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COVER NOTE

From:	Secretary-General of the European Commission, signed by Ms Martine DEPREZ, Director
date of receipt:	3 September 2025
To:	Ms Thérèse BLANCHET, Secretary-General of the Council of the European Union
Subject:	Regulatory Scrutiny Board Opinion – Impact Assessment– Proposal for a REGULATION OF THE EUROPEAN PARLIAMENT AND OF THE COUNCIL establishing the Single Market and Customs Programme for the period 2028-2034 and repealing Regulations (EU) 2021/444, (EU) 2021/690, (EU) 2021/785, (EU) 2021/847 and (EU) 2021/1077

Delegations will find attached document SEC(2025) 592 final.

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REGULATORY SCRUTINY BOARD OPINION

Impact assessment of the MFF-EU funding for the single market and cooperation between national authorities

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EUROPEAN COMMISSION
REGULATORY SCRUTINY BOARD

Brussels,
RSB

Opinion

Title: Impact assessment of the MFF-EU funding for the single market and cooperation between national authorities

(A) Policy context

The funding of the single market and cooperation between national authorities is part of the post-2027 Multiannual Financial Framework (MFF) package and aims at bringing together the Single Market (SMP), Customs, Fiscalis and Union Anti-Fraud programmes in one framework in order to enhance the functioning of the Single Market and the Customs Union as well as to protect the financial and economic interests of the EU and its Member States.

Under the Commission's Political Guidelines, the next MFF sets out to be more focused, simpler and more impactful. Better Regulation Tool #9 acknowledges that 'the special case of preparing a new multiannual financial framework is a unique process requiring a specific approach as regards scope and depth of analysis'. The architecture of the new MFF will be significantly different from the current structure. Given that at this stage the impact assessment lacks several key elements the Board has decided, exceptionally, to issue an Opinion without qualification.

(B) Key issues and recommendations

The Board notes the additional information provided and commitments to make changes to the report. However, the report still contains significant shortcomings. The Board makes the following recommendations for the lead Service(s) to rectify:

On scope: The report does not sufficiently elaborate the definition of the Single market nor does it explain the gaps in enforcement, access to information, administrative capacity, cooperation and rulemaking.

The report should be clear about which aspects of the Single Market it covers – and those that it does not - and that it comprises only flanking measures. The scope of the report primarily covers the financial architecture rather than the policy substance, i.e. such as the objectives intended to be achieved, as well as the types of activities that will receive funding. The report needs to demonstrate that the financial architecture is well suited to facilitate delivery on the policy objectives, since desired synergies and results are unlikely

This opinion concerns a draft impact assessment which may differ from the final version.

to materialise without the alignment between the policy objectives, the enabling nature of this programme and financial architecture.The impact assessment report should cover in a more comprehensive way different elements of Single Market and Customs Union policies in the context, problem definition and objectives.

On the problem definition and on the use of evaluations: The problem definition does not incorporate enough evidence including from the evaluations. It does not specify the market and regulatory failures, including their magnitude, which this intervention is intended to address.

When referring to evaluations the report should clearly state the relevant conclusions reached in those evaluations, and how strongly the conclusions are supported by a reliable evidence base, taking into account opinions from the RSB. The report should provide a more thorough analysis in support of its arguments and adequately utilise the findings from evaluations. More robust evidence is needed about the gaps in enforcement, access to information, administrative capacity, cooperation, rulemaking and administrative burden, and to support the claims of the perceived suboptimal effectiveness and flexibility. The report should assess the magnitude of problems, and similarly analyse regulatory failures to be addressed, their magnitude and their impacts. The report should further assess the deficiencies of current funding arrangements, e.g. in the rulebooks, eligibility criteria.

On the intervention logic and objectives: The proposed objectives are not S.M.A.R.T. nor do the proposed options address all identified problems. The framework of assessment criteria of the success of the 'well-functioning' Single Market is missing.

The intervention logic should cover all identified problems and their drivers. The causal links between the intervention and objectives should be more clearly established. The report should describe the objectives in S.M.A.R.T. terms to define the success and to facilitate monitoring and evaluation. The report should describe what the success is expected to be in relation to different objectives and how this IA report is linked to the IA report on the Performance and Monitoring Framework. While simplification of funding access and synergies among EU policies are appropriate responses to administrative burdens, the report should explain more how these initiatives will be implemented to overcome the barriers identified.

On options: The report does not adequately identify the full range of options nor the critical elements in which these options differ in terms of costs to public administrations, governance and how they affect businesses.

The report should assess the aspects which are central for reaching the general and specific objectives of the instrument and put forward a corresponding range of options.

The options, particularly the unified scenario, should be backed up by a clear explanation of their practicality and by enough details to distinguish it from the alternative. The report should clarify more to what extent the objectives are achievable within the options' framework. The report should also clearly explain why only options regarding the overall funding architecture are exploited. Defining the options, the report should better clarify the governance part, in particular how funding decisions will be taken, by whom and, at what stage, in each of the two options and how the options differ in terms of governance

arrangements and decision-making processes. The report should also describe what kind of activities are to be funded and if different existing programmes are intended to be re-oriented or discontinued, while keeping the legal obligations. It should describe in more details the overall potential for simplification and administrative costs reduction for different actors (applicants, beneficiaries, authorities).

<u>On comparison of options and cost-benefit analysis:</u> The report does not adequately assess the costs and benefits of the options.

The report should provide further explanations of and evidence for the estimates and assumptions at the basis of the costs and benefits, and their potential evolution, including as regards Member States participation. In terms of costs and benefits, option 2 (unified scenario) is claimed to have 'potential for increased flexibilities, synergies, simplification' but the report does not provide sufficient analysis of administrative costs and the benefits to businesses and administrations respectively. Where the public administrations are the direct recipients of intended funding specific effects on businesses and consumers should be assessed. Beyond listing the challenges in implementing the unified scenario, the report should provide an analysis of the mitigation measures. The comparison of options should present a table of impacts on main categories of stakeholders.

<u>On governance and on coherence:</u> The report does not sufficiently describe the governance mechanisms.

The report should clarify the principles of governance of the programme, including how funding and allocation decisions will be taken and how the specificity of different actions will be addressed.

The report does not specify how this instrument links with other parts of the post-2027 MFF, like Competitiveness Fund, Global Europe instrument and National Envelopes where appropriate.

<u>On future monitoring and evaluation:</u> The report is not clear what monitoring and evaluation arrangements will be put in place to measure the achievement of the objectives and how the Performance and Monitoring framework would be implemented in the case of this Instrument .

After defining the objectives in S.M.A.R.T. terms the report should outline appropriate monitoring and evaluation arrangements which would allow to monitor the progress on achieving the objectives. The report should include a requirement for the data plan which would ensure that different types of data building on appropriate methods and modern tools for data collection, retrieval and analysis are available for the evaluation of effectiveness, efficiency and EU added value without increasing administrative burden. Analytical data from digital systems supporting Single Market should be fully utilised.

The report should be clear how specific indicators relevant to the objectives of the instrument will be identified and used in the performance monitoring.

Some more technical comments have been sent directly to the lead Service(s).

(C) Conclusion **The lead Service(s) should revise the report in accordance with the Board's recommendations before launching the interservice consultation.**	
Full title	MFF – EU funding for the single market and cooperation between national authorities
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