to engage staff in policy as well as non-policy activities, encourage participation, voicing one's opinions and creating a working environment that merges professional and personal development, with a focus on well-being and self-awareness. The Internal Communication Strategy, available on Intranet, with its eight action areas and

<sup>(8)</sup> Communication C(2017)2373 - Revision of the Internal Control Framework

various communication tools aims to each of the above-mentioned goals. Regular all-staff meetings are part of these efforts.

In 2023, DG GROW will increase the number of physical and hybrid events to strengthen the sense of belonging. We will work on the renewal of our GROW Management Charter and will continue to promote activities on well-being and the right to disconnect through the creation of convivial spaces, disconnection activities (digital detox ideas, events), and staff videos.

DG GROW already reached its target in terms of gender representation as defined in the Commission decision SEC(2020)146 of 1 April 2020 for middle management positions. DG GROW will continue to ensure that the representation rate (currently 44%) of female middle managers is maintained or increasing, to approach or fully attain gender parity in line with the President's commitment before the end of her mandate, as well as maintaining a share of at least 50% female staff at Deputy Head of Unit level.

Following the College decision on complementary measures for reinforcement of gender equality policy at management level, DG GROW has designated Heads of Unit to deputize for the Directors. DG GROW has reached the gender balance target by appointing five female Heads of Unit as Deputy to the Directors, reaching thereby 55.5% of female representation (target 55%).

DG GROW will also continue supporting women in their career paths via the corporate Female Talent Development Program (FTDP) and our own FTDP developed in collaboration with DGs COMP, ECFIN and FISMA.

Main outputs in 2023:	Main outputs in 2023:			
Output	Indicator	Target		
Reaching quantitative DG-specific targets for first female appointments to management functions.	Number of female appointments Number of female candidates interviewed Ensure a gender-neutral drafting on vacancy notices	Target reached. Maintain or increase the current rate of 44% female-middle managers.		
Gender diversity at the level of Deputy Heads of Unit	Continue to organise the cross- DG FTDP % of women & men in Deputy's functions % of newly appointed Deputy Head of Unit Ensure a gender-neutral drafting of vacancy notices	>1 colleague in the cross-DG FTDP on top of the ones following the corporate one >50% of women in Deputy's function >/= 50% of women newly appointed		
Continue to implement new methodology and policy to ensure more flexible and agile replacement of staff and reallocation according to the needs	Statutory staff vacancy rate External budget execution	Keep statutory staff vacancy rate < 4% External budget execution close to 99%		

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

Close monitoring and management of job quotas / external staff budget		
Staff engagement index Increased staff engagement by Corporate Be well Strategy	All staff meetings to present DG's achievements Emails to all staff to congratulate colleagues after major political achievements	Staff engagement index 83% by 2024 At least 4 all staff meetings (1 per quarter) At least 4 internal emails (1 per quarter)
Grow Talks sessions as output for internal communication (information-sharing, community building as well as talent and achievement recognition)	Number of sessions	>12 sessions
GROW Summer school	Number of sessions	> 20 sessions
Online debrief of Senior management meeting by senior managers	Number of debriefs compared to the number of senior management meetings	Equal to the number of senior management meetings
Revamp of Intranet	Update of the main page	By June 2023
Heatmap of workload measurement	Distribution of the monthly heatmap to senior managers	= 12

## **B. Sound financial management**

The long-term EU budget 2021-2027 and the #NextGenerationEU programme come with new challenges and ways of working. This has implications on the financial management; namely on budget implementation, programme governance, and simplified, harmonised, and digital working methods.

In 2023, the focus will continue to be on implementing the programmes (Single Market Programme and Horizon Europe) and the follow-up of the budgetary governance of DG GROW decentralised agencies (ECHA and EUIPO). The operational and budgetary governance of the Single Market Programme (7 DGs, DG GROW coordinating) remains the priority.

DG GROW will continue to improve its sound financial management. The outcome of the measurement on 10 standard financial indicators common to all Commission services (cf. data AAR 2021) showed that DG GROW performs according to expected standards. To increase its efficiency and financial performance, DG GROW has undergone a reorganisation of its financial workflows and the management of procurement files in May 2022. The new way of working will allow for a more structured oversight of the financial and procurement activities in DG GROW, aiming to achieve the expected results. Moreover, the DG GROW studies and ad-hoc committees have been revamped based on the risk assessment done in the frame of the current needs.

The preparatory work of the EC corporate financial system SUMMA will modernise, harmonise, and standardise the EU's financial business processes (together with the integration of other EC corporate systems such as e-Grants, e-Procurement). Considering that SUMMA will go live by early 2024 for the full operations, necessary internal preparations will need to take place for the end-user community at DG GROW in 2023. As the DG GROW local planning tool PLATO will disappear, there is a need to decide on the most convenient EC corporate planning tool for DG GROW and the Single Market Programme.

DG GROW will continue to improve its internal control system by performing a review of its internal control indicators and by organising a dedicated workshop on internal control matters to raise awareness of staff. The reinforcement of the supervision of the external entities implementing the EU budget on behalf of DG GROW (both budgetary and internal control) will continue under the next long-term EU budget. For instance, it will be applicable in particular for the two regulatory agencies (ECHA and EUIPO) where DG GROW is partner DG.

These actions aim to ensure identification and adequate risk management. They also aim to provide reasonable assurance on the legality and regularity of financial transactions. Respective recommendations for further improvements (including those coming from the European Court of Auditors (ECA) and the Commission's Internal Audit Service) will be duly monitored and addressed on time in view of ensuring accountability and transparency. It should be noted that at end 2022, DG GROW has not received any critical recommendations to be followed-up on. DG GROW is lead on several performance audits launched by the ECA (on Batteries, Public Procurement and Recognition of professional qualifications), which will continue in 2023. This is a challenging task as DG GROW is audited on various policy fields and it implies coordination work with other DGs and EC central services.

DG GROW monitors its financial performance on a monthly basis through the Key Performance Indicators (KPIs) to ensure a sound and efficient management and the followup of financial transactions (budget consumption, time-to-register, time-to-pay, data quality of the financial transactions, etc.).

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

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

#### Main outputs in 2023:

Output	Indicator	Target
Effective controls: Legal and regular transactions	<ul><li>Risk at payment</li><li>Estimated risk at closure</li></ul>	<ul> <li>remains &lt; 2 % of relevant expenditure</li> <li>remains &lt; 2 % of relevant expenditure</li> </ul>
Effective Ex ante controls – public procurement and grant management verification	<ul> <li>Maximum 10 days for in- depth additional ex-ante legal controls</li> </ul>	Procurement and grant above     140 kEUR

Effective Ex ante controls – financial verification	<ul> <li>Maximum 2 working days to perform the financial ex- ante verification</li> </ul>	All transactions except low-value     payments below 15 kEUR
Efficient controls – budget	Budget execution	<ul> <li>remains 100% of commitment and payment appropriations in operational lines and of commitment appropriations in administrative lines</li> </ul>
Efficient controls - Legal time to execute the payment	• Time to pay	• % paid with delay - less than 2% of the total payments done
Efficient controls - Target date to register invoices within 7 calendar days	Time-to-register	• % outside the 7 calendar days less than 1%
Economical controls - Cost of controls of procurement process	<ul> <li>% of overall cost of control in comparison to the total commitment appropriations consumed at year end</li> </ul>	• Less than 10%
Economical controls - Cost of control of supervision process for entrusted entities	<ul> <li>% of overall cost of control in comparison to the total annual amount delegated excluding any remuneration paid</li> </ul>	• Less than 5%
Provide necessary financial knowledge to the DG GROW staff involved in financial transactions	• Training	• Once a year

#### C. Fraud risk management

DG GROW anti-fraud strategy was last reviewed in 2022. DG GROW will review its anti-fraud strategy in 2024, taking into account any possible change of activities.

On a regular basis, DG GROW organises information sessions for newcomers. These include ethics and anti-fraud aspects. All information related to fraud risk management is published on DG GROW's Intranet and updated when needed. The implementation of its action plan is monitored on a regular basis. DG GROW is lead DG for Action 42 in the Commission antifraud strategy (voluntary ex-ante assessment mechanism for the compliance of large-scale infrastructure projects with EU procurement rules).

<b>Objective:</b> The risk of fraud is minimised through the application of effective anti-fraud measures and the implementation of the Commission Anti-Fraud Strategy (CAFS) ( <sup>9</sup> ) aimed at the prevention, detection and correction ( <sup>10</sup> ) of fraud.		
Main outputs in 2023:		
Output	Indicator	Target

<sup>(&</sup>lt;sup>9</sup>) Communication from the Commission 'Commission Anti-Fraud Strategy: enhanced action to protect the EU budget', COM(2019) 196 of 29 April 2019 – 'the CAFS Communication' – and the accompanying action plan, SWD(2019) 170 – 'the CAFS Action Plan'.

<sup>(&</sup>lt;sup>10</sup>) Correction of fraud is an umbrella term, which notably refers to the recovery of amounts unduly spent and to administrative sanctions.

Provide information at request on ethics and anti-fraud aspects for the organisation of information sessions	<ul> <li>Number of information sessions provided to newcomers including anti- fraud and ethics issues in the frame of the induction days</li> </ul>	<ul> <li>Organise once a year a training session</li> </ul>
Enhance cooperation with OLAF to contribute to the implementation of the Commission Anti-fraud Strategy (CAFS) by participating in existing Commission Fraud Prevention and Detection Network (FPDNet)	<ul> <li>Participation in the FPDNet meetings and exchange of best practices</li> </ul>	<ul> <li>100% attendance to the meetings organised by OLAF in the frame of the Fraud Prevention and Detection Network</li> </ul>
Raise fraud awareness	<ul> <li>Publication of related information on DG GROW website</li> </ul>	<ul> <li>Publish regular updates on anti-fraud aspects for DG GROW staff</li> </ul>

## D. Digital transformation and information management

#### **Digital transformation**

DG GROW's efforts to rationalize the number of IT systems, improve their security, and address legacy IT systems, will continue in 2023. We are committed to implement the Dual Pillar Approach and achieve the objectives of the New Digital Strategy.

#### Digital culture

We support initiatives to increase IT literacy. Addressing skills gaps includes cloud technology trainings for IT professionals and data visualisation trainings for all staff. There are two areas that we aim to focus on in 2023: collaboration and data. Relevant corporate initiatives will be the migration to a Single Collaboration Network with the new SharePoint Online tool and the use of DIGIT's Data Platform, which will improve the digital culture in DG GROW. In cooperation with DIGIT and HR-DS, we will continue to organize security trainings for staff and managers.

#### Digital-ready policymaking

Early involvement of IT perspective in the policy making process is a prerequisite to enable interoperable, future proof and agile by default approaches. This is needed to fulfil targets of the 2030 Digital Compass communication and to achieve the objectives of the New Digital Strategy. DG GROW is dedicated to improving the communication between policy making and IT, and to increase the overall level of IT literacy to foster digital-ready policy making. A prominent result of the application of Digital Ready Policy Making, is the development of the Digital Product Passport, which is an important element of the Ecodesign for Sustainable Products Regulation (ESPR) that will improve the work of custom operators and market surveillance authorities, enabling more automatic checks and better access to information. The policy development procedure will enable a smooth and digital by default policy implementation and foster digital transformation through best use of digital technologies and data.

#### **Business driven digital transformation**

DG GROW will continue removing inefficiencies in its processes in 2023 while using cuttingedge technologies to boost productivity. One of the areas to be addressed with the support of DIGIT and SG is AI-supported case handling in the enforcement area, where the work on building a proof of concept (PoC) is in its mature phase. The purpose of this PoC is to first define the desired enforcement business process, and later support it with AI techniques. The DG will also look at the existing solutions at corporate level, following the provisions of the Dual Pillar Approach.

DG GROW will invest in mapping all its business processes to explore any other relevant potential for automation. In this context, we will continue using AI supported Reusable Components, like eTranslation, and further investigate on the exploitability of others.

#### Seamless digital landscape

In the context of the Streamline IT Programme, DG GROW works in close collaboration with other DGs to reuse existing systems or to promote the creation of corporate solutions.

Before engaging on the development of a new information system, we will ensure that the following steps are being followed/respected:

- All proposals for new information systems will be thoroughly examined by investigating on the possibility to reuse/merge/expand solutions that already exist within GROW's IT portfolio.
- Based on the information registered within the Commission's IT portfolio Management System (GovIS2), we will investigate relevant solutions from other DGs that would potentially be reused.
- We will cooperate with the Corporate Architecture and the Reusable Components teams, and with the Cloud Community of Practice, in the process of identifying the optimal approach towards implementing the Dual Pillar Approach in all new IT projects.

#### Green, resilient and secure infrastructure

DG GROW is ambitious in moving towards cloud use when it comes to its IT systems portfolio. We are expecting two legacy IT systems to be rewritten in low code and we look forward to modernising more of our IT systems in 2023. In terms of migration to the Welcome domain, there will be additional efforts in 2023 in terms of raising awareness and inciting more users to migrate. We will remain committed to implement European Commission security provisions at the level of our information systems portfolio.

#### Information and IT security rules

The security plans will be updated according to the recommendations of the Information Technology and Cyber Security Board and DIGIT. We will continue to use corporate approach to cybersecurity including the use of EU Login and multi-factor authentication. Furthermore, for services and systems that are being procured by external suppliers, we will ensure that the outsourcing principles issued by HR.DS are fully respected and that the same security standards (as those of the Commission) are being followed.

#### Data, information, and knowledge management

The data, information and knowledge management activities of DG GROW in 2023 will be based on a strategy endorsed by senior management in the 2022 report *Data in DG GROW*. It sets a vision of a data-driven DG whose work is underpinned by high-quality data for evidence-based policymaking and governance. It is steered by the Information Management Steering Board representative, Chief Data Officer, and progress and work planned are regularly reported to GROW's management team for alignment with the DG's objectives and vision.

DG GROW is data intensive: there are over 100 data sets across Directorates. Their value will be effectively harnessed through the better servicing of the DG's data needs. Such will imply work towards:

- Automation namely through the provision of standard reports that allow policy officers to have automatically available to them the reports and statistics needed for their work;
- Analysis expansion of ad hoc reporting services in order to provide GROW with deeper analysis of existing datasets. Furthermore, GROW is already following the principles of open data (see, for instance, Tenders Eletronic Daily at <u>https://data.europa.eu/data/datasets/ted-csv</u>) and will continue to explore data assets that can be further opened;
- Integration GROW's numerous datasets to be better combined wherever possible in order to deliver on deeper analytics that benefit from data-points from multiple sources and to promote a better reusability of data. Such work will be done while making sure to maintain an active participation in the LDC network and its relevant task forces;
- Visualisation improvements of the visualisations of data provided, in order to assure that insights can be quickly gathered from reports with minimal effort in interpreting visuals provided thus promoting better discovery of the data and its analysis;
- Text mining numerous datasets of GROW contain text contributions from citizens, businesses and national administrations that, due to their volume, cannot be simply read through in order to garner insights. Therefore, work will be carried out to analyse these large collections of text in order to identify main topics, patterns, trends, etc.

The Data action plan is implemented together by the data teams in units G4 and B3. It reaches out to partners, operationalises corporate principles, enables data solutions, showcases success stories and drives the data network of data ambassadors from all units. There is an important role for data owners, who define their domain-specific needs and strategies to meet them. Actions, including both overarching horizontal activities and targeted pilots, are designed and implemented at the appropriate level and across organisational boundaries, they consider availability of resources that allows to deliver on emerging priorities. Data and tools developed through the Commission are used and complemented with tailor-made solutions, depending on demand.

Activities in the data action plan are selected according to their impact and feasibility. They include both horizontal actions - across the data lifecycle, work strands or organisational levels - and specific ones - data pilots addressing thematic priorities. Main horizontal actions still to be implemented in 2023 are:

- Data workflows: define and implement workflows for suitable data planning and processing,
- Data access: ensure swift and secure access to data from other units or DGs,
- Data sources: acquire and exploit new data sources to complement existing data,
- Data infrastructure: make available an infrastructure that allows to share and exploit data,
- Data dissemination: increase transparency, visibility and usability of GROW data,
- Data analytics: pilot the use of advanced analytics to further harness the power of data,
- Data vocabularies: develop common classifications or vocabularies for different data streams through participation and contribution to the corporate reference data management, and in data-driven developments (including IT streamlining initiatives),
- Data management: professionalise the management of GROW data across the data lifecycle,
- Data training: provide opportunities for staff upskilling.

#### Data protection

To ensure implementation of the data protection rules, the DG GROW Data Protection Coordinator will focus efforts on these areas:

- Increase awareness at all levels of DG GROW staff, focusing on the needs of every type of actor and on the practical implementation, e.g., the most recurrent and risky activities, such as public procurement, meetings and events, consultations, IT tools, international transfers and on data subject procedures;
- Promote the use of unit inventories of processing operations to improve continuous compliance monitoring and in particular the implementation of the Commission's Data Protection Action Plan (C(2018) 7432 final);
- Ensure that GROW IT systems and websites comply with data protection rules, including security aspects.
- DG GROW will continue working on mapping the degree of implementation per Unit (to target awareness actions) and inform internally about the latest corporate developments. It will further focus on preventing data breaches by raising awareness and providing specialised training on data protection rules and in particular on the procedure to follow in case of breach of personal data.

#### Records management

Regarding the records and archives management policy, DG GROW plans to reduce considerably the number of existing physical archives to become an almost paperless DG by 2024. As part of the <u>Digital Preservation strategy's action plan</u>, the following main actions are envisaged:

- The GROW Document Management Officers (DMO) will provide support to analyse collaborative platforms that are being decommissioned to identify the documents that need to be captured in Ares or transferred to a Commission's digital preservation repository platform (a-REP) if they are already decommissioned.
- As a follow-up to the current inventory of preservation needs of information systems, the information system's needs for preservation and transfer of their records are to be analysed and eventually implemented.
- With the introduction of the single integrated framework for collaboration, GROW DMO will be called on to help business owners decide which, and at what stage, documents on collaborative sites should be registered.

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

Main outputs in 2023:		
Output	Indicator	Target
Increase staff awareness in DG GROW on personal data protection rules	Percentage of staff attending awareness raising activities	Staff: 50%
Mapping the degree of implementation of data protection procedures	Number of records due Number of privacy statements due % of Unit inventories	<ul> <li>Percentage of records prepared</li> <li>Percentage of privacy statements prepared</li> <li>Number of Unit inventories prepared</li> </ul>
GROW IT systems complying with data protection rules	Number of GROW IT systems	Percentage of GROW IT systems complying with data protection rules
Reducing the existing physical archives in GROW buildings covering the year 1995-2008	<ul> <li>Estimation of the years covered</li> <li>Number of files transferred to the Historical Archives</li> <li>Number of files eliminated.</li> </ul>	90% of the years to be covered
Improved digital culture	Percentage of statutory personnel that has followed the respective courses on EU Learn Organization of GROW TALKS format training on IT governance and Powerapps for GROW staff	50% on SPO and Teams 30% on other collaborative tools Four trainings held in 2023
Support Digital Ready Policy making through dedicated training on the provisions of the better regulation toolbox and consultation activities on policy making activities that foresee IT solutions.	Percentage of statutory personnel that has followed the digital ready policy making course on EU Academy. Provision of consultation sessions to Policy Units that are engaged in upcoming policy making activities	10% per Unit 100%

Output	Indicator	Target
Business Process Automation using innovative technologies (e.g. AI)	Analysis of status and needs in DG GROW (study).	Q1 2023
	Definition of the BPA solution to be used (with a focus on Corporate ones, e.g. Compass Corporate).	100% (outsourced study)
	Number of Business Process Automated in a pilot phase (depending on the results of the analysis).	The Target Value shall be set in the context of a study scheduled for Q1 2023
Decommissioning of legacy IT systems and finalization of the analysis of all IT systems in portfolio	% of deprecated technology IT systems in DG GROW portfolio	0% of deprecated technology IT systems excluding IT systems that are awaiting replacements by the corporate solutions
	% of unsupported technology IT systems	0% of unsupported technology IT systems
Cybersecurity awareness	Workshops to be organized for staff in cooperation with DIGIT S and HRDS for staff and managers	Two workshops in 2023
Security plans for IT systems	Percentage of GROW IT systems having a security plan	95% in 2023
Systems are compliant with the EC Security Policies	Compliance progress as reported by the Governance Risk Compliance (GRC) tool	100% in 2023
Systems have the correct authentication level	Use of EU Login and Multi-Factor Authentication according to the system's classification level	100% in 2023
Risk maturity level is continuously improving	Risk Maturity Quadrant as calculated by DIGIT	For 2023, ensure that we perform within the top quartile of the assessed EC Departments and Executive Agencies
Implement corporate data governance principles	Percentage of GROW's key data assets for which corporate governance have been implemented	90% in 2024

#### E. Sound environmental management

In order to implement the Commission Communication and action plan on greening the Commission, with the objective to reduce net greenhouse gas emissions by at least 60% by 2030 compared to 2005 and compensate carbon emissions with carbon removals to reach climate neutrality by 2030, DG GROW will continue 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 will continue to carefully track its mission activity, to optimise the planning to control costs and  $CO_2$  emissions. DG GROW is also encouraging staff to have smaller delegations and use more hybrid meetings while continuing to maintain close contacts with its stakeholders in their home country. With this practice, DG GROW managed to reduce its  $CO_2$  emissions from missions from 650  $CO_2$  (t) – Baseline 2019 – by 58% in 2022 (267 t) compared to the baseline.

**Objective:** DG GROW takes account of its environmental impact in their actions and actively promotes measures to reduce the related day-to-day impact of the administration and its work, with the support their respective EMAS Correspondents/EMAS Site Coordinators.

Main outputs in 2023:			
I. More efficient use of resources (energy, water, paper):			
Output	Indicator	Target	
Priority action to support the Gree	ening the Commission Communica	ation and action plan	
Participation in corporate energy saving actions, by closing down DG/service's buildings during the Christmas and New Year's / summer holiday period, and/or optimisation of the temperature in EC buildings.	Number of buildings participating in the actions	At least 50% of DG GROW buildings (BREY & N105) participant to those actions.	
II. Reducing CO2, equivalent CO2	and other atmospheric emissions		
Staff awareness actions on green actions (such as actions on sustainable commuting during EU Mobility week and VeloWalk corporate events) and on sustainable commuting in collaboration with OIB (e.g. availability of bike parking facilities, lockers and showers,).	on the execution of GROW mission	Number of awareness and communication actions to promote sustainable commuting Reduce CO <sub>2</sub> emissions compared to the baseline of 650 t CO <sub>2</sub> emissions in 2019 (MIPS database)	

# F. Initiatives to improve economy and efficiency of financial and nonfinancial activities

- DG GROW is continuously working to improve its functioning to the most efficient way for the set objectives and focusing to improve the quality of financial transactions.
- DG GROW will continue to improve those financial indicators to be better aligned to the SUMMA migration.
- DG GROW will participate in the pilot phases of the foreseen EC planning solutions being developed by DGs BUDG and DIGIT to replace its local planning tool.
- Active involvement in the development of new functionalities in eProcurement (DG GROW being Business Process Owner of eSubmission and eEvaluation).

# ANNEX: Performance tables for Part I

Related to spending programme(s):	No	
Main outputs in 2023		
New policy initiatives		
Output	Indicator	Target
European Critical Raw Materials Act	Commission Adoption	Q1 2023
Patent Licensing Package: Compulsory Licensing of Patents Regulation on Standard Essential Patents	Commission Adoption	Q2 2023
Asbestos screening, monitoring and registering	Commission Adoption	Q2 2023
Access to vehicle data, functions and resource	Commission Adoption	Q2 2023
EU Toolbox against counterfeiting	Commission Adoption	Q2 2023
Environmental impact of photovoltaic modules, inverters and systems - Eco design	Commission Adoption	Q2 2023
Environmental impact of photovoltaic modules, inverters and systems - Energy Labelling	Commission Adoption	Q2 2023
Review of ecodesign requirements for ventilation units	Commission Adoption	Q4 2023
Review of energy labelling for residential ventilation units	Commission Adoption	Q4 2023
	mplification and burden reduction	
Output	Indicator	Target
Revision of the legislation on supplementary protection certificates	Commission Adoption	Q1 2023
Revision of the Textile Labelling Regulation	Commission Adoption	Q4 2023
Evaluations and fitness checks		
Output	Indicator	Target
Evaluation of the Metrology Directive and Non-automated Weighing Instruments Directive	Finalisation	Q3 2023
Periodic evaluation of the implementation of Regulation on the EU trademark	Finalisation	Q4 2023
external communication actions		
Output	Indicator	Target
Events (including flagship events such as EU Industry Days, SME Assembly and EEN Annual conference and events linked to	Number of participants (on-site and online)	At least a cumulative 2,000 on- site and 2,000 online participants for all events

<sup>(11)</sup> All items marked with is refer to items of the 2023 CWP

	Overall usefulness of the event for attendees	At least 70% of participants who fill the survey consider the event useful or very useful
Awareness raising initiatives such as the "European Enterprise Promotion Awards" and "Get	Social media impressions (organic/paid), and engagement rate	At least 1 million impressions, with an engagement rate of 1-2%
digital: Go green and be resilient"	Website(s) visits and Scroll behaviour	20,000 – 50,000 visits
	Video views and engagements	2,000 – 3,000 views
	Number of media items published	200 media items published
EU presence at Hannover Messe, the largest industrial fair in Europe'	Number of visitors spending more than 5 minutes at the exhibition stand	300-500
	Percentage of visitors with better understanding of EU actions for industry	At least 70%
Specific objective 2: More Europ border business ( <sup>12</sup> ) Related to spending programme(s)	pean small and medium-sized en : No	terprises have access to cross-
Main outputs in 2023		
New policy initiatives		
Output	Indicator	Target
Revision of the Late Payments Directive	Commission Adoption	Q3 2023
Evaluations and fitness checks		
Output	Indicator	Target
Final evaluation of the COSME Programme (Europe's programme for small and medium-sized enterprises), including the ex-post evaluation of the Competitiveness and Innovation Programme (CIP)	Finalisation	Q4 2023
Public consultations		
Output	Indicator	Target
Revision of the Late Payments Directive	Start of the consultation	Q2 2023
Final evaluation of the COSME Programme (Europe's programme for small and medium-sized enterprises), including the ex-post evaluation of Entrepreneurship	Start of the consultation	Q2 2023
and Innovation Programme (EIP).		
and Innovation Programme (EIP).		
	Indicator	Target

<sup>(&</sup>lt;sup>12</sup>) 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.

	Overall usefulness of the event for attendees	At least 70%
Access2Finance portal promotion (advertising)	Impressions	100 million
	CPM (Cost per Mille/thousand impressions)	€1-2
EU Finance Days (events)	Number of participants (on-site and online)	100-200
	Overall usefulness of the event for attendees	At least 70%

# Specific objective 3: More business opportunities are generated by trading in the Single Market (<sup>13</sup>)

Related to spending programme(s): Yes

Main outputs in 2023		
New policy initiatives		
Output	Indicator	Target
Single Market at 30 💵	Commission Adoption	Q1 2023
Cross border activities of associations	Commission Adoption	Q2 2023
Recognition of qualifications of third country nationals	Commission Adoption	Q3 2023
Road circulation requirements for mobile machinery	Commission Adoption	Q1 2023
Evaluations and fitness checks		
Output	Indicator	Target
Evaluation of the Standardisation Regulation	Finalisation	Q4 2023
External communication actions		
Output	Indicator	Target
Single Market 30 <sup>th</sup> anniversary campaign	Number of participants (on-site and online)	3000-5000 cumulative
Events	Overall usefulness of the event for attendees	At least 70%
Social media	Social media impressions (organic/paid), engagement rate	At least 5 million impressions, with an engagement rate of 1-
Advertising	(organic/paid), engagement rate	2%
	Video views	At least 1 million views
Specific objective 4: Promote co	mpliance with EU Single Market	rules and enforce them (14)

Related to spending programme(s): No

 Main outputs in 2023

 New policy initiatives

 Output
 Indicator
 Target

 Single Market Enforcement Task
 Finalisation
 Q4 2023

 Force Report
 Finalisation
 Part of the second secon

(<sup>13</sup>) 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.

(<sup>14</sup>) In the 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 reformulated to better reflect the DG's enforcement strategy.

External communication actions		
Output	Indicator	Target
Your Europe portal Website	Website(s) visits and Scroll behaviour	At least 30 million visits
Advertising	Social media impressions (organic/paid), engagement rate	At least 40 million impressions, with an engagement rate of 1-2%

General objective: A European Green Deal         Specific objective 1: Increase the share of material recovered, recycled and fed back to the economy (15)         Main outputs 2023		
Output	Indicator	Target
Revision of the Toy Safety Directive	Commission Adoption	Q1 2023
Revision of the Cosmetics Regulation	Commission Adoption	Q1 2023
Digitalisation of labels on Fertilising Products	Commission Adoption	Q1 2023

European Chemicals Agency (ECHA Basic Regulation)		
Initiatives linked to regulatory simplification and burden reduction		
Output	Indicator	Target
Revision of REACH Regulation (with ENV)	Commission Adoption	Q4 2023
Revision of the Detergents Regulation	Commission Adoption	Q1 2023

**Commission Adoption** 

Q2 2023

Proposal for a Regulation on the

<sup>(&</sup>lt;sup>15</sup>) 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. Electronically signed on 24/01/2023 13:56 (UTC+01) in accordance with Article 11 of Commission Decision (EU) 2021/2121