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COVER NOTE

From: Secretary-General of the European Commission, signed by Ms Martine DEPREZ, Director

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To: Mr Jeppe TRANHOLM-MIKKELSEN, Secretary-General of the Council of the European Union

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Subject: COMMUNICATION FROM THE COMMISSION TO THE EUROPEAN PARLIAMENT pursuant to Article 294(6) of the Treaty on the Functioning of the European Union concerning the position of the Council on the adoption of a Regulation establishing the 'Single Market Programme' for the internal market, competitiveness of enterprises, including small and medium-sized enterprises, the area of plants, animals, food and feed and European statistics

Delegations will find attached document COM(2021) 218 final.

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Brussels, 23.4.2021
COM(2021) 218 final

2018/0231 (COD)

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TO THE EUROPEAN PARLIAMENT**

pursuant to Article 294(6) of the Treaty on the Functioning of the European Union

concerning the

position of the Council on the adoption of a Regulation establishing the 'Single Market Programme' for the internal market, competitiveness of enterprises, including small and medium-sized enterprises, the area of plants, animals, food and feed and European statistics

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1. BACKGROUND

Date of transmission of the proposal to the European Parliament and to the Council 7 June 2018
(document COM(2018) 441 final – 2018/0231 COD):

Date of the opinion of the European Economic and Social Committee: 17 October 2018

Date of the position of the European Parliament, first reading: 12 February 2019

Date of transmission of the amended proposal: N/A

Date of adoption of the position of the Council: 13 April 2021

2. OBJECTIVE OF THE PROPOSAL FROM THE COMMISSION

Since its inception, the internal market is a major contributor to growth, competitiveness and employment and has helped create jobs and brought consumers greater choice at lower prices. While it continues to be an engine for building a stronger, more balanced and fairer economy, it continuously needs to adapt to a rapidly changing environment characterised by digital revolution and globalisation. This poses a significant challenge for regulation and enforcement.

The Single Market Programme brings together activities financed under six predecessor programmes in the areas of competitiveness of enterprises, protection of consumers and end-users of financial services, financial reporting and auditing standards, the food chain and the European statistics. The Single Market Programme also includes activities previously funded directly under the internal market and other related budget lines such as European standardisation and market surveillance and the implementation and development of the internal market for financial services, as well as new actions aiming to improve the functioning of the internal market, such as in the area of the enforcement of Union competition rules.

All of these activities are united by their shared objectives to regulate, implement, facilitate, enforce and protect various activities and actors within the internal market; and to preserve an internal market that continues to function without interruption. All of those activities are

essential for a well-functioning internal market and the continuation of their financial support is necessary. The proposed Programme provides for continuity of the various previous actions while streamlining and exploiting synergies between them.

With reference to the European statistics, the Programme replaces the predecessor European Statistical Programme by establishing the financial framework for providing high-quality, comparable and reliable European statistics to underpin the design, monitoring and evaluation of all the Union policies. It must be underlined that, while they undoubtedly contribute to the delivery of internal market policies, European statistics have a much wider scope than the internal market, as they serve all policies of the Union.

3. COMMENTS ON THE POSITION OF THE COUNCIL

The position of the Council as adopted in the first reading fully reflects the provisional agreement reached in the trilogue between the European Parliament, the Council, and the Commission, as concluded on 8 December 2020. The main points of this agreement include the following:

- **Duration of the Programme:** The Programme is established for the period from 1 January 2021 to 31 December 2027 and its duration is aligned to the duration of the MFF.
- **Technical and administrative assistance for the implementation of the Programme:** Co-legislators agreed that the total costs of administrative and technical support shall not exceed 5 % of the value of the overall financial envelope available for the implementation of the Programme.
- **Designated beneficiaries representing consumers' interest at the Union level:** It was agreed that the Commission is empowered to adopt delegated acts in relation to the representation of consumers interest at the Union level to amend the list of entities that may be awarded a grant under the Programme without a call for proposals.
- **National reference laboratories as designated beneficiaries, and their accreditation:** Without prejudice to the obligation for Member States to provide adequate financial resources for the national plant health reference laboratories and national animal health reference laboratories in accordance with Regulation (EU) 2017/625), agreement was reached on the possibility for those laboratories to benefit as designated beneficiaries from grants awarded under the Programme if the actions by those laboratories represent Union added value and if sufficient funding is available under the Programme.
- **Co-financing rules in the area of plants, animals, food and feed:** The Council and the European Parliament agreed on a fixed co-financing rate of 50 %, that is exceptionally increased to 75 % and 100 % under certain conditions, and on a provision setting out that the Commission shall adopt an implementing act to set a lower co-financing rate where that is necessary on the grounds of lack of funds, insufficient implementation of a veterinary and phytosanitary programme or of emergency measures, or the phasing-out of the co-financing of actions against animal diseases or plant pests.
- **Delegated acts, implementing acts and committees:** Co-legislators agreed that work programmes are adopted by implementing acts intended to give effect to the rules already laid down in the basic act and in accordance with related sectoral legislation where applicable. With regard to delegated acts, it was agreed that the

power to adopt delegated acts shall be conferred on the Commission for a period of 7 years, and that it shall be tacitly extended for periods of an identical duration unless the European Parliament or the Council opposes such extension.

- **Retroactivity:** It was agreed that the Regulation shall enter into force on the day of its publication in the Official Journal of the European Union, and that it shall apply from 1 January 2021.

The Commission supports the provisional agreement reached at the trilogue, which paves the way for a swift adoption of the new programme. The programme will help strengthen the governance of the internal market and enable citizens, businesses consumers and public authorities to reap the benefits of the market integration.

4. CONCLUSION

The Commission accepts the position taken by the Council, which fully reflects the provisional agreement reached by the co-legislators on 8 December 2020.