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Subject: Position of the Council at First Reading in view to the adoption of a REGULATION OF THE EUROPEAN PARLIAMENT AND OF THE COUNCIL establishing a 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 (Single Market Programme) and repealing Regulations (EU) No 99/2013, (EU) No 1287/2013, (EU) No 254/2014 and (EU) No 652/2014

REGULATION (EU) .../...
OF THE EUROPEAN PARLIAMENT AND OF THE COUNCIL

of ...

**establishing a 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 (Single Market Programme) and repealing Regulations
(EU) No 99/2013, (EU) No 1287/2013, (EU) No 254/2014 and (EU) No 652/2014**

(Text with EEA relevance)

THE EUROPEAN PARLIAMENT AND THE COUNCIL OF THE EUROPEAN UNION,

Having regard to the Treaty on the Functioning of the European Union, and in particular Article 43(2), Article 114, Article 168(4)(b) and Articles 173 and 338 thereof,

Having regard to the proposal from the European Commission,

After transmission of the draft legislative act to the national parliaments,

Having regard to the opinion of the European Economic and Social Committee¹,

Having regard to the opinion of the Committee of the Regions²,

Acting in accordance with the ordinary legislative procedure³,

¹ OJ C 62, 15.2.2019, p. 40.

² OJ C 86, 7.3.2019, p. 259.

³ Position of the European Parliament of 12 February 2019 (not yet published in the Official Journal) and position of the Council at first reading of ... (not yet published in the Official Journal). Position of the European Parliament of ... (not yet published in the Official Journal).

Whereas:

- (1) The internal market is a cornerstone of the Union. Since its inception, it has proved a major contributor to growth, competitiveness and employment and it should continue benefitting all citizens and businesses equally. It has generated new opportunities and economies of scale for Union businesses, notably micro, small and medium sized enterprises (SMEs), and has strengthened their industrial competitiveness. The internal market has contributed to the creation of jobs and has offered greater choice of high-quality products and services at lower prices for consumers. It continues to be an engine for building a more integrated market and a stronger, more balanced and fairer economy. It is one of the Union's major achievements and its best asset in an increasingly global world, as well as being a core element in achieving the green and digital transformation towards a sustainable economy, in response to the increasing pressures of climate change.
- (2) It is necessary for the internal market to adapt continuously to a rapidly changing environment of digital revolution and globalisation. The new era of digital innovation continues to provide opportunities for businesses and individuals, creates new products, services, processes and business models, and opportunities for the efficient production of high-quality statistics. It equally constitutes a challenge to regulation, enforcement, consumer protection and safety.

- (3) A substantial body of Union law underpins the functioning of the internal market. It concerns, in particular, competitiveness, standardisation, mutual recognition, conformity assessment, consumer protection and market surveillance. It also consists of rules on business, trade and financial transactions, on the plant, animal, food and feed area, on the production of European statistics and on the promotion of fair competition. That substantial body of Union law provides for the level playing field that is essential for the functioning of the internal market for the benefit of consumers and businesses.
- (4) Nevertheless, discriminatory, unjustified or disproportionate barriers to the proper functioning of the internal market remain and new obstacles emerge. Adopting rules is only a first step and making them work is as important. Current challenges connected with the enforcement of existing rules, barriers to free movement of goods and services, and low levels of cross-border public procurement limit the opportunities for businesses and consumers. Addressing such obstacles is ultimately a matter of citizens' trust in the Union, as well as in its capacity to deliver and its ability to create jobs and growth while protecting the public interest.

- (5) Previously, there have been separate programmes for Union action in the fields of competitiveness of enterprises, especially SMEs, consumer protection, customers and end-users in financial services, policy making in financial services and in the plant, animal, food and feed area. Some additional activities have been financed directly under the internal market budget lines. It is now necessary to streamline and exploit synergies between various actions and provide for a more flexible, transparent, simplified and agile framework to finance activities aiming to achieve a well-functioning sustainable internal market. Therefore, a new programme should be established bringing together activities financed previously under those other programmes and other relevant budget lines. That programme should also include new initiatives which aim to improve the functioning of the internal market, while avoiding duplication with related Union programmes and actions.

- (6) The development, production and dissemination of European statistics pursuant to Regulation (EC) No 223/2009 of the European Parliament and of the Council¹ have been subject to a separate European Statistical Programme established by Regulation (EU) No 99/2013 of the European Parliament and of the Council². In order to provide continuity of production and dissemination of European statistics, the new programme should also include activities covered by the previous European Statistical Programme by providing a framework for the development, production and dissemination of European statistics pursuant to Regulation (EC) No 223/2009. The new programme should establish the financial framework for European statistics to provide high-quality, comparable and reliable European statistics, in order to underpin the design, implementation, monitoring and evaluation of all Union policies. Professional independence is a necessary prerequisite for the development, production and dissemination of European statistics.

¹ Regulation (EC) No 223/2009 of the European Parliament and of the Council of 11 March 2009 on European statistics and repealing Regulation (EC, Euratom) No 1101/2008 of the European Parliament and of the Council on the transmission of data subject to statistical confidentiality to the Statistical Office of the European Communities, Council Regulation (EC) No 322/97 on Community Statistics, and Council Decision 89/382/EEC, Euratom establishing a Committee on the Statistical Programmes of the European Communities (OJ L 87, 31.3.2009, p. 164).

² Regulation (EU) No 99/2013 of the European Parliament and of the Council of 15 January 2013 on the European statistical programme 2013-17 (OJ L 39, 9.2.2013, p 12).

- (7) It is therefore appropriate to establish a programme for improving the functioning of the internal market, the competitiveness and sustainability of enterprises, especially SMEs, standardisation, market surveillance and consumer protection, for the area of plants, animals, food and feed, and for European statistics (Single Market Programme) (the ‘Programme’). The Programme should be established for a period of seven years to align its duration with that of the multiannual financial framework for the years 2021 to 2027 laid down in Council Regulation (EU, Euratom) 2020/2093¹.

¹ Council Regulation (EU, Euratom) 2020/2093 of 17 December 2020 laying down the multiannual financial framework for the years 2021 to 2027 (OJ L 4331 , 22.12.2020, p. 11).

- (8) The Programme should support the design, implementation and enforcement of Union legislation underpinning the proper functioning of the internal market. The Programme should support the creation of the right conditions to empower all actors of the internal market, including businesses, citizens, including consumers, and employees, representatives of civil society and public authorities. To that end, the Programme should aim to foster the competitiveness, capacity building and sustainability of enterprises, especially SMEs, including those operating in the tourism sector. The sustainability of enterprises is important to maintain their long-term competitiveness and contributes to the transition to a more economically, environmentally and socially sustainable Union, which should go hand in hand with digitalisation and engagement in sustainable business practices. The Programme should also support the enforcement of consumer protection and safety rules. It should also raise the awareness of businesses and individuals of their rights by providing them with the right tools, appropriate information and assistance, to make informed decisions and strengthen their participation in Union policy-making. Furthermore, the Programme should aim to enhance regulatory and administrative cooperation, notably through training programmes, the exchange of best practices and the building of knowledge and competence bases, including the use of strategic public procurement. The Programme should also aim to support the development of high-quality Union and international standards and rule-making, including through broad stakeholder involvement, which underpin the implementation of Union legislation.

This should cover the field of financial reporting and audit, thereby contributing to the transparency and good-functioning of the Union's capital markets and to the enhancement of investor protection. The objective of the Programme should also be to support the implementation and enforcement of Union legislation providing for a high level of health for humans, animals and plants, protection of the well-being of people and the welfare of animals, food and feed safety whilst respecting the principles of sustainable development and ensuring a high level of consumer protection. Furthermore, the Programme should support the production of high-quality European statistics in accordance with the statistical principles set out in Regulation (EC) No 223/2009 and further elaborated in the European Statistics Code of Practice.

- (9) A modern internal market that is based on principles of fairness, transparency and mutual trust promotes competition and benefits consumers, businesses and employees. Making better use of the ever evolving internal market in services should help Union businesses create jobs and grow across borders, offer a wider choice of services at better prices, and maintain high standards for consumers and workers. To achieve this, the Programme should contribute to the better monitoring of internal market developments, as well as to the identification and the removal of remaining discriminatory, unjustified or disproportionate barriers, and ensure that the regulatory framework can accommodate all forms of innovation, including new technological developments and processes, service innovation business models, collaborative and social economy models, social innovation and non-technological innovation.

(10) Regulatory obstacles in the internal market have been removed for many industrial products through prevention mechanisms, the adoption of common rules and, where no such Union rules exist, through the principle of mutual recognition. In areas where no Union legislation exists, the principle of mutual recognition applies, with the result that goods that are lawfully marketed in one Member State enjoy the right to free movement and can be sold in another Member State. Where the Member State concerned has grounds to oppose the marketing of the goods, it may impose a restriction, provided that such a restriction is non-discriminatory, justified by legitimate public interest objectives, as set out in Article 36 of the Treaty on the Functioning of the European Union (TFEU), or recognised by the case-law of the Court of Justice of the European Union as an overriding reason of public interest, and proportionate to the aim pursued. The inadequate application of the principle of mutual recognition, consisting, for example, in imposing unjustified or disproportionate restrictions, makes it harder for companies to access markets in other Member States. Despite the high degree of market integration in the area of goods, that situation leads to lost opportunities for the economy at large. The adoption of Regulation (EU) 2019/515 of the European Parliament and of the Council¹, is expected to boost the economic benefits in this area. The Programme should therefore aim to improve the application of the principle of mutual recognition in the area of goods, realising its full potential. It should also aim to reduce the number of illegal and non-compliant goods entering the market through targeted awareness raising and training, support for Product Contact Points referred to in Regulation (EU) 2019/515 and better cooperation among competent authorities for mutual recognition.

¹ Regulation (EU) 2019/515 of the European Parliament and of the Council of 19 March 2019 on the mutual recognition of goods lawfully marketed in another Member State and repealing Regulation (EC) No 764/2008 (OJ L 91, 29.3.2019, p. 1).

- (11) There are new regulatory and enforcement challenges relating to the rapidly changing environment of the digital revolution and concerning issues such as cybersecurity, data protection and privacy, internet of things or artificial intelligence and related ethical standards. Stringent rules on product safety and clarity with regard to liability are essential to ensure that Union citizens, including consumers, and businesses are able to benefit from appropriate protection in the event of damage. The Programme should therefore contribute to the rapid adaptation and better enforcement of a Union product liability regime which fosters innovation whilst ensuring the safety and security of users.
- (12) The placing on the market of products that are not compliant with Union law, including products imported from third countries, puts Union citizens, including consumers, as well as other end users, at risk. Economic operators selling compliant products by traditional or electronic means face distorted competition from those who do not comply with the rules due to lack of knowledge, intentionally in order to gain a competitive advantage or as a result of the fragmentation of market surveillance across the Union. Market surveillance authorities are often underfunded and constrained by national boundaries, while entrepreneurs trade at Union or even global level. In particular, in the case of e-commerce, market surveillance authorities have great difficulties in tracing non-compliant products imported from third countries in order to identify the responsible economic operators within their jurisdiction.

They also have great difficulties in conducting risk assessments and tests due to the lack of physical access to products. The Programme should therefore seek to strengthen compliance of products by raising awareness of applicable Union product safety rules, by intensifying compliance checks in line with Regulation (EU) 2019/1020 of the European Parliament and of the Council¹ and by promoting closer cross-border cooperation among enforcement authorities. The Programme should also contribute to the consolidation of the existing framework for market surveillance activities, encourage joint actions of market surveillance authorities from different Member States, improve the exchange of information and promote convergence and closer integration of market surveillance activities. The Programme should do this in particular by ensuring that the new requirements introduced by Regulation (EU) 2019/1020 are strictly enforced so as to prevent the sale of non-compliant products to consumers, as well as other end users. The Programme should therefore strengthen the capacity of market surveillance authorities across the Union, contribute to greater homogeneity in the enforcement of rules between Member States and enable Member States to benefit equally from the internal market in terms of economic growth and sustainability.

¹ Regulation (EU) 2019/1020 of the European Parliament and of the Council of 20 June 2019 on market surveillance and compliance of products and amending Directive 2004/42/EC and Regulations (EC) No 765/2008 and (EU) No 305/2011 (OJ L 169, 25.6.2019, p. 1).

- (13) While the Programme does not include objectives and actions supporting the protection of intellectual property rights, it should nevertheless be borne in mind that often counterfeit products do not comply with the requirements set out in the Union legislation on product safety and consumer protection, and present risks to the health and safety of consumers, particularly when such products are purchased online. The Programme should therefore increase synergies with other Union programmes in the field of the protection of intellectual property rights programmes, in particular the Customs Control Equipment Instrument, established under a Regulation of the European Parliament and of the Council establishing, as part of the Integrated Border Management Fund, the instrument for financial support for customs control equipment.

- (14) To facilitate the compliance of categories of harmonised products with higher inherent risk, the Union has put in place a system of accreditation for conformity assessment bodies, verifying their competence, impartiality and independence. It is essential that the conformity assessment bodies are reliable and competent, since they verify whether products meet the safety requirements before they are placed on the market. The main challenge now is to ensure that the accreditation system continues to represent the state of the art and that it is applied with the same stringency across the Union. The Programme should therefore support measures to ensure that conformity assessment bodies continue to fulfill their regulatory requirements, such as impartiality and independence, especially through the use of accreditation. Likewise, the Programme should also support measures to enhance the European accreditation system, in particular in new policy areas, by supporting the European cooperation for accreditation referred to in Regulation (EC) No 765/2008 of the European Parliament and of the Council¹.
- (15) Since, with the development of online trade and travel services, consumer markets recognise no borders, it is important to ensure that consumers residing in the Union can benefit from the same high level of protection when goods and services are imported from economic operators based in third countries, including when they are sold online. It should therefore be possible for the Programme, where necessary, to support cooperation with relevant bodies located in third countries, for example, with regard to the exchange of information on non-compliant products.

¹ Regulation (EC) No 765/2008 of the European Parliament and of the Council of 9 July 2008 setting out the requirements for accreditation and market surveillance relating to the marketing of products and repealing Regulation (EEC) No 339/93 (OJ L 218, 13.8.2008, p. 30).

- (16) Public procurement is used by public authorities to ensure good value for the public money spent and to contribute to a more innovative, sustainable, inclusive and competitive internal market. This includes the application of evaluation criteria that not only identify the most economic advantageous offer, but also the most advantageous offer in terms of the greatest public value delivered when awarding tenders according to the ‘best price-quality ratio’. Where this is in accordance with applicable Union law, environmental, fair trade and social aspects should be taken into account and a division of tenders into lots should be promoted for large infrastructure projects. Directives 2014/23/EU¹, 2014/24/EU² and 2014/25/EU of the European Parliament and of the Council³ provide the legal framework for the integration and effective functioning of the public procurement markets representing 14 % of the Union’s gross domestic product, for the benefit of public authorities, businesses and citizens, including consumers. Properly implemented public procurement rules are a crucial tool for strengthening the internal market and for boosting the growth of Union companies and Union jobs. The Programme should therefore support measures to ensure a wider uptake of strategic public procurement, the professionalisation of public buyers, the facilitation and improvement of access to procurement markets for SMEs, in particular through advisory services and training, an increase in transparency, integrity and better data, the boosting of the digital transformation of procurement and the promotion of joint procurement, through strengthening a partnership approach with the Member States, the improvement of data gathering and data analysis, including through the development of dedicated IT tools, as well as to ensure support for the exchange of experiences and good practices, the referencing of European and international standards, the provision of guidance, the pursuit of beneficial trade agreements, the strengthening of cooperation among national authorities and the launching of pilot projects.

¹ Directive 2014/23/EU of the European Parliament and of the Council of 26 February 2014 on the award of concession contracts (OJ L 94, 28.3.2014, p. 1).

² Directive 2014/24/EU of the European Parliament and of the Council of 26 February 2014 on public procurement and repealing Directive 2004/18/EC (OJ L 94, 28.3.2014, p. 65).

³ Directive 2014/25/EU of the European Parliament and of the Council of 26 February 2014 on procurement by entities operating in the water, energy, transport and postal services sectors and repealing Directive 2004/17/EC (OJ L 94, 28.3.2014, p. 243).

(17) In order to meet the objectives of the Programme and to facilitate the lives of citizens and businesses, increasingly-digitalised and fully-accessible, high-quality, user-centric public services need to be put in place. E-administration and e-government efforts also need to be boosted, while ensuring appropriate data protection and privacy. That implies that public administrations will need to engage in the co-creation of those public services with citizens and businesses. Moreover, the continuous and steady increase of cross-border activities in the internal market requires up-to-date, accurate and easy to understand information on the rights of businesses and citizens to be available. This means that simplified information explaining the administrative formalities should be displayed. In addition, providing legal advice and helping to solve problems which occur at a cross-national level is essential. Furthermore, public authorities should be supported in their efforts to achieve those objectives, for example by connecting national administrations in a simple and efficient manner, as well as by providing information and facilitating an exchange of information explaining how the internal market works on the ground. The existing internal market governance tools already play an important role in that respect and their quality, visibility, transparency and reliability should be further enhanced. The Programme should therefore support the following, existing, internal market governance tools: the Your Europe Portal which should become a backbone of the upcoming Single Digital Gateway, the Your Europe Advice, SOLVIT, the Internal Market Information System and the Single Market Scoreboard.

- (18) The Programme should support the development of the Union regulatory framework in the areas of company law and corporate governance, and contract law, with a view to making businesses, especially SMEs, more efficient and competitive, while providing protection for stakeholders affected by company operations, and with a view to reacting to emerging policy challenges. It should also ensure the appropriate evaluation, implementation and enforcement of the relevant *acquis*, inform and assist stakeholders and promote information exchange in the area. The Programme should further support the Commission's initiatives in support of a clear and well-adapted legal framework for the data economy and innovation. Those initiatives are necessary to enhance legal certainty with regard to contractual and extra contractual obligations, in particular with regard to liability, security, ethics and privacy in the context of emerging technologies, such as the internet of things, artificial intelligence, robotics and 3D printing. The Programme should aim to stimulate the development of data-driven business, as such business will be decisive for the performance of the Union economy in global competition.
- (19) The Programme should also promote the correct and full implementation and application by the Member States of the Union legal framework for anti-money laundering and countering terrorism financing and the development of future policies to address new challenges in those fields. It should also support relevant activities of international organisations of European interest, such as the Committee of Experts on the Evaluation of Anti-Money Laundering Measures and the Financing of Terrorism of the Council of Europe.

- (20) The objective of implementing and developing the internal market in the area of financial services, financial stability and the Capital Markets Union, including sustainable finance, is highly dependant on the evidence based policy measures taken by the Union. The Commission should play an active role in achieving that objective, by constantly monitoring financial markets and financial stability, assessing the implementation of Union legislation by Member States, evaluating whether the existing legislation is fit for purpose and, when new risks emerge, identifying potential areas of action, all with the continuous involvement of stakeholders, throughout the policy cycle. Such activities rely on the production of analyses, studies, training materials, surveys, conformity assessments, evaluations and high-quality statistics and are supported by IT systems and communication tools.
- (21) The TFEU includes a system of rules ensuring that competition is not distorted in the internal market. The Programme should contribute to the Union’s competition policy, including by improving and reinforcing the cooperation with networks, and with national authorities and courts, and by strengthening international cooperation, as well as by ensuring an outreach to a wider group of stakeholders in communicating and explaining the rights, benefits and obligations of the Union’s competition policy. The Programme should also help to enhance the analysis and assessment of market developments, including through the use of sector inquiries and other market investigation tools, as well as by systematic sharing of information and best practices within the European Competition Network. This should contribute to fair competition and a level playing field, including at global level, and empower businesses, especially SMEs, and consumers to reap the benefits of the internal market.

(22) The Programme needs, in particular, to tackle the radical implications for competition and the functioning of the internal market resulting from the ongoing green and digital transition of the economy and business environment, in particular through the exponential growth in the amount and use of data, taking account of the increasing recourse to artificial intelligence, big data algorithms and other IT tools and expertise by companies. It is also essential that the Programme supports networks and fosters a wider and deeper cooperation with Member States and their authorities and courts, since undistorted competition and the functioning of the internal market depend critically on action by those entities. In view of the particular role of competition policy in preventing harm to the internal market resulting from anti-competitive conduct beyond the Union's border, the Programme should also support cooperation with third country authorities, as appropriate. Finally, widening outreach activities is necessary in order to allow more citizens and businesses to reap the full benefits of fair competition in the internal market. This should support efforts to better demonstrate the benefits of the Union's competition policy to Union citizens, including through engagement with representatives of civil society groups and relevant stakeholders. Flexibility is expected to be needed in the implementation of the competition part of the Programme to respond to evolving needs that are affected by dynamic and rapid developments in the conditions of competition in the internal market the pace and magnitude of which are difficult to estimate. Those developments relate in particular to digitalisation, artificial intelligence, algorithms, big data, cybersecurity and forensic technology.

- (23) Strengthening the competitiveness and sustainability of Union enterprises while ensuring an effective level playing field and an open and competitive internal market is of the utmost importance. SMEs are the engine of the Union economy. They make up 99,8 % of all businesses in the Union, provide two thirds of jobs, and contribute substantially to the creation of new quality jobs in all sectors with a regional and local dimension, and hence to the creation of social cohesion. SMEs are instrumental in the modernisation of industry and in the green and digital transformation of the economy, including the achievement of climate neutrality. The Programme should therefore support their efforts to increase resource-efficiency and to develop environmentally friendly high-quality products and services. In doing so, the Programme should also contribute to improve SMEs competitiveness on the global market.

- (24) SMEs share common challenges that do not affect larger firms to the same extent. Those common challenges include obtaining finance, recruiting a skilled work force, alleviating their administrative burden, taking up creativity and innovation, inter alia through public procurement, and accessing global markets and value chains in order to develop their internationalisation activities. The Programme should address such market failures proportionally, while not unduly distorting competition in the internal market. The Programme should also take account of the particular needs of specific types of SMEs, such as micro enterprises, SMEs engaged in services and SMEs engaged in craft activities, as well as SMEs consisting of the self-employed, members of the liberal professions and social economy enterprises. Social economy enterprises in the Union include different types of enterprises and entities falling within the social economy, such as cooperatives, mutual societies, non-profit associations, foundations, social enterprises and other forms of enterprises. Since their primary focus is on creating shared value and social impact for people rather than on realising profits, they are able to act as an engine of social innovation, transparent governance and solidarity, by reinvesting the majority of their profits or surpluses in their objectives. Attention should also be paid to the particular needs of potential new entrepreneurs, such as young and female entrepreneurs, older people and persons with disabilities.

- (25) The Programme should take into account SMEs, as defined in Commission Recommendation 2003/361/EC¹. When applying this Regulation in respect of SMEs, the Commission should consult all relevant stakeholders, including the public and private organisations representing SMEs and the Trade Promotion Organisations of the Member States.
- (26) The programme should support and promote a culture of innovation, developing industrial ecosystems capable of encouraging business start-ups and SME growth, focusing on all SMEs able to meet the challenges of the green and digital transition and of an increasingly competitive and fast-moving environment. The Programme should seek to support the innovation uptake process by promoting new collaborative business models, networking and the sharing of knowledge and resources, including across European partnerships of clusters and business network organisations.
- (27) When establishing work programmes for providing support to SMEs, the strategic provisions of the SME strategy and the Small Business Act as well as the context in which SMEs operate, as described in the SME performance review, should be taken into account. Attention should also be paid to the SME Envoy Network.

¹ Commission Recommendation 2003/361/EC of 6 May 2003 concerning the definition of micro, small and medium-sized enterprises (OJ L 124, 20.5.2003, p. 36).

- (28) Many of the Union's competitiveness problems involve SMEs' difficulties in obtaining access to finance. Those difficulties arise because SMEs struggle to demonstrate their credit-worthiness and have insufficient assets as security for lenders (i.e. collateral/guarantees), or because they lack awareness of the mechanisms to support their activities that already exist at Union, national or local level. Additional financing challenges arise from SMEs' need to stay competitive by engaging inter alia in innovation uptake activities, digitalisation and internationalisation, as well as in the up- and re-skilling of their workforce. Limited access to finance has a negative effect on businesses creation, growth and survival rates, as well as on the readiness of new entrepreneurs to take over viable companies in the context of a business succession.
- (29) The lack of skills is a major obstacle to the growth of enterprise in the Union. To foster entrepreneurship in the Union and support the growth of SMEs and their digital and green transition, the Programme should promote and facilitate access to skills and mentoring schemes for SMEs, and in particular the development of technological, entrepreneurial and managerial skills. In doing so, the Commission should coordinate with initiatives undertaken in other Union, national and regional programmes to increase synergies and avoid duplication.

- (30) To overcome the market failures and to ensure that SMEs, including start-ups and scale-ups, continue to play their role as the foundation of the competitiveness of the Union's economy, SMEs need extra support in the form of debt and equity instruments established under the SME policy window of the InvestEU Fund established by Regulation (EU) 2021/... of the European Parliament and of the Council¹⁺. Its loan guarantee facility, first put in place under Regulation (EU) No 1287/2013 of the European Parliament and of the Council², is of proven added value and is expected to make a positive contribution to at least 500 000 SMEs. More attention could be paid to increasing awareness, on the part of potential beneficiaries, of the availability of the InvestEU Programme for SMEs.
- (31) Actions under the Programme should seek to achieve its policy objectives not only through grants, but also through facilitating access to financial instruments and budgetary guarantees established under the SME policy window of the InvestEU Fund and should enhance synergies with other Union programmes. All actions should have clear Union added value.

¹ Regulation (EU) 2021/... of the European Parliament and of the Council of ... establishing the InvestEU Programme and amending Regulation (EU) 2015/1017 (OJ L ...).

⁺ OJ: Please insert in the text the number of the Regulation contained in document PE-CONS 74/20 (2020/0108 (COD)) and insert the number, date and OJ reference of that Regulation in the footnote.

² Regulation (EU) No 1287/2013 of the European Parliament and of the Council of 11 December 2013 establishing a Programme for the Competitiveness of Enterprises and small and medium-sized enterprises (COSME) (2014 - 2020) and repealing Decision No 1639/2006/EC (OJ L 347 of 20.12.2013, p. 33).

(32) The Programme should provide effective support for SMEs throughout their life-cycle, providing assistance ranging from helping SMEs to find partners for joint projects to commercialisation and access to the market, capacity-building and encouraging the cooperation along clusters and business network organisations. It should also support the green and digital transition of SMEs and build on the unique knowledge and expertise developed with regard to SMEs, as well as on long experience working with Union, national and regional stakeholders. That support should build on the experience of the Enterprise Europe Network (EEN) as a ‘one-stop shop’ to improve the competitiveness of SMEs and to develop their business in the internal market and beyond. The EEN continues to deliver services on behalf of other Union programmes, notably Horizon Europe established by Regulation (EU) 2021/... of the European Parliament and of the Council¹⁺, using the financial resources of those programmes. The EEN should also facilitate enhanced participation of SMEs in the development of internal market policy initiatives, such as public procurement and standardisation processes. The EEN should improve cooperation with European Digital Innovation Hubs under the Digital Europe Programme established by Regulation (EU) 2021/... of the European Parliament and of the Council²⁺⁺ and the InvestEU Advisory Hub. In addition, the successful mentoring scheme - Erasmus for Young Entrepreneurs - should remain the tool to enable new or aspiring entrepreneurs to gain business and managerial experience by being matched with and by learning from an experienced entrepreneur from another country, thereby strengthening their entrepreneurial talents. The Programme should extend its geographical coverage and offer a wider range of matching possibilities to entrepreneurs in complementarity with other Union initiatives where relevant.

¹ Regulation (EU) 2021/... of the European Parliament and of the Council of ... establishing Horizon Europe – the Framework Programme for Research and Innovation, laying down its rules for participation and dissemination, and repealing Regulations (EU) No 1290/2013 and (EU) No 1291/2013 (OJ L ...).

⁺ OJ: Please insert in the text the number of the Regulation contained in document ST 7064/20 (2018/0224 (COD)) and insert the number, date and OJ reference of that Regulation in the footnote.

² Regulation (EU) 2021/... of the European Parliament and of the Council of ... establishing the Digital Europe Programme and repealing Decision (EU) 2015/2240 (OJ L ...).

⁺⁺ OJ: Please insert in the text the number of the Regulation contained in document ST 6789/20 (2018/0227 (COD)) and insert the number, date and OJ reference of that Regulation in the footnote.

- (33) Additional efforts should be made to reduce the administrative burden and to make the initiatives of the Programme more accessible by reducing the costs to SMEs of complicated application processes and participation requirements. In that context, the EEN should be the main information point for SMEs interested in accessing Union funds, functioning as a ‘one-stop shop’, and providing them with tailored guidance. It is important to build on the experiences of the existing measures supporting SMEs, whilst remaining open to adapting them in the light of the changing conditions for SMEs in the internal market, especially those regarding digitalisation and the regulatory burden.

(34) Since clusters offer favourable and resilient business environments, they are a strategic tool for supporting the competitiveness and scaling-up of SMEs. They can facilitate the green and digital transition of industry, including services, and strengthen the economic development of regions through the creation of growth and jobs. It is important that Joint Cluster Initiatives achieve critical mass since this will accelerate the growth of SMEs. By connecting specialised industrial eco-systems, clusters create new business opportunities for SMEs and integrate them better in Union and global strategic value chains. Support should be provided for the development of transnational and interregional partnership strategies and the implementation of joint activities, supported by the European Cluster Collaboration Platform and its European Resource-Efficiency Knowledge Centre. Support should also include helping SMEs to team up with SMEs from third countries. Sustainable partnering should be encouraged by providing continuation funding if performance and participation milestones are reached. Direct support to SMEs should be channelled through cluster organisations for the following: promoting the uptake of advanced technologies, new business models, low-carbon and resource-efficient solutions, creativity and design, the upgrading of skills, the attraction of talent, the acceleration of entrepreneurship, and internationalisation. Other specialised SME support actors should be associated with that direct support to SMEs in order to facilitate industrial transformation and the implementation of smart specialisation strategies. The Programme should therefore contribute to and build links with the Union's innovation hubs, in particular its digital innovation hubs, and investments made under Cohesion Policy and Horizon Europe. Synergies with the Erasmus+ programme established by Regulation (EU) 2021/... of the European Parliament and of the Council¹⁺ could also be explored.

¹ Regulation (EU) 2021/... of the European Parliament and of the Council of ... establishing Erasmus+: the Union Programme for education and training, youth and sport and repealing Regulation (EU) No 1288/2013 (OJ L ...).

⁺ OJ: Please insert in the text the number of the Regulation contained in document ST 14148/20 (2018/0191 (COD)) and insert the number, date and OJ reference of that Regulation in the footnote.

- (35) The Programme should help to strengthen the relationship between businesses, especially SMEs, and universities, research centres and other institutions involved in knowledge creation and dissemination. This relationship could help improve the ability of businesses to tackle the strategic challenges posed by the new international context.
- (36) SMEs, owing to their smaller size, face specific obstacles to growth. It is particularly difficult for them to grow and scale up some of their business activities. Based on the success of, and the lessons learned, and experiences from the SME Instrument and the Union cluster projects for new industrial value chains under Horizon 2020, established by Regulation (EU) No 1291/2013 of the European Parliament and of the Council¹, the Programme should provide support for scaling-up activities by SMEs at all crucial stages in their development, including support for internationalisation, the uptake of innovation and commercialisation activities. That support would complement support from the European Innovation Council under Horizon Europe, which will mainly focus on breakthrough and disruptive innovation, and therefore on innovative SMEs, targeting especially market-creating innovation, while also supporting all types of innovation, including incremental innovation.

¹ Regulation (EU) No 1291/2013 of the European Parliament and of the Council of 11 December 2013 establishing Horizon 2020 - the Framework Programme for Research and Innovation (2014-2020) and repealing Decision No 1982/2006/EC (OJ L 347, 20.12.2013, p. 104)

- (37) Creativity and all forms of innovation, including innovation in pursuit of enhanced resource and energy efficiency, are crucial for the competitiveness of the Union's industrial value chains. They represent catalysts for the modernisation of the business and industry sectors and contribute to smart, inclusive sustainable growth. However, uptake by SMEs is still lagging behind. The Programme should therefore support targeted actions, networks and partnerships for creativity-driven innovation to enable SMEs to master the green and digital transition throughout the industrial value chains and ecosystems.
- (38) European standards play an important role in the internal market. They are of vital interest for the competitiveness of undertakings and especially SMEs. European standards are also a crucial tool for supporting Union legislation and policies in a number of key areas that aim to foster the green and digital transition, such as energy, climate change and environmental protection, information and communication technology, sustainable use and recycling of resources, innovation, product safety, consumer protection, worker's safety and working conditions and ageing population, thereby positively contributing to the society as a whole. In order to maximise their contribution, experience has shown that the speed and timeliness of the elaboration of standards need to be improved and more effort needs to be made to better involve all relevant stakeholders, including those representing consumers.

- (39) European standardisation activities are governed by Regulation (EU) No 1025/2012 of the European Parliament and of the Council¹ and implemented through a long-standing public-private-partnership that is fundamental to achieving the objectives set in that Regulation, as well as those contained in general and sectorial Union standardisation policies.
- (40) A well-functioning common financial and non-financial reporting framework is essential for the internal market, for the effective functioning of the financial markets and for the realisation of the integrated market for financial services in the context of the Banking Union and the Capital Markets Union.

¹ Regulation (EU) No 1025/2012 of the European Parliament and of the Council of 25 October 2012 on European standardisation, amending Council Directives 89/686/EEC and 93/15/EEC and Directives 94/9/EC, 94/25/EC, 95/16/EC, 97/23/EC, 98/34/EC, 2004/22/EC, 2007/23/EC, 2009/23/EC and 2009/105/EC of the European Parliament and of the Council and repealing Council Decision 87/95/EEC and Decision No 1673/2006/EC of the European Parliament and of the Council (OJ L 316, 14.11.2012, p. 12).

(41) In accordance with Regulation (EC) No 1606/2002 of the European Parliament and of the Council¹, International Financial Reporting Standards (IFRS) adopted by the International Accounting Standards Board and related interpretations from the IFRS Interpretations Committee are to be incorporated into Union law in order to be applied by companies with securities listed on a regulated market in the Union only if IFRS meet the requirements set out in that Regulation, including the requirement that accounts give a ‘true and fair view’ as provided for in Directive 2013/34/EU of the European Parliament and of the Council² and that they are conducive to the European public good. Such international accounting standards need to be developed in a transparent and democratically accountable way. IFRS therefore play a major role in the functioning of the internal market and the Union therefore has a direct interest in ensuring that the process by which IFRS are developed and approved results in standards that are consistent with the requirements of the legal framework of the internal market. It is therefore important to establish in the Programme appropriate funding arrangements for the IFRS Foundation.

¹ Regulation (EC) No 1606/2002 of the European Parliament and of the Council of 19 July 2002 on the application of international accounting standards (OJ L 243, 11.9.2002, p. 1).

² Directive 2013/34/EU of the European Parliament and of the Council of 26 June 2013 on the annual financial statements, consolidated financial statements and related reports of certain types of undertakings, amending Directive 2006/43/EC of the European Parliament and of the Council and repealing Council Directives 78/660/EEC and 83/349/EEC (OJ L 182, 29.6.2013, p. 19).

(42) Taking into account the European Financial Reporting Advisory Group’s (EFRAG) role in assessing whether IFRS comply with the requirement of Union law and policy, as laid down in Regulation (EC) No 1606/2002, it is also necessary for the Union to ensure that the funding of EFRAG is stable and therefore to contribute to that funding via the Programme. The technical work of EFRAG should focus on providing the Commission with technical advice on the endorsement of IFRS as well as on the appropriate level of Union participation in the process of developing those IFRS, and should ensure that the interests of the Union are adequately taken into account in the international standard-setting process. Those interests should include the notion of ‘prudence’, the maintenance of the requirement of a ‘true and fair view’, as laid down in Directive 2013/34/EU, and of the European public good, as laid down in Regulation (EC) No 1606/2002, taking into account the impact of IFRS on financial stability and the economy. The European Corporate Reporting Lab has been established as part of EFRAG, to promote innovation and the development of best practices in corporate reporting. It provides a forum in which companies and investors can share best practices, notably in the field of non-financial and sustainability reporting. Building on this work, EFRAG should also contribute to the development of non-financial reporting standards.

- (43) In the field of statutory audit, the Public Interest Oversight Board (PIOB) was created in 2005 by the Monitoring Group, an international organisation responsible for monitoring the governance reform of the International Federation of Accountants (IFAC). The role of the PIOB is to oversee the process leading to the adoption of International Standards on Auditing (ISAs) and other public interest activities of the IFAC. It is possible for ISAs to be adopted for application in the Union provided, in particular, that they have been developed in accordance with due process, public oversight and transparency, as required under Article 26 of Directive 2006/43/EC of the European Parliament and of the Council¹. Considering the introduction of ISAs in the Union and the key role of the PIOB in ensuring that they fulfil the requirements laid down in Directive 2006/43/EC, it is therefore important to establish in the Programme appropriate funding arrangements for the PIOB.
- (44) The Union contributes to ensuring a high level of consumer protection, empowering consumers and putting them at the heart of the internal market by supporting and complementing Member States' policies in seeking to ensure that citizens when acting as consumers can fully reap the benefits of the internal market and that, in so doing, their safety and legal and economic interests are properly protected by means of concrete actions. It is also necessary for the Union to ensure that consumer and product safety laws are properly and equally enforced on the ground and that businesses enjoy a level playing field and therefore that competition in the internal market is fair. Moreover, it is necessary to empower, encourage and assist consumers to make sustainable and informed choices, thus contributing to a sustainable, energy and resource efficient and circular economy.

¹ Directive 2006/43/EC of the European Parliament and of the Council of 17 May 2006 on statutory audits of annual accounts and consolidated accounts, amending Council Directives 78/660/EEC and 83/349/EEC and repealing Council Directive 84/253/EEC (OJ L 157, 9.6.2006, p. 87).

(45) The Programme should aim to raise awareness, on the part of consumers, businesses, representatives of civil society and authorities, of Union consumer and safety laws. It should also empower consumers and their representative organisations at national level and at Union level. It should do this in particular by supporting the European consumer organisation BEUC (Bureau Européen des Unions de Consommateurs), which is a long-established and well-recognised non-governmental organisation representing the interests of consumers in relation to all relevant Union policies, which has enabled that organisation to build enhanced synergies to strengthen consumer advocacy. It also should do that in particular by supporting the European Association for the Co-ordination of Consumer Representation in Standardisation (ANEC), which represents consumers interest in relation to standardisation issues. In doing so, particular attention should be paid to new market needs regarding the promotion of sustainable consumption by targeting in particular actions combatting those planned obsolescence practices that are misleading and other misleading practices such as false environmental claims, by informing consumers better about product durability and reparability. Particular attention should also be paid to preventing the vulnerabilities and to meeting the challenges created by the digitalisation of the economy, in relation to, for example, connected products, the internet of things, artificial intelligence and the use of algorithms, and the development of new consumption patterns and business models. The Programme should support actions for the development of relevant information on markets, including the publication of the Union consumer scoreboards.

- (46) The Programme should support national competent authorities, including those responsible for monitoring product safety, which cooperate notably via the Union's rapid alert system for dangerous products. It should also support the enforcement of Directive 2001/95/EC of the European Parliament and of the Council¹ and Regulation (EC) No 765/2008 regarding consumer protection and product safety, and the Consumer Protection Cooperation Network and international cooperation between the relevant authorities in third countries and in the Union. The Programme should also aim to ensure access for all consumers and traders to quality out-of-court dispute resolution, online dispute resolution and information on the process for participating in actions seeking redress.

¹ Directive 2001/95/EC of the European Parliament and of the Council of 3 December 2001 on general product safety (OJ L 11, 15.1.2002, p. 4).

(47) The Programme should also support the European Consumer Centres Network, which assists consumers to obtain the benefit of their Union consumer rights when they purchase goods and services cross border in the internal market and European Economic Area, either on-line or when travelling. The network, which is 29 centres strong and which has been jointly funded by the Union consumer programmes for more than 15 years, has proven its added value in relation to strengthening consumers' and traders' trust in the internal market. It deals with more than 120 000 consumers' requests per year and reaches millions of citizens via its press and online information activities. It is one of the most valued citizens' assistance networks in the Union and most of its centres host contact points offering advice on aspects of internal market law, such as the Directive 2006/123/EC of the European Parliament and of the Council¹. Evaluations have stressed the importance of the centres continuing their operations. The European Consumer Centres Network can also be an important source of information about challenges and problems that consumers encounter at local level, which are relevant for Union policy-making and for the protection of consumers interests. There are also plans for the network to develop reciprocity arrangements with similar bodies in third countries.

¹ Directive 2006/123/EC of the European Parliament and of the Council of 12 December 2006 on services in the internal market (OJ L 376, 27.12.2006, p. 36).

(48) Directives 98/6/EC¹, 2005/29/EC², 2011/83/EU³, (EU) 2019/2161⁴ and (EU) 2020/1828⁵ of the European Parliament and of the Council have been adopted to ensure, inter alia, the equal treatment of consumers across the internal market in relation to cross-border issues, such as sales of non-compliant products in the motor vehicles sector, dual quality standards for products, or the problems experienced by passengers in the event of flight cancellations or long flight delays. They also aim to strengthen the enforcement capacities of Member States, enhance product safety and increase international cooperation and new possibilities for redress notably through representative actions by qualified entities. In May 2017, the Commission carried out a fitness check of Union consumer and marketing law, which exposed the need to better enforce rules and facilitate redress when consumers have been harmed by breaches to consumer laws. In view of that fitness check, supporting the full implementation of those Directives and actions and promoting their cross border enforcement should therefore be a priority.

¹ Directive 98/6/EC of the European Parliament and of the Council of 16 February 1998 on consumer protection in the indication of the prices of products offered to consumers (OJ L 80, 18.3.1998, p. 27).

² Directive 2005/29/EC of the European Parliament and of the Council of 11 May 2005 concerning unfair business-to-consumer commercial practices in the internal market and amending Council Directive 84/450/EEC, Directives 97/7/EC, 98/27/EC and 2002/65/EC of the European Parliament and of the Council and Regulation (EC) No 2006/2004 of the European Parliament and of the Council ('Unfair Commercial Practices Directive') (OJ L 149, 11.6.2005, p. 22).

³ Directive 2011/83/EU of the European Parliament and of the Council of 25 October 2011 on consumer rights, amending Council Directive 93/13/EEC and Directive 1999/44/EC of the European Parliament and of the Council and repealing Council Directive 85/577/EEC and Directive 97/7/EC of the European Parliament and of the Council (OJ L 304, 22.11.2011, p. 64).

⁴ Directive (EU) 2019/2161 of the European Parliament and of the Council of 27 November 2019 amending Council Directive 93/13/EEC and Directives 98/6/EC, 2005/29/EC and 2011/83/EU of the European Parliament and of the Council as regards the better enforcement and modernisation of Union consumer protection rules (OJ L 328, 18.12.2019, p. 7).

⁵ Directive (EU) 2020/1828 of the European Parliament and of the Council of 25 November 2020 on representative actions for the protection of the collective interests of consumers and repealing Directive 2009/22/EC (OJ L 409, 4.12.2020, p. 1).

- (49) Citizens are particularly affected by the functioning of financial markets and should, therefore, be further informed about relevant rights, risks and benefits. Financial markets are a key component of the internal market and require a solid framework for regulation and supervision that ensures not only financial stability and a sustainable economy, but also provides a high level of protection to consumers and other financial services end users, including retail investors, savers, insurance policyholders, pension fund members and beneficiaries, individual shareholders, borrowers and SMEs. The Programme should contribute to enhancing the capacity of consumers and other financial services end users to participate in policy making, including through the production and dissemination of clear, complete and user-friendly information about products provided in the financial markets.

- (50) The Programme should therefore continue to support the specific activities covered by the 2017-2020 Capacity-Building Programme enhancing the involvement of consumers and other financial services end-users in Union policy-making, as set out in Regulation (EU) 2017/826 of the European Parliament and of the Council¹, which continued the pilot project and preparatory action of the years 2012-2017. This is necessary in order to ensure that policy-makers are aware of the views of stakeholders other than financial sector professionals and to ensure a better representation of the interests of consumers and other financial services end-users. The Programme should continuously develop its methodology and best practices on how to increase the engagement of consumers and financial services end-users in order to identify issues relevant for Union policy-making and ensure that the interests of consumers in the area of financial services are protected. This should improve financial services policies, especially those that aim to foster better public understanding of the issues at stake in financial regulation and enhanced financial literacy.

¹ Regulation (EU) 2017/826 of the European Parliament and of the Council of 17 May 2017 on establishing a Union programme to support specific activities enhancing the involvement of consumers and other financial services end-users in Union policy-making in the area of financial services for the period 2017-2020 (OJ L 129, 19.5.2017, p.17).

- (51) In the context of the pilot project and preparatory action of the years 2012-2017, the Commission awarded grants to two organisations following an annual open call for proposals. The two organisations are Finance Watch, set up with Union grants in 2011 as an international non-profit association under Belgian law, and Better Finance, which is the outcome of successive re-organisations and rebrandings of pre-existing European federations of investors and shareholders since 2009. The Capacity-Building Programme established under Regulation (EU) 2017/826, identifies those same two organisations as sole beneficiaries. It is therefore necessary to continue to co-finance those organisations in the context of the Programme. However, this financing should be subject to a thorough evaluation of the effectiveness and impact achieved towards fulfilling the objectives pursued. In this respect, if other potential beneficiaries emerge that have among their primary objectives and activities representing the interests of consumers and end-users at Union level, and that have, through their membership, a broad geographical coverage and range of interests, a call for applicants proposals should be open to them.
- (52) A high level of health protection in the area of plants, animals, food and feed is necessary to protect consumers as well as to allow the internal market to operate efficiently. A safe and sustainable food supply chain is a prerequisite for society and the internal market to function. Preventing cross-border health crises and food scares is of the utmost importance, since they disrupt the functioning of the internal market by limiting the movements of persons and goods and disrupting production and consumption. Therefore, the Programme should support concrete actions, such as establishing emergency measures in the event of crisis situations affecting animal and plant health.

- (53) The general objective of Union law in the area of plants, animals, food and feed is to safeguard a high level of health for humans, animals and plants along the food chain, to support the improvement of the welfare of animals, to contribute to a high level of protection and information for consumers and a high level of protection of the environment, including for the preservation of biodiversity and taking into account situations caused by potential climate change impacts in the Member States, while improving the sustainability of food and feed production and contributing to food security and affordable prices, cutting food waste, increasing the quality standards of products across the Union, and enhancing the competitiveness of the Union food and feed industry and the creation of jobs, including by stimulating research and innovation.

(54) In view of the specific nature of the actions concerning a high level of health for humans, animals and plants, special eligibility criteria concerning provision of grants and use of public procurement need to be laid down in this Regulation. In particular, by way of exception to the principle of non-retroactivity in Regulation (EU, Euratom) 2018/1046 of the European Parliament and of the Council¹ (the ‘Financial Regulation’), the costs for the emergency measures, due to their urgent and unforeseeable nature, should be eligible, including costs incurred as a result of a suspected occurrence of a disease or pest, provided that the occurrence is subsequently confirmed and notified to the Commission. The corresponding budgetary commitments and the payment of eligible expenditure should be made by the Commission, after signature of the legal commitments and after assessment of the payment applications submitted by the Member States. Costs should also be eligible for surveillance, prevention and protection measures taken in the case of a direct threat to the health status of the Union as a result of the occurrence or development, in the territory of a third country, a Member State or its overseas countries and territories, of certain animal diseases and zoonoses as well as for protection measures taken or other relevant activities carried out in support of the health status of plants in the Union.

¹ Regulation (EU, Euratom) 2018/1046 of the European Parliament and of the Council of 18 July 2018 on the financial rules applicable to the general budget of the Union, amending Regulations (EU) No 1296/2013, (EU) No 1301/2013, (EU) No 1303/2013, (EU) No 1304/2013, (EU) No 1309/2013, (EU) No 1316/2013, (EU) No 223/2014, (EU) No 283/2014, and Decision No 541/2014/EU and repealing Regulation (EU, Euratom) No 966/2012 (OJ L 193, 30.7.2018, p. 1).

(55) In view of the increasing globalisation of the plant, animal, food and feed area, official controls carried out by the Member States are an essential tool for verifying and monitoring that relevant Union requirements are being implemented, complied with and enforced, including in respect of imports. The effectiveness and efficiency of official control systems is vital for maintaining a high level of safety along the food chain, as well as consumer confidence, whilst ensuring a high level of protection of the environment and of animal welfare. Union financial support should be made available for such control measures. In particular, a financial contribution should be available to European Union reference laboratories in order to help them bear the costs arising from the implementation of work programmes approved by the Commission, and may be available to national plant and animal health reference laboratories, which according to Regulation (EU) 2017/625 of the European Parliament and of the Council¹ are to benefit from adequate financial resources provided by Member States, on condition that it can be clearly shown that the actions carried out represent Union added value and that sufficient funding is available under the Programme to support those actions. Moreover, since the effectiveness of official controls also depends on the availability to the control authorities of well trained staff with an appropriate knowledge of Union law, the Union should be able to contribute to their training and relevant exchange programmes organised by competent authorities.

¹ Regulation (EU) 2017/625 of the European Parliament and of the Council of 15 March 2017 on official controls and other official activities performed to ensure the application of food and feed law, rules on animal health and welfare, plant health and plant protection products, amending Regulations (EC) No 999/2001, (EC) No 396/2005, (EC) No 1069/2009, (EC) No 1107/2009, (EU) No 1151/2012, (EU) No 652/2014, (EU) 2016/429 and (EU) 2016/2031 of the European Parliament and of the Council, Council Regulations (EC) No 1/2005 and (EC) No 1099/2009 and Council Directives 98/58/EC, 1999/74/EC, 2007/43/EC, 2008/119/EC and 2008/120/EC, and repealing Regulations (EC) No 854/2004 and (EC) No 882/2004 of the European Parliament and of the Council, Council Directives 89/608/EEC, 89/662/EEC, 90/425/EEC, 91/496/EEC, 96/23/EC, 96/93/EC and 97/78/EC and Council Decision 92/438/EEC (Official Controls Regulation) (OJ L 95, 7.4.2017, p. 1).

- (56) Anti-microbial resistance is a growing health problem in the Union and worldwide. Therefore, it should be possible to co-finance measures to support the fight against anti-microbial resistance under the Programme.
- (57) High-quality European statistics developed, produced and disseminated under the Programme pursuant to Regulation (EC) No 223/2009 are essential for evidence-based decision making. European statistics should be available in a timely manner and should contribute to the implementation of Union policies referred to in TFEU, notably strengthened and integrated economic governance, social, economic and territorial cohesion, sustainable development, agricultural policy, the social dimension of Europe and globalisation.
- (58) European statistics are indispensable for Union decision-making and for measuring the performance and impact of Union initiatives. Therefore, it is important to ensure the continued provision and development of European statistics, taking a Union-wide approach and going beyond an internal market perspective in order to cover all Union activities and policy areas, including empowering businesses and citizens to take informed decisions.

- (59) In view of its horizontal character, the framework for the development, production and dissemination of European statistics within the meaning of Regulation (EC) No 223/2009 is subject to specific requirements, and in particular those laid down in that Regulation, with regard to respect for statistical principles, as well as the functioning of the European statistical system and its governance, including the role and tasks assigned to the European statistical system committee and to the Commission (Eurostat), the establishment and implementation of the programming of the statistical activities.
- (60) The draft part of the Programme regarding the framework for the development, production and dissemination of European statistics has been submitted for prior examination to the European Statistical System Committee in accordance with Regulation (EC) No 223/2009.
- (61) The Union and Member States are committed to being frontrunners in implementing the United Nations 2030 Agenda for Sustainable Development. By contributing to the achievement of the 2030 Agenda, the Union and Member States will foster a stronger, more sustainable, inclusive, secure and prosperous Europe. The Programme should contribute to the implementation of the 2030 Agenda, including by balancing the economic, social and environmental dimensions of sustainable development, and, to that end, giving a clear and visible commitment to the mainstreaming of the United Nations Sustainable Development Goals.

- (62) Reflecting the importance of tackling climate change in line with the Union’s commitments to implement the Paris Agreement adopted under the United Nations Framework Convention on Climate Change and the United Nations Sustainable Development Goals, this Programme is intended to contribute to mainstreaming climate actions and to the achievement of the overall target of 30 % of Union budget expenditure supporting climate objectives. Relevant actions will be identified during the Programme’s preparation and implementation, and reassessed in the context of the relevant evaluations and review processes. In this context the Programme should support activities that respect the climate and environmental standards and priorities of the Union, and would do no significant harm to environmental objectives within the meaning of Regulation (EU) 2020/852 of the European Parliament and of the Council¹.
- (63) This Regulation lays down a financial envelope for the Programme which is to constitute the prime reference amount, within the meaning of point 18 of the Interinstitutional Agreement of 16 December 2020 between the European Parliament, the Council of the European Union and the European Commission on budgetary discipline, on cooperation in budgetary matters and on sound financial management, as well as on new own resources, including a roadmap towards the introduction of new own resources², for the European Parliament and the Council during the annual budgetary procedure.

¹ Regulation (EU) 2020/852 of the European Parliament and of the Council of 18 June 2020 on the establishment of a framework to facilitate sustainable investment, and amending Regulation (EU) 2019/2088 (OJ L 198, 22.6.2020, p. 13).

² OJ L 433I , 22.12.2020, p. 28.

- (64) The Agreement on the European Economic Area¹ provides for cooperation in the fields subject to the Programme between the Union and its Member States, on the one hand, and the countries of the European Free Trade Association participating in the European Economic Area (EEA), on the other. It should also be possible to open the Programme to participation by acceding countries, candidate countries and potential candidates, European Neighbourhood Policy countries and other third countries. In addition, in the field of European statistics, the Programme should be open to Switzerland in accordance with the Agreement between the European Community and the Swiss Confederation on cooperation in the field of statistics².
- (65) Third countries which are members of the EEA may participate in Union programmes in the framework of the cooperation established under the Agreement on the European Economic Area, which provides for the implementation of the programmes on the basis of a decision under that Agreement. Third countries may also participate on the basis of other legal instruments. A specific provision should be introduced in this Regulation requiring third countries to grant the necessary rights and access required for the authorising officer responsible, the European Anti-Fraud Office (OLAF) and the Court of Auditors to comprehensively exercise their respective competences.
- (66) The Financial Regulation applies to this Programme. The Financial Regulation lays down rules on the implementation of the Union budget, including rules on grants, prizes, procurement, indirect management, financial instruments, budgetary guarantees, financial assistance and the reimbursement of external experts.

¹ OJ L 1, 3.1.1994, p. 3.

² OJ L 90, 28.3.2006, p. 2.

- (67) The actions implemented under the predecessor programmes and budget lines have proven to be adequate and should be retained. The new actions introduced under the Programme aim in particular to reinforce the well-functioning internal market. In order to provide more simplicity and flexibility in the execution of the Programme and thereby to better deliver on its objectives, the actions should be defined only in terms of overall, generic categories. Lists of indicative activities concerning specific objectives in the areas of competitiveness and consumer protection, or specific activities stemming from regulatory requirements, such as specific activities in the areas of standardisation, market surveillance, the plant, animal, food and feed area and European statistics should also be included in the Programme.
- (68) It is necessary to specify certain categories of entities eligible for funding as well as those entities which should be eligible for funding without a call for proposals.
- (69) Considering the increasing interconnectivity and digitalisation of the global economy, the Programme should continue to offer the possibility of involving external experts, such as officials of third countries, representatives of international organisations or economic operators in certain activities.
- (70) It is necessary to indicate specific criteria concerning co-financing rules and eligible costs. Since, for some of the specific objectives, it might be necessary to finance eligible costs in full, it should be possible to derogate from Article 190 of the Financial Regulation.

- (71) Pursuant to Article 193(2), second subparagraph, point (a) of the Financial Regulation, a grant may be awarded for an action which has already begun, provided that the applicant can demonstrate the need for starting the action prior to signature of the grant agreement. While in such cases the costs incurred prior to the date of submission of the grant application would in principle not be eligible, this should exceptionally be possible taking into account the delayed entry into force of this Programme and in order to avoid any disruption in Union support, which could be prejudicial to the Union's interests. Therefore, where this is necessary to ensure continuity and during a limited period of time at the beginning of the multi-annual financial framework 2021-2027, costs in respect of an action which has already begun should be eligible from 1 January 2021, even if those costs were incurred prior to the date of submission of the grant application. For the same reasons and under the same conditions and as a derogation from Article 193(4) of the Financial Regulation the costs incurred prior to the date of submission of the grant application should be eligible in the case of operating grants.
- (72) In line with the Commission's commitment, set out in its Communication of 19 October 2010 entitled 'The EU Budget Review', and in order to provide for coherence and simplification of funding programmes, resources should be shared with other Union funding instruments if the envisaged actions under the Programme pursue objectives which are common to various funding instruments, excluding however double financing.

- (73) The Programme should contribute to the overall support addressing specific needs of outermost regions and their integration in the internal market, as recently reconfirmed in the Commission’s Communication ‘A stronger and renewed strategic partnership with the EU’s outermost regions’.
- (74) The Programme should promote synergies, while avoiding duplication with related Union programmes and actions. The actions under the Programme should be complementary to those of the Customs and Fiscalis Programmes established by Regulation (EU) 2021/... of the European Parliament and of the Council¹⁺ and a Regulation of the European Parliament and of the Council establishing the ‘Fiscalis’ programme for cooperation in the field of taxation respectively, which also aim towards supporting and improving the functioning of the internal market.

¹ Regulation (EU) 2021/... of the European Parliament and of the Council of ... establishing the Customs programme for cooperation in the field of customs and repealing Regulation (EU) No 1294/2013 (OJ L ...).

⁺ OJ: Please insert in the text the number of the Regulation contained in document ST 5265/21 (2018/0232 (COD)) and insert the number, date and OJ reference of that Regulation in the footnote.

- (75) The Programme should promote synergies, complementarities and additionality with respect to the SMEs and entrepreneurship support under the European Regional Development Fund established by a Regulation of the European Parliament and of the Council on the European Regional Development Fund and on the Cohesion Fund. Moreover, the SME policy window of the InvestEU Fund will guarantee debt and equity support to enhance access and availability of finance for SMEs. The Programme should also seek synergies with the Space Programme established by Regulation (EU) 2021/... of the European Parliament and of the Council¹⁺ in respect of encouraging SMEs to benefit from breakthrough innovation and other solutions developed under that programme.
- (76) The Programme should promote synergies with Horizon Europe, which aims to promote research and innovation. This should concern in particular complementarity with the actions of the future European Innovation Council for innovative companies, as well as the support of services for SMEs, in particular via the EEN.

¹ Regulation (EU) 2021/... of the European Parliament and of the Council of ... establishing the Union Space Programme and the European Union Agency for the Space Programme and repealing Regulations (EU) No 912/2010, (EU) No 1285/2013, (EU) No 377/2014 and Decision No 541/2014/EU (OJ L ...).

⁺ OJ: Please insert in the text the number of the Regulation contained in document ST 14312/20 (2018/0236 (COD)) and insert the number, date and OJ reference of that Regulation in the footnote.

- (77) The Programme should promote synergies and complementarities with respect to the Digital Europe Programme which aims to promote the digitalisation of the Union economy and the public sector while increasing cybersecurity.
- (78) In addition, the Programme should also seek synergies with the Justice Programme established by Regulation (EU) 2021/... of the European Parliament and of the Council¹⁺ which aims to support the further development of a European area of justice for the effectiveness of national justice systems, since this is key to enabling the creation of a fair and cost effective Union economy.
- (79) The Programme should promote synergies with Erasmus+ programme, the European Solidarity Corps Programme established by Regulation (EU) 2021/...of the European Parliament and of the Council²⁺⁺ and the European Social Fund Plus established by a Regulation of the European Parliament and of the Council on the European Social Fund Plus (ESF+) in the area of labour and youth mobility, which is essential for the well-functioning internal market.

¹ Regulation (EU) 2021/... of the European Parliament and of the Council of ... establishing the Justice Programme and repealing Regulation (EU) No 1382/2013 (OJ L ...).

⁺ OJ: Please insert in the text the number of the Regulation contained in document ST 6834/20 (2018/0208 (COD)) and insert the number, date and OJ reference of that Regulation in the footnote.

² Regulation (EU) 2021/... of the European Parliament and of the Council of... establishing the European Solidarity Corps Programme and repealing Regulations (EU)2018/1475 and (EU) No 375/2014.

⁺⁺ OJ: Please insert in the text the number of the Regulation contained in document ST 14153/20 (2018/0230 (COD)) and insert the number, date and OJ reference of that Regulation in the footnote.

- (80) Finally, actions such as veterinary and phytosanitary measures in case of animal and plant health crises could be complemented by market based interventions from the Union's Common Agriculture Policy programming.
- (81) The actions implemented under the Programme should represent clear Union added value and be used to address market failures, or sub-optimal investment situations in a proportionate manner, without duplicating or crowding out private financing.
- (82) In order to ensure uniform conditions for the implementation of this Regulation, implementing powers should be conferred on the Commission. Those powers should be exercised in accordance with Regulation (EU) No 182/2011 of the European Parliament and of the Council¹. The advisory procedure should be used for the adoption of work programmes implementing the actions contributing to the empowerment of consumers. The examination procedure should be used respectively for the adoption of implementing acts related to the actions contributing to the competitiveness of SMEs and for the adoption of implementing acts related to the work programmes implementing the actions contributing to a high level of health for humans, animals, and plants and for establishing lower co-financing rates where that is necessary for actions concerning veterinary and phytosanitary emergency measures and the annual and multiannual national veterinary and phytosanitary programmes as well as for the adoption of implementing acts related to the work programmes implementing the actions contributing to food and feed safety.

¹ Regulation (EU) No 182/2011 of the European Parliament and of the Council of 16 February 2011 laying down the rules and general principles concerning mechanisms for control by the Member States of the Commission's exercise of implementing powers (OJ L 55, 28.2.2011, p. 13).

- (83) Where synergies between specific objectives of the Programme can be achieved, the necessary provisions could be implemented in a joint work programme.
- (84) The forms of Union funding and the methods of implementation of the Programme should be chosen on the basis of their ability to achieve the specific objectives of the actions and to deliver results, taking into account, in particular, the Union added value, the costs of controls, the administrative burden and the expected risk of non-compliance. This should include considering the use of lump sums, flat rates and unit costs, as well as financing not linked to costs as referred to in Article 125(1) of the Financial Regulation.
- (85) To ensure regular monitoring and reporting on the progress achieved and on the effectiveness and efficiency of the Programme, a proper framework for monitoring the actions and results of the Programme should be put in place from the very beginning. Such monitoring and reporting should be based on indicators that measure the effects of the actions under the Programme against pre-defined baselines.

- (86) Pursuant to paragraph 22 and 23 of the Interinstitutional Agreement of 13 April 2016 on Better Law-Making¹, this Programme should be evaluated on the basis of information collected in accordance with specific monitoring requirements, while avoiding an administrative burden, in particular on Member States, and overregulation. Those requirements, where appropriate, should include measurable indicators as a basis for evaluating the effects of the Programme on the ground. The Commission should draw up an interim evaluation report on the achievement of the objectives of the actions supported under the Programme, on the results and impacts, on the efficiency of the use of resources and on its Union added value, as well as a final evaluation report on the longer impact, the results and the sustainability of the actions, and the synergies with other Programmes.
- (87) To monitor the support to SMEs, the Programme should use measurable performance indicators. Subject to the availability of information and where relevant, those indicators should measure results and impact achieved by the Programme in respect of its specific objectives and specific target groups (for example women, youth and seniors). In particular, when monitoring, it is important to measure the support given to the green and digital transition, internationalisation and innovation. In addition, monitoring should take into account contextual indicators, which do not measure the performance of the Programme, but which afford an overview of the environment in which SMEs operate.

¹ OJ L 123, 12.5.2016, p. 1.

- (88) A non-exhaustive list of animal diseases and zoonoses which qualify for funding under emergency measures and for funding under the eradication, control and surveillance programmes should be established on the basis of animal diseases referred to in Regulation (EC) No 999/2001 of the European Parliament and of the Council¹, Regulation (EC) No 2160/2003 of the European Parliament and of the Council², Directive 2003/99/EC of the European Parliament and of the Council³ and Regulation (EU) 2016/429 of the European Parliament and of the Council⁴.

¹ Regulation (EC) No 999/2001 of the European Parliament and of the Council of 22 May 2001 laying down rules for the prevention, control and eradication of certain transmissible spongiform encephalopathies (OJ L 147, 31.05.2001, p. 1).

² Regulation (EC) No 2160/2003 of the European Parliament and of the Council of 17 November 2003 on the control of Salmonella and other specified food-borne zoonotic agents (OJ L 325, 12.12.2003, p. 1).

³ Directive 2003/99/EC of the European Parliament and of the Council of 17 November 2003 on the monitoring of zoonoses and zoonotic agents, amending Council Decision 90/424/EEC and repealing Council Directive 92/117/EEC (OJ L 325, 12.12.2003, p. 31).

⁴ Regulation (EU) 2016/429 of the European Parliament and of the Council of 9 March 2016 on transmissible animal diseases and amending and repealing certain acts in the area of animal health ('Animal Health Law') (OJ L 84, 31.03.2016, p. 1).

(89) In order to take account of situations that are brought about by animal diseases that have a significant impact on livestock production or trade, the development of zoonoses which pose a threat to humans, or new scientific or epidemiological developments, as well as animal diseases, which are likely to constitute a new threat for the Union, the power to adopt acts in accordance with Article 290 TFEU should be delegated to the Commission in respect of amending the list of animal diseases and zoonoses. In order to take account of future developments concerning the entities which may be awarded a grant under the Programme in relation to the representation of consumer interest at the Union level, the power to adopt acts in accordance with Article 290 TFEU should be delegated to the Commission in respect of amending the list of those entities. In order to ensure effective assessment of progress of the Programme towards the achievement of its objectives, the power to adopt acts in accordance with Article 290 TFEU should be delegated to the Commission in respect of amending, where necessary, the list of indicators used to measure the achievement of the specific objectives as well as supplementing this Regulation by establishing a monitoring and evaluation framework. It is of particular importance that the Commission carries out appropriate consultations during its preparatory work, including at expert level, and that those consultations be conducted in accordance with the principles laid down in the Interinstitutional Agreement of 13 April 2016 on Better Law-Making. Stakeholders and consumer associations should also be consulted. To ensure equal participation in the preparation of delegated acts, the European Parliament and the Council receive all documents at the same time as Member States' experts, and their experts systematically have access to meetings of Commission expert groups dealing with the preparation of delegated acts.

- (90) Pursuant to Council Decision 2013/755/EU¹, individuals and entities established in overseas countries or territories are eligible for funding subject to the rules and objectives of the Programme and possible arrangements applicable to the Member State to which the relevant overseas country or territory is linked.

¹ Council Decision 2013/755/EU of 25 November 2013 on the association of the overseas countries and territories with the European Union (Overseas Association Decision) (OJ L 344, 19.12.2013, p. 1).

(91) In accordance with the Financial Regulation, Regulation (EU, Euratom) No 883/2013 of the European Parliament and of the Council¹ and Council Regulations (EC, Euratom) No 2988/95², (Euratom, EC) No 2185/96³ and (EU) 2017/1939⁴, the financial interests of the Union are to be protected by means of proportionate measures, including measures relating to the prevention, detection, correction and investigation of irregularities, including fraud, to the recovery of funds lost, wrongly paid or incorrectly used, and, where appropriate, to the imposition of administrative penalties. In particular, in accordance with Regulations (Euratom, EC) No 2185/96 and (EU, Euratom) No 883/2013, OLAF has the power to carry out administrative investigations, including on-the-spot checks and inspections, with a view to establishing whether there has been fraud, corruption or any other illegal activity affecting the financial interests of the Union. The European Public Prosecutor's Office (EPPO) is empowered, in accordance with Regulation (EU) 2017/1939 to investigate and prosecute criminal offences affecting the financial interests of the Union as provided for in Directive (EU) 2017/1371 of the European Parliament and of the Council⁵. In accordance with the Financial Regulation, any person or entity receiving Union funds is to fully cooperate in the protection of the financial interests of the Union, grant the necessary rights and access to the Commission, OLAF, the Court of Auditors and, in respect of those Member States participating in enhanced cooperation pursuant to Regulation (EU) 2017/1939, the EPPO, and ensure that any third parties involved in the implementation of Union funds grant equivalent rights.

¹ Regulation (EU, Euratom) No 883/2013 of the European Parliament and of the Council of 11 September 2013 concerning investigations conducted by the European Anti-Fraud Office (OLAF) and repealing Regulation (EC) No 1073/1999 of the European Parliament and of the Council and Council Regulation (Euratom) No 1074/1999, (OJ L248, 18.9.2013, p. 1).

² Council Regulation (EC, Euratom) No 2988/95 of 18 December 1995 on the protection of the European Communities financial interests (OJ L 312, 23.12.1995, p. 1).

³ Council Regulation (Euratom, EC) No 2185/96 of 11 November 1996 concerning on-the-spot checks and inspections carried out by the Commission in order to protect the European Communities' financial interests against fraud and other irregularities (OJ L292, 15.11.1996, p. 2).

⁴ Council Regulation (EU) 2017/1939 of 12 October 2017 implementing enhanced cooperation on the establishment of the European Public Prosecutor's Office ('the EPPO') (OJ L283, 31.10.2017, p. 1).

⁵ Directive (EU) 2017/1371 of the European Parliament and of the Council of 5 July 2017 on the fight against fraud to the Union's financial interests by means of criminal law (OJ L 198, 28.7.2017, p. 29).

- (92) Horizontal financial rules adopted by the European Parliament and the Council on the basis of Article 322 TFEU apply to this Regulation. Those rules are laid down in the Financial Regulation and determine in particular the procedure for establishing and implementing the budget through grants, prizes, indirect management, financial instruments, budgetary guarantees, financial assistance and the reimbursement of external experts, and provide for checks on the responsibility of financial actors. Rules adopted on the basis of Article 322 TFEU also include a general regime of conditionality for the protection of the Union budget.
- (93) Regulation (EU) 2016/679 of the European Parliament and of the Council¹ governs the processing of personal data carried out in the Member States in the context of this Regulation and under the supervision of the Member States competent authorities. Regulation (EU) 2018/1725 of the European Parliament and of the Council² governs the processing of personal data carried out by the Commission within the framework of this Regulation and under the supervision of the European Data Protection Supervisor. Any exchange or transmission of information by competent authorities is to comply with the rules on the transfer of personal data as laid down in Regulation (EU) 2016/679, any exchange or transmission of information by the Commission is to comply with the rules on the transfer of personal data as laid down in Regulation (EU) 2018/1725.

¹ Regulation (EU) 2016/679 of the European Parliament and of the Council of 27 April 2016 on the protection of natural persons with regard to the processing of personal data and on the free movement of such data, and repealing Directive 95/46/EC (General Data Protection Regulation) (OJ L 119, 4.5.2016, p. 1).

² Regulation (EU) 2018/1725 of the European Parliament and of the Council of 23 October 2018 on the protection of natural persons with regard to the processing of personal data by the Union institutions, bodies, offices and agencies and on the free movement of such data, and repealing Regulation (EC) No 45/2001 and Decision No 1247/2002/EC (OJ L 295, 21.11.2018, p. 39).

- (94) Regulation (EC) No 223/2009 establishes the rules of producing statistics in accordance with the principle of statistical confidentiality and stipulates that the National Statistical Institutes, other national authorities and the Commission (Eurostat) are to take all necessary measures to ensure the alignment of principles and guidelines with regard to the physical and logical protection of confidential data.
- (95) Since the objective of this Regulation, namely establishing a programme for improving the functioning of the internal market, the competitiveness and sustainability of enterprises, especially SMEs, and consumer protection, for the area of plants, animals, food and feed, and for the programming and financing framework for the development, production and dissemination of European statistics for the period 2021-2027, cannot be sufficiently achieved by the Member States due to the cross-border nature of the issues involved, but can rather, by reason of the greater potential of Union action, be better achieved at Union level, the Union may adopt measures in accordance with the principle of subsidiarity as set out in Article 5 of the Treaty on European Union. In accordance with the principle of proportionality as set out in that Article, this Regulation does not go beyond what is necessary in order to achieve that objective.
- (96) The Programme should also ensure greater visibility and coherence of the Union's internal market, competitiveness and sustainability of enterprises, especially SMEs, and European statistics actions towards Union citizens, businesses and administrations.

(97) Since amending provisions of legal acts exhaust their effects at the moment of their entry into force and the amendments they introduce in other legal acts thus become part of those legal acts at that same moment, the repeal of Regulation (EU) No 652/2014 of the European Parliament and of the Council¹ has no effect on the amendments already introduced by its amending provisions in other legal acts, and in particular in Regulation (EC) No 178/2002 of the European Parliament and of the Council² and Council Directive 2008/90/EC³ with regard to the setting up of the Standing Committee on Plants, Animals, Food and Feed, which remains in force notwithstanding the repeal of Regulation (EU) No 652/2014.

¹ Regulation (EU) No 652/2014 of the European Parliament and of the Council of 15 May 2014 laying down provisions for the management of expenditure relating to the food chain, animal health and animal welfare, and relating to plant health and plant reproductive material, amending Council Directives 98/56/EC, 2000/29/EC and 2008/90/EC, Regulations (EC) No 178/2002, (EC) No 882/2004 and (EC) No 396/2005 of the European Parliament and of the Council, Directive 2009/128/EC of the European Parliament and of the Council and Regulation (EC) No 1107/2009 of the European Parliament and of the Council and repealing Council Decisions 66/399/EEC, 76/894/EEC and 2009/470/EC (OJ L 189, 27.6.2014, p. 1).

² Regulation (EC) No 178/2002 of the European Parliament and of the Council of 28 January 2002 laying down the general principles and requirements of food law, establishing the European Food Safety Authority and laying down procedures in matters of food safety (OJ L 31, 1.2.2002, p. 1).

³ Council Directive 2008/90/EC of 29 September 2008 on the marketing of fruit plant propagating material and fruit plants intended for fruit production (Recast version) (OJ L 267, 8.10.2008, p. 8).

(98) In order to ensure continuity in the provision of support between the 2014-2020 programmes in the fields of competitiveness and sustainability of enterprises, especially SMEs, consumer protection, customers and end-users in financial services, policy making in financial services, plants, animals, food and feed, and European statistics, established by Regulation (EU) No 1287/2013, Regulation (EU) No 254/2014 of the European Parliament and of the Council¹, Regulation (EU) 2017/826, Regulation (EU) No 258/2014 of the European Parliament and of the Council², Regulation (EU) No 652/2014, Regulation (EU) No 99/2013 and this Programme, in particular with regard to the continuation of multiannual measures and to the evaluation of the previous programmes' successes, and to allow implementation to start from the beginning of the multi-annual financial framework 2021-2027, this Regulation should enter into force as a matter of urgency and should apply, with retroactive effect, from 1 January 2021. As of 1 January 2028, the technical and administrative assistance appropriations should cover, if necessary, the expenditure related to the management of actions not completed by the end of the Programme.

¹ Regulation (EU) No 254/2014 of the European Parliament and of the Council of 26 February 2014 on a multiannual consumer programme of the years 2014-20 and repealing Decision No 1926/2006/EC (OJ L 84, 20.3.2014, p. 42).

² Regulation (EU) No 258/2014 of the European Parliament and of the Council of 3 April 2014 establishing a Union programme to support specific activities in the field of financial reporting and auditing for the period of 2014-20 and repealing Decision No 716/2009/EC (OJ L 105, 8.4.2014, p. 1).

- (99) Due to the delayed entry into force of this Regulation, it is not possible to respect the deadlines for the adoption of the work programmes in the plant, animal, food and feed area and for the submission by the Member States of their 2021 and 2022 veterinary and phyto-sanitary programmes, nor is it possible for the Commission to respect the deadlines for approving those programmes. In order to ensure the proper implementation of the actions in the plant, animal, food and feed area in 2021 and 2022, those deadlines should not apply for the years 2021 and 2022.
- (100) Regulations (EU) No 99/2013, (EU) No 1287/2013, (EU) No 254/2014 and (EU) No 652/2014 should therefore be repealed with effect from 1 January 2021,

HAVE ADOPTED THIS REGULATION:

CHAPTER I

GENERAL PROVISIONS

Article 1

Subject matter

This Regulation establishes a programme for improving the functioning of the internal market, the competitiveness and sustainability of enterprises, especially micro, small and medium-sized enterprises, and consumer protection, for the management of expenditure in the area of plants, animals, food and feed, and for the programming and financing framework used for the development, production and dissemination of European statistics within the meaning of Article 13 of Regulation (EC) No 223/2009 (Single Market Programme) (the ‘Programme’) for the period from 1 January 2021 to 31 December 2027. The duration of the Programme is aligned to the duration of the multiannual financial framework.

This Regulation also lays down the objectives of the Programme and the eligible actions for implementing those objectives, the budget for the period 2021 to 2027, the forms of Union funding and the rules for providing such funding, and the system of governance of the Programme.

Article 2
Definitions

For the purposes of this Regulation, the following definitions apply:

- (1) ‘blending operation’ means an action supported by the Union budget, including within a blending facility or platform as defined in Article 2(6) of the Financial Regulation, that combines non-repayable forms of support or financial instruments from the Union budget with repayable forms of support from development or other public finance institutions, as well as from commercial finance institutions and investors;
- (2) ‘European statistics’ means statistics developed, produced and disseminated in accordance with Regulation (EC) No 223/2009;
- (3) ‘legal entity’ means a natural person, or a legal person created and recognised as such under Union, national or international law, which has legal personality and the capacity to act in its own name, exercise rights and be subject to obligations, or an entity which does not have legal personality as referred to in Article 197(2)(c) of the Financial Regulation;
- (4) ‘micro, small and medium-sized enterprises’ or ‘SMEs’ means micro, small and medium-sized enterprises as defined in Recommendation 2003/361/EC;

- (5) ‘clusters and business network organisations’ means structures or organised groups of independent parties in the form of organisations that support the enhancement of collaboration, networking and learning of groups of enterprises that are designed to provide or channel specialised and customised business support services, especially for SMEs, in order to stimulate inter alia innovation and internationalisation activities, including by promoting the sharing of facilities and the exchange of knowledge and expertise.

Article 3

Programme objectives

1. The general objectives of the Programme are the following:
 - (a) to improve the functioning of the internal market, and especially to protect and empower citizens, consumers and businesses, in particular SMEs, by enforcing Union law, facilitating market access, setting standards and promoting human, animal and plant health and animal welfare, whilst respecting the principles of sustainable development and ensuring a high level of consumer protection, as well as by enhancing cooperation between the competent authorities of Member States and between the competent authorities of Member States and the Commission and the decentralised Union agencies;

- (b) to develop, produce and disseminate high-quality, comparable, timely and reliable European statistics which underpin the design, monitoring and evaluation of all Union policies and help citizens, policy makers, authorities, businesses, academia and the media to make informed decisions and to actively participate in the democratic process.

2. The specific objectives of the Programme are the following:

- (a) making the internal market more effective, inter alia in the light of the digital transformation, by:
 - (i) facilitating the prevention and removal of discriminatory, unjustified or disproportionate obstacles and supporting the development, implementation and enforcement of Union law in the areas of the internal market for goods and services, including by improving the application of the principle of mutual recognition, of public procurement rules, of company law, of contract and extra-contractual law, of anti-money laundering rules, of the free movement of capital and of financial services and competition rules, including by developing user-centric governance tools;
 - (ii) supporting effective market surveillance throughout the Union, with a view to ensuring that only safe and compliant products offering a high level of protection of consumers and other end-users are made available on the Union market, including products sold online, as well as with a view to achieving greater homogeneity among, and increasing the capacity of, the market surveillance authorities across the Union;

- (b) strengthening the competitiveness and sustainability of SMEs and achieving additionality at Union level through measures that:
 - (i) provide various forms of support to SMEs as well as clusters and business network organisations, including in the tourism sector, thereby fostering the growth, scale-up and creation of SMEs;
 - (ii) facilitate access to markets including through the internationalisation of SMEs;
 - (iii) promote entrepreneurship and the acquisition of entrepreneurial skills;
 - (iv) promote a favourable business environment for SMEs, support the digital transformation of SMEs and promote new business opportunities for SMEs, including those that are social economy enterprises and those with innovative business models;
 - (v) support the competitiveness of industrial ecosystems and sectors, as well as the development of industrial value chains;
 - (vi) promote the modernisation of industry, contributing to a green, digital and resilient economy;

- (c) ensuring the effective functioning of the internal market through standardisation processes that:
 - (i) enable the financing of European standardisation and the participation of all relevant stakeholders in setting up European standards;
 - (ii) support the development of high-quality international financial and non-financial reporting and auditing standards, facilitate their integration into the Union law, and promote the innovation and development of best practices in corporate reporting;
- (d) promoting the interests of consumers and ensuring a high level of consumer protection and product safety by:
 - (i) in respect of consumers:
 - empowering, assisting and educating consumers, businesses and representatives of civil society in particular concerning consumer’s rights under Union law;
 - ensuring a high level of consumer protection, sustainable consumption and product safety in particular for the most vulnerable consumers in order to enhance fairness, transparency and trust in the internal market;
 - ensuring that the interests of consumers in the digital world are duly taken into consideration;

- supporting competent enforcement authorities and consumer representative organisations and actions which enhance the cooperation between competent authorities, with particular emphasis on issues raised by existing and emerging technologies;
 - contributing to improving the quality and availability of standards across the Union; efficiently addressing unfair commercial practices;
 - ensuring that all consumers have access to efficient redress mechanisms and are provided with adequate information on markets and consumers rights, and promoting sustainable consumption, in particular through raising awareness about specific characteristics and the environmental impact of goods and services;
- (ii) in respect of consumers and other financial services end-users:
- enhancing the participation of consumers, other financial services end-users and representatives of civil society in financial services policy-making;
 - promoting a better understanding of the financial sector and of the different categories of commercialised financial products;
 - ensuring that the interests of consumers in the area of retail financial services are protected;

- (e) contributing to a high level of health and safety for humans, animals and plants in plant, animal, food and feed areas, inter alia by preventing, detecting and eradicating animal diseases and plant pests, including by means of emergency measures that are taken in the event of large-scale crisis situations and unforeseeable events affecting animal or plant health, and by supporting the improvement of the welfare of animals, the fight against antimicrobial resistance and the development of sustainable food production and consumption, as well as by stimulating the exchange of best practices between stakeholders in those fields;
- (f) developing, producing, disseminating and communicating high-quality European statistics in line with the quality criteria laid down in Article 12(1) of Regulation (EC) No 223/2009, in a timely, impartial and cost-efficient manner, through a strengthened European Statistical System, referred to in Article 4 of Regulation (EC) No 223/2009, and enhanced partnerships within that system and with all relevant external parties, using multiple data sources, advanced data analytics methods, smart systems and digital technologies, and providing a national and, where possible, regional breakdown.

Article 4

Budget

1. The financial envelope for the implementation of the Programme for the period from 1 January 2021 to 31 December 2027 shall be EUR 4 208 041 000 in current prices.

2. Within the amount referred to in paragraph 1 the following indicative amounts shall be allocated to the following objectives:

- (a) EUR 451 569 500 to the objective referred to in Article 3(2)(a)(i);
- (b) EUR 105 461 000 to the objective referred to in Article 3(2)(a)(ii);
- (c) EUR 1 000 000 000 to the objective referred to in Article 3(2)(b);
- (d) EUR 220 510 500 to the objective referred to in Article 3(2)(c);
- (e) EUR 198 500 000 to the objective referred to in Article 3(2)(d);
- (f) EUR 1 680 000 000 to the objective referred to in Article 3(2)(e);
- (g) EUR 552 000 000 to the objective referred to in Article 3(2)(f).

3. The amount referred to in paragraph 1 may be used for technical and administrative assistance for the implementation of the Programme, concerning in particular preparatory, monitoring, control, audit and evaluation activities, the use of information technology networks focusing on information processing and exchange, and the use and development of corporate information technology tools. In order to ensure maximum availability of the Programme to finance actions covered by the objectives of the Programme, the total costs of administrative and technical support shall not exceed 5 % of the value of the financial envelope referred to in paragraph 1.

4. Budgetary commitments extending over more than one financial year may be broken down over several years into annual instalments.
5. By way of derogation from Article 111(2) of the Financial Regulation, the Commission shall make the budgetary commitment for the grant awarded for veterinary and phytosanitary emergency measures under the specific objective referred to in Article 3(2)(e) of this Regulation after the payment applications submitted by Member States have been assessed.
6. Resources allocated to Member States under shared management may, at the request of the Member State concerned, be transferred to the Programme subject to the conditions set out in Article 26 of a Regulation of the European Parliament and of the Council laying down common provisions on the European Regional Development Fund, the European Social Fund Plus, the Cohesion Fund, the Just Transition Fund and the European Maritime, Fisheries and Aquaculture Fund and financial rules for those and for the Asylum, Migration and Integration Fund, the Internal Security Fund and the instrument for financial support for border management and visa (the ‘Common Provisions Regulation for 2021-2027’). The Commission shall implement those resources directly in accordance with Article 62(1), first subparagraph, point (a), of the Financial Regulation or indirectly in accordance with Article 62(1), first subparagraph, point (c), of that Regulation. Those resources shall be used for the benefit of the Member State concerned.

7. Where the Commission has not entered into a legal commitment under direct or indirect management for resources transferred in accordance with paragraph 6 of this Article, the corresponding uncommitted resources may be transferred back to the Fund from which they have been initially transferred, at the request of the Member State, in accordance with the conditions set out in Article 26 of the Common Provisions Regulation for 2021-2027.

Article 5

Third countries associated to the Programme

The Programme shall be open to the participation of the following third countries:

- (a) members of the European Free Trade Association which are members of the European Economic Area, in accordance with the conditions laid down in the Agreement on the European Economic Area;
- (b) acceding countries, candidate countries and potential candidates, in accordance with the general principles and general terms and conditions for the participation of those countries in Union programmes established in the respective framework agreements and Association Council decisions, or in similar agreements, and in accordance with the specific conditions laid down in agreements between the Union and those countries;

- (c) European Neighbourhood Policy countries, in accordance with the general principles and general terms and conditions for the participation of those countries in Union programmes established in the respective framework agreements and Association Council decisions or in similar agreements, and in accordance with the specific conditions laid down in agreements between the Union and those countries;
- (d) other third countries, in accordance with the conditions laid down in a specific agreement covering the participation of the third country to any Union programme, provided that the agreement:
 - (i) ensures a fair balance as regards the contributions and benefits of the third country participating in the Union programmes;
 - (ii) lays down the conditions of participation in the programmes, including the calculation of financial contributions to individual programmes, and their administrative costs;
 - (iii) does not confer on the third country any decision-making power in respect of the Union programme;
 - (iv) guarantees the rights of the Union to ensure sound financial management and to protect its financial interests.

The contributions referred to in point (d)(ii) of the first paragraph shall constitute assigned revenues in accordance with Article 21(5) of the Financial Regulation.

Article 6
Implementation and forms of Union funding

1. The Programme shall be implemented under direct management in accordance with the Financial Regulation or under indirect management with bodies referred to in Article 62(1), first subparagraph, point (c) of that Regulation.
2. The Programme may provide funding in any of the forms laid down in the Financial Regulation, and in particular by way of grants, prizes and procurement. It may also provide financing in the form of financial instruments within blending operations.
3. Contributions to a mutual insurance mechanism may cover the risk associated with the recovery of funds due by recipients and shall be considered as sufficient guarantee under the Financial Regulation. The provisions laid down in Article 37(7) of Regulation (EU) 2021/...⁺ shall apply.

⁺ OJ: Please insert in the text the number of the Regulation contained in document ST 7064/20 (2018/0224 (COD)).

CHAPTER II

GRANTS

Article 7

Grants

Grants under the Programme shall be awarded and managed in accordance with Title VIII of the Financial Regulation.

Article 8

Eligible actions

1. Only actions implementing the objectives referred in Article 3 shall be eligible for funding.
2. In particular, the following actions implementing the objectives referred in Article 3 shall be eligible for funding:
 - (a) the creation of the right conditions to empower all actors of the internal market, including businesses, citizens, consumers, representatives of civil society and public authorities, through the transparent exchange of information and campaigns to raise awareness, particularly as regards applicable Union rules and the rights of businesses, citizens and consumers, as well as through the exchange and dissemination of good practices, expertise, knowledge and innovative solutions, including through actions implemented through the SOLVIT network and the European Consumer Centres Network;

- (b) provision of mechanisms for citizens, consumers, end-users and representatives of civil society, including representatives of the social partners and business representatives from the Union, in particular those representing SMEs, to contribute to political discussions, policies and decision making process, notably by supporting the functioning of representative organisations at national and Union level;
- (c) capacity building, facilitation and coordination of joint actions between Member States, between the competent authorities of Member States and between the competent authorities of Member States and the Commission, the decentralised Union agencies and third country authorities, including joint actions aimed at strengthening product safety;
- (d) support for the effective enforcement and modernisation of the Union legal framework and for its rapid adaptation to enable the Union to effectively face global competition, as well as support for efforts to resolve issues raised by digitalisation, including through the following:
 - (i) data gathering and analyses;
 - (ii) research on the functioning of the internal market, studies, evaluations and policy recommendations;
 - (iii) the organisation of demonstration activities and pilot projects;
 - (iv) communication activities;

- (v) the development of dedicated IT tools to ensure the transparent and efficient functioning of the internal market and to combat and prevent fraudulent practices on the internet.

3. Actions constituting activities referred to in Article 36 of Regulation (EU) 2019/1020 and implementing the specific objectives referred to in Article 3(2)(a)(ii) of this Regulation shall be eligible for funding, in particular in respect of the following:

- (a) coordination and cooperation between market surveillance authorities and other relevant Member States authorities, in particular through the Union Product Compliance Network;
- (b) support for the development of joint actions and testing in the field of compliance including in relation to connected products and products sold online;
- (c) support for market surveillance strategies, knowledge and intelligence gathering, testing capabilities and facilities, peer reviews, training programmes, technical assistance and capacity building for market surveillance authorities.

4. Actions implementing the specific objective referred to in Article 3(2)(b) shall be eligible for funding, in particular in respect of the following:

- (a) providing various forms of support to SMEs, including information, mentoring, training, education, mobility, cross-border cooperation or advisory services;

- (b) facilitating, in coordination with Member States, the access of SMEs and clusters and business network organisations to markets within and outside the Union, supporting them, during their life-cycle, in addressing global environmental, economic and societal challenges and business internationalisation, and strengthening Union entrepreneurial and industrial leadership in global value chains;
- (c) supporting the work of the Enterprise Europe Network (EEN) in providing integrated business support services to Union SMEs, including helping those SMEs find business partners and funding, in particular from the InvestEU, Horizon Europe and Digital Europe Programme, facilitating their innovation uptake, their internationalisation and their green and digital transition and helping them access digital, environmental, climate, energy and resource efficiency expertise, in order to make it easier for them to explore opportunities in the internal market and in third countries, whilst avoiding duplication of activities by closely coordinating with the Member States in accordance with the principle of subsidiarity and bearing in mind the need to ensure that when the EEN is being used to deliver services on behalf of other Union programmes, including advisory or capacity-building services, those services are to be funded by those other Union programmes;
- (d) addressing market barriers and the administrative burden and creating a favourable business environment to empower SMEs to benefit from the internal market;

- (e) facilitating the development and growth of businesses, including through promoting technical, digital and entrepreneurial skills, sustainable business management and product and process development in order to foster green and digital transformation across industrial ecosystems and throughout the value chains of the manufacturing and service sectors;
- (f) supporting the competitiveness and sustainability of enterprises and whole sectors of the economy, and supporting the uptake of creativity and all forms of innovation by SMEs, the enhancing of corporate social responsibility, the adoption of new business models and value chain collaboration, through strategically connecting ecosystems and clusters, including the Joint Cluster Initiatives;
- (g) fostering an entrepreneurial business environment and entrepreneurial culture, including through mentoring and mobility schemes to improve know-how, skills, technological capacity and enterprise management, as well as by supporting start-ups, business sustainability and scale-ups in particular projects, based on market-driven opportunities, paying special attention to the particular needs of potential new entrepreneurs, as well as those of the members of underrepresented groups.

5. Actions constituting activities referred to in Articles 15 and 16 of Regulation (EU) No 1025/2012 and implementing the specific objective referred to in Article 3(2)(c)(i) of this Regulation shall be eligible for funding.

6. The actions providing support for activities that aim to develop, apply, assess and monitor international standards in the fields of financial and non-financial reporting and auditing and to oversee their standard-setting processes and implementing the specific objective referred to in Article 3(2)(c)(ii) shall be eligible for funding.
7. In particular, the following actions implementing the specific objective referred in Article 3(2)(d)(i) shall be eligible for funding:
 - (a) improving awareness, digital literacy and life-long education of consumers about their rights, including regarding issues raised by technological development and digitalisation, including addressing the particular needs of vulnerable consumers;
 - (b) facilitating access for consumers and traders to quality out of court dispute resolution and online dispute resolution and to information on the possibilities of obtaining redress;
 - (c) supporting stronger enforcement of consumer law by competent authorities, including in situations where traders are established in third countries, in particular through efficient cooperation and joint actions;
 - (d) fostering sustainable consumption, in particular by raising consumer awareness of the environmental performance of products, such as their durability and eco-design features, as well as fostering the application of consumer rights and redress possibilities in relation to misleading practices.

8. The actions set out in Annex I implementing the specific objective referred to in Article 3(2)(e) shall be eligible for funding.
9. The actions set out in Annex II implementing the specific objective referred to in Article 3(2)(f) shall be eligible for funding.

Article 9

Eligible entities

1. The eligibility criteria set out in paragraphs 2 to 7 of this Article shall apply in addition to the criteria set out in Article 197 of the Financial Regulation.
2. Subject to the eligibility conditions laid down in paragraphs 3 to 7, the following entities shall be eligible under the Programme:
 - (a) legal entities established in any of the following:
 - (i) a Member State or an overseas country or territory linked to it; or
 - (ii) a third country associated to the Programme in accordance with Article 5;
 - (b) legal entities created under Union law or international organisations;

(c) exceptionally, legal entities established in a third country which is not associated to the Programme, provided that the participation of those legal entities in the action falls within the objectives of the Programme and the activities outside the Union contribute to the effectiveness of interventions carried out in Member State territories to which the Treaties apply.

3. Legal entities established in a third country which is not associated to the Programme may participate in the following actions:

(a) actions implementing the specific objective referred to in Article 3(2)(b);

(b) actions supporting consumer protection implementing the specific objective referred to in Article 3(2)(d)(i).

The entities participating in the actions referred to in the first subparagraph shall not be entitled to receive Union financial contributions, except where their participation is essential for the Programme, in particular in terms of improving competitiveness and access to markets for Union enterprises or in terms of protecting consumers residing in the Union. That exception shall not apply to profit-making entities.

4. For actions implementing the specific objective referred to in Article 3(2)(c)(i) of this Regulation, the entities referred to in Articles 15 and 16 of Regulation (EU) No 1025/2012 shall be eligible.

5. Each Member State and each third country which is a member of the EEA shall designate, as the result of a transparent procedure, an entity as eligible for actions that support consumer protection by implementing the specific objective referred to in Article 3(2)(d)(i) and that are related to the European Consumer Centres Network. That entity may be:
- (a) a non-profit-making body;
 - (b) a public body.
6. Third countries shall be eligible for the following actions implementing the specific objective referred to in Article 3(2)(e):
- (a) protection measures taken in the case of a direct threat to the status of health in the Union as a result of the occurrence or development, in the territory of a third country or a Member State, of one of the animal diseases and zoonoses listed in Annex III or plant pests listed in the work programme referred to in Article 16;
 - (b) protection measures or other relevant activities, taken in support of the health status of plants in the Union.

The Commission is empowered to adopt delegated acts in accordance with Article 20 to amend Annex III where that is necessary in order to take account of the occurrence of new animal diseases and zoonoses which are not covered by Union legal acts referred to in that Annex.

Except in the case of animal diseases and plant pests that have a substantial impact on the Union, in principle, third countries that are not associated to the Programme should finance their own participation in the actions referred to in the first subparagraph.

7. For actions implementing the specific objective referred to in Article 3(2)(f), the following legal entities shall be eligible:
 - (a) national statistical institutes and other national authorities as referred to in Article 5(2) of Regulation (EC) No 223/2009;
 - (b) for actions supporting collaborative networks, as referred to in Article 15 of Regulation (EC) No 223/2009, bodies operating in the field of statistics other than the authorities referred to in point (a) of this paragraph;
 - (c) non-profit making entities, which are independent of industry, commercial and business or other conflicting interests, and have as their primary objectives and activities the promotion and support of the implementation of the European statistics Code of Practice referred to in Article 11 of Regulation (EC) No 223/2009 or the implementation of new methods of production of European statistics aiming at efficiency gains and quality improvements at Union level.

Article 10
Designated beneficiaries

1. The following entities may be awarded a grant under the Programme without a call for proposals:
 - (a) for actions in the area of accreditation implementing the specific objective referred to in Article 3(2)(a)(i) of this Regulation, the body recognised under Article 14 of Regulation (EC) No 765/2008 to carry out the activities referred to in Article 32 of Regulation (EC) No 765/2008;
 - (b) for actions in the area of market surveillance implementing the specific objective referred to in Article 3(2)(a)(ii) of this Regulation, the market surveillance authorities of the Member States referred to in Article 17 of Regulation (EC) No 765/2008 and Article 10 of Regulation (EU) 2019/1020;
 - (c) for actions implementing the specific objective referred to in Article 3(2)(c)(i) of this Regulation, the entities referred to in Articles 15 and 16 of Regulation (EU) No 1025/2012;
 - (d) for actions implementing the specific objective referred to in Article 3(2)(c)(ii), the European Financial Reporting Advisory Group (EFRAG), the International Financial Reporting Standards Foundation and the Public Interest Oversight Board (PIOB);

- (e) for actions implementing the specific objective referred to in Article 3(2)(d)(i) that relate to the representation of consumers interests at Union level, the Bureau Européen des Unions de Consommateurs (BEUC) and the European Association for the Coordination of Consumer Representation in Standardisation (ANEC) provided that they have no conflicts of interests and that each of them represents, through its members, the interests of Union consumers in at least two thirds of the Member States;
- (f) for actions implementing the specific objective referred to in Article 3(2)(d)(ii), Finance Watch and Better Finance subject to the following conditions, which are to be assessed annually:
 - (i) the entities remain non-governmental, non-profit and independent of industry, commerce or business;
 - (ii) they have no conflicting interests and represent through their members the interests of Union consumers and other end-users in the financial services area;

- (g) for actions implementing the specific objective referred to in Article 3(2)(e) of this Regulation:
- (i) the competent authorities of the Member States and their affiliated entities, the European Union reference laboratories referred to in Article 92 of Regulation (EU) 2017/625, the European Union reference centers referred to in Articles 95 and 97 of Regulation (EU) 2017/625 and in Article 29 of Regulation (EU) 2016/1012 of the European Parliament and of the Council¹, and the relevant international organisations, as well as the national plant health reference laboratories and the national animal health reference laboratories, without prejudice to the obligation for Member States to provide adequate financial resources for those national reference laboratories in accordance with Regulation (EU) 2017/625 and on condition that the actions supporting the performance by those national reference laboratories of the official controls and other official activities within the meaning of Article 2 of Regulation (EU) 2017/625 can be clearly shown to represent Union added value, and that sufficient funding is available under the Programme to support those actions;
 - (ii) in the case of actions described under Article 9(6)(a) and (b) of this Regulation, the competent authorities of third countries;

¹ Regulation (EU) 2016/1012 of the European Parliament and of the Council of 8 June 2016 on zootechnical and genealogical conditions for the breeding, trade in and entry into the Union of purebred breeding animals, hybrid breeding pigs and the germinal products thereof and amending Regulation (EU) No 652/2014, Council Directives 89/608/EEC and 90/425/EEC and repealing certain acts in the area of animal breeding ('Animal Breeding Regulation') (OJ L 171, 29.6.2016, p. 66).

- (h) for actions implementing the specific objective referred to in Article 3(2)(f) of this Regulation, the national statistical institutes and other national authorities referred to in Article 5(2) of Regulation (EC) No 223/2009.
2. The Commission is empowered to adopt delegated acts in accordance with Article 20 to amend paragraph 1(e) of this Article with regard to the entities which may be awarded a grant under the Programme.

Article 11

Evaluation of the proposal and award criteria

1. The work of the evaluation committees shall be based on the general principles applicable to grants laid down in Article 188 of the Financial Regulation and in particular, on the principles of equal treatment and transparency, as well as on the principle of non-discrimination.
2. The evaluation committees shall evaluate proposals on the basis of award criteria, such as the relevance of the proposed actions in view of the objectives pursued, quality of the proposed actions, impact, including economic, social and environmental impact, budget and cost-effectiveness.

Article 12
Co-financing rules

1. For actions implementing the specific objective referred to in Article 3(2)(a)(ii) of this Regulation with reference to market surveillance authorities of the Member States and of the third countries associated to the Programme and with reference to Union testing facilities as referred to in Article 21 of Regulation (EU) 2019/1020, the Programme may, by way of derogation from Article 190 of the Financial Regulation, finance up to 100 % of eligible costs of an action.

2. For grants for financial support actions in the context of the specific objective referred to in Article 3(2)(b), the Programme may, by way of derogation from Article 190 of the Financial Regulation, finance up to 100 % of the eligible costs for financial support to third parties and up to 90 % of the eligible costs for the other cost categories. For EEN actions in the context of the specific objective referred to in Article 3(2)(b), the Programme may, by way of derogation from Article 190 of the Financial Regulation, finance up to 100 % of the eligible costs for additional coordination and networking costs and up to 60 % of the eligible costs for the other cost categories. Moreover, eligible indirect costs shall be determined by applying a flat rate of 25 % of the total direct eligible costs, excluding direct eligible costs for subcontracting, financial support to third parties and any unit costs or lump sums which include indirect costs.

3. For grants awarded to the PIOB implementing the specific objective referred to in Article 3(2)(c)(ii), if funding by the International Federation of Accountants (IFAC) in a given year reaches more than two-thirds of the total annual funding, the annual contribution for that year shall be limited to a maximum amount specified in the work programme referred to in Article 16(1).
4. For grants awarded to ANEC under Article 10(1)(e), the Programme may finance up to 95 % of the eligible costs.
5. For actions implementing the specific objective referred to in Article 3(2)(e) of this Regulation, the Programme may, by way of derogation from Article 190 of the Financial Regulation, finance up to 100 % of the eligible costs.

For the actions referred to in Annex I, points 1 and 2, the co-financing rate applied shall be 50 % of the eligible costs, with the following exceptions:

- (a) The rate shall be 75 % of the eligible costs, in respect of:
 - (i) cross-border activities implemented together by two or more Member States in order to control, prevent or eradicate plant pests or animal diseases;
 - (ii) Member States of which the gross national income per inhabitant based on the latest Eurostat data is less than 90 % of the Union average.

- (b) By way of derogation from Article 190 of the Financial Regulation, the rate shall be 100 % of the eligible costs, where the activities benefitting from the Union contribution concern the prevention and control of serious human, plant and animal health risks for the Union, and:
- (i) are designed to avoid human casualties or major economic disruptions for the Union as a whole;
 - (ii) constitute specific tasks which are indispensable for the Union as a whole as laid down by the Commission in the work programme referred to in Article 16(4); or
 - (iii) are implemented in third countries.
- (c) Where necessary on the grounds of lack of funds, 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 the co-financing rates shall be lower.

For the purposes of point (c) of this paragraph, the amount of the reduction in the co-financing rates shall reflect the significance of the grounds for a lower rate. The Commission shall adopt implementing acts establishing lower co-financing rates. Those implementing acts shall be adopted in accordance with the examination procedure referred to in Article 21(6).

6. For actions implementing the specific objective referred to in Article 3(2)(f) of this Regulation, the Programme may finance up to 95 % of the eligible costs of actions supporting collaborative networks as referred to in Article 15 of Regulation (EC) No 223/2009.

Article 13

Eligible costs related to programmes and emergency measures

1. In addition to the eligible costs criteria set out in Article 186 of the Financial Regulation, the costs incurred by the Member States for implementing the emergency measures referred to in Annex I, points 1.4.1. and 1.4.2. implementing the specific objective referred to in Article 3(2)(e) of this Regulation:
 - (a) shall be eligible prior to the date of submission of the grant application in accordance with Article 193(2), second subparagraph, point (b) of the Financial Regulation;
 - (b) shall be eligible from the date of the suspected occurrence of an animal disease or the presence of a plant pest, provided that that occurrence or presence is subsequently confirmed.

The submission of the grant application shall be preceded by the notification to the Commission of the occurrence of the animal disease in accordance with Articles 19 or 20 and rules adopted on the basis of Article 23 of Regulation (EU) 2016/429, or the presence of the Union quarantine pest in accordance with Articles 9, 10 or 11 of Regulation (EU) 2016/2031 of the European Parliament and of the Council¹.

2. For actions implementing the specific objective referred to in Article 3(2)(e) of this Regulation, eligible costs referred to in Annex I, points 2.2.1. and 2.2.2. as regards the execution of the programmes may qualify for grants, if they fulfil the criteria set out in Article 186 of the Financial Regulation.

Article 14

Cumulative and alternative financing

1. An action that has received a contribution from another Union programme may also receive a contribution under the Programme, provided that the contributions do not cover the same costs. The rules of the relevant Union programme shall apply to the corresponding contribution to the action. The cumulative financing shall not exceed the total eligible costs of the action. The support from the different Union programmes may be calculated on a pro-rata basis in accordance with the documents setting out the conditions for support.

¹ Regulation (EU) 2016/2031 of the European Parliament and of the Council of 26 October 2016 on protective measures against pests of plants, amending Regulations (EU) No 228/2013, (EU) No 652/2014 and (EU) No 1143/2014 of the European Parliament and of the Council and repealing Council Directives 69/464/EEC, 74/647/EEC, 93/85/EEC, 98/57/EC, 2000/29/EC, 2006/91/EC and 2007/33/EC (OJ L 317, 23.11.2016, p. 4).

2. Actions that have been attributed a Seal of Excellence label under this Programme may receive support from the European Regional Development Fund or the European Social Fund Plus, in accordance with Article 73(4) of the Common Provisions Regulation for 2021-2027 if they comply with the following cumulative conditions:
 - (a) they have been assessed in a call for proposals under the Programme;
 - (b) they comply with the minimum quality requirements of that call for proposals;
 - (c) it is not possible for them to be financed under that call for proposals due to budgetary constraints,
3. An operation may receive support from one or more Union programmes. When this occurs, expenditure declared in a payment application shall not be declared in a payment application for another programme.
4. The amount of expenditure to be entered into a payment application may be calculated for each programme concerned on a pro rata basis, in accordance with the document setting out the conditions for support.

CHAPTER III

BLENDING OPERATIONS

Article 15

Blending operations

Blending operations decided under the Programme shall be implemented in accordance with Regulation (EU) 2021/...⁺ and Title X of the Financial Regulation.

CHAPTER IV

IMPLEMENTATION, MONITORING AND CONTROL

Article 16

Implementation of the Programme

1. The Programme shall be implemented by work programmes referred to in Article 110(2) of the Financial Regulation.

⁺ OJ: Please insert in the text the number of the Regulation contained in document PE-CONS 74/20 (2020/0108 (COD)).

The work programmes shall implement the specific objectives set out in Article 3 and the eligible actions set out in Article 8. Those work programmes shall set out in detail:

- (a) the indicative amount allocated to each action and, where relevant, the indicative total amount for all actions, as well as an indicative implementation timetable;
- (b) the essential evaluation criteria for grants, in accordance with Article 11, and the maximum co-financing rate, in accordance with Article 12.

Work programmes shall set out, where applicable, the overall amount reserved for blending operations.

- 2. Work programmes implementing the specific objective referred to in Article 3(2)(b) shall be adopted by the Commission by means of implementing acts. Those implementing acts shall be adopted in accordance with the examination procedure referred to in Article 21(5).
- 3. Work programmes implementing the specific objective referred to in Article 3(2)(d)(i) shall be adopted by the Commission by means of implementing acts. Those implementing acts shall be adopted in accordance with the advisory procedure referred to in Article 21(4).

4. Work programmes implementing the specific objective referred to in Article 3(2)(e) through actions as set out in Article 8(8) and Annex I shall be adopted by the Commission by means of implementing acts by 30 April of the year preceding their execution, provided that the draft budget is adopted. Those implementing acts shall be adopted in accordance with the examination procedure referred to in Article 21(6).
5. Actions set out in Annex II to this Regulation implementing the specific objective referred to in Article 3(2)(f) of this Regulation shall be implemented in accordance with Articles 13, 14 and 17 of Regulation (EC) No 223/2009, including initiatives regarding the review of priorities, and through close and coordinated cooperation within the European Statistical System.

Article 17

Monitoring and reporting

1. Indicators to report on the progress of the Programme towards the achievement of the specific objectives laid down in Article 3(2) are set out in Annex IV.
2. When reporting on the progress of the implementation of the specific objective referred to in Article 3(2)(b), the Commission shall present relevant contextual indicators, extracted from the SME performance review, from the Small Business Act factsheets and from any other relevant source, together with the indicators referred to in paragraph 1.

3. To ensure the effective assessment of the Programme's progress towards the achievement of its objectives, the Commission is empowered to adopt delegated acts, in accordance with Article 20, to amend Annex IV with regard to the indicators, where considered necessary, as well as to supplement this Regulation with provisions on the establishment of a monitoring and evaluation framework.
4. The performance reporting system shall ensure that data for monitoring the implementation and the results of the Programme are collected efficiently, effectively and in a timely manner.

To that end, proportionate reporting requirements shall be imposed on recipients of Union funds and, where appropriate, on Member States.

Article 18
Evaluation

1. Evaluations shall be carried out in a timely manner so that they can be used in the decision-making process.
2. The interim evaluation of the Programme shall be performed by four years after the start of the implementation of the Programme. The Commission shall draw up an interim evaluation report to assess the performance of the Programme, including aspects such as effectiveness, efficiency, coherence, relevance, synergies within the Programme and Union added value.

3. In relation to actions implementing the specific objective referred to in Article 3(2)(c)(ii), the Commission shall prepare an annual report on the activity of the International Financial Reporting Standards Foundation as regards the development of International Financial Reporting Standards, as well as, in general, of the IOB and of the EFRAG. The Commission shall transmit the report to the European Parliament and to the Council.
4. At the end of the implementation of the Programme and in any event four years after the end of the period specified in Article 1 the Commission shall draw up a final evaluation report to assess the performance of the Programme, including aspects such as effectiveness, efficiency, coherence, relevance, synergies within the Programme and Union added value.
5. The Commission shall submit the interim and final evaluation reports, along with its conclusions and recommendations to the European Parliament, the Council, the European Economic and Social Committee and the Committee of the Regions and make them publicly available. Where appropriate, the reports shall be accompanied by proposals for follow-up actions.
6. In accordance with Article 13(5) of Regulation (EC) No 223/2009, the Commission shall consult the European Statistical System Committee for those parts of the interim and final evaluation reports that pertain to actions implementing the specific objective referred to in Article 3(2)(f) of this Regulation, prior to their adoption and submission to the European Parliament and the Council.

The Commission shall consult the European Statistical Advisory Committee for the part of the final evaluation report that pertains to actions implementing the specific objective referred to in Article 3(2)(f) of this Regulation, prior to its adoption and submission to the European Parliament and the Council.

Article 19

Protection of the financial interests of the Union

Where a third country participates in the Programme by means of a decision adopted pursuant to an international agreement or on the basis of any other legal instrument, the third country shall grant the necessary rights and access required for the authorising officer responsible, the European Anti-Fraud Office (OLAF) and the Court of Auditors to comprehensively exercise their respective competences. In the case of OLAF, such rights shall include the right to carry out investigations, including on-the-spot checks and inspections, as provided for in Regulation (EU, Euratom) No 883/2013.

Article 20

Exercise of the delegation

1. The power to adopt delegated acts is conferred on the Commission subject to the conditions laid down in this Article.

2. The power to adopt delegated acts referred to in Article 9(6), second subparagraph, Article 10(2) and Article 17(3) shall be conferred on the Commission for a period of 7 years from 1 January 2021. The Commission shall draw up a report in respect of the delegation of power not later than nine months before the end of the 7-year period. The delegation of power shall be tacitly extended 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.
3. The delegation of power referred to in Article 9(6), second subparagraph, Article 10(2) and Article 17(3) may be revoked at any time by the European Parliament or by the Council. A decision to revoke shall put an end to the delegation of power specified in that decision. It shall take effect the day following the publication of the decision in the *Official Journal of the European Union* or at a later date specified therein. It shall not affect the validity of any delegated acts already in force.
4. Before adopting a delegated act, the Commission shall consult experts designated by each Member State in accordance with the principles laid down in the Interinstitutional Agreement of 13 April 2016 on Better Law-Making.
5. As soon as it adopts a delegated act, the Commission shall notify it simultaneously to the European Parliament and to the Council.

6. A delegated act adopted pursuant to Article 9(6), second subparagraph, Article 10(2) and Article 17(3) shall enter into force only if no objection has been expressed either by the European Parliament or by the Council within a period of two months of notification of that act to the European Parliament and the Council or if, before the expiry of that period, the European Parliament and the Council have both informed the Commission that they will not object. That period shall be extended by two months at the initiative of the European Parliament or of the Council.

Article 21

Committee procedure

1. With regard to implementing acts referred to in Article 16(2), which concern the specific objective referred to in Article 3(2)(b), the Commission shall be assisted by a committee. That committee shall be a committee within the meaning of Regulation (EU) No 182/2011.
2. With regard to implementing acts referred to in Article 16(3), which concern the specific objective referred to in Article 3(2)(d)(i), the Commission shall be assisted by a committee. That committee shall be a committee within the meaning of Regulation (EU) No 182/2011.
3. With regard to implementing acts referred to in Article 12(5), second subparagraph and in Article 16(4), which concern the specific objective referred to in Article 3(2)(e), the Commission shall be assisted by the Standing Committee on Plants, Animals, Food and Feed. That committee shall be a committee within the meaning of Regulation (EU) No 182/2011.

4. Where reference is made to this paragraph, Article 4 of Regulation (EU) No 182/2011 shall apply.
5. Where reference is made to this paragraph, Article 5 of Regulation (EU) No 182/2011 shall apply.
6. Where reference is made to this paragraph, Article 5 of Regulation (EU) No 182/2011 shall apply.

Where the opinion of the committee is to be obtained by written procedure, that procedure shall be terminated without result when, within the time-limit for delivery of the opinion, the chair of the committee so decides or a simple majority of committee members so requests.

CHAPTER V

TRANSITIONAL AND FINAL PROVISIONS

Article 22

Information, communication and publicity

1. The recipients of Union funding shall acknowledge the origin of those funds and ensure the visibility of the Union funding, in particular when promoting the actions and their results, by providing coherent, effective and proportionate targeted information to multiple audiences, including the media and the public.
2. The Commission shall implement information and communication actions in a user-friendly manner, in order to raise awareness among consumers, citizens, businesses, especially SMEs and public administrations about the financial resources provided through the Programme, and about the actions and results thereunder.
3. Financial resources allocated to the Programme shall also contribute to the corporate communication of the political priorities of the Union, insofar as those priorities are related to the objectives referred to in Article 3.

4. The Commission (Eurostat) shall implement information and communication actions relating to the implementation of the specific objective referred to in Article 3(2)(f), including actions and results that pertain to the development, production and dissemination of European statistics, in compliance with the statistical principles laid down in Regulation (EC) No 223/2009.

Article 23

Repeal

Regulations (EU) No 99/2013, (EU) No 1287/2013, (EU) No 254/2014, and (EU) No 652/2014 are repealed with effect from 1 January 2021.

Article 24

Transitional provisions

1. This Regulation shall not affect the continuation of or modification of actions initiated pursuant to 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, which shall continue to apply to those actions until their closure.
2. The financial envelope for the Programme may also cover the technical and administrative assistance expenses necessary to ensure the transition between the Programme and the measures adopted under predecessor programmes pursuant to acts listed in paragraph 1.

3. If necessary, appropriations may be entered in the budget beyond 2027 to cover the expenses provided for in Article 4(3), to enable the management of actions not completed by 31 December 2027.
4. In accordance with Article 193(2), second subparagraph, point (a), of the Financial Regulation, costs incurred before the date of submission of the grant application in respect of actions which have already begun may be considered eligible where it is necessary to ensure continuity during a limited period.

By derogation from Article 193(4) of the Financial Regulation, the costs incurred prior to the date of submission of the grant application shall be eligible in the case of operating grants, where it is necessary to ensure continuity during the period from 1 January 2021 to the entry into force of this Programme.

5. The deadlines set in Article 16(4) and in point 2.1 of Annex I shall not apply in relation to programmes covering the years 2021 and 2022.

Article 25

Entry into force and application

This Regulation shall enter into force on the day of its publication in the *Official Journal of the European Union*.

It shall apply from 1 January 2021.

This Regulation shall be binding in its entirety and directly applicable in all Member States.

Done at Brussels,

For the European Parliament

The President

For the Council

The President

ANNEX I

ELIGIBLE ACTIONS IMPLEMENTING THE SPECIFIC OBJECTIVE REFERRED TO IN ARTICLE 3(2)(E) RELATED TO THE PLANT, ANIMAL, FOOD AND FEED AREAS

The following actions implementing the specific objective referred to in Article 3(2)(e) shall be eligible for funding:

1. Implementation of veterinary and phytosanitary emergency measures.
 - 1.1. Veterinary and phytosanitary emergency measures to be taken as a result of the official confirmation of the occurrence of one of the animal diseases or zoonoses listed in Annex III or of the official confirmation of the presence of plant pests or if there is a direct threat to the human, animal or plant health status of the Union.

The measures referred to in the first paragraph shall be implemented immediately and their application shall comply with the provisions laid down in relevant Union law.

- 1.2. As regards phytosanitary emergencies, the following measures taken by Member States against an outbreak of pests in a particular area:
 - (a) eradication and prevention measures against a Union quarantine pest, taken by the competent authority of a Member State pursuant to Article 17 of Regulation (EU) 2016/2031 or pursuant to the Union measures adopted in accordance with Article 28(1) or (3) of that Regulation;

- (b) eradication and prevention measures taken by the competent authority of a Member State pursuant to Article 29(1) or 30(4) of Regulation (EU) 2016/2031 against a pest not listed as a Union quarantine pest but which may qualify as a Union quarantine pest in accordance with the criteria referred to in that Regulation;
- (c) additional protective measures taken against the spread of a pest, against which Union measures have been adopted in accordance with Article 28(1) and Article 30(1) of Regulation (EU) 2016/2031, other than the eradication and prevention measures referred to in points (a) and (b) of this point, where those measures are essential to protect the Union against further spread of that pest.

1.3. Union funding may also be provided for the following measures:

- 1.3.1. Protection or prevention measures taken in the case of a direct threat to the health status of the Union as a result of the occurrence or development, in the territory of a third country, a Member State or an overseas country or territory, of one of the animal diseases or zoonoses listed in Annex III as well as protection measures or other relevant activities, taken in support of the plant health status of the Union;
- 1.3.2. Measures referred to in this Annex carried out by two or more Member States which collaborate closely to control an animal disease or plant pest outbreak;
- 1.3.3. The establishment of stocks of biological products intended for the control of the animal diseases and zoonoses listed in Annex III, where the Commission, at the request of a Member State, considers establishment of such stocks necessary in that Member State;

- 1.3.4. The establishment of stocks of biological products or the acquisition of vaccine doses if the occurrence or the development in a third country or Member State of one of the animal diseases or zoonoses listed in Annex III might constitute a threat to the Union.
- 1.3.5. In the event of a suspected outbreak of an animal disease or the appearance of plant pests, intensified checks and monitoring within the Union and at its external borders, where needed.
- 1.3.6. Measures to monitor the appearance of known as well as emerging, previously unknown animal diseases and plant pests.
- 1.4. Eligible costs
- 1.4.1. Veterinary emergency measures

The following costs incurred by the Member States in carrying out the veterinary emergency measures may qualify for funding:

- (a) costs of compensation to owners for the value of their animals slaughtered or culled, limited to the market value that such animals would have had if they had not been affected by the disease;
- (b) costs of slaughtering or culling the animals and related transport costs;

- (c) costs of compensation to owners for the value of their destroyed products of animal origin, limited to the market value of those products immediately before any suspicion of the disease arose or was confirmed;
- (d) costs of cleaning, desinsectisation and disinfection of holdings and equipment, based on the epidemiology and characteristics of the pathogen;
- (e) costs for the transport and the destruction of the contaminated feeding stuffs and, where it can not be disinfected, contaminated equipment;
- (f) costs of purchase, storage, administration or distribution of vaccines and baits as well as the costs of inoculation itself, if the Commission decides or authorises such actions;
- (g) costs of transport and disposal of carcasses;
- (h) in exceptional and duly justified cases, costs of serological and virological tests for surveillance and pre-moving tests in restricted zones and any other costs essential for the eradication of the disease.

1.4.2. Phytosanitary emergency measures

The following costs incurred by Member States in carrying out the emergency measures in the plant health field may qualify for grants:

- (a) costs of personnel, regardless of their status, directly involved in the measures, as well as costs of renting equipment, of consumables and of any other necessary materials, of treatment products, of sampling and of laboratory tests;
- (b) costs of service contracts with third parties to execute part of the measures;
- (c) costs of compensating the operators or owners concerned for the treatment, the destruction and subsequent removal of plants, of plant products and of other objects, and for the cleaning and disinfection of premises, land, water, soil, growing media, facilities, machinery and equipment;
- (d) costs of compensating the owners concerned for the value of the destroyed plants, plant products or other objects subject to the measures referred to in Articles 17, 28(1), 29(1) and 30(1) of Regulation 2016/2031, limited to the market value that such plants, plant products and other objects would have had if they had not been affected by those measures; the salvage value, if any, shall be deducted from the compensation; and
- (e) in exceptional and duly justified cases, the costs incurred in carrying out necessary measures other than those referred to in points (a) to (d).

The compensation to operators or owners referred to in point (c) shall only be eligible if the measures have been carried out under the supervision of the competent authority.

2. Implementation of annual and multiannual national veterinary and phytosanitary programmes
- 2.1. Annual and multiannual national veterinary and phytosanitary programmes for the eradication, control and surveillance of animal diseases and zoonoses listed in Annex III and of plant pests have to be implemented in compliance with the provisions laid down in the relevant Union law.

The conditions for the actions to qualify for funding shall be set out in the work programme referred to in Article 16.

National programmes shall be submitted to the Commission by 31 May of the year preceding the planned implementation period.

The Commission shall communicate to Member States by 30 November each year:

- (a) the list of national programmes technically approved and proposed for co-financing;
- (b) the provisional amount allocated to each programme;

- (c) the provisional maximum level of the Union financial contribution for each programme; and
- (d) any provisional conditions to which the Union financial contribution may be subject.

The Commission shall approve the national programmes and the associated funding by 31 January each year by means of a grant agreement in relation to the measures implemented and the costs incurred.

Following the submission of intermediate financial reports by the beneficiaries by 31 August of the implementing year, the Commission may, if necessary, amend the grant agreements in relation to the whole eligibility period.

2.2. Eligible costs

2.2.1. The following costs incurred by the Member States in implementing the national veterinary programmes may qualify for Union co-financing:

- (a) costs of sampling animals;
- (b) costs of tests, provided that they are limited to:
 - (i) costs of test kits, reagents and consumables which are identifiable and specifically used for carrying out those tests;
 - (ii) costs of personnel, regardless of their status, directly involved in carrying out the tests;

- (c) costs of compensation to owners for the value of their animals slaughtered or culled, limited to the market value that such animals would have had if they had not been affected by the disease;
- (d) costs of slaughtering or culling of the animals;
- (e) costs of compensation to owners for the value of their destroyed products of animal origin, limited to the market value of those products immediately before any suspicion of the disease arose or was confirmed;
- (f) costs of purchase, storage, inoculation, administration or distribution of vaccine doses or vaccine and baits used for the programmes;
- (g) costs of cleaning, disinfection, desinsectisation of the holding and equipment based on the epidemiology and characteristics of the pathogen; and
- (h) in exceptional and duly justified cases, the costs incurred in carrying out necessary measures other than those referred to in points (a) to (g).

For the purposes of point (c), the salvage value of the animals, if any, shall be deducted from the compensation.

For the purposes of point (d), the salvage value of heat-treated non-incubated eggs shall be deducted from the compensation.

2.2.2. The following costs incurred by the Member States in implementing the national phytosanitary programmes may qualify for EU co-financing:

- (a) costs for sampling;
- (b) costs for visual examinations;
- (c) costs of tests, provided that they are limited to:
 - (i) the costs of test kits, reagents and consumables which are identifiable and specifically used for carrying out the tests;
 - (ii) the costs of personnel, regardless of their status, directly involved in carrying out the tests;
- (d) costs of personnel, regardless of their status, directly involved in the measures, as well as costs of renting equipment, of consumables and of any other necessary materials, of treatment products, of sampling and of laboratory tests;
- (e) costs of service contracts with third parties to execute part of the measures;
- (f) costs of compensating the operators or owners concerned for the treatment, the destruction and subsequent removal of plants, of plant products and of other objects, and for the cleaning and disinfection of premises, land, water, soil, growing media, facilities, machinery and equipment;

- (g) costs of compensating the owners concerned for the value of the destroyed plants, plant products or other objects subject to the measures referred to in Articles 17, 28(1), 29(1) and 30(1) of Regulation (EU) 2016/2031, limited to the market value that such plants, plant products and other objects would have had if they had not been affected by those measures; the salvage value, if any, shall be deducted from the compensation; and
- (h) in exceptional and duly justified cases, the costs incurred in carrying out necessary measures other than those referred to in points (a) to (g).

The compensation to operators and owners referred to in point (f) shall only be eligible if the measures have been carried out under the supervision of the competent authority.

- 2.3. If the occurrence or the development of one of the animal diseases or zoonoses listed in Annex III is likely to constitute a threat to the health status of the Union and in order to protect the Union from the introduction of one of those diseases or zoonoses or if protection measures are necessary in support of the plant health status of the Union, Member States may include in their national programmes measures that are to be implemented in territories of third countries in cooperation with the authorities of those countries. Alternatively, Union funding may under the same circumstances and for the same objective be directly awarded to third countries' competent authorities.

2.4. As regards phytosanitary programmes, Union funding may be awarded to Member States for the following measures:

- (a) surveys, over specific periods of time, checking at least for the presence of:
 - any Union quarantine pest, and signs or symptoms of any pest subject to the measures referred to in Article 29 of Regulation (EU) 2016/2031 or to measures adopted pursuant to Article 30(1) of that Regulation, pursuant to Article 22(1) of that Regulation or, where applicable, pursuant to Articles 47 to 77 of Regulation (EU) 2017/625;
 - priority pests pursuant to Article 24(1) of Regulation (EU) 2016/2031;
- (b) surveys, over specific periods of time, checking at least for the presence of any pests, other than the pests referred to in point (a), which might represent an emerging risk for the Union, and of which the entry or spread might have a significant impact on Union territory
- (c) eradication and prevention measures against a Union quarantine pest, taken by the competent authority of a Member State pursuant to Article 17 of Regulation (EU) 2016/2031 or pursuant to the Union measures adopted in accordance with Article 28(1) or (3) of that Regulation;

- (d) eradication and prevention measures taken by the competent authority of a Member State pursuant to Article 29(1) of Regulation (EU) 2016/2031 against a pest, not listed as a Union quarantine pest, which may qualify as a Union quarantine pest in accordance with the criteria referred to in that Regulation;
- (e) additional protective measures taken against the spread of a pest, against which Union measures have been adopted pursuant to Articles 28(1) and 30(1) of Regulation (EU) 2016/2031, other than the eradication and prevention measures referred to in points (c) and (d) of this point and the containment measures referred to in point (f) of this point, where those measures are essential to protect the Union against further spread of that pest;
- (f) measures to contain a pest, against which Union containment measures have been adopted pursuant to Article 28(2) of Regulation (EU) 2016/2031 or Article 30(3) of that Regulation, in an infested area from which that pest cannot be eradicated, where those measures are essential to protect the Union against further spread of that pest.

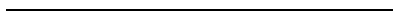
The work programmes referred to in Article 16(4) shall determine the list of plant pests to be covered under these measures.

3. Implementation of phytosanitary programmes for the control of pests in the outermost regions of the Union referred to in Article 355(1) TFEU which are excluded from the territorial scope of Regulation (EU) 2016/2031, in line with the objectives set out in Article 24 of Regulation (EU) No 228/2013 of the European Parliament and of the Council¹. Those programmes shall concern activities necessary to ensure the correct implementation in those regions of the rules in force there on the control of pests, whether they are Union rules or national rules.
4. Activities to support the improvement of the welfare of animals, including measures to ensure compliance with animal welfare standards and traceability including during animal transport.
5. Support for European Union reference laboratories, referred to in Article 92 of Regulation (EU) 2017/625, and the European Union reference centres referred to in Articles 95 and 97 of Regulation (EU) 2017/625 and in Article 29 of Regulation (EU) 2016/1012.
6. During a period of up to three years after the designation of the European Union reference laboratory of the specific area, where appropriate and in line with Article 10(1), obtaining accreditation regarding test and diagnostic methods at national plant health reference laboratories and national animal health reference laboratories.
7. Implementation of coordinated control programmes and organisation of information and data collection, referred to in Article 112 of Regulation (EU) 2017/625.

¹ Regulation (EU) No 228/2013 of the European Parliament and of the Council of 13 March 2013 laying down specific measures for agriculture in the outermost regions of the Union and repealing Council Regulation (EC) No 247/2006 (OJ L 78, 20.3.2013, p. 23).

8. Activities for preventing food waste and combating food fraud.
9. Activities supporting sustainable food production and consumption, including short supply chains.
10. Development of data-bases and computerised information management systems necessary for the effective and efficient implementation of the legislation related to the specific objective referred to in Article 3(2)(e) and having a proven added value for the Union as a whole; as well as implementation of new technologies to improve traceability of products.
11. Training of the staff of the competent authorities responsible for official controls and other parties involved in the management or prevention of animal diseases or plant pests, as referred to in Article 130 of Regulation (EU) 2017/625.
12. Payment of travel, accommodation and daily subsistence expenses incurred by Member States' experts as a result of the Commission appointing them to assist its experts as provided for in Articles 116(4) and 120(4) of Regulation (EU) 2017/625.
13. Performance of technical and scientific work necessary to ensure the correct implementation of the legislation in the area related to the specific objective referred to in Article 3(2)(e) and the adaptation of that legislation to scientific, technological and societal developments, including studies and coordination activities necessary for the prevention of the appearance of emerging plant pests and animal diseases.

14. Activities carried out by the Member States or international organisations with the aim of achieving the specific objective referred to in Article 3(2)(e) in support of the development and implementation of the rules related to that objective.
15. Performance of projects organised by one or more Member States with the aim of improving, through the use of innovative techniques and protocols, the efficient implementation of the specific objective referred to in Article 3(2)(e).
16. Implementation of information and awareness raising initiatives by the Union and Member States with the aim of ensuring improved, compliant and sustainable food production and consumption, including food waste prevention contributing to the circular economy and food fraud prevention activities, as well as other initiatives contributing to a high level of health for plants and animals, and food and feed safety, as part of the implementation of the rules in the area of the specific objective referred to in Article 3(2)(e).
17. Implementation of measures to protect human, animal and plant health and animal welfare, in respect of animals, animal products, plants, plant products and other relevant objects arriving from third countries at a Union border.



ANNEX II

ELIGIBLE ACTIONS IMPLEMENTING THE SPECIFIC OBJECTIVE REFERRED TO IN ARTICLE 3(2)(f) ON EUROPEAN STATISTICS

The implementation of Union policies requires high-quality, comparable and reliable statistical information about the economic, social, territorial and environmental situation in the Union. Additionally, European statistics enable European citizens to understand and to participate in the democratic process and debate about the present state and future of the Union.

Together with Regulation (EC) No 223/2009, and especially with reference to the professional independence of statistical institutes and the other statistical principles laid down in Article 2 of that Regulation, the Programme is intended to provide the overall framework for the development, production and dissemination of European statistics for 2021-2027. European statistics are to be developed, produced and disseminated under that framework and in accordance with the principles of the European statistics Code of Practice. That framework should respect the quality criteria referred to in Article 12(1) of Regulation (EC) No 223/2009 through close and coordinated cooperation within the European Statistical System (ESS).

European statistics developed, produced and disseminated under this framework, will contribute to the implementation of the Union's policies as set out in the TFEU and further reflected in the Commission's strategic priorities.

Through the Programme, the ESS will aim to maintain and improve its level of excellence in the statistical field. Likewise, the annual work programmes will aim to achieve the best possible output, taking into account the available resources at the regional, national and the Union level.

Continuous research and innovation are considered as key drivers in modernising European statistics and in improving the quality of European statistics. Therefore investment through the multiannual work programme should concentrate on the development of new methods and methodologies as well as exploring new data sources for producing statistics.

In implementing the specific objective referred to in Article 3(2)(f), the following actions shall be carried out:

Economic and Monetary Union, globalisation and trade

- (1) providing high-quality statistics underpinning the Excessive Deficit Procedure, and, where feasible, the Recovery and Resilience Facility and the Technical support instrument, and underpinning the Union's annual cycle of economic monitoring and guidance;
- (2) providing and where necessary, enhancing the Principal European Economic Indicators;
- (3) providing statistics and methodological guidance on the statistical treatment of the investment and budgetary instruments in supporting economic convergence, financial stability and job creation;
- (4) providing statistics for own resource purposes and remunerations and pensions of Union staff;

- (5) better measuring of trade in goods and services, foreign direct investment, global value chains and the impact of globalisation on the Union economies.

Internal market, innovation and digital transformation

- (1) providing high quality and reliable statistics for the internal market and key areas of innovation and research;
- (2) providing more and timelier statistics on collaborative economy and the impact of digitalisation on Union businesses and citizens;
- (3) providing statistics to support the European defence policy, subject to feasibility studies and duly taking into account the sensitivity of statistical data.

Social dimension of Europe

- (1) providing high quality, timely and reliable statistics to support the European Pillar of Social Rights and the Union Skills Policy, including statistics on the labour market, employment, education and training, income, living conditions, poverty, inequality, social protection, gender based violence, undeclared work, and satellite accounts on skills;

Where the development of new statistics is necessary, the data availability and the feasibility of producing statistics on satellite accounts on skills and on undeclared work need to be further examined within the ESS;

- (2) providing statistics related to the United Nations Convention on the Rights of Persons with Disabilities;

- (3) enriching statistics on migration in particular on the situation and integration of migrants and the education needs and qualification levels of asylum seekers;
- (4) developing modernised post-2021 Population and Housing Census programmes and population statistics;
- (5) providing and regularly updating projections and breakdown on the Union population.

Sustainable development, Natural resources and environment

- (1) monitoring the progress towards the Sustainable Development Goals (SDGs);
- (2) providing high-quality statistics underpinning the European Green Deal including further developing statistics in support of the Energy Strategy, the circular economy, climate-related statistics and the plastics strategy;

Where the development of new statistics and indicators for the topics mentioned in the indent above is necessary, the data availability and the feasibility for producing statistics and indicators shall be further examined within the ESS;

- (3) providing key environmental statistics and indicators, including on waste, water, biodiversity, forests, land use and land cover, as well as environmental economic accounts;
- (4) providing freight and passengers' transport statistics to support the policies of the Union;

- (5) developing further indicators to monitor intermodality and modal shift towards more environmentally friendly transport modes;
- (6) providing timely and relevant data for the needs of the Common Agricultural Policy, Common Fisheries policy and policies related to the environment, food security and animal welfare.

Economic, social and territorial cohesion

- (1) providing timely and comprehensive statistical indicators on regions, including the Union outermost regions, cities and rural areas, to monitor and evaluate the effectiveness of territorial development policies and to evaluate the territorial impacts of sectoral policies;
- (2) increasingly using geospatial data and systematically integrating and mainstreaming geospatial information management into statistical production;
- (3) examining within the ESS the feasibility of providing and then supporting the development of:
 - (a) indicators on anti-money laundering;
 - (b) indicators on the fight against financing of terrorism;
 - (c) police and security statistics.

Better communication of European statistics and its values by promoting it
as a trustworthy source in tackling disinformation

- (1) systematically promoting European statistics as a trustworthy source of evidence and facilitating fact checkers, researchers and public authorities in their use of European statistics in tackling disinformation;
- (2) enhancing the existent dialogue with producers and with users of European statistics in order to improve and promote the use of European statistics by setting and implementing actions to increase statistical literacy for the benefit of the Union citizens, including entrepreneurs;
- (3) making it easier for users to access and understand statistics, including by providing attractive and interactive visualisations, more tailored services like on-demand data, and self-service analytics;
- (4) further developing and monitoring the quality assurance framework for European statistics, including through peer reviews of the Members States' compliance with the European statistics Code of Practice;
- (5) providing access to micro-data for research purposes in accordance with Article 23 of Regulation (EC) No 223/2009 while safeguarding the highest standards in the protection of data and statistical confidentiality.

Reaping the benefits of data revolution and moving to trusted smart statistics

- (1) stepping-up the exploitation of new digital data sources in a multisource environment to produce new smart statistics in near real-time with trusted algorithms that are fit for purpose;
- (2) developing novel approaches to use privately held data through the adoption of privacy-preserving computation and secure multiparty computation methods;
- (3) promoting cutting-edge research and innovation in official statistics, including by making use of collaborative networks and providing European Statistical Training Programmes.

Expanded partnerships and statistical cooperation

- (1) strengthening the ESS partnership and cooperation with the European System of Central Banks;
- (2) fostering partnerships with public and private data holders and the technology sector to facilitate access to data for statistical purposes, the integration of data from multiple sources and the use of latest technologies;
- (3) enhancing cooperation with research and academia, in particular as regards the use of new data sources, data analytics and the promotion of statistical literacy;
- (4) continuing the cooperation with international organisations and third countries for the benefit of global official statistics.

ANNEX III

LIST OF ANIMAL DISEASES AND ZOOZOSES

- (1) Animal diseases referred to in Article 5(1), Article 9(1)(a), (b) and (c) and Article 28 of Regulation (EU) 2016/429;
 - (2) Zoonoses and zoonotic agents referred to in Regulation (EC) No 2160/2003 and in Directive 2003/99/EC;
 - (3) Transmissible spongiform encephalopathies as referred to in Regulation (EC) No 999/2001.
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ANNEX IV

INDICATORS

Objective	Indicator
Objectives laid down in Article 3(2)(a)	<ol style="list-style-type: none">1. Number of new complaints in the area of free movement of goods and services, as well as Union legislation on public procurement.2. Services Trade Restrictiveness Index.3. Number of visits to the Your Europe portal.
Objective laid down in Article 3(2)(a)(ii)	<ol style="list-style-type: none">1. Number of cases of non-compliance in the area of goods, including online sales.2. Number of joint market surveillance campaigns.
Objective laid down in Article 3(2)(b)	<ol style="list-style-type: none">1. Number of SMEs and clusters and business network organisations, as well as business support organisations, receiving support from the programme, in particular for internationalisation, digitalisation and sustainability.2. Number of companies supported having concluded business partnerships.3. Number of entrepreneurs benefitting from mentoring and mobility schemes, including young, new and female entrepreneurs, as well as other specific target groups.

Objective	Indicator
Objective laid down in Article 3(2)(c)(i)	1. Share of implementation of European standards as national standards by Member States in total amount of active European standards.
Objective laid down in Article 3(2)(c)(ii)	1. Percentage of international financial reporting and auditing standards endorsed by the Union
Objective laid down in Article 3(2)(d)(i)	1. Consumer condition index.
Objective laid down in Article 3(2)(d)(ii)	1. Number of position papers and responses to public consultations in the field of financial services from beneficiaries.
Objective laid down in Article 3(2)(e)	1. Number of successfully implemented national veterinary and phytosanitary programmes, including the number of successfully implemented emergency measures on plant pests and animal diseases.
Objective laid down in Article 3(2)(f)	1. Impact of statistics published on the internet: number of web mentions and positive/negative opinions.
