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#### NOTE

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From:	General Secretariat of the Council
To:	Permanent Representatives Committee
No. prev. doc.:	12775/20
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Subject:	Proposal for a REGULATION OF THE EUROPEAN PARLIAMENT AND OF THE COUNCIL establishing the Programme for single market, competitiveness of enterprises, including small and medium-sized enterprises, and European statistics and repealing Regulations (EU) No 99/2013, (EU) No 1287/2013, (EU) No 254/2014, (EU) No 258/2014, (EU) No 652/2014 and (EU) 2017/826 <i>- Analysis of the final compromise text with a view to agreement</i>

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#### I. INTRODUCTION

1. On 7 June 2018 the Commission submitted to the European Parliament and to the Council its proposal for a Regulation of the European Parliament and the Council establishing the programme for single market, competitiveness of enterprises, including small and medium-sized enterprises, and European statistics and repealing Regulations (EU) No 99/2013, (EU) No 1287/2013, (EU) No 254/2014, (EU) No 258/2014, (EU) No 652/2014 and (EU) 2017/826 ("the Regulation").

2. The objective of the programme is to strengthen the governance of the internal market and to enable consumers, businesses and public authorities to take full advantage of the market integration and opening, to support the competitiveness of enterprises, in particular small and medium-sized enterprises, and to establish a framework for European statistics. The programme is proposed to be established for the period of the next multiannual financial framework (MFF) 2021-2027. It brings together activities financed during the current MFF period under six predecessor programmes (European statistical programme; COSME; Consumer programme; Programme supporting specific activities in the field of financial reporting and auditing; Regulation relating to the food chain, animal health and animal welfare, plant health and plant reproductive material; Regulation supporting the involvement of consumers and other financial services end-users), and also includes some new initiatives.

## **II. WORK WITHIN THE COUNCIL AND WITH THE EUROPEAN PARLIAMENT**

3. After the examination of the proposal in the Working Party on Competitiveness and Growth (Industry) in the second half of 2018, the Competitiveness Council, at its meeting on 29 November 2018, adopted a partial general approach on the proposal<sup>1</sup>. The partial general approach did not include a number of elements, in particular provisions with budgetary implications or of horizontal nature, or provisions relating to pending discussions in other Council preparatory bodies on other legislative proposals. Such elements were marked in the text with square brackets. These elements were left outside of the scope of the negotiations at that stage, as more progress at horizontal level, including political guidance of the European Council on the MFF 2021-2027, was needed first for the Council to be able to establish its position on these parts.
4. In the European Parliament, the Committee report on the Commission's proposal was voted in the IMCO Committee on 22 January 2019 and confirmed in Plenary on 12 February 2019. At that time, the European Parliament adopted a position at first reading. The European Parliament passed the file on to the next legislature. On 8 October 2019 the IMCO Committee formally adopted the mandate to start inter-institutional negotiations on the proposal.

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<sup>1</sup> Doc. 14257/1/18 REV 1.

5. Trilogues took place on 23 October 2019 in Strasbourg and on 18 November 2019 in Brussels, with the aim of reaching a common understanding on the non-bracketed parts of the proposal. The Finnish Presidency participated in these trilogues with the partial general approach adopted in November 2018 as its mandate. On 3 December 2019, the European Parliament informed the Council about its decision to provisionally freeze negotiations at political level.
6. Negotiations resumed under the German Presidency, with eleven technical meetings of the Presidency, the European Parliament and the Commission taking place between August and November 2020, at which all parts of the proposal were discussed. A third trilogue took place on 28 October 2020 in Brussels.
7. On 18 November 2020, the Permanent Representatives Committee gave the Presidency a revised mandate<sup>2</sup> for the fourth trilogue held on 25 November 2020 in Brussels. The Committee was debriefed on 27 November 2020 on the results of the fourth trilogue.
8. On the basis of the same revised mandate, the Presidency was able to reach a provisional agreement with the European Parliament at the fifth trilogue held on 8 December 2020 in Brussels on the complete text of the Regulation and its Annexes.
9. The Presidency is of the opinion that with these final efforts a good compromise was found, in line with the flexibility granted in the revised mandate. The provisionally agreed text is set out in the Addendum 1 to this note.

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<sup>2</sup> Doc. 12775/20.

### III. ANALYSIS OF THE FINAL COMPROMISE TEXT WITH A VIEW TO AGREEMENT

10. On the key political issues, the compromise provisionally agreed with the European Parliament consists of the following elements:

- Agreement that the Regulation establishes the programme for the period from 1 January 2021 to 31 December 2027, and that the duration of the programme is aligned to the duration of the MFF (Article 1);
- The overall financial envelope for the implementation of the programme and the individual specific amounts per programme objective were set as proposed by the Commission; a maximum percentage of 5 % of the amount may be used for technical and administrative assistance (Article 4);
- Agreement was reached on the possibility for national plant health reference laboratories and national animal health reference laboratories to benefit as designated beneficiaries from grants awarded under the programme without a call for proposal, if the actions by those national laboratories that are supported by the programme clearly represent Union added value and if sufficient funding is available under the programme to support these actions (Article 10(1)(g)(i)), and on comparable conditions for their accreditation (Annex I, paragraph 1, point 6);
- It was agreed that the Commission is empowered to adopt delegated acts to amend the list of designated beneficiaries among entities representing consumer interest at Union level (Article 10(2));
- Agreement on the principles for the work of the evaluation committees and on the award criteria for evaluating proposed actions (Article 11);

- Agreement was reached, in the area of plants, animals, food and feed, on (i) a fixed co-financing rate of 50 %, that is increased to 75 % and 100 % under certain conditions, and on (ii) a provision setting out that the Commission can, when adopting implementing acts of the work programmes in accordance with Article 16(2) containing the co-financing rate applicable to the considered actions, set a lower co-financing rate where that is necessary on the grounds of budgetary availability, insufficient implementation of the programme or the emergency measure, or the phasing-out of the co-financing of actions against animal diseases or plant pests (Article 12(5));
- It was agreed that, as general rule, work programmes will be adopted by implementing acts (Article 16);
- As regards delegated acts, the duration of the considered delegations conferred on the Commission was set for a period of 7 years from the date of entry into force of the Regulation, with a possibility for tacit renewal for periods of an identical duration unless the European Parliament or the Council opposes such extension not later than three months before the end of each period (Article 20(3)); this is without prejudice to the repeal of the Regulation establishing the programme by its successor in the next MFF, as the delegation of power will disappear with such repeal;
- Agreement on the Regulation's entry into force on the day of its publication and its retroactive application from 1 January 2021 (Article 25).

#### IV. CONCLUSION

11. With a view to enabling an early second reading agreement between the Council and the European Parliament on this legislative proposal, the Permanent Representatives Committee is invited to analyse the final compromise text, as set out in the Addendum 1 to this note, and confirm the compromise agreement.

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