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Subject: Proposal for a Regulation of the European Parliament and of the Council establishing the Programme for single market, competitiveness of enterprises, including small and medium-sized enterprises, and European statistics and repealing Regulations (EU) No 99/2013, (EU) No 1287/2013, (EU) No 254/2014, (EU) No 258/2014, (EU) No 652/2014 and (EU) No 2017/826  
- Opinion of the Committee of the Regions

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Delegations will find attached copy of the above-mentioned opinion.

This opinion is available in all language versions on the following website:

<https://dm.cor.europa.eu/CoRDocumentSearch/Pages/opinionssearch.aspx?LANG=EN>.



**European Committee  
of the Regions**

**ECON-VI/038**

**132nd plenary session, 5-6 December 2018**

## **OPINION**

### **The Single Market Programme**

#### THE EUROPEAN COMMITTEE OF THE REGIONS

- welcomes the proposal to establish a new Programme for improving the functioning of the internal market; [point 1]
- recognises that the internal market is one of the main successes of the EU but that it must continue to adapt in a rapidly changing environment characterised by digitalisation and globalisation. Notes that significant barriers to a properly functioning internal market remain with new obstacles emerging; [point 2]
- welcomes the emphasis on strengthening support for the SME sector through this programme; [point 4]
- recognises that there remains a serious problem with the enforcement of EU product rules with too many non-compliant products on the market. Suggests that there is an urgent need for clear branding and visibility and the avoidance of duplication in the plethora of instruments that exist or are proposed to ensure that citizens and businesses understand the applicable rules and their rights and obligations and also the channels that are open to them when they believe the rules are being infringed; [point 15]
- supports the objective of improving the capability of national, regional and local authorities to better implement the current rules, but suggests that the complexity of procurement law can be a barrier to the greater participation of SMEs in public procurement; [point 19]
- welcomes the commitment to continuous investment in the existing Internal Market Governance Tools; recommends much greater involvement by local and regional authorities in the implementation of these governance tools as a means of improving their functioning; [point 21]
- requests further detail on the future role and ambition of the European Enterprise Network (EEN), given the challenges for SMEs and how it is proposed to adapt the network to meet these challenges in an age of digitalisation and globalisation so that it is better attuned to the needs of businesses and more aligned with supports provided by Member States; [point 28]
- appreciates the recognition that citizens are particularly affected by the functioning of financial services markets and stresses the need for the Programme to effectively support consumer rights and awareness raising in this area. [point 39]

### Rapporteur

Deirdre Forde (IE/EPP), Councillor, Cork County Council

### Reference documents

Proposal for a Regulation of the European Parliament and of the Council establishing the Programme for single market, competitiveness of enterprises, including small and medium-sized enterprises, and European statistics and repealing Regulations (EU) No 99/2013, (EU) No 1287/2013, (EU) No 254/2014, (EU) No 258/2014, (EU) No 652/2014 and (EU) 2017/826  
COM(2018) 441 final

Annexes to the Proposal for a Regulation of the European Parliament and of the Council establishing the Programme for single market, competitiveness of enterprises, including small and medium-sized enterprises, and European statistics and repealing Regulations (EU) No 99/2013, (EU) No 1287/2013, (EU) No 254/2014, (EU) No 258/2014, (EU) No 652/2014 and (EU) 2017/826  
COM(2018) 441 final, Annexes 1 to 4

## Opinion of the European Committee of the Regions – The Single Market Programme

### I. RECOMMENDATIONS FOR AMENDMENTS

#### Amendment 1

##### Recital 7

<i>Text proposed by the Commission</i>	<i>CoR amendment</i>
It is therefore appropriate to establish <i>a</i> Programme for the internal market, competitiveness of enterprises, including micro, small and medium-sized enterprises, and European statistics (the 'Programme'). The Programme should be established for the duration of seven years from 2021 to 2027.	It is therefore appropriate to establish <i>the Single Market</i> Programme, for <i>strengthening</i> the internal market <i>and improving its functioning, in the fields of</i> competitiveness of enterprises, including micro, small and medium-sized enterprises, <i>standardisation, consumer protection</i> and European statistics (the 'Programme'). The Programme should be established for the duration of seven years from 2021 to 2027.

<i>Reason</i>

#### Amendment 2

##### Recital 9

<i>Text proposed by the Commission</i>	<i>CoR amendment</i>
A modern internal market promotes competition and benefits consumers, businesses and employees. Making better use of the ever evolving internal market in services should help European businesses create jobs and grow across borders, offer wider choice of services at better prices, and maintain high standards for consumers and workers. To achieve this, the Programme should contribute to the removal of remaining barriers, and to ensure a regulatory framework that can accommodate new innovative business models.	A modern internal market <i>is based on principles of fairness and transparency, which</i> promotes competition and benefits consumers, businesses and employees. Making better use of the ever evolving internal market in services should help European businesses create jobs and grow across borders, offer wider choice of services at better prices, and maintain high standards for consumers and workers. To achieve this, the Programme should contribute to <i>the better monitoring of internal market developments, including of the impact of new technologies and innovative business models, the identification and</i> the removal of remaining barriers, and to ensure a regulatory framework that can accommodate new innovative business models, <i>including social entrepreneurship</i> .

*Reason*

**Amendment 3**

Recital 15

<i>Text proposed by the Commission</i>	<i>CoR amendment</i>
<p>Public procurement is used by public authorities to ensure value for public money spent and to contribute to a more innovative, sustainable, inclusive and competitive internal market. Directive 2014/23/EU of the European Parliament and of the Council<sup>49</sup>, Directive 2014/24/EU of the European Parliament and of the Council<sup>50</sup> and Directive 2014/25/EU of the European Parliament and of the Council<sup>51</sup> provide the legal framework for the integration and effective functioning of the public procurement markets representing 14% of Union's gross domestic product, to the benefit of public authorities, businesses as well as citizens, including consumers. The Programme should therefore support measures to ensure a wider uptake of strategic public procurement, the professionalisation of public buyers, <b>improved access to procurement markets for SMEs</b>, increase of transparency, integrity and better data, boosting the digital transformation of procurement and promotion of joint procurement, through strengthening a partnership approach with the Member States, improving data gathering and data analysis including through development of dedicated IT tools, supporting exchange of experiences and good practices, providing guidance, pursuing beneficial trade agreements, strengthening cooperation among national authorities and launching pilot projects.</p>	<p>Public procurement is used by public authorities to ensure value for public money spent and to contribute to a more innovative, sustainable, inclusive and competitive internal market. Directive 2014/23/EU of the European Parliament and of the Council<sup>49</sup>, Directive 2014/24/EU of the European Parliament and of the Council<sup>50</sup> and Directive 2014/25/EU of the European Parliament and of the Council<sup>51</sup> provide the legal framework for the integration and effective functioning of the public procurement markets representing 14% of Union's gross domestic product, to the benefit of public authorities, businesses as well as citizens, including consumers. The Programme should therefore support measures to ensure a wider uptake of strategic public procurement, the professionalisation of public buyers, <b>strengthening the capacity of SMEs to access procurement markets by streamlining and simplifying procurement processes</b>, increase of transparency, integrity and better data, boosting the digital transformation of procurement and promotion of joint procurement, through strengthening a partnership approach with the Member States, improving data gathering and data analysis including through development of dedicated IT tools, supporting exchange of experiences and good practices, providing guidance, <b>implementing public procurement-related and reciprocal provisions in</b> trade agreements, strengthening cooperation among national <b>and, where relevant, regional</b> authorities and launching pilot projects.</p>

***Reason***

The reference to the "(pursuit) of beneficial trade agreements" is worded in an unclear manner and does not refer to the issue addressed here, i.e. public procurement.

**Amendment 4**

Recital 16

<b><i>Text proposed by the Commission</i></b>	<b><i>CoR amendment</i></b>
<p>In order to meet the objectives of the Programme and to facilitate the lives of citizens and businesses, high-quality user-centric public services need to be put in place. This implies that public administrations will need to start working in new ways, bring down silos between the different parts of their administrations, and to engage in the co-creation of these public services with citizens and businesses. Moreover, the continuous and steady increase of cross-border activities in the internal market requires provision of up-to-date information on the rights of businesses and citizens, but also information explaining the administrative formalities. In addition, provision of legal advice and helping to solve problems which occur at cross national level becomes essential. Furthermore, connecting national administrations in a simple and efficient manner as well as evaluating how the internal market works on the ground is necessary. The Programme should therefore support the following existing internal market governance tools: the Your Europe Portal which should be a backbone of the upcoming Single Digital Gateway, Your Europe Advice, SOLVIT, the Internal Market Information system and the Single Market Scoreboard in order to improve citizens' daily lives and businesses' ability to trade across borders.</p>	<p>In order to meet the objectives of the Programme and to facilitate the lives of citizens and businesses, high-quality user-centric public services need to be put in place. This implies that public administrations will need to start working in new ways, bring down silos between the different parts of their administrations, and to engage in the co-creation of these public services with citizens and businesses. Moreover, the continuous and steady increase of cross-border activities in the internal market requires provision of up-to-date information on the rights of businesses and citizens, but also information explaining the administrative formalities. In addition, provision of legal advice and helping to solve problems which occur at cross national level becomes essential. Furthermore, connecting national administrations in a simple and efficient manner as well as evaluating how the internal market works on the ground is necessary. The Programme should therefore support the following existing internal market governance tools: the Your Europe Portal which should be a backbone of the upcoming Single Digital Gateway, Your Europe Advice, SOLVIT, the Internal Market Information system and the Single Market Scoreboard in order to improve citizens' daily lives and businesses' ability to trade across borders. <b><i>In order to ensure that these governance tools are used to their full potential, efforts should also be undertaken to raise awareness, particularly of the Your Europe Portal, among local and regional authorities and other organisations who support citizens and businesses on the ground.</i></b></p>

<i>Reason</i>
Efforts to enhance the use and effectiveness of internal market governance tools such as online portals targeted at citizens and businesses must be accompanied by efforts to raise awareness of their existence and availability. Awareness raising among local and regional authorities and their elected representatives should be central to these efforts given their role in dealing with and supporting businesses and citizens on a daily basis.

#### Amendment 5

##### Recital 23

<i>Text proposed by the Commission</i>	<i>CoR amendment</i>
SMEs share common challenges that do not affect larger firms to the same extent to obtain finance, to find skilled work force, to alleviate administrative burden, to take-up creativity and innovation, to access markets and foster internationalisation activities. The Programme should address such market failures proportionally, while not unduly distorting competition in the internal market.	SMEs share common challenges that do not affect larger firms to the same extent to obtain finance, to find skilled work force, to alleviate administrative burden, to take-up creativity and innovation, to access markets and foster internationalisation activities. <b><i>These challenges are particularly significant for SMEs based in rural and/or peripheral and outermost regions.</i></b> The Programme should address such market failures proportionally, <b><i>paying special attention to actions that benefit directly SMEs and enterprise networks,</i></b> while not unduly distorting competition in the internal market.

<i>Reason</i>
While all SMEs face the challenges outlined in recital 23, SMEs based in rural and/or peripheral regions report greater challenges in finding skilled workers and in accessing the infrastructure such as broadband and other forms of connectivity which are required to take up innovation and to foster internationalisation activities.

#### Amendment 6

##### Recital 39

<i>Text proposed by the Commission</i>	<i>CoR amendment</i>
The European Consumer Centres Network <b><i>is assisting</i></b> consumers to obtain the benefit of their Union consumer rights when they purchase goods and services cross border in the Internal Market and EEA, either on-line or when travelling. The 30 centres strong network, jointly funded by the Union consumer programmes since more than 10 years has proven its added value to strengthen consumers and traders trust in the Internal Market. It deals with more than 100 000 consumers' requests per year and reaches millions	The <b><i>Programme should also support the</i></b> European Consumer Centres Network <b><i>which assists</i></b> consumers to obtain the benefit of their Union consumer rights when they purchase goods and services cross border in the Internal Market and EEA, either on-line or when travelling. The 30 centres strong network, jointly funded by the Union consumer programmes since more than 10 years has proven its added value to strengthen consumers and traders trust in the Internal Market. It deals with more than 100 000

<p>of citizens via its press and online information activities. It is one of the most valued citizens' assistance network of the Union and most of its centres host contact points for internal market law, such as the Directive 2006/123/EC of the European Parliament and of the Council[59] and its evaluation stresses the importance to continue its operation. The network also intends to develop reciprocity arrangements with similar bodies in third countries.</p> <p>[59] 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).</p>	<p>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 network of the Union and most of its centres host contact points for internal market law, such as the Directive 2006/123/EC of the European Parliament and of the Council[59] and its evaluation stresses the importance to continue its operation. <i>European Consumer Centres Network can be also 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 the interests of consumers. Therefore, the Programme should allow for the building and enhancing of synergies between consumer representation at local and Union level in order to strengthen consumer advocacy.</i> The network also intends to develop reciprocity arrangements with similar bodies in third countries.</p> <p>[59] 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).</p>
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<b>Reason</b>
Self-evident.

### Amendment 7

#### Recital 41

<b><i>Text proposed by the Commission</i></b>	<b><i>CoR amendment</i></b>
<p>Citizens are particularly affected by the functioning of financial services markets. These are a key component of the internal market and require a solid framework for regulation and supervision which 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. It is important to enhance their capacity to participate in policy making for the financial sector.</p>	<p>Citizens are particularly affected by the functioning of financial services markets The are a key component of the internal market and require a solid framework for regulation and supervision which 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. It is important to enhance their capacity to participate in policy making for the financial sector <b><i>and to support awareness raising activities</i></b></p>

	<i>for consumer rights in this area, including awareness of redress procedures where appropriate.</i>
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<i>Reason</i>
Efforts to enhance the participation of consumers and end users in policy-making for the financial sector are to be welcomed. However, given the potential for any abuse or mismanagement in the financial sector to impact on citizens' lives, the issue of awareness raising in this area of consumer protection should be given particular consideration.

### Amendment 8

Recital 58

<i>Text proposed by the Commission</i>	<i>CoR amendment</i>
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 to reinforce in particular 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 area of competitiveness, or specific activities stemming from regulatory requirements, like in the area of standardisation, food chain regulation and European statistics should also be included in the Programme.	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 to reinforce in particular 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 area of competitiveness, or specific activities stemming from regulatory requirements, like in the area of <b><i>market surveillance and product safety, consumers</i></b> , standardisation, food chain regulation and European statistics should also be included in the Programme.

<i>Reason</i>
Self-evident.

### Amendment 9

Article 1(1)

<i>Text proposed by the Commission</i>	<i>CoR amendment</i>
Subject matter This Regulation establishes the programme for improving the functioning of the internal market and the competitiveness of enterprises, including micro, small and medium-sized enterprises and the framework for financing of development, production and dissemination of European	Subject matter This Regulation establishes the programme for improving the functioning of the internal market and the competitiveness of enterprises, including micro, small and medium-sized enterprises and <b><i>social enterprises, enterprises networks</i></b> ,

<p>statistics within the meaning of Article 13 of Regulation (EC) No 223/2009 (the 'Programme').  <i>It lays down the objectives of the Programme, the budget for the period 2021 to 2027, the forms of Union funding and the rules for providing such funding.</i></p>	<p><i>standardisation, consumer protection, and</i> the framework for financing of development, production and dissemination of European statistics within the meaning of Article 13 of Regulation (EC) No 223/2009 (the 'Programme').</p>
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<b>Reason</b>
Ensuring consistency about the scope of the programme (see in particular amendment to recital 7).

### Amendment 10

Article 3(1)(a)

<i>Text proposed by the Commission</i>	<i>CoR amendment</i>
<p>to improve the functioning of the internal market, and especially to protect and empower citizens, consumers and businesses, in particular micro, small and medium-sized enterprises (SMEs), by enforcement of Union law, facilitation of market access, standard setting, and by promoting human, animal and plant health and animal welfare; as well as to enhance cooperation between the competent authorities of Member States and between the competent authorities of Member States and the Commission and the decentralised Union agencies;</p>	<p>to <i>create sustainable jobs, address market failures and</i> improve the functioning of the internal market, and especially to <i>enhance local economy and promote the circular economy,</i> protect and empower citizens, consumers and businesses, in particular micro, small and medium-sized enterprises (SMEs), by enforcement of Union law, facilitation of market access, standard setting, and by promoting human, animal and plant health and animal welfare; as well as to enhance cooperation between the competent authorities of Member States and between the competent authorities of Member States and the Commission and the decentralised Union agencies;</p>

<b>Reason</b>
N/A

### Amendment 11

Article 3(2)(a)

<i>Text proposed by the Commission</i>	<i>CoR amendment</i>
<p>making the internal market more effective, facilitating the prevention and removal of obstacles, supporting the development, implementation and enforcement of the Union law in the areas of the internal market for goods and services, public procurement, market surveillance as well as in the areas of company law and contract and extra-contractual law, anti-</p>	<p>making the internal market more effective, <i>promoting local economic development,</i> facilitating the prevention and removal of obstacles, supporting the development, implementation and enforcement of the Union law in the areas of the internal market for goods and services, <i>including the social economy,</i> public procurement, market surveillance as well</p>

money laundering, free movement of capital, financial services and competition, including the development of governance tools;	as in the areas of company law and contract and extra-contractual law, anti-money laundering, free movement of capital, financial services and competition, including the development of governance tools;
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<i>Reason</i>
N/A

**Amendment 12**  
Article 8(3)

<i>Text proposed by the Commission</i>	<i>CoR amendment</i>
(e) supporting the competitiveness of enterprises and whole sectors of economy, and supporting SMEs' uptake of innovation and value chain collaboration through strategically connecting ecosystems and clusters, including the joint cluster initiative;	(e) supporting the competitiveness of enterprises and whole sectors of economy, and supporting SMEs' uptake of innovation, <b><i>and in particular their adoption of new business models, including those associated with the social and collaborative economy, as well as their uptake of</i></b> value chain collaboration through strategically connecting ecosystems and clusters, including the joint cluster initiative;

<i>Reason</i>

## II. POLICY RECOMMENDATIONS

### THE EUROPEAN COMMITTEE OF THE REGIONS

1. welcomes the Commission's proposal to establish a new Single Market Programme for improving the functioning of the internal market for the period 2021-2027, aimed at strengthening its governance, supporting the competitiveness of SMEs, improving consumer protection and enforcement of consumer rights, promoting human, animal and plant health and animal welfare and ensuring an appropriate European statistical framework;
2. recognises that the internal market is one of the main successes of the EU but that it must continue to adapt in a rapidly changing environment characterised by digitalisation and globalisation. Notes that significant barriers to a properly functioning internal market remain with new obstacles emerging;
3. acknowledges the vital importance for the proper functioning of the internal market of providing citizens and businesses with information about their rights, public authorities with knowledge about how to apply the rules, and courts with the expertise and competence to enforce them; ***in this context, it is important that different countries' education systems incorporate basic***

*knowledge about the EU to ensure that all younger citizens gradually become aware of their rights and can make better use of the advantages offered by the internal market;*

4. highlights the continuous challenge facing SMEs in accessing finance, the ongoing administrative burden of doing business, the difficulties they face in seizing opportunities through internationalisation and their inability to sufficiently reap the benefits of the single market; this results in continued fragmentation and market anomalies in many sectors and regions at the expense of both businesses and consumers; welcomes the emphasis placed by the Commission on strengthening support for the SME sector through this programme;
5. recognises that the development of information tools and training programmes is of utmost importance for the proper functioning of the internal market and must be based on the robust data analysis, studies and evaluations that are carried out in close cooperation with the Member States and their competent authorities, including regional and local authorities;
6. acknowledges the broad scope of the programme and the aim to streamline efforts to promote better coordination in the management of the internal market, but notes that ensuring its effective coordination will be demanding from a governance point of view;
7. highlights the need for the programme to have the flexibility to respond quickly and proactively to any disturbance in the functioning of the internal market or disruption in trade for SMEs that could, for example, result from the possible adverse impacts of Brexit;

#### *The Single Market*

8. acknowledges that the single market is at the core of the EU's economic and political integration, consisting of 500 million consumers and 21 million businesses and supported by a substantial body of legislation guaranteeing the free movement of people, goods, capital and services throughout the EU and the wider European Economic Area<sup>1</sup>;
9. *recalls that the Union's internal market shall, according to article 3 of the Treaty on European Union, "work for the sustainable development of Europe based on balanced economic growth and price stability, a highly competitive social market economy, aiming at full employment and social progress, and a high level of protection and improvement of the quality of the environment. It shall promote scientific and technological advance";*
10. *acknowledges that the Commission's proposal complies with the principles of subsidiarity and proportionality;*
11. *Competition in the single market should contribute to the implementation of these objectives, i.a. by delivering the most economically advantageous price for consumers and enterprises, notably through, lower transactions costs and a larger market providing economies of scale, encouraging greater innovation and ensuring faster response to consumer needs in a fair level playing field while avoiding all forms of dumping.* However, considers that the benefits of

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<sup>1</sup> Opinion of the COR – Upgrading the Single Market: (ECON-VI/010).

the single market need to be better communicated to citizens, businesses and other economic operators and recognises that local and regional authorities have an important role to play in communicating this important message;

12. recognises that the single market is an ongoing process and remains incomplete in important aspects and that a better functioning single market, and the removal of remaining trade barriers, mainly in the areas of the services sector and the Digital Single Market, would boost economic growth considerably;

#### *Single Market in Services*

13. acknowledges the Commission's efforts to further enhance the freedom to provide services in Europe, particularly in the context of the services package<sup>2</sup>, as much work needs to be done as shown in the European Commission's Peer Review on the implementation of the Services Directive, which confirms that there are still too many obstacles, including restrictions on the right to establishment<sup>3</sup>. Considers at the same time that more regulatory clarity is needed at EU level in relation to services related to the collaborative economy;
14. considers it important that new programmes contribute to improving the functioning of the internal market in services and queries how the internal market tools can be deployed more effectively to ensure a more integrated services market;

#### *Single Market in Goods*

15. recognises that there remains a serious problem with the enforcement of EU product rules with too many non-compliant products on the market. Suggests that there is an urgent need for clear branding and visibility and the avoidance of duplication in the plethora of instruments that exist or are proposed to ensure that citizens and businesses understand the applicable rules and their rights and obligations and also the channels that are open to them when they believe the rules are being infringed;
16. notes that there are over 500 market surveillance authorities throughout Europe, many with resource constraints, and a low deterrence of infringements of current rules. Recommends that, in addition to increasing cooperation and ensuring better integrated networks, more direct funding needs to be allocated to these areas. Strongly recommends that National Competition Authorities be properly resourced and independent of government in order to carry out their work effectively, which must be ably supported by the justice system and courts whilst respecting the varying competencies of such authorities in the member states. This is an absolute necessity if the effective implementation of EU laws on the ground is to be achieved;

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<sup>2</sup> Opinion of the CoR – The services package: A services economy that works for Europeans (ECON-VI/022).

<sup>3</sup> [http://ec.europa.eu/growth/single-market/services/services-directive/implementation/evaluation\\_en](http://ec.europa.eu/growth/single-market/services/services-directive/implementation/evaluation_en)

### *Standards*

17. welcomes the Commission's continued commitment to the replacement of 28 national standards with one European standard. Also welcomes the greater use of IT systems and procedures to reduce the administrative burden and share information with stakeholders. Recommends that adequate steps be taken to ensure that SMEs are properly involved in the development of standards to ensure adequate transparency and avoid the possible dominance in the process by larger companies or structures;

### *Public Procurement*

18. underlines that local and regional authorities have important responsibilities for implementing EU policies and legislation, including in the areas of consumer welfare (where they are close to the citizen) and public procurement;
19. supports the objective of improving the capability of national, regional and local authorities to better implement the current rules, but suggests that the complexity of procurement law can be a barrier to the greater participation of SMEs in the public procurement process;
20. stresses that it is important for the Commission to cooperate with national, regional and local authorities if the objective of a procurement market that is competitive, open and well-regulated is to be achieved. This is essential if public funds are to be put to best use;

### *Single Market Governance Tools*

21. welcomes the Commission's commitment to continuous investment in the existing Internal Market Governance Tools, such as the Your Europe portal and the SOLVIT network; believes that more work is required to promote the use of these tools on the ground, among citizens, consumers and authorities at different levels, to improve online findability of these tools and strengthen their capacity to provide up-to-date information; recommends much greater involvement by local and regional authorities in the implementation of these governance tools as a means of improving their functioning; notes at the same time that improvements in the tools referred to should not give rise to financial and administrative burdens for local and regional authorities;

### *SMEs and Competitiveness*

22. recognises that SMEs are the backbone of the European economy, representing 99% of all businesses in the EU and being responsible for creating over 85% of new jobs over the past 5 years, and that together with entrepreneurship they represent the key to economic growth, innovation and job creation. Supports calls for a stable EU framework post-2020 and for the greater involvement of local and regional authorities in supporting the business environment and developing public private partnerships<sup>4</sup>;

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<sup>4</sup> Opinion of the CoR – The future of the COSME programme beyond 2020: regional and local perspective (ECON-VI/027).

23. recognises that a key issue is to ensure that the various EU programmes complement, and not compete with, enterprise support measures available at Member State level. Therefore, strongly recommends that the support measures for SMEs under the Single Market Programme and those available from national and regional bodies be delivered through a One Stop Approach;
24. notes the proposal that the loan guarantee facility, which currently operates as part of the COSME Programme, should be allocated under the InvestEU Fund in the next funding period. In this context recommends the continued use of intermediaries who have a longstanding relationship with SMEs but is concerned that all Member States may not have the structures at national or regional level to allow access to the guarantee funds under InvestEU. SMEs could find it difficult to access the loan guarantee funds in InvestEU should intermediary bodies not have a substantial presence in all territories of the Member States and recommends that the European institutions work with States to ensure that SMEs *can* have access to this funding *on equal terms in all Member States*;
25. calls on the EU to ensure that there is an element of regional balance built into guarantee funds under the InvestEU initiative as this will be of special interest to local and regional authorities particularly those representing less favoured regions;
26. asks for greater clarification in relation to the budget that is allocated to the SME guarantee under the COSME programme and made available to the guarantee fund linked to the InvestEU programme and how it will support high risk SME financing especially in more remote and peripheral regions;
27. ***strongly emphasises the need for specific mention to be made of the Small Business Act, which remains an overarching framework for EU policy on SMEs. Its strategic guidelines should be taken into account when adopting annual work programmes providing support for SMEs. In this connection, considers it equally important to refer to the Network of SME Envoys, in view of its role in aligning all the policies at EU level that have an impact on SMEs. Stresses that the "Think Small First" principle, which ensures that SMEs' interests are taken into account at the very early stage of policy making, should apply to the Single Market Programme and all relevant programmes of the new Multiannual Financial Framework;***
28. requests further detail on the future role and ambition of the European Enterprise Network (EEN), given the challenges for SMEs as set out by the Commission, and on how it is proposed to adapt the network to meet these challenges in an age of digitalisation and globalisation so that it is better attuned to the needs of businesses and more aligned with supports provided by Member States;
29. ***welcomes the continuation of what used to be referred to as the Erasmus for Young Entrepreneurs (EYE) programme, noting that its title has been changed to "mentoring scheme for new entrepreneurs" in view of its significant contribution to strengthening the business environment and encouraging an entrepreneurial mindset. Strongly supports the possibility of extending the geographical scope of the programme to provide increased opportunities for young entrepreneurs;***

30. strongly supports the development of networks of entrepreneurial ecosystems and clusters in Europe, as previously stated by the CoR<sup>5</sup>; therefore welcomes the Commission's commitment to further advance the Joint Cluster Initiatives and support the development of joint activities and transnational partnership strategies, also providing the necessary linkages with the EU's digital innovation hubs;
31. points out that the question of easing access to finance for the broadest range of SMEs operating in different territories is of crucial importance and that local and regional authorities have a role to play in the dissemination of information and targeted communication to beneficiaries about different instruments and support schemes available for SMEs, in cooperation with the intermediary institutions;
32. recognises the additional challenges faced by SMEs based in rural *areas*, peripheral regions, *and/or in regions facing demographic challenges*, for example, in accessing skilled labour and the infrastructure such as broadband and other forms of connectivity, which are required to take up innovation and to foster internationalisation activities. Requests greater clarity from the Commission on how these significant challenges will be addressed by the programme;
33. *recalls the commitment made by the European Commission to the outermost regions to take their businesses' special needs into account in future SME support schemes, so as to improve their competitiveness on international markets and support the process of their integration into the EU internal market;*

#### *Competition Policy*

34. welcomes the Commission's continued commitment to ensuring fair competition in the internal market by investing in the tools and expertise to enable it to effectively enforce competition rules in the digital economy. More generally stresses the need for continuous and effective engagement between the Commission and national competition authorities;

#### *Statistics*

35. recognises the importance of the availability of high-quality statistics to underpin evidenced-based decision making, and questions the integration of the European Statistical Programme(ESP) into the Single Market Programme given the importance of the visibility and independence of the statistical programme. Notes that, at local and regional level, there is a lack of statistics of sufficient granularity and timeliness and calls on Eurostat in association with national statistical institutes to address this issue;
36. *recommends that the future European Statistical Programme maintain its present legal form, i.e. that it be established through an individual, independent regulation;*
37. *is pleased to see that indicators on the regions, particularly the outermost regions, are included among the actions eligible for funding under the European Statistical Programme;*

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<sup>5</sup> Opinion of the CoR – Boosting start-ups and scale-ups in Europe: regional and local perspective (ECON-VI/021).

*in addition to providing information that is already available, calls for the collection of additional data and the design of new, more adequate indicators, that are more indicative of the circumstances of the outermost regions, to also be considered eligible for Programme funding;*

*Consumers, Consumer Protection and Food Policy*

38. welcomes the commitment in the new programme to enforcing consumer rights and ensuring a high level of consumer protection, product safety, and assistance to consumers when they encounter problems. Notes that the tools set out in the programme will both alert consumers to dangerous products and provide online consumer centres to help citizens solve problems but suggests that effective and enhanced representation for consumers through adequate funding of independent bodies will strengthen the capacity of such bodies to engage effectively in single market issues affecting consumers, including access to justice;
39. appreciates the recognition that citizens are particularly affected by the functioning of financial services markets and stresses the need for the Programme to effectively support consumer rights and awareness raising in this area. Notes the commitment to continue to support the enhanced involvement of consumers in Union policy-making in financial services and measures to promote a better understanding of the financial sector. Calls on the Commission to continue to build on this work in cooperation with consumer organisations from across the EU;
40. furthermore, underlines the need to ensure adequate financing for consumer organisations so that they can effectively defend the interests of consumers and act as qualified entities within collective redress procedures. Draws attention to the fact that consumer organisations, especially in smaller Member States, are particularly concerned;
41. welcomes the introduction of a specific "Food strand" in the new Single Market Programme. As the largest manufacturing sector in the EU, the food and drink industry needs a strong, competitive and sustainable supply chain, underpinned by a stable regulatory framework and improved functioning of mutual recognition in non-harmonised areas;
42. reiterates its request for policy measures to stimulate and sustain the development of food production and consumption systems that support sustainable production practices, thus reducing the impact on the environment and enhancing food security with quality products at reasonable prices, as expressed in its previous opinions<sup>6</sup>; wishes to draw attention to the fact that food public procurement can be a catalyst for driving food production towards a more sustainable path; therefore recommends measures to facilitate the training of food public procurement officers and the creation of networks to support national, regional and local competent authorities;

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<sup>6</sup> Opinion of the CoR – Towards a sustainable EU food policy (NAT-VI/014).

*Programming Approach*

43. acknowledges the new programming approach proposed by the Commission should, in principle, bring efficiencies and cost savings, provide a degree of flexibility in budget lines to respond to changing circumstances and improve delivery and execution; notes that this is primarily a matter of internal administrative coordination and it is unclear that a single programme approach will on its own generate the necessary synergies and cost savings;
44. notes that the budget lines contained in the programme cross a number of Directorates-General and queries how this will work in practice. Notes the objective of achieving flexibility of budget lines may prove difficult in practice as structures for this have not yet been defined;
45. highlights that there is a lack of transparency in the budget lines as in some cases administrative costs are clearly delineated and but not so in others. Proposes that a type of technical assistance budget should be more clearly set out so as to separate programming costs from those associated with delivering actual measures.

Brussels, 5 December 2018

The President  
of the European Committee of the Regions

Karl-Heinz Lambertz

The Secretary-General  
of the European Committee of the Regions

Jiří Buriánek

### III. PROCEDURE

<b>Title</b>	<b>The Single Market Programme</b>
<b>Reference(s)</b>	<p>Proposal for a Regulation of the European Parliament and of the Council establishing the Programme for single market, competitiveness of enterprises, including small and medium-sized enterprises, and European statistics and repealing Regulations (EU) No 99/2013, (EU) No 1287/2013, (EU) No 254/2014, (EU) No 258/2014, (EU) No 652/2014 and (EU) 2017/826 COM(2018) 441 final</p> <p>Annexes to the Proposal for a Regulation of the European Parliament and of the Council establishing the Programme for single market, competitiveness of enterprises, including small and medium-sized enterprises, and European statistics and repealing Regulations (EU) No 99/2013, (EU) No 1287/2013, (EU) No 254/2014, (EU) No 258/2014, (EU) No 652/2014 and (EU) 2017/826 COM(2018) 441 final Annexes 1 to 4</p>
<b>Legal basis</b>	Article 307(4) TFEU
<b>Procedural basis</b>	Rule 41 (a)
<b>Date of Council/EP referral/Date of Commission letter</b>	
<b>Date of Bureau/President's decision</b>	
<b>Commission responsible</b>	Commission for Economic Policy (ECON)
<b>Rapporteur</b>	Deirdre Forde (IE/EPP), Councillor, Cork County Council
<b>Analysis</b>	
<b>Discussed in commission</b>	
<b>Date adopted by commission</b>	23 October 2018
<b>Result of the vote in commission (majority, unanimity)</b>	Unanimity
<b>Date adopted in plenary</b>	Adopted for 5 December 2018
<b>Previous Committee opinions</b>	
<b>Date of subsidiarity monitoring consultation</b>	