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NOTE

From: General Secretariat of the Council
On: 7 May 2026
To: Delegations

Subject: Presentation by the European Court of Auditors (agenda item 3.) at the Working Party on Competitiveness and Growth (Internal Market) on 5 May 2026

Delegations will find attached a presentation by the European Court of Auditors (ECA), with a view to the discussion by the Working Party on Competitiveness and Growth (Internal Market) at its meeting on 5 May 2026.

This document contains a presentation by an external stakeholder and the views expressed therein are solely those of the third party it originates from. This document cannot be regarded as stating an official position of the Council. It does not reflect the views of the Council or of its members.

5 May 2026



EUROPEAN
COURT
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Opinion N°08/2026:

on the proposal establishing
the **Single Market and Customs
Programme** for the period 2028-2034

2025/0590 (COD)



01

Why did we prepare this opinion?

02

What did we look at?

03

What did we find?

01

Why did we prepare this opinion?

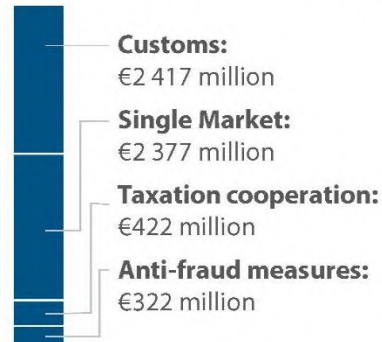
We provide our **opinions** on the new MFF proposals **to the Council and the European Parliament.**

Thus, we **support the legislative process through our observations** on the design, financial implementation, control environment and potential risks of the proposed regulation.

SMCP budget

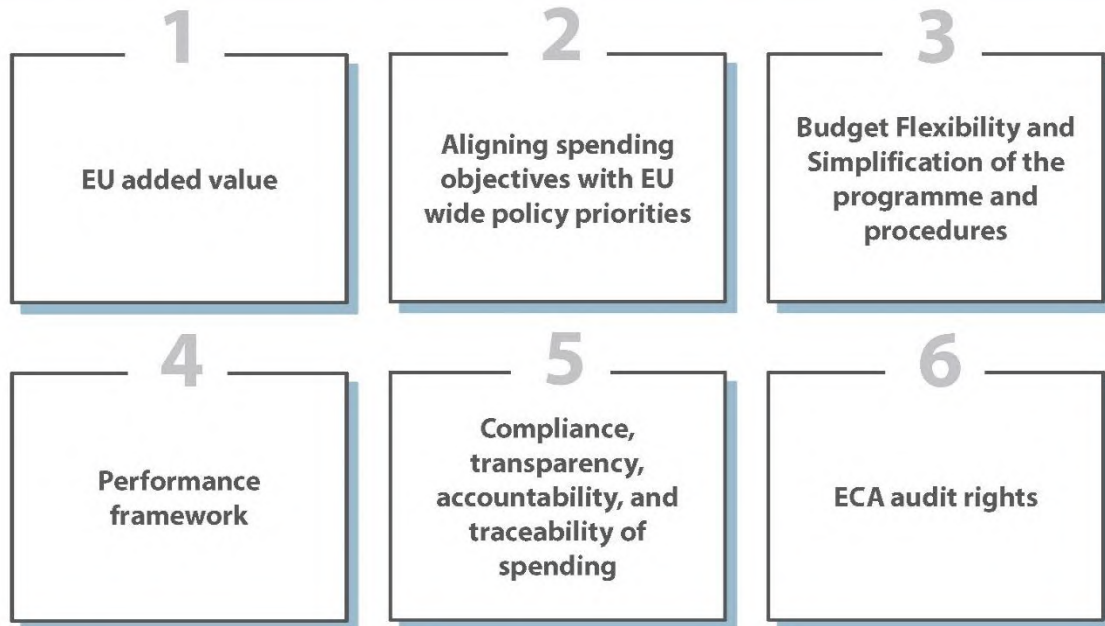
€6,2 billion

proposed for the 2028-2034 period



02

What did we look at?



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03

What did we find?

1. EU added value
... not defined...

- | **No definition of the concept of EU added value.**
- | **EU added value** cannot be substantiated for optimal use of EU funds without an **assessment, a definition and its consistent application.**

03

What did we find?

2. Aligning spending objectives with EU-wide policy priorities

... announced but not ensured...

- | **The draft SMCP** regulation refers to **EU strategic priorities**
- | EU strategic priorities of **competitiveness, enforcement** and **digitalisation** are not translated into **binding requirements for work programmes**
- | Weaknesses of the **EU anti-fraud architecture** are not addressed

03

What did we find?

3. Budget Flexibility

- | Draft SMCP introduces extensive flexibility tools
- | But the lack of conditions, safeguards or reporting requirements may reduce **predictability** and **continuity** of funding for core components such as **critical taxation** or **anti-fraud IT infrastructures**

03

What did we find?

3. Simplification of the programme and procedures

...a particular potential for simplification, though lack of clear rules is concerning...

- | We welcome the **potential for simplification** by consolidating five programmes
- | **Diversity** of interventions, actions and stakeholders
- | But no clear rules, **coherent prioritisation, transparent budgeting or disciplined procurement**

03

What did we find?

4. Performance framework

... we issue our opinion on the proposal for a new performance framework...

- | The ECA issued a separate **opinion on the Commission's proposal for a regulation establishing a budget expenditure tracking and performance framework.**
- | We note that the SMCP proposal is missing **obligations on implementation reporting** and an **ex-post evaluation** of the SMCP programme

03

What did we find?

5. Compliance, transparency, accountability, and traceability of spending

...risks remain...

- | The SMCP programme's heterogeneity presents **risks** for **accountability** and **traceability** of the funds spent
- | Commission needs to define **tailored arrangements** for the SMCP's heterogeneous risk profile
- | **Minimum traceability, reporting requirements** and **clear links between payments and results** should not be left to future implementation or internal control decisions alone

03

What did we find?

6. ECA audit rights
*... undisputable,
but better to
formalise them for
bodies outside EU
legal framework...*

- | **The ECA has a full audit mandate** through Commission's direct and indirect management
- | ECA audit rights for **bodies outside EU legal framework** should be secured through **standard clauses in delegation agreements**

THANK YOU
for your attention!



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