

# ANNEXES

## ANNEX 1: Statement of the Resources Director

*I declare that in accordance with the Commission's communication on clarification of the responsibilities of the key actors in the domain of internal audit and internal control in the Commission<sup>1</sup>, I have reported my advice and recommendations to the Director-General on the overall state of internal control in the DG.*

*I hereby certify that the information provided in Section 2 of the present AAR and in its annexes is, to the best of my knowledge, accurate and complete."*

*Brussels, 29 March 2017*

*(signed)*

*Isabelle Bénoliel*

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<sup>1</sup> Communication to the Commission: Clarification of the responsibilities of the key actors in the domain of internal audit and internal control in the Commission; SEC(2003)59 of 21.01.2003.

## ANNEX 2: Reporting – Human Resources, Better Regulation, Information Management and External Communication

### A. Human resources<sup>2</sup>

**Objective 1: The DG deploys effectively its resources in support of the delivery of the Commission's priorities and core business, has a competent and engaged workforce, which is driven by an effective and gender-balanced management and which can deploy its full potential within supportive and healthy working conditions**

**Indicator 1: Percentage of female representation in middle management**

**Source of data:** Sysper

Baseline (2015)	Target (2019)	Latest known results (2016)
30.2%	45%	36%

**Indicator 2: Percentage of staff who feel that the Commission cares about their well-being**

**Source of data:** Commission staff survey

Baseline (2014)	Target (2020)	Latest known results (2016)
36.5% (EC=35%)	Maintain above the Commission average	39%

**Indicator 3: Staff engagement index**

**Source of data:** Commission staff survey

Baseline (2014)	Target (2020)	Latest known results (2016)
68.4%	Above 70% and maintain above the Commission average	70%

**Objective 2: Motivate, train and retain highly qualified staff and promote equal opportunities within DG Competition**

**Indicator: Turnover (% of statutory staff leaving DG Competition before three years in DG Competition)**

**Source of data:** Sysper

Baseline (2015)	Target (2020)	Latest known results (2016)
3.4%	Less than 3.4%	1.1%

**Objective 3: Information flows effectively both top-down and bottom-up and that staff understand Commission and DG Competition's objectives and how their individual work relates to these objectives**

**Indicator 1: Understanding by the staff of DG Competition's priorities**

**Source of data:** Commission staff survey

Baseline (2014)	Target (2016-2020)	Latest known results (2016)
89%	Improve the level of staff understanding of DG Competition's priorities	88%

**Indicator 2: Understanding by the staff of DG Competition of their objectives and tasks**

**Source of data:** Commission staff survey

Baseline (2014)	Target (2016-2020)	Latest known results (2016)
85%	Maintain or increase	86%

<sup>2</sup> While 2013 baseline figures had still been used for some indicators in the Management Plan, the tables here contain the most recent baseline figures for all indicators.

## B. Better regulation

The Commission's Better Regulation policy is implemented in a de-centralised way in DG Competition. While the operational units are responsible for conducting impact assessments, ex-post evaluations, external studies and public consultations, the Better Regulation Network of DG Competition is supervised by Unit 04 and i) coordinates the five-year rolling evaluation plan, ii) strengthens the link between DG Competition's activities and evaluations, impact assessments and public consultations, iii) organises trainings to build up further capacity and iv) supports the teams performing evaluations with practical advice on procedural and methodological aspects.

In 2016-2020, DG Competition will finalise ex-post evaluations relating to State aid decisions regarding bank restructuring, the Damages Directive and the State Aid Modernisation Package. Some further evaluations and evaluation-related projects are under consideration.

In 2016, DG Competition published an external evaluation study about restructuring state aid decisions in non-financial sectors, a study with evaluative elements about competition policy interventions in the energy sector and a stakeholder survey regarding the transparency of State aid. It also conducted a study to support the DG's future work on monitoring indicators, to facilitate future evaluations and impact assessments.

**Objective: Prepare new policy initiatives and manage the EU's acquis in line with better regulation practices to ensure that EU policy objectives are achieved effectively and efficiently**

**Indicator 1: Percentage of Impact assessments submitted by DG Competition to the Regulatory Scrutiny Board that received a favourable opinion on first submission**

**Explanation:** The opinion of the RSB will take into account the better regulation practices followed for new policy initiatives. Gradual improvement of the percentage of positive opinions on first submission is an indicator of progress made by the DG in applying better regulation practices

**Source of data: EC**

Baseline (2014)	Target (2016)	Latest known results (2016)
For DG Competition: 87.5%, IAB positive opinions on 7 of the 8 IA submissions in 2014 (68% Commission average in 2014)	Positive trend	For DG Competition: 67%, IAB positive opinions on 2 of the 3 IA submissions in 2016 (69% Commission average in 2016)

**Indicator 2: Percentage of the DG's regulatory acquis covered by ex-post evaluations and Fitness Checks not older than five years**

**Explanation:** Better Regulation principles foresee that regulatory acquis is evaluated at regular intervals. As evaluations help to identify any burdens, implementation problems, and the extent to which objectives have been achieved, the availability of performance feedback is a prerequisite to introduce corrective measures allowing the acquis to stay fit for purpose

**Relevance of Indicator 2:** The application of better regulation practices would progressively lead to the stock of legislative acquis covered by regular evaluations to increase

**Source of data: EC**

Baseline (2015)	Target (2016)	Latest known results (2016)
25% <sup>3</sup> (Percentage of the DG's regulatory acquis covered by ex-post evaluations and Fitness Checks not older than seven years)	Positive trend compared to baseline	25% <sup>4</sup>

**C. Information management**

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

**Indicator 1: (data provided by DG DIGIT): Percentage of registered documents that are not filed<sup>5</sup> (ratio)**

**Source of data:** Hermes-Ares-Nomcom (HAN)<sup>6</sup> statistics

Baseline (2015)	Target	Latest known results (2015)
2.10% (Ares) 0% (EDMA)	N.A. (Ares) 0% (EDMA)	2.10% (Ares) 0% (EDMA)

This number reflects only filing and registration in Ares of documents exchanged with other DGs, because internally DG Competition uses its own registration/document system (EDMA). In EDMA 100% of documents are filed, including also those that are sent from EDMA to other DGs via Ares, since filing is mandatory in DG Competition (technically not possible to save a document into the system EDMA without filing).

<sup>3</sup> The DG's regulatory acquis comprises the following four key instruments: Access to file/complaints study/evaluation finalised in 2015 (Reg. 1/2003); Council Regulation (EC) No 1/2003 of 16 December 2002 on the implementation of the rules on competition laid down in Articles 81 and 82 of the Treaty, OJ L 1, 4.1.2003, p. 1-25; Council Regulation (EC) No 139/2004 of 20 January 2004 on the control of concentrations between undertakings (the EC Merger Regulation), OJ L 24, 29.1.2004, p. 1-22; Council Regulation (EU) No 733/2013 of 22 July 2013 amending Regulation (EC) No 994/98 on the application of Articles 92 and 93 of the Treaty establishing the European Community to certain categories of horizontal State aid, OJ L 204, 31.7.2013, p. 11-14; Damages Directive, Directive of the European Parliament and of the Council on certain rules governing actions for damages under national law for infringements of the competition law provisions of the Member States and of the European Union, 2013/0185 (COD) of 26 November 2014, [http://ec.europa.eu/competition/antitrust/actionsdamages/damages\\_directive\\_final\\_en.pdf](http://ec.europa.eu/competition/antitrust/actionsdamages/damages_directive_final_en.pdf) see also webpage of Directive on antitrust damages actions available at [http://ec.europa.eu/competition/antitrust/actionsdamages/directive\\_en.html](http://ec.europa.eu/competition/antitrust/actionsdamages/directive_en.html) For the State Aid Modernisation see also [http://ec.europa.eu/competition/state\\_aid/modernisation/index\\_en.html](http://ec.europa.eu/competition/state_aid/modernisation/index_en.html) Of these four key regulatory instruments, one has been evaluated in the last five years (Access to file/complaints study/evaluation finalised in 2015) already. The share of the DG's regulatory acquis covered by evaluations in the last five years was therefore 25% in 2015 and in 2016.

<sup>4</sup> During 2016, an evaluation of the Merger Regulation was launched. Its finalisation will contribute positively to the outcome for 2017.

<sup>5</sup> Each registered document must be filed in at least one official file of the Chef de file, as required by the e-Domec policy rules (and by ICS 11 requirements). The indicator is to be measured via reporting tools available in Ares.

<sup>6</sup> Suite of tools designed to implement the e-Domec policy rules.

**Indicator 2: (data provided by DG DIGIT): Percentage of HAN files readable/accessible by all units in the DG**

**Source of data:** HAN statistics

Baseline (2015)	Target	Latest known results (2015)
99.19%	Maintain the same %	99.19%

For this indicator it is not useful to refer to HAN, because inside DG Competition documents are exchanged and made visible in the DG's own registration/document system (EDMA), in which 99.19% of files are opened to the whole DG. Note however that inside the DG security is implemented in EDMA also at the attachment level, and individual attachments can be and are protected. The target here is not a quality measure, but reflects a policy decision taken in DG Competition on accessibility.

**Indicator 3: (data provided by DG DIGIT): Percentage of HAN files shared with other DGs**

**Source of data:** HAN statistics

Baseline (2015)	Target	Latest known results (2015)
2 (0.04%)	0%	2 (0.04%)

This number reflects only files in HAN containing documents exchanged with other DGs, which is and should remain an exception. In its own registration/document system (EDMA), no file is shared with another DG. Competition regulations set out a strict professional secrecy obligation and limitations on use of data for any other purposes than competition cases. Therefore, by definition DG Competition files are restricted to DG Competition.

**Indicator 4: Percentage of units using collaborative tools to manage their activities**

**Source of data:** DG Competition

Baseline (2015)	Target	Latest known results (2016)
95%	100%	100% 875 users from all units (100%) using COMP COLLAB; 762 users from all units (100%) using e-Discovery.

The percentage represents the proportion of units using either the COMP Collaborative Platform or e-Discovery

**Indicator 5: Number of cases where an important document could not be retrieved and resulted in a report to the DMO (register of "exceptions" to be created)**

**Source of data:** DG Competition

Baseline (2015)	Target	Latest known results (2016)
0	0% No important documents lost	0%

**Objective: Timely and effective handling of requests for information under Regulation 1049/2001**

**Output indicator: Respect of the time-limits for replies.**

**Source of data:** GESTDEM – corporate application managing access to document requests

Baseline (2014)	Target	Latest known results (2016)
87% <sup>7</sup>	100%	92%

<sup>7</sup> DG Competition is one of the Commission services receiving most requests for access to documents under Regulation 1049/2001. DG Competition aims to handle all requests for access to documents efficiently and within the time-limits set in the Regulation. In 2016 DG Competition managed more requests than during

**Objective: Enhance paperless document exchanges (e-Commission) with 3rd parties**

**Result indicator: Incrementing paperless exchanges with Member States and external stakeholders**

**Source of data:** DG Competition's document management and electronic communication systems (EDMA)

Baseline (end November 2015)	Target	Latest known results (2016)
95%	Maintain the same target	Target reached

**Objective: IT rationalisation in sub-domain for Case Management Systems (led by DG Competition)**

**Output Indicator: Implementation of a common Case Management System for the Commission services participating in the Case Management Rationalisation project (KPI 4)**

**Source of data:** Reports to the Inter-Service Steering Committee of the project

Baseline (2015)	Target (2017)	Latest known results (2016)
Conclusion of the Inception phase, start of the tender process	Signing of the Framework contract. Developments, configurations and integrations around the acquired software. Core platform CASE@EC implemented. Starting implementation of pilot projects covering horizontal tasks and State aid (COMP, AGRI, MARE).	Call for tenders launched (15/7/2016). Evaluation of the tenders concluded and Evaluation Report drafted (15/12/2016).

**D. External communication**

DG Competition's external communication strategy aims at demonstrating the benefits of competition to citizens as well as stakeholders and explaining to businesses and Member States the economic and legal approach used by DG Competition when taking decisions. This contributes to increased legal certainty and compliance in the areas of antitrust and cartels, mergers and State aid.

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the previous year (439 compared to 392 in 2015), continuing at the same time to ensure clarity in application of the public access principles through explanations provided in any access refusal letters.

**Objective: Citizens perceive that the EU is working to improve their lives and engage with the EU. They feel that their concerns are taken into consideration in European decision making and they know about their rights in the EU**

**Indicator 1: (provided by DG COMM): Percentage of EU citizens having a positive image of the EU**

**Every DG should aim to contribute to it and, considering its area of work, explain how it aims at enhancing the positive image of the EU**

*Definition:* Eurobarometer measures the state of public opinion in the EU Member States. This global indicator is influenced by many factors, including the work of other EU institutions and national governments, as well as political and economic factors, not just the communication actions of the Commission. It is relevant as a proxy for the overall perception of the EU citizens. Positive visibility for the EU is the desirable corporate outcome of Commission communication, even if individual DGs' actions may only make a small contribution

**Source of data:** Standard Eurobarometer<sup>8</sup> (DG COMM budget) *monitored by DG Communication*

Baseline (November 2014)	Target (2020)	Latest known results (November 2016)
Total "Positive": 39% Neutral: 37% Total "Negative": 22%	Positive image of the EU ≥ 50%	Total "Positive": 35% Neutral: 38% Total "Negative": 25%

**Indicators: Help understanding of EU competition rules by stakeholders**

**Indicator 2: Number of people reached with communication actions directly supporting EU competition policy as a result of the DG's actions**

**Source of data:** Collated monitoring data collected by DGs from their actions, monitoring and evaluation contractors; from Opinion polls etc.

Baseline (2015)	Target (2016-2020)	Latest known results (2016)
DG Competition's printed publications were sent to 6452 subscribers/readers and the digital publications to 34880	Increasing trend	Digital + Print publications were sent out to 37100 subscribers/readers

<sup>8</sup> Standard Eurobarometer at <http://ec.europa.eu/COMMFrontOffice/publicopinion/index.cfm/ResultDoc/download/DocumentKy/76422>, p. 15.

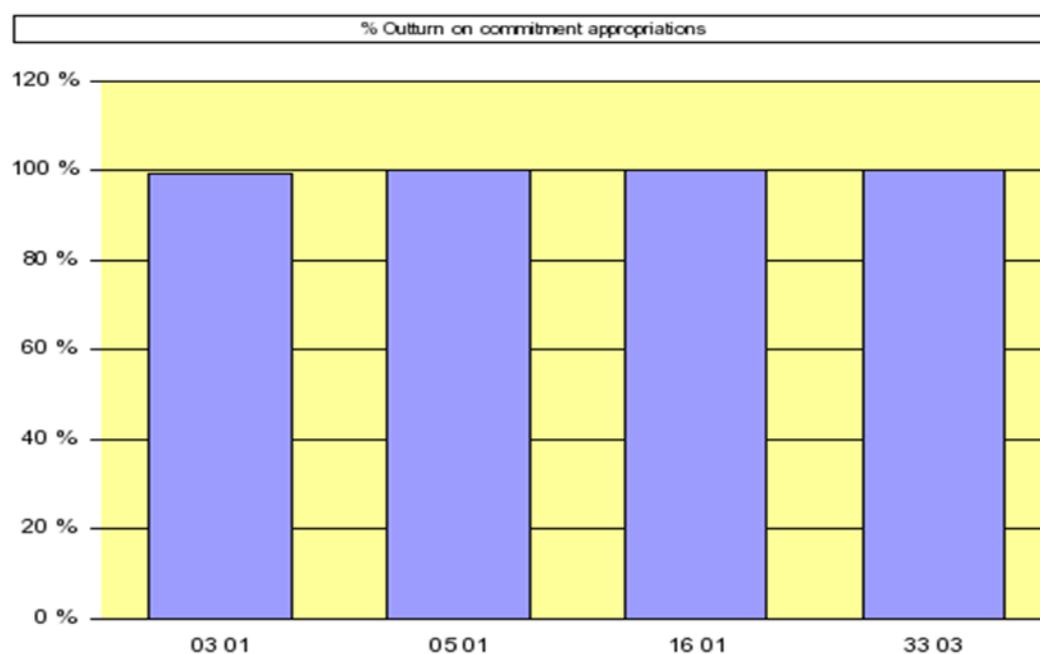
## **ANNEX 3: Draft annual accounts and financial reports\***

<b>Table 1: Commitments</b>
<b>Table 2: Payments</b>
<b>Table 3: Commitments to be settled</b>
<b>Table 4: Balance Sheet</b>
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\* The figures in the financial reports are those related to the provisional accounts and not yet audited by the Court of Auditors

<b>TABLE 1: OUTTURN ON COMMITMENT APPROPRIATIONS IN 2016 (in Mio €)</b>					
Chapter			Commitment appropriations authorised*	Commitments made	%
			1	2	3=2/1
<b>Title 03 Competition</b>					
03	03 01	Administrative expenditure of the 'Competition' policy area	7,46	7,39	99,13%
<b>Total Title 03</b>			7,46	7,39	99,13%
<b>Title 05 Agriculture and rural development</b>					
05	05 01	Administrative expenditure of the 'Agriculture and rural development' policy area	0,11	0,11	100,00%
<b>Total Title 05</b>			0,11	0,11	100,00%
<b>Title 16 Communication</b>					
16	16 01	Administrative expenditure of the 'Communication' policy area	0,12	0,12	100,00%
<b>Total Title 16</b>			0,12	0,12	100,00%
<b>Title 33 Justice and consumers</b>					
33	33 03	Justice	1,30	1,30	100,00%
<b>Total Title 33</b>			1,30	1,30	100,00%
<b>Total DG COMP</b>			<b>8,99</b>	<b>8,92</b>	<b>99,28%</b>

\* Commitment appropriations authorised include, in addition to the budget voted by the legislative authority, appropriations carried over from the previous exercise, budget amendments as well as miscellaneous commitment appropriations for the period (e.g. internal and external assigned revenue).



<b>TABLE 2: OUTTURN ON PAYMENT APPROPRIATIONS IN 2016 (in Mio €)</b>					
Chapter			Payment appropriations authorised *	Payments made	%
			1	2	3=2/1
<b>Title 03 Competition</b>					
03	03 01	Administrative expenditure of the 'Competition' policy area	12,70	7,39	58,23%
<b>Total Title 03</b>			12,70	7,39	58,23%
<b>Title 05 Agriculture and rural development</b>					
05	05 01	Administrative expenditure of the 'Agriculture and rural development' policy area	0,11	0	0,00%
<b>Total Title 05</b>			0,11	0	0,00%
<b>Title 16 Communication</b>					
16	16 01	Administrative expenditure of the 'Communication' policy area	0,19	0,12	64,46%
<b>Total Title 16</b>			0,19	0,12	64,46%
<b>Title 33 Justice and consumers</b>					
33	33 03	Justice	0,91	0,33	36,26%
<b>Total Title 33</b>			0,91	0,33	36,26%
<b>Total DG COMP</b>			<b>13,90</b>	<b>7,84</b>	<b>56,42%</b>

\* Payment appropriations authorised include, in addition to the budget voted by the legislative authority, appropriations carried over from the previous exercise, budget amendments as well as miscellaneous payment appropriations for the period (e.g. internal and external assigned revenue).

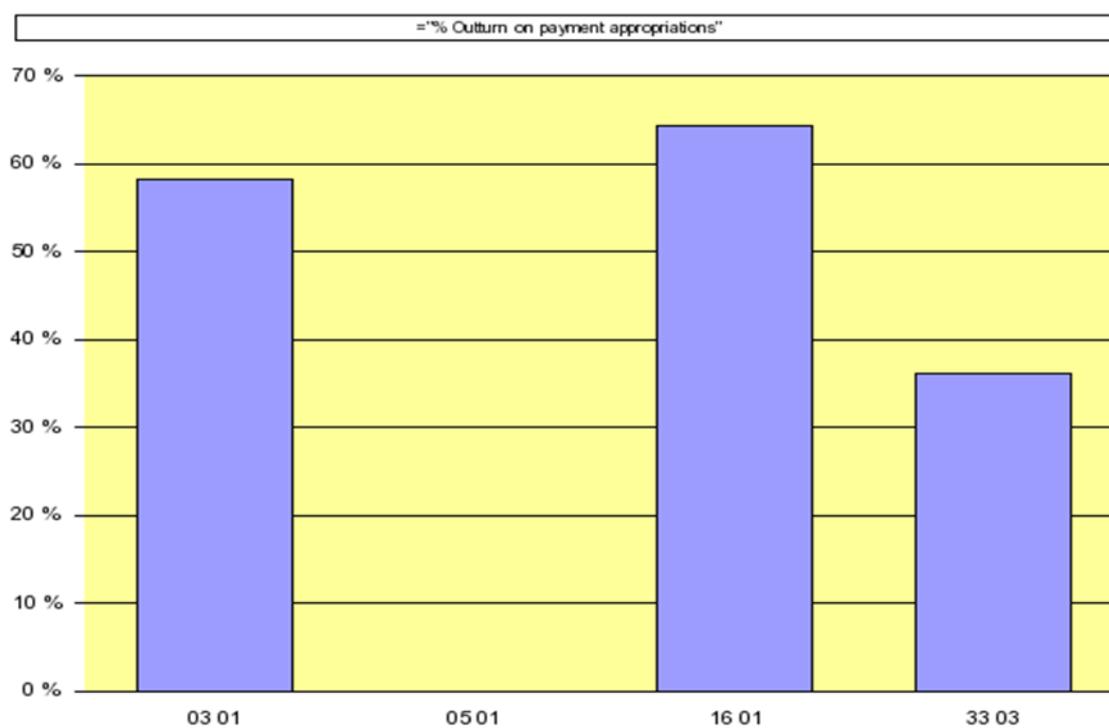
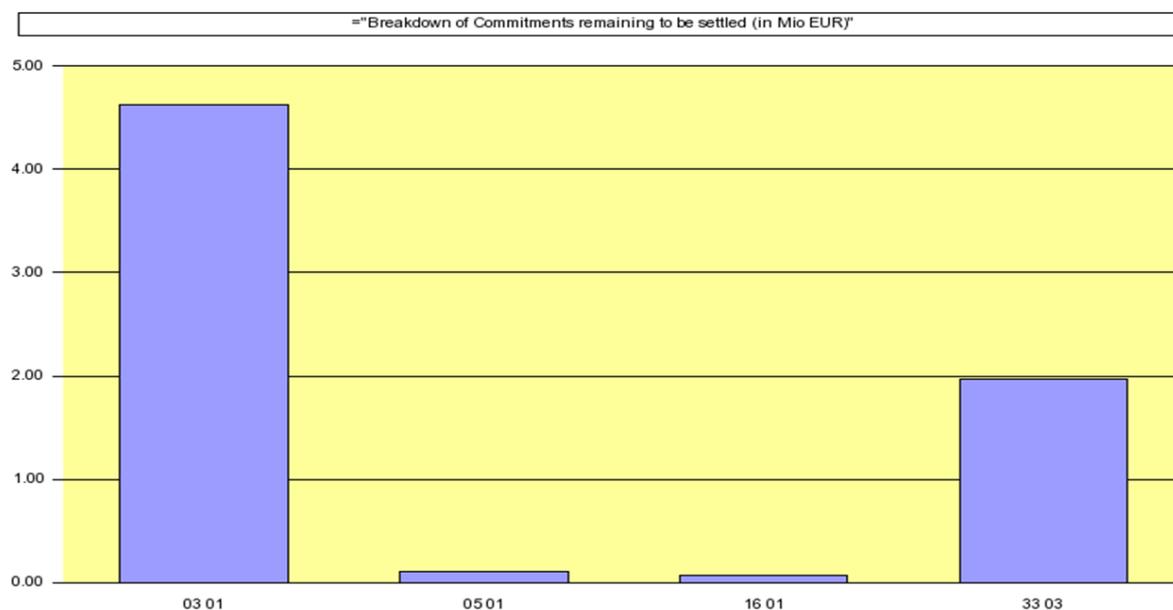


TABLE 3 : BREAKDOWN OF COMMITMENTS TO BE SETTLED AT 31/12/2016 (in Mio €)									
Chapter			2016 Commitments to be settled				Commitments to be settled from financial years previous to 2016	Total of commitments to be settled at end of financial year 2016 (incl corrections)	Total of commitments to be settled at end of financial year 2015 (incl corrections)
			Commitments 2016	Payments 2016	RAL 2016	% to be settled			
			1	2	3=1-2	4=1-2/1	5	6=3+5	7
<b>Title 03 : Competition</b>									
03	03 01	Administrative expenditure of the 'Competition' policy area	7,39	2,76	4,63	62,62%	0,00	4,63	5,24
<b>Total Title 03</b>			<b>7,39</b>	<b>2,76</b>	<b>4,63</b>	<b>62,62%</b>	<b>0,00</b>	<b>4,63</b>	<b>5,24</b>
<b>Title 05 : Agriculture and rural development</b>									
05	05 01	Administrative expenditure of the 'Agriculture and rural development' policy area	0,11	0,00	0,11	100,00%	0,00	0,11	0,00
<b>Total Title 05</b>			<b>0,11</b>	<b>0,00</b>	<b>0,11</b>	<b>100,00%</b>	<b>0,00</b>	<b>0,11</b>	<b>0,00</b>
<b>Title 16 : Communication</b>									
16	16 01	Administrative expenditure of the 'Communication' policy area	0,117	0,05	0,07	56,28%	0,00	0,07	0,07
<b>Total Title 16</b>			<b>0,117</b>	<b>0,05</b>	<b>0,07</b>	<b>56,28%</b>	<b>0,00</b>	<b>0,07</b>	<b>0,07</b>
<b>Title 33 : Justice and consumers</b>									
33	33 03	Justice	1,30	0,00	1,30	100,00%	0,67	1,97	1,00
<b>Total Title 33</b>			<b>1,30</b>	<b>0,00</b>	<b>1,30</b>	<b>100,00%</b>	<b>0,67</b>	<b>1,97</b>	<b>1,00</b>
<b>Total DG COMP</b>			<b>8,92</b>	<b>2,82</b>	<b>6,11</b>	<b>68,45%</b>	<b>0,67</b>	<b>6,78</b>	<b>6,31</b>



**TABLE 4 : BALANCE SHEET COMP**

<b>BALANCE SHEET</b>	<b>2016</b>	<b>2015</b>
<b>A.I. NON CURRENT ASSETS</b>	830.204	890.217
A.I.1. Intangible Assets	830.204	830.204
A.I.5. Non-Current Pre-Financing	0	60.012
<b>A.II. CURRENT ASSETS</b>	3.938.641.181	3.731.472.230
A.II.2. Current Pre-Financing	553.201	-530.479
A.II.3. Curr Exch Receiv & Non-Ex Recoverables	3.938.087.980	3.732.002.709
<b>ASSETS</b>	<b>3.939.471.385</b>	<b>3.732.362.447</b>
<b>P.I. NON CURRENT LIABILITIES</b>	-23.350.650	
P.I.2. Non-Current Provisions	-23.350.650	
<b>P.II. CURRENT LIABILITIES</b>	-391.200	-5.145.864
P.II.2. Current Provisions	0	-3.554.650
P.II.4. Current Payables	-391.200	-733.417
P.II.5. Current Accrued Charges & Defrd Income	0	-857.798
<b>LIABILITIES</b>	<b>-23.741.850</b>	<b>-5.145.864</b>
<b>NET ASSETS (ASSETS less LIABILITIES)</b>	<b>3.915.729.536</b>	<b>3.727.216.582</b>
<b>P.III.2. Accumulated Surplus / Deficit</b>	-3.465.507.236	-4.221.916.493
<b>Non-allocated central (surplus)/deficit*</b>	-473.572.949	494.699.911
<b>TOTAL</b>	<b>0,00</b>	<b>0,00</b>

The Accounting situation presented in the Balance Sheet and Statement of Financial Performance does not include the accruals and deferrals calculated centrally by the services of the Accounting Officer.

It should be noted that the balance sheet and statement of financial performance presented in Annex 3 to this Annual Activity Report, represent only the assets, liabilities, expenses and revenues that are under the control of this Directorate General. Significant amounts such as own resource revenues and cash held in Commission bank accounts are not included in this Directorate General's accounts since they are managed centrally by DG Budget, on whose balance sheet and statement of financial performance they appear. Furthermore, since the accumulated result of the Commission is not split amongst the various Directorates General, it can be seen that the balance sheet presented here is not in equilibrium.

Additionally, the figures included in tables 4 and 5 are provisional since they are, at this date, still subject to audit by the Court of Auditors. It is thus possible that amounts included in these tables may have to be adjusted following this audit.

**TABLE 5 : STATEMENT OF FINANCIAL PERFORMANCE COMP**

<b>STATEMENT OF FINANCIAL PERFORMANCE</b>	<b>2016</b>	<b>2015</b>
II.1 REVENUES	-3.748.190.003	-394.604.387
II.1.1. NON-EXCHANGE REVENUES	-3.744.991.000	-394.531.000
II.1.1.4. FINES	-3.744.991.000	-394.531.000
II.1.2. EXCHANGE REVENUES	-3.199.003	-73.387
II.1.2.2. OTHER EXCHANGE REVENUE	-3.199.003	-73.387
II.2. EXPENSES	50.192.178	1.151.013.644
II.2.10. OTHER EXPENSES	51.523.896	1.124.249.586
II.2.2. EXP IMPLEM BY COMMISS&EX.AGENC. (DM)	-478.494	967.192
II.2.6. STAFF AND PENSION COSTS	-855.796	-588.406
II.2.8. FINANCE COSTS	2.571	26.385.273
<b>STATEMENT OF FINANCIAL PERFORMANCE</b>	<b>-3.697.997.825</b>	<b>756.409.257</b>

**TABLE 5bis : OFF BALANCE SHEET COMP**

<b>OFF BALANCE</b>	<b>2016</b>	<b>2015</b>
OB.3. OTHER SIGNIFICANT DISCLOSURE	0	-7.338.349
OB.3.2. Comm against app. not yet consumed	0,00	-7.338.348,76
OB.4. BALANCING ACCOUNTS	589.515.221	596.853.570
OB.4. Balancing Accounts	589.515.221	596.853.570
<b>OFF BALANCE</b>	<b>589.515.221</b>	<b>589.515.221</b>

The Accounting situation presented in the Balance Sheet and Statement of Financial Performance does not include the accruals and deferrals calculated centrally by the services of the Accounting Officer.

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Additionally, the figures included in tables 4 and 5 are provisional since they are, at this date, still subject to audit by the Court of Auditors. It is thus possible that amounts included in these tables may have to be adjusted following this audit.

**TABLE 6: AVERAGE PAYMENT TIMES FOR 2016 - DG COMP**

<b>Legal Times</b>							
Maximum Payment Time (Days)	Total Number of Payments	Nbr of Payments within Time Limit	Percentage	Average Payment Times (Days)	Nbr of Late Payments	Percentage	Average Payment Times (Days)
30	419	400	95,47%	14,24	19	4,53%	71,68
60	32	28	87,50%	25,89	4	12,50%	63,00

<b>Total Number of Payments</b>	<b>451</b>	<b>428</b>	<b>94,90%</b>		<b>23</b>	<b>5,10%</b>	
<b>Average Net Payment Time</b>	<b>17,81</b>			<b>15,00</b>			<b>70,17</b>
<b>Average Gross Payment Time</b>	<b>19,94</b>			<b>16,89</b>			<b>76,52</b>

<b>Target Times</b>				
Target Payment Time (Days)	Total Number of Payments	Nbr of Payments within Target Time	Percentage	Average Payment Times (Days)
30	25	25	100,00%	13,24

<b>Total Number of Payments</b>	<b>25</b>	<b>25</b>	<b>100,00 %</b>	
<b>Average Net Payment Time</b>	<b>13,24</b>			<b>13,24</b>
<b>Average Gross Payment Time</b>	<b>13,24</b>			<b>13,24</b>

<b>Suspensions</b>							
Average Report Approval Suspension Days	Average Payment Suspension Days	Number of Suspended Payments	% of Total Number	Total Number of Payments	Amount of Suspended Payments	% of Total Amount	Total Paid Amount
0	42	23	5,10%	451	834.555	9,92%	8.412.452

<b>Late Interest paid in 2016</b>			
DG	GL Account	Description	Amount (Eur)
COMP	65010100	Interest on late payment of charges New FR	2.571
			<b>2.571</b>

**TABLE 7 : SITUATION ON REVENUE AND INCOME IN 2016**

Chapter		Revenue and income recognised			Revenue and income cashed from			Outstanding balance
		Current year RO	Carried over RO	Total	Current Year RO	Carried over RO	Total	
		1	2	3=1+2	4	5	6=4+5	
57	OTHER CONTRIBUTIONS AND REFUNDS IN CONNECTION WITH THE ADMINISTRATIVE OPERATION OF THE INSTITUTION	39.877	0	39.877	39.877	0	39.877	0
66	OTHER CONTRIBUTIONS AND REFUNDS	1.005	2.805.984	2.806.989	1.005	3.815	4.820	2.802.169
71	FINES	2.699.298.646	6.772.414.803	9.471.713.449	844.860.646	2.116.325.312	2.961.185.957	6.510.527.492
<b>Total DG COMP</b>		<b>2.699.339.528</b>	<b>6.775.220.787</b>	<b>9.474.560.315</b>	<b>844.901.528</b>	<b>2.116.329.126</b>	<b>2.961.230.654</b>	<b>6.513.329.660</b>

**TABLE 8 : RECOVERY OF PAYMENTS  
(Number of Recovery Contexts and corresponding Transaction Amount)**

Year of Origin (commitment)	Total undue payments recovered		Total transactions in recovery context (incl. non-qualified)		% Qualified/Total RC	
	Nbr	RO Amount	Nbr	RO Amount	Nbr	RO Amount
2013			1	1.005		
No Link			17	3.732.991.000		
<b>Sub-Total</b>			<b>18</b>	<b>3.732.992.005</b>		

EXPENSES BUDGET	Error		Irregularity		OLAF Notified		Total undue payments recovered		Total transactions in recovery context (incl. non-qualified)		% Qualified/Total RC	
	Nbr	Amount	Nbr	Amount	Nbr	Amount	Nbr	Amount	Nbr	Amount	Nbr	Amount
INCOME LINES IN INVOICES												
NON ELIGIBLE IN COST CLAIMS									12	166.073		
CREDIT NOTES									10	339.700		
<b>Sub-Total</b>									<b>22</b>	<b>505.772</b>		
<b>GRAND TOTAL</b>									<b>40</b>	<b>3.733.497.778</b>		

**TABLE 9: AGEING BALANCE OF RECOVERY ORDERS AT 31/12/2016 FOR COMP**

	Number at 01/01/2016	Number at 31/12/2016	Evolution	Open Amount (Eur) at 01/01/2016	Open Amount (Eur) at 31/12/2016	Evolution
2003	1	1	0,00%	1.060.000	1.060.000	0,00%
2004	1	1	0,00%	1.822.500	1.822.500	0,00%
2005	1	1	0,00%	17.850.000	17.850.000	0,00%
2006	1	1	0,00%	11.500.000	11.500.000	0,00%
2007	3		-100,00%	173.008.500		-100,00%
2008	4	2	-50,00%	415.900.000	36.000.000	-91,34%
2009	21	14	-33,33%	1.227.601.566	1.164.622.169	-5,13%
2010	61	41	-32,79%	1.225.859.926	406.952.608	-66,80%
2011	8	7	-12,50%	171.129.194	169.173.194	-1,14%
2012	31	24	-22,58%	1.701.838.000	1.442.894.000	-15,22%
2013	15	13	-13,33%	705.539.000	253.403.000	-64,08%
2014	43	38	-11,63%	939.281.420	923.280.508	-1,70%
2015	31	30	-3,23%	242.074.000	238.811.000	-1,35%
2016		12			1.860.617.000	
	<b>221</b>	<b>185</b>	<b>-16,29%</b>	<b>6.834.464.105</b>	<b>6.527.985.978</b>	<b>-4,48%</b>

**TABLE 10 : RECOVERY ORDER WAIVERS IN 2016 >= EUR 100.000**

	<b>Waiver Central Key</b>	<b>Linked RO Central Key</b>	<b>RO Accepted Amount (Eur)</b>	<b>LE Account Group</b>	<b>Commission Decision</b>	<b>Comments</b>
1	3233160048	3230908486	-6.185.582,11	Private Companies	C(2016)2071	

<b>Total DG COMP</b>	<b>-6.185.582,11</b>
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<b>Number of RO waivers</b>	<b>1</b>
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*1) Commission decision C(2016)2071 of 13 April 2016 due to insolvency of the debtor*

**TABLE 11 : CENSUS OF NEGOTIATED PROCEDURES - DG COMP - 2016****Procedures > EUR 60.000**

<b>Negotiated Procedure Legal base</b>	<b>Number of Procedures</b>	<b>Amount (€)</b>
Art. 134.1(a)	1	149.998
Art. 134.1(b)	1	79.753
<b>Total</b>	<b>2</b>	<b>229.751</b>

**TABLE 12 : SUMMARY OF PROCEDURES OF DG COMP EXCLUDING BUILDING CONTRACTS****Procedures > EUR 60.000**

<b>Procedure Type</b>	<b>Number of procedures</b>	<b>Amount (€)</b>
Exceptional Negotiated Procedure without publication of a contract notice (Art. 134 RAP)	2	229.751,00
Negotiated Procedure with at least five candidates below Directive thresholds (Art. 136a RAP)	1	95.975,00
Open Procedure (Art. 104(1) (a) FR)	1	139.400,00
Open Procedure (Art. 127.2 RAP)	1	346.950,00
<b>Total DG COMP</b>	<b>5</b>	<b>812.076,00</b>

**TABLE 13 : BUILDING CONTRACTS**

**No data to be reported**

**TABLE 14 : CONTRACTS DECLARED SECRET**

**No data to be reported**

## **ANNEX 4:      Materiality criteria**

In conformity with the current guidelines, DG Competition applies the following quantitative and qualitative materiality criteria, in order to assess the overall impact of a weakness and judge whether it is material enough to have an impact on the assurance.

### **Qualitative assessment**

Competition policy is implemented through enforcement and involves predominantly procedural (case-handling) and advocacy activities, involving a very modest level of financial management.

For assessing the significance of the weakness, the following factors are analysed:

- nature and scope of the deficiency,
- duration of the deficiency,
- existence of compensatory measures (mitigating controls which reduce the impact of deficiency),
- existence of effective remedial actions to correct the deficiencies (action plans and financial corrections) which have had a measurable effect.

For weaknesses which are considered significant in qualitative terms but not in quantitative terms, DG Competition takes into account the possible reputational impact they may entail to the image of DG Competition and the Commission. They will be assessed according to the following factors:

- context and nature of the impact,
- awareness,
- duration.

### **Quantitative assessment**

In order to quantify the deficiency, DG Competition applies the recommended 2% as threshold for material deficiency i.e. when the value of the residual risk of error of underlying transactions affected represents more than 2% of authorised payments of DG Competition.

## ANNEX 5: Internal Control Template(s) for budget implementation (ICTs)

### Procurement in direct management

#### Stage 1 – Procurement

##### A - Planning

**Main control objectives:** Effectiveness, efficiency and economy. Compliance (legality and regularity).

Main risks	Mitigating controls	Coverage frequency and depth	Benefits of controls	Control indicators
Planned procurements are not in line with the DG's objectives and priorities.	<p>Verification of coherence with set priorities and objectives.</p> <p>Yearly planning discussed at senior management meeting once a year.</p> <p>Validation by AO(S)D before launching a procurement process.</p>	<p>All key procurement procedures are discussed at senior management meeting once a year.</p> <p>100% of procurements</p>	<p>Controls performed comply with the base line requirements of the Financial Regulation.</p> <p>Compliance with set priorities.</p>	<p>Percentage of procurements approved by senior management.</p>

**B - Needs assessment & definition of needs**

**Main control objectives:** Effectiveness, efficiency and economy. Compliance (legality and regularity).

Main risks	Mitigating controls	Coverage frequency and depth	Benefits of controls	Control indicators
<p>Organisation and planning of procedure poorly defined.</p> <p>The best offer/s are not submitted due to the poor definition of the specifications.</p> <p>Non-compliance with regulatory framework.</p>	<p>Guidance and ex-ante support from Resources Directorate. Operational and financial ex-ante verification.</p>	<p>100% of the specifications are scrutinised.</p> <p><b>Depth:</b> All underlying documents.</p>	<p>Controls performed comply with the base line requirements of the Financial Regulation.</p> <p>Limit the risk of litigation, and/or cancellation of a tender.</p> <p>Low amount of contracts for which the approval and supervisory control detected material error.</p>	<p>Number of procedures cancelled.</p>

**C – Evaluation and contract award**

**Main control objectives:** Effectiveness, efficiency and economy. Compliance (legality and regularity).

Main risks	Mitigating controls	Coverage frequency and depth	Benefits of controls	Control indicators
<p>The most promising offer not being selected, due to a biased, inaccurate or 'unfair' evaluation process.</p> <p>Non-compliance with regulatory framework.</p>	<p>Guidance and ex-ante support from Resources Directorate. Operational and financial ex-ante verification. AOSD supervision and approval of award.</p> <p>Formal evaluation process: opening and evaluation committees.</p> <p>Committee declaration of absence of conflict of interests.</p> <p>Exclusion criteria documented.</p> <p>Standstill period, opportunity for unsuccessful bidders to put forward their concerns on the decision.</p> <p>Opinion by consultative committee.</p>	<p>100% of the offers duly analysed.</p> <p><b>Depth:</b> All underlying documents</p>	<p>Controls performed comply with the base line requirements of the Financial Regulation.</p> <p>Avoid contracting with 'excluded' suppliers that would not be able to fulfil contract requirements.</p> <p>Low amount of procurements successfully challenged during standstill exclusion period.</p> <p>Potential irregularities/inefficiencies prevented.</p>	<p>Complaints received from unsuccessful contractors.</p> <p>Cases received by the Ombudsman.</p> <p>Legal proceedings initiated by contractors or other economic providers of the DG against the Commission.</p>

## Stage 2 – Financial transactions

**Main control objectives:** Ensuring that the implementation of the contract is in compliance with the signed contract

Main risks	Mitigating controls	Coverage frequency and depth	Benefits of controls	Control indicators
<p>The goods/services/works foreseen are not, totally or partially, provided in accordance with the technical description and requirements foreseen in the contract and/or the amounts paid exceed that due in accordance with the applicable contractual and regulatory provisions.</p> <p>DG unable to meet objectives and priorities because contractor unable to deliver.</p>	<p>Operational and financial checks in accordance with the financial circuits.</p> <p>Operation authorisation by the AO.</p> <p>Network in place for co-ordination, monitoring and follow-up of contracts.</p>	<p>100% of the contracts are controlled</p> <p><b>Depth:</b> All underlying documents</p>	<p>Controls performed comply with the base line requirements of the Financial Regulation.</p> <p>Potential irregularities, errors and overpayments prevented.</p>	<p>Error rate &lt; 2%</p> <p>Payment times</p>

**Stage 3 – Supervisory measures**

**Main control objectives:** Ensuring that any weakness in the procedures (tender and financial transactions) is corrected

Main risks	Mitigating controls	Coverage frequency and depth	Benefits of controls	Control indicators
<p>An error or non-compliance with regulatory and contractual provisions, including technical specifications, or a fraud, is not detected by ex-ante control, prior to payment.</p>	<p>Review of procurements and financial transactions through ex-post audits performed by the ICC.</p> <p>Review of reported exceptions.</p>	<p>Representative coverage.  <b>Depth:</b> all underlying documents.</p> <p>100% at least once a year.  <b>Depth:</b> Analysis of possible weaknesses in the procedures (procurement and financial transactions).</p>	<p>Amounts detected associated with fraud &amp; error.</p> <p>Deterrents &amp; systematic weaknesses corrected.</p>	<p>Number of cases referred to OLAF.</p> <p>Number of instances of overriding controls or deviations from established procedure</p>

## Internal Control Template for non-expenditure items

### Fines imposed in the area of Competition

**Main control objectives:** Ensuring that the Commission establishes its revenue entitlements correctly

Main risks	Mitigating controls	Coverage frequency and depth	Benefits of controls	Control indicators
The Commission decision embeds weaknesses that would undermine the Commission's legal rights in terms of revenue entitlements such as decision not addressed to the correct legal entity.	Consultation of the Commission decision with concerned services.	<b>Coverage:</b> 100% <ul style="list-style-type: none"> <li>in-depth panel review for draft COMP-decisions on fines</li> </ul>	The (average annual) total value of the significant errors detected/avoided - and thus prevented in terms of the Commission's rights	Value of the rights concerned

**Main control objectives:** Ensuring that the Commission registers its revenue entitlements, reliable reporting (true and fair)

Main risks	Mitigating controls	Coverage frequency and depth	Benefits of controls	Control indicators
EU accounting rules are not respected and that the accounts do not reflect the reality.	Commission Decisions being followed-up by concerned services	<b>Coverage:</b> 100% <ul style="list-style-type: none"> <li>monthly for new decisions</li> <li>quarterly for follow-up of fines before Court of Justice</li> </ul>	The accounts at year-end give a true and fair view.	Value of the rights concerned

## Information & IT Security:

**Main control objectives:** Ensuring that the Commission protects and maintains its information security

Main risks	Mitigating controls	Coverage frequency and depth	Benefits of controls	Control indicators
<p>Sensitive information is 'lost' (abused, made public) or its integrity breached (data altered) due to information security (IT systems and/or information processes) not being fully effective.</p>	<p>Security of IT systems and information safeguarding 'culture': appropriate design of IT systems and/or information processes.</p> <p>Risk-based actions from Security Guidelines, Code on Ethics &amp; Integrity and Anti-Fraud Strategy.</p>	<p>Security rules and culture to be adjusted in view of latest technical developments and 'possibilities'.</p>	<p>Decreased number of security incidents (leaks and inadvertent disclosures of sensitive information).</p> <p>No legal complaints about breaches of personal data protection, commercial information protection, pre-public information being abused, etc.</p>	<p>Number of reported information security incidents.</p> <p>Number of legal complaints.</p>

**ANNEX 6: Implementation through national or international public-sector bodies and bodies governed by private law with a public sector mission (not applicable)**

**ANNEX 7: EAMR of the Union Delegations (not applicable)**

**ANNEX 8: Decentralised agencies (not applicable)**

## ANNEX 9: Evaluations and other studies finalised or cancelled during the year

No used in Annex 3 MP2016	Title	Reason	Scope	Associated DGs	Costs (EUR)	Comments	Reference
<b>II. Other studies finalised or cancelled in 2016</b>							
<b>a. Other studies finalised in 2016</b> (the items marked with asterix * were started before 2016 and therefore listed as "on-going" in MP 2016, while the item without asterix was both started and finished in 2016)							
1*	Evaluation of customer benefits from antitrust (cartels) and merger enforcement	Other: Accountability	Antitrust (cartels) and merger enforcement	-	-	-	Internal calculations, but numbers used in MP/AAR context
2*	Study on judges' training needs in the field of competition law	Other: Learning for future decisions	Related to Training of Judges programme of DG Justice	JUST	149860	-	<a href="http://ec.europa.eu/competition/publications/reports/kd0416407enn.pdf">http://ec.europa.eu/competition/publications/reports/kd0416407enn.pdf</a>
3*	Study of financing models for public services in the European Union and their impact on competition (SGEI)	Other: Learning for future decisions	Waste sector, telecoms sector, health care sector	EMPL, GROW, SG	179875	-	<a href="http://ec.europa.eu/competition/publications/reports/kd021641enn.pdf">http://ec.europa.eu/competition/publications/reports/kd021641enn.pdf</a>
4*	Study on the passing-on of overcharges (related to Directive on antitrust damages actions)	Legal obligation to draft guidelines on the passing-on of overcharges	Methods to assess economic evidence of passing-on of overcharges when this issue is raised in court cases	LS, JUST	244450	-	<a href="http://ec.europa.eu/competition/publications/reports/KD0216916ENN.pdf">http://ec.europa.eu/competition/publications/reports/KD0216916ENN.pdf</a>

5*	Study on issues pertaining to the insurance production process with regard to the application of the Insurance Block Exemption Regulation (IBER) - Lot 1: Switching of tangible and intangible assets between different insurance products	Other: learning for future decisions	The study investigates supply-side substitutability in the context of large, unconventional non-life risk, such as nuclear, cyber and natural catastrophe. It's focus is on the ability of insurers to switch tangible and intangible assets between different insurance products in the short-term, and on identifying the various constraints that may impede this process.	IBER- ISG: LS, SG, ECFIN, GROW, FISMA ENER, JUST, AGRI, CLIMA, ENV, JRC, MOVE, RTD	125000	-	<a href="http://ec.europa.eu/competition/sectors/financial_services/KD02169_17ENN.pdf">http://ec.europa.eu/competition/sectors/financial_services/KD02169_17ENN.pdf</a>
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6*	Study on issues pertaining to the insurance production process with regard to the application of the Insurance Block Exemption Regulation (IBER) - Lot 2: Different forms of Cooperation between insurance companies and their respective impact on competition	Other: learning for future decisions	This study compares different forms of cooperative insurance structures, not limited to pools, setting out the advantages and disadvantages of each type of cooperative structures for both insurers and clients. This research also analyses the different competitive dynamics associated with each form of insurance cooperation scheme. The research moreover identifies potentially non-essential features, from the perspective of maximising the efficiency of these schemes.	IBER-ISG: LS, SG, ECFIN, GROW, FISMA, ENER, JUST, AGRI, CLIMA, ENV, JRC, MOVE, RTD	125000	-	<a href="http://ec.europa.eu/competition/sectors/financial_services/KD02169_18ENN.pdf">http://ec.europa.eu/competition/sectors/financial_services/KD02169_18ENN.pdf</a>
n.a. (no number in MP 2016)	Staff Working Document accompanying the Report on the functioning of Commission Regulation (EC) No 267/2010 on the application of Article 101(3) of the Treaty to certain categories of agreements, decisions and concerted practices in the insurance sector	Other: clause expiry	IBER - Regulation (EC) No 267/2010 (expiry 31 March 2017)	IBER-ISG: LS, SG, ECFIN, GROW, FISMA, ENER, JUST, AGRI, CLIMA, ENV, JRC,MOVE, RTD	n.a.	-	<a href="http://ec.europa.eu/competition/sectors/financial_services/iber_sw_d_en.pdf">http://ec.europa.eu/competition/sectors/financial_services/iber_sw_d_en.pdf</a>

7*	Study on the economic impact of competition policy enforcement on the functioning of telecoms markets in the EU	Other: learning for future decisions	Evolution of competition policy enforcement over the past 20 years; in-depth case studies about one antitrust case, one merger case, several state aid schemes	CNECT, GROW, ECFIN, JUST	275000	Available soon	<a href="http://ec.europa.eu/competition/publications/">http://ec.europa.eu/competition/publications/</a>
8*	Support study for impact assessment concerning the review of Merger Regulation regarding minority shareholdings	Other: preparation for possible future Commission initiative	(1) National merger control regimes which already provide for a review of minority shareholdings; (2) the rights usually attached to different levels of minority shareholdings according to national law	SG, LS, ECFIN, GROW	54850	-	<a href="http://ec.europa.eu/competition/publications/reports/KD0416839EN_N.pdf">http://ec.europa.eu/competition/publications/reports/KD0416839EN_N.pdf</a>
9*	Modelling the macroeconomic impact of competition policy: Update and further development	Other: learning for future decisions	Calculations of the customer savings are used to conduct policy simulations measuring the macroeconomic impact of competition policy enforcement by the European Commission, using the QUEST macro-econometric model	ECFIN, JRC	100000	-	Not public, but article published: <a href="http://www.cresse.info/uploads/2015_pa14_p1.pdf">http://www.cresse.info/uploads/2015_pa14_p1.pdf</a>
7	Flash Eurobarometer survey on the perception of transparency of subsidies	Other: accountability	Awareness about State aid amongst European citizens in the EU-28, as well as their perceptions about the transparency of information in this area	COMM	194276	-	<a href="https://bookshop.europa.eu/en/perception-and-awareness-about-transparency-of-state-aid-pbKD0816001/;pgid=GSPefJMEtXBSR0dT6jbGakZD00002N4Nq9CG;sid=K-PLueuTcFTLv7Mm -lVHom2LDDNauxALTA=?CatalogCategoryID=d7MKABstrv0AAAEj6IY4e5K ISBN: 978-92-79-59868-5">https://bookshop.europa.eu/en/perception-and-awareness-about-transparency-of-state-aid-pbKD0816001/;pgid=GSPefJMEtXBSR0dT6jbGakZD00002N4Nq9CG;sid=K-PLueuTcFTLv7Mm -lVHom2LDDNauxALTA=?CatalogCategoryID=d7MKABstrv0AAAEj6IY4e5K ISBN: 978-92-79-59868-5</a>

**b. Other studies cancelled in 2016**

1	State aid: retrospective study of competition distortions from aid in the banking sector	Retrospective analysis	tbc	tbc	tbc	Postponed to 2017	-
2	Study supporting evaluation: Economic impact of enforcement of competition policies on the functioning of a sector (sector to be agreed)	Other: learning for future decisions	tbc	tbc	tbc	Postponed to 2017	-
4	Study on the deterrent effects of the EU merger control and/or cartel policies	Other: learning for future decisions	-	-	-	Decision to work first internally on this topic	-
5	Study on critical issues identified by stakeholders in the public consultation on the White Paper on a reform of the EU Merger Regulation	Other: preparation for possible future Commission initiative	-	-	-	Overtaken by decision not to pursue a legislative initiative at this stage	-
8	State aid in the Financial Sector in the crisis: Retrospective market study of impact of the aid on competition	Other: market views	-	-	-	Postponed to 2017	-

9	Study supporting the Impact Assessment on the future of the 2010 Insurance Block Exemption Regulation	Other: preparation for possible future Commission initiative	-	-	-	Overtaken by decision to let IBER expire	-
10	Examining the different ways of reduction of production capacities in selected sectors characterised by excess capacity	Other: learning for future decisions	-	-	-	Study was deemed no longer urgent	-

**ANNEX 10: Specific annexes related to "Financial Management" (not applicable)**

**ANNEX 11: Specific annexes related to "Assessment of the effectiveness of the internal control systems" (not applicable)**

## ANNEX 12: Performance tables

General objective: A New Boost for Jobs, Growth and Investment		
Impact indicator 1: GDP growth		
Source of data: Eurostat		
Baseline (2014)	Target (2020)	Latest known results (2015)
1.6%	Increasing Trend <a href="#">Bookmark</a> <sup>9</sup>	2.2%

### Antitrust and cartels

Specific objective 1: Effective enforcement of antitrust rules with a view to protecting consumer welfare (Antitrust and cartels)		
Result indicator 1: Estimate of customer benefits resulting from Commission decisions prohibiting cartels (KPI 1)		
Rationale: Quantitative indicator to ensure positive impact of competition enforcement on consumer welfare		
Source of data: DG Competition calculation		
Baseline (2015)	Target	Latest known results (2016)
EUR 0.99-1.49 bn <sup>10</sup>	No target	EUR 6.8-10.2 bn
Result indicator 2: Deterrent effect of the Commission's fines		
Rationale: The Commission can impose fines on companies to punish infringements of antitrust rules and to deter future infringements.		
Source of data: DG Competition Stakeholder Survey 2014		
Baseline (2014)	Target (2019)	Latest known results 2014
> 50% <sup>11</sup>	Maintain	> 50%
Output indicator 1: Intervention rate <sup>12</sup>		
Source of data: DG Competition case management system (Natacha)		
Baseline (2015)	Target	Latest known results (2016)
8	No target	10

<sup>9</sup> Please note that Eurostat periodically revises its published data to reflect new or improved information, also for previous years. The latest published data is available by clicking on "bookmark". The "latest known value" column reflects the data that was available at the time of the preparation of the AARs 2016 and it is the reference point for the AARs of Commission services.

<sup>10</sup> See also footnote 16 of the AAR main document.

<sup>11</sup> Eurobarometer Standard Qualitative Study – DG Competition Stakeholder Survey (2014), Aggregate Report, published in 2015, p. 35, "Overall, most participants believed that fines, especially larger fines, are an effective deterrent for companies, which try to avoid being in a position where they could be penalised. A national competition authority and some companies mentioned that fines have increased considerably in recent years and have become even more effective". Senior Management decision to repeat the survey once in a mandate.

<sup>12</sup> Intervention rate consists of antitrust interventions (decisions) by the Commission. In 2016, 10 interventions by the Commission included 4 antitrust decisions (3 commitment decisions and 1 prohibition decision), 6 cartel prohibition decisions (3 settlement decisions and 3 hybrid decisions (normal procedure)).

**Specific objective 2: Effective and coherent application of EU competition law by the national competition authorities (Antitrust and cartels)**

**Result indicator 1: Number of cases signalled to the European Competition Network (ECN)<sup>13</sup>**

Rationale: Benchmark for the level of the ECN activity to ensure coherent application of EU competition law

**Source of data:** ECN case system

Baseline (2015)	Target	Latest known results (2016)
179	No target	145

**Result indicator 2: Number of envisaged enforcement decisions and similar case consultations in the European Competition Network (ECN)<sup>14</sup>**

Rationale: Benchmark for the level of the ECN activity to ensure coherent application of EU competition law

**Source of data:** ECN case system

Baseline (2015)	Target	Latest known results (2016)
100	No target	88

**Specific objective 2: Effective and coherent application of EU competition law by national courts (Antitrust and cartels)**

**Result indicator 1: Compliance rate of national judgments with Commission replies to requests for opinions (Article 15(1) of Regulation 1/2003)**

Rationale: Benchmark for coherence of the activities by the courts and the Commission to ensure coherent private enforcement of EU competition law

**Source of data:** DG Competition statistics on the basis of national judgments transmitted

Baseline (2004-2015)	Target	Latest known results (2004-2016)
18/21: 100% compliance rate possible <sup>15</sup>	Maintain 100% compliance rate in the long term to ensure coherent application of EU competition rules	18/21: 100% compliance rate possible

**Result indicator 2: Compliance rate of national judgments with Commission 'amicus curiae' briefs (Article 15 (3) of Regulation 1/2003)**

Rationale: Benchmark for coherence of the activities by the courts and the Commission to ensure coherent private enforcement of EU competition law

**Source of data:** DG Competition statistics on the basis of national judgments transmitted

Baseline (2006-2015)	Target	Latest known results (2006-2016)
12/12	Maintain 100% compliance rate in the long term to ensure coherent application of EU competition rules	12/12

<sup>13</sup> Please note that number of cases signalled to the ECN is dependent on a number of factors such as priorities set by the national competition authorities, complexities and number of already on-going cases as well as changes in the competition structure of each market.

<sup>14</sup> Please note that the number of envisaged decisions varies depending on the level of output by the NCAs.

<sup>15</sup> In three cases the respective national courts have not yet issued their judgment.

**Result indicator 3: Number of Member States having fully implemented the Directive ensuring the right for victims of EU competition law infringements to obtain compensation through national courts**

Rationale: Benchmark for ensuring equal opportunities to obtain compensation for competition law infringements in all Member States

**Source of data:** DG Competition statistics based on evaluation

Baseline (2014)	Target	Latest known results (2016)
-	100% of Member States implemented by 27 December 2016	A majority of Member States have either already communicated full transposition or are in the final stages of the transposition process

**Specific objective 3: EU competition law instruments maintained aligned with market realities and contemporary economic and legal thinking (Antitrust and cartels)**

**Result indicator 1: Stakeholder consultation on new rules (Eurobarometer 2014)**

Rationale: Benchmark for a key quality parameter related to DG Competition's work

**Source of data:** Eurobarometer Standard Qualitative Study – DG Competition Stakeholder Survey (2014)

Baseline (2014)	Target (2019)	Latest known results (2014)
5.5/7.0 <sup>16</sup>	Stable Trend <sup>17</sup>	5.5/7.0

**Policy-related outputs**

Description	Latest known results
E-commerce sector inquiry	Preliminary Report published

**Merger control**

**Specific objective 4: Facilitating smooth market restructuring by assessing non-harmful mergers in a streamlined manner (Merger control)**

**Result indicator 1: Ratio of merger decisions adopted in a simplified procedure**

Rationale: Quantitative indicator demonstrating reduced regulatory burden facilitating smooth market restructuring

**Source of data:** DG Competition calculation

Baseline (2015)	Target	Latest known results (2016)
ca. 70%	Stable Trend	ca. 70%

<sup>16</sup> See Eurobarometer Standard Qualitative Study – DG Competition Stakeholder Survey (2014), Aggregate Report p. 27, "There was a high overall level of satisfaction with DG Competition's consultation on new rules, although some participants felt that their views are not always taken into account." [http://ec.europa.eu/competition/publications/reports/surveys\\_en.html](http://ec.europa.eu/competition/publications/reports/surveys_en.html)

<sup>17</sup> Senior Management decision of 1 February 2016: Increasing trend for <5/7 and stable trend ≥ 5/7.

**Specific objective 5: Prevention of anticompetitive effects of mergers with a view to protecting consumer welfare (Merger control)**

**Result indicator 1: Estimate of customer benefits resulting from horizontal merger interventions (KPI 2)**

Rationale: Quantitative indicator to ensure positive impact of competition enforcement on consumer welfare

**Source of data:** DG Competition calculation

Baseline (2015)	Target	Latest known results (2016)
EUR 1.08-2.69 bn <sup>18</sup>	No target	EUR 7.41-18.52 bn

**Output indicator 1: Number of merger decisions per year**

**Source of data:** DG Competition calculation

Baseline (2015)	Target	Latest known results (2016)
317	No target	355

**Output indicator 1: Intervention rate<sup>19</sup>**

**Source of data:** DG Competition calculation

Baseline (2015)	Target	Latest known results (2016)
22	No target	27

**Specific objective 6: EU competition law instruments maintained aligned with market realities and contemporary economic and legal thinking (Merger control)**

**Result indicator 1: Stakeholder consultation on new rules (Eurobarometer 2014)**

Rationale: Benchmark for a key quality parameter related to DG Competition's work

**Source of data:** Eurobarometer Standard Qualitative Study – DG Competition Stakeholder Survey (2014)

Baseline (2014)	Target (2019)	Latest known results (2014)
5.5/7.0 <sup>20</sup>	Stable Trend	5.5/7.0

**Policy-related outputs**

Description	Latest known results
Evaluation of selected procedural and jurisdictional aspects of EU merger control	Public consultation closed

<sup>18</sup> See also footnote 17 of the AAR main document.

<sup>19</sup> Intervention rate indicator includes prohibition decisions and mergers approved subject to commitments, as well as withdrawals during second phase investigation (in-depth investigation by the Commission).

<sup>20</sup> See Eurobarometer Standard Qualitative Study – DG Competition Stakeholder Survey (2014), Aggregate Report p. 27, "There was a high overall level of satisfaction with DG Competition's consultation on new rules, although some participants felt that their views are not always taken into account." [http://ec.europa.eu/competition/publications/reports/surveys\\_en.html](http://ec.europa.eu/competition/publications/reports/surveys_en.html)

## State aid control

### Specific objective 7: Overall effectiveness of State aid modernisation, increasing share of better targeted growth-enhancing aid (State aid control)

#### Result indicator 1: The share of GBER expenditure over total expenditure on State aid (KPI 3)

**Source of data:** State Aid Scoreboard

**Link:** [http://ec.europa.eu/competition/state\\_aid/scoreboard/index\\_en.html](http://ec.europa.eu/competition/state_aid/scoreboard/index_en.html)

Baseline (2014)	Target (2016-2020)	Latest known results (2015)
38.2%	Maintain or increase	40.4%

#### Result indicator 2: Percentage of State aid granted by Member States for horizontal objectives of common interest.

Rationale: Indicator to ensure that state aid is targeted at horizontal objectives of Community interest, such as regional development, employment, environmental protection, promotion of research and development and innovation, risk capital and development of SMEs.

**Source of data:** State Aid Scoreboard – The information is based on the annual reports provided by Member States pursuant to Article 6(1) of Commission Regulation (EC) 794/2004 and comprises expenditure granted by Member States through existing aid measures which fall into scope of Article 107(1) TFEU.

**Link:** [http://ec.europa.eu/competition/state\\_aid/scoreboard/index\\_en.html](http://ec.europa.eu/competition/state_aid/scoreboard/index_en.html)

Baseline (2014)	Target (2016)	Latest known results (2015)
84.9%	Maintain or increase	85.5%

#### Output indicator 1: Number of opening decisions per year

**Source of data:** DG Competition calculation

Baseline (2015)	Target	Latest known results (2016)
20	No target	18

### Specific objective 8: Compliance of renewable support schemes and capacity remuneration mechanisms with State aid rules (State aid control)

#### Result indicator 1: Number of EEAG-based decisions<sup>21</sup> on operating support schemes for renewable electricity

Rationale: The compliance of the renewable energy support schemes with EEAG ensures a level playing field in the internal electricity market.

**Source of data:** DG Competition calculation<sup>22</sup>

**Link:** <http://ec.europa.eu/competition/eojade/isef/index.cfm>

Baseline (2014-2015)	Target (2016-2020)	Latest known results (2016)
11 decisions	Increase	26 decisions

<sup>21</sup> EEAG, Communication from the Commission – *Guidelines on State aid for environmental protection and energy 2014-2020*, OJ C 200, 28.6.2014, p. 1-55, [http://eur-lex.europa.eu/legal-content/EN/TXT/?uri=CELEX%3A52014XC0628\(01\)](http://eur-lex.europa.eu/legal-content/EN/TXT/?uri=CELEX%3A52014XC0628(01))

<sup>22</sup> The calculation accounts for final Commission decisions under EEAG on operating schemes for RES-e comprising the whole of a Member State; individual/ad hoc aid is not considered; calculated annually, as on 1 January; trend should be increasing in view of cumulative decisions.

**Result indicator 2: Number of EEAG--compatible capacity mechanisms as share of all existing capacity mechanisms**

Rationale: The compliance of the capacity mechanisms with EEAG ensures a level playing field in the internal electricity market.

**Source of data:** DG Competition calculation

**Link:** <http://ec.europa.eu/competition/elojade/isef/index.cfm>

Baseline (2014-2015)	Target (2017)	Latest known results (2016)
5% of capacity mechanisms	30%	20%

**Main outputs in 2016:**

Description	Indicator	Target	Latest known results
Sector inquiry into capacity mechanisms	Adoption of final report	Completion of inquiry	Final report adopted on 30/11/2016 <sup>23</sup>

**Specific objective 9: Stability and promotion of competition in the banking sector**

**Result indicator 1<sup>24</sup>: Ratio of (a) State aid to all banks in the EU in the form of capital-relevant instruments to (b) primary equity issuance within the EU for banks**

Rationale: A lower ratio indicates that the share of State aid is falling compared against the total volume of equity issuance in a given year which is better for financial stability.

**Source of data:** For the numerator DG COMP calculation. For the denominator Bloomberg data.

Baseline (2014)	(2015)	Target (2016-2020)	Latest known results (2016)
31.44%	40.75%	Decrease	2.11% <sup>25</sup>

**Result indicator 2: Ratio of (a) State aid to all banks in the EU in the form of capital-relevant instruments to (b) the stock of total capital and reserves for all banks in the EU**

Rationale: The more banks are capable of filling in the capital shortfalls identified in the stress tests themselves, the better it is for the financial stability.

**Source of data:** For the numerator DG COMP calculation. For the denominator ECB data under: <http://sdw.ecb.europa.eu/reports.do?node=1000003506>

Baseline (2014)	(2015)	Target (2016-2020)	Latest known results (2016)
0.228%	0.349%	Decrease	0.005% <sup>25</sup>

<sup>23</sup> [http://ec.europa.eu/competition/sectors/energy/state\\_aid\\_to\\_secure\\_electricity\\_supply\\_en.html](http://ec.europa.eu/competition/sectors/energy/state_aid_to_secure_electricity_supply_en.html)

<sup>24</sup> Result indicator 1 has been replaced following the non-availability of underlying data. The previous indicator was based on the capital shortfalls identified in EBA and SSM stress tests. The 2014 stress test included capital shortfalls but this data is not available anymore for the years 2015 and 2016. The data used for the alternative indicator should be reproducible in the coming years.

<sup>25</sup> The 2016 indicator is extremely low as there were very few recapitalisation and Impaired Asset Measures. Given the low level in 2016 the indicator might increase over the following years compared to 2016.

**Specific objective 10: Prevention and recovery of incompatible aid (State aid control)**

**Result indicator 1: Implementation of recovery (at least provisional) or Court action for non-implementation within two years from the date of the recovery decision (expressed as percentage of total recovery decisions)**

Rationale: Qualitative indicator on the effectiveness and enforcement of recovery decisions

**Source of data:** DG Competition case management system (ISIS)

Baseline (2015)	Target (2016)	Latest known results (2016) <sup>26</sup>
33% <sup>27</sup>	Increase	26% <sup>28</sup>

**Specific objective 11: Monitoring of aid measures (State aid control)**

**Result indicator 1: Number of aid measures (mainly schemes) monitored ex-post (out of 1855 schemes in operation in all Member State (on rolling basis, 10-year average) on which expenditure above EUR 200 000 was reported)**

Rationale: Stable indicator ensuring a reasonable number of aid measures (mainly schemes) subject to ex-post monitoring in every annual monitoring cycle.

**Source of data:** DG Competition calculation

Baseline (2015)	Target (2016)	Latest known results (2016)
96 aid schemes monitored	At least 75 aid measures (mainly schemes) subject to ex-post monitoring	77 <sup>29</sup> schemes monitored

**Specific objective 12: EU competition law instruments maintained aligned with market realities and contemporary economic and legal thinking (State aid control)**

**Result indicator 1: Stakeholder consultation on new rules (Eurobarometer 2014)**

Rationale: Benchmark for a key quality parameter related to DG Competition's work

**Source of data:** Eurobarometer Standard Qualitative Study – DG Competition

Stakeholder Survey (2014)

Baseline (2014)	Target (2019)	Latest known results (2014)
5.5/7.0 <sup>30</sup>	Stable Trend	5.5/7.0

<sup>26</sup> This indicator shows a decrease compared to 2015 due to the many new recovery decisions that have been adopted (especially in 2016) and for which the foreseen implementation period of 2 years has not yet elapsed. In the previous period (2014-2015) many court actions were taken and less recovery cases had to be implemented.

<sup>27</sup> Total of recovery decisions adopted which fall into this result indicator is 39; in 9 instances, recovery was implemented and in 4 cases it was decided to launch Court action.

<sup>28</sup> Total of recovery decisions adopted which fall into this result indicator is 27; in 7 instances, recovery was implemented; no Court actions were launched.

<sup>29</sup> Initially 78 schemes were selected for the monitoring sample, as mentioned on p. 37 of the AAR main document (Specific Objective 11). However, during the early monitoring stage, one scheme was found not to be suitable any longer to continue with the monitoring examination and was therefore excluded from sample. As a result, 77 schemes were ultimately monitored.

<sup>30</sup> See Eurobarometer Standard Qualitative Study – DG Competition Stakeholder Survey (2014), Aggregate Report, p. 27, "There was a high overall level of satisfaction with DG Competition's consultation on new rules, although some participants felt that their views are not always taken into account." [http://ec.europa.eu/competition/publications/reports/surveys\\_en.html](http://ec.europa.eu/competition/publications/reports/surveys_en.html)

Policy-related outputs	
Description	Latest known results
Online Case Register of DG Competition (ISEF)	Available since February 2016
Transparency Award Module	Available since July 2016
Review of the Simplified Procedure notice	Public consultation closed
Review of the Best Practices code	Public consultation launched
Bilateral Partnerships (Bulgaria, Italy, Romania)	Bilateral Partnerships launched

## Promoting competition culture and international cooperation in the area of competition policy: maintaining and strengthening the Commission's reputation world-wide

### Specific objective 13: Competition advocacy contributing to a pro-competitive regulatory framework at EU and national level

#### Result indicator 1: Readiness to engage and contribute with high quality input to other DG's policy projects (Ensuring collegiality)

Rationale: Benchmark for a key quality parameter related to DG Competition's work

Source of data: Other DGs' Survey by DG Competition (2014)

Baseline (2014)	Target (2019)	Latest known results (2014)
5.0/7.0	Stable Trend	5.0/7.0

#### Result indicator 2: Relevance of input to other DGs' policy projects (Ensuring collegiality)

Rationale: Benchmark for a key quality parameter related to DG Competition's work

Source of data: Other DGs' Survey by DG Competition (2014)

Baseline (2014)	Target (2019)	Latest known results (2014)
5.2/7.0	Stable Trend	5.2/7.0

#### Output indicator 1: Number of substantial replies to Commission inter-service consultations

Source of data: DG Competition calculation

Baseline (2015)	Target	Latest known results (2016)
194	Stable Level	169

#### Output indicator 2: Number of country specific recommendations promoted or followed by DG Competition

Source of data: DG Competition calculation

Baseline (2015)	Target	Latest known results (2016)
29	Stable Level	36

### Specific objective 14: Explaining competition policy and its benefits

#### Result indicator 1: Percentage of positive replies in surveys conducted among citizens agreeing that effective competition has a positive impact on them as consumers

Rationale: Indicator to measure citizens' view of competition and competition policy

Source of data: Eurobarometer Flash Citizens' Survey

Baseline (2015)	Target (2019)	Latest known results (2015)
74%	Increasing Trend	74%

<b>Output indicator 1: Number of people reached with communication actions directly supporting EU competition policy as a result of the DG's actions</b> <b>Source of data:</b> DG Competition calculation		
Baseline (2015)	Target	Latest known results (2016)
DG Competition's printed publications were sent to 6452 subscribers/readers and the digital publications to 34880	Increasing Trend	Digital + Print publications were sent out to 37100 subscribers/readers <sup>31</sup>

**Specific objective 15: Promoting international cooperation and convergence in the area of competition policy and greater transparency and basic disciplines on subsidies control internationally**

**Result indicator 1: Promotion of competition culture and policy convergence at international level**  
Rationale: Benchmark for a key quality parameter related to DG Competition's work  
**Source of data:** Eurobarometer Standard Qualitative Study – DG Competition Stakeholder Survey (2014)

Baseline (2014)	Target (2019)	Latest known results (2014)
4.9/7.0	Increasing Trend	4.9/7.0

**Output indicator 1: Number of competition cooperation agreements and free trade agreements containing competition and State aid clauses**  
Rationale: Provides a benchmark for the increased level of convergence with third countries' competition authorities  
**Source of data:** DG Competition's statistics

Baseline (2014)	Target (2019)	Latest known results (2016)
20 agreements	34 new agreements	21 agreements

**Output indicator 2: Number of contributions to OECD, ICN and UNCTAD**  
Rationale: Provides a benchmark for the activity of the Commission in contributing to increased international convergence of competition policy on multilateral fora  
**Source of data:** DG Competition's statistics

Baseline (2015)	Target (2015-2017)	Latest known results (2016)
12 (OECD), 5 (ICN), 3 (UNCTAD)	15-20	8 (OECD), 5 (ICN), 2 (UNCTAD)

**Output indicator 3: Number of technical assistance workshops organised with third countries**  
Rationale: Provides a benchmark for the activity of the Commission in contributing to increased international convergence of competition policy bilaterally  
**Source of data:** DG Competition's statistics

Baseline (2015)	Target (2015-2017)	Latest known results (2016)
China (3) India (2), Brazil (1)	China (8) India (2), Brazil (1)	China (2) India (1)

<sup>31</sup> Given the changes in reading habits and a distribution on demand instead of fixed distribution lists for print publications, printed and digital publications are no longer counted separately, but together.

**Specific objective 16: Ensuring the highest standards in the enforcement of competition policy**

**Result indicator 1: Legal soundness of Commission decisions in competition cases**

Rationale: Benchmark for a key quality parameter related to DG Competition's work

**Source of data:** Eurobarometer Standard Qualitative Study – DG Competition Stakeholder Survey (2014)

Baseline (2014)	Target (2019)	Latest known results (2014)
5.3/7.0 <sup>32</sup>	Stable Trend	5.3/7.0

**Result indicator 2: Quality of economic analysis**

Rationale: Benchmark for a key quality parameter related to DG Competition's work

**Source of data:** Eurobarometer Standard Qualitative Study – DG Competition Stakeholder Survey (2014)

Baseline (2014)	Target (2019)	Latest known results (2014)
4.9/7.0 <sup>33</sup>	Increasing Trend	4.9/7.0

**Result indicator 3: Market knowledge**

Rationale: Benchmark for a key quality parameter related to DG Competition's work

**Source of data:** Eurobarometer Standard Qualitative Study – DG Competition Stakeholder Survey (2014)

Baseline (2014)	Target (2019)	Latest known results (2014)
5.0/7.0 <sup>34</sup>	Stable Trend	5.0/7.0

**Result indicator 4: Impact on the markets**

Rationale: Benchmark for a key quality parameter related to DG Competition's work

**Source of data:** Eurobarometer Standard Qualitative Study – DG Competition Stakeholder Survey (2014)

Baseline (2014)	Target (2019)	Latest known results (2014)
4.8/7.0 <sup>35</sup>	Increasing Trend	4.8/7.0

**Result indicator 5: Timeliness of decisions**

Rationale: Benchmark for a key quality parameter related to DG Competition's work

**Source of data:** Eurobarometer Standard Qualitative Study – DG Competition Stakeholder Survey (2014)

Baseline (2014)	Target (2019)	Latest known results (2014)
4.0/7.0 <sup>36</sup>	Increasing Trend	4.0/7.0

**Result indicator 6: Informing in a timely manner**

Rationale: Benchmark for a key quality parameter related to DG Competition's work

**Source of data:** Eurobarometer Standard Qualitative Study – DG Competition Stakeholder Survey (2014)

Baseline (2014)	Target (2019)	Latest known results (2014)
4.9/7.0 <sup>37</sup>	Increasing Trend	4.9/7.0

<sup>32</sup> See Eurobarometer Standard Qualitative Study – DG Competition Stakeholder Survey (2014), Aggregate Report, p. 12.

<sup>33</sup> Ibid. p. 19.

<sup>34</sup> Ibid. p. 17.

<sup>35</sup> Ibid. p. 42.

<sup>36</sup> Ibid. p. 37.

<sup>37</sup> Ibid. p. 24.