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- Opinion of the European Economic and Social Committee (EESC)

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European Economic and Social Committee

INT/859
Single Market Programme

OPINION

European Economic and Social Committee

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 [COM(2018) 441 final – 2018/0231 (COD)]

Rapporteur: **Oliver RÖPKE**
Co-rapporteur: **Violeta JELIĆ**

Consultation	European Parliament, 14/06/2018 Council, 28/06/2018
Legal basis	Articles 114(1), 169(3), 43(2) and 173(3) of the Treaty on the Functioning of the European Union
Section responsible	Section for the Single Market, Production and Consumption
Adopted in section	02/10/2018
Adopted at plenary	17/10/2018
Plenary session No	538
Outcome of vote (for/against/abstentions)	187/4/2

1. Conclusions and recommendations

- 1.1 The single market provides an essential basis for creating economic growth and competitiveness. It makes an important contribution to job creation and gives consumers a wide choice of goods and services, and can also serve as the basis for building prosperity in the European Union.
- 1.2 The EESC welcomes in principle the integration of five predecessor programmes (and of the European Statistical Programme, though that extends beyond the scope of the single market) and a number of budget headings into a single market programme, as it can be expected to produce synergies and improve cost efficiency.
- 1.3 The EESC agrees with the Commission that it is necessary to remove existing obstacles and to press forward with the development, implementation and enforcement of Union law in the internal market. This is particularly true for the areas of goods and services, public procurement, market surveillance, company law, contract and extra-contractual law, anti-money laundering, free movement of capital, financial services and competition, and the development of governance tools. The EESC calls for the creation of a fair and complete internal market which should also take account of compliance with labour, consumer and environmental standards.
- 1.4 With regard to the food chain, however, the EESC calls on the Commission to ensure funding under category 3 – "natural resources and environment" – due to the programme's close relationship with agricultural policy.
- 1.5 The EESC welcomes the Commission's proposal to devote 25% of available funding to meeting the Paris Agreement climate change objectives, but would like further information about what expenditure is considered climate-related.
- 1.6 The EESC notes that the volume of work in consumer protection policy is steadily increasing, due not least to the digital transformation. The EESC therefore urges the Commission to further develop cooperation with consumer networks and organisations and to increase funding for consumer protection accordingly.
- 1.7 The EESC notes that, according to the Commission, funding for the priorities in the new Single Market Programme is set to be around EUR 3.9 billion, i.e. approximately the same level as in the current financing period 2014-2020, but is concerned that the negotiations on the EU financial framework could result in cuts and thus in a lower budget than in the past. The EESC nevertheless welcomes the fact that, in the context of COSME, an additional EUR 2 billion is available under the InvestEU programme and that it is possible to combine funding from other programmes.
- 1.8 The statistics produced by the European Statistical Programme have a high European added value and constitute one of the bases for the European Union's policies, including, in particular, on the single market. The EESC therefore agrees with the Commission that the current

European Statistical Programme should continue to be given the necessary resources under the new Single Market Programme.

- 1.9 The EESC calls for the European social partners to be appropriately involved in all phases of the new Single Market Programme.

2. **General comments on the new Single Market Programme**

- 2.1 The EESC has already repeatedly stressed that the single market is a cornerstone of the European integration process and contributes significantly to economic growth and job creation. In addition, the single market can also contribute to prosperity¹.

- 2.2 In its opinion on the Multiannual Financial framework post 2020², the EESC has already criticised the fact that even fewer resources will be available for achieving the EU's objectives in the next financial period than in the current one.

- 2.3 Under the EU Multiannual Financial Framework, the Committee proposes consolidating a number of programmes and budget headings relating to the competitiveness of enterprises (including SMEs), consumer protection, customers and end users in financial services, policy making in financial services, the food chain, and the development, production and dissemination of European statistics. The EESC welcomes this proposal in principle, because it can achieve synergies and efficiency gains in the funding of the supported projects. The programme also offers a more flexible financial framework, which will make it easier for beneficiaries to implement the projects.

- 2.4 An evaluation of the individual programmes that will now be incorporated into the new Single Market Programme also demonstrates the high European added value provided by these various initiatives.

- 2.5 It should be noted that there are still barriers and obstacles to the single market. It is therefore important to track developments in this area, take stock of the remaining obstacles and set up a road map for the single market to operate smoothly in the interests of all. The EESC agrees with the Commission that the new programme can help to improve the functioning of the single market through the design, implementation and enforcement of EU legislation. EU action must lead to a simple, clear, stable and predictable regulatory framework for businesses, workers and citizens. The EESC calls for the creation of a fair and complete internal market which should also take account of compliance with labour, consumer and environmental standards.

- 2.6 The EESC specifically welcomes the option of funding activities and projects cumulatively across several EU programmes, such as InvestEU, Horizon Europe and the European Social Fund. This could both produce synergies and make it easier to fund projects.

¹ [OJ C 125, 21.4.2017, p. 1.](#)

² ECO/460 – opinion on the *Multiannual Financial Framework post 2020* (adopted at the September 2018 plenary session).

2.7 The EESC also draws attention to the particular importance of further developing EU tax policy to promote an efficient, competitive and fair single market³.

3. Programme objectives

- 3.1 Small and medium-sized enterprises play a central role in the European economy. 99% of businesses in the EU are SMEs, and two thirds of employees work in one. In the EESC's view, it is therefore essential for SMEs to be supported by the European Union in improving their competitiveness. The EESC would like to stress the importance of support measures for professional and business services in their role as promotor of the competitiveness of European SMEs: they are essential to many other sectors and play a central role in the "servitisation" of the European economy.
- 3.2 The EESC would highlight the positive experience of the COSME programme, which has been of great benefit to SMEs thanks to its needs-oriented support in areas such as tourism, the textile industry and other sectors, and has thus made a major contribution to economic growth and the creation of new jobs. Support via COSME should therefore be continued and built on.
- 3.3 In recent years, SMEs have been confronted with particular difficulties in accessing finance. A lack of creditworthiness makes it impossible for small and medium-sized enterprises to make appropriate investments in forward-looking areas such as digitalisation, innovation and globalisation. This has a negative impact on economic growth and job creation, and can even threaten the survival of businesses. The EESC therefore welcomes the additional possibility of refinancing using debt and equity instruments under the new InvestEU Fund.
- 3.4 In addition, there is also a need for capacity-building support for social partners, public administrations and other beneficiaries, to give these stakeholders the opportunity to participate in EU programmes.
- 3.5 Support for young entrepreneurs and for innovative products and services will be one of the key elements of the Single Market Programme. In the EESC's view, using cluster initiatives to support new business models, advanced technologies, low-carbon and resource-efficient solutions and other areas such as initiatives for international activities, finding staff and upskilling is a positive approach; the Committee supports the work of the European Cluster Collaboration Platform.
- 3.6 In many economic sectors, the use of digital solutions is already taken for granted. The continued success and competitiveness of SMEs depends not least on investing in the appropriate digital infrastructure in good time. The EESC therefore supports the idea of supporting SMEs in investing in digital projects. These projects should be designed such that they benefit both the business sector and civil society as a whole.

³ [OJ C 125, 21.4.2017, p. 1.](#)

- 3.7 The EESC is in favour of continuing to support the Your Europe, SOLVIT and Your Europe Advice digital portals, the Internal Market Information System and the Single Market Scoreboard, and of promoting the creation and expansion of additional public digital services and cooperation by authorities within and between the Member States in the digital field, including in conjunction with the Digital Europe programme.
- 3.8 In that connection, the EESC welcomes the Commission's progressive approach of devoting 25% of available funding to meeting the Paris Agreement climate change objectives, but would like further information about what expenditure is considered climate-related.
- 3.9 The aim of the Single Market Programme is to support consumer interests and to ensure a high level of consumer protection. The EESC notes that, in general, the challenges of consumer protection policy are continually increasing, in part due to the online trade in goods and services and because of the digital transformation, and in part as a result of inappropriate deregulation measures such as the abolition of statutory quality assurance measures or conditions regulating access to professions. The new programme must therefore ensure that consumers are given the appropriate information and support in their consumer activities. At the same time, it must also be ensured that businesses get adequate support and information on consumer protection provisions.
- 3.10 The financial and economic crisis starting in 2008 has shown that it is particularly essential to provide consumers with comprehensive advice and information on financial services, including debt counselling. In addition, civil society needs to be more heavily involved in policy-making in this field, in particular by promoting organisations that support the policy interests of consumers in the field of financial services.
- 3.11 The provision of market and consumer information, and access to legal redress, should be ensured by means of support for consumer protection organisations and the enforcement authorities responsible. The EESC also notes, however, that the New Deal for consumers does not meet legitimate consumer expectations as outlined in the recent EESC opinion on this Commission proposal.
- 3.12 Consumer protection at European Union level is strongly supported, in particular via the European Consumer Centres Network and the European Consumers Organisation (BEUC). In recent years, the network has been able to reach millions of consumers and keep them informed, and has also responded to several hundred thousand consumer enquiries. BEUC has been active in representing consumer interests in all relevant EU policy fields. Support for the network and BEUC has produced high European added value. The EESC therefore advocates pursuing this successful cooperation with the European Consumer Centres Network and the European Consumers Organisation over the long term, and continuing to develop it. The Committee also welcomes the plans to cooperate with national consumer protection organisations.
- 3.13 In order to improve representation of consumer interests in financial services, funding was provided for two non-profit associations, Finance Watch and Better Finance – first as part of a pilot project and then through a preparatory action. Regulation (EU) [2017/826](#) on capacity

building in this field provides for further co-financing for these associations. The EESC urges the Commission to further boost cooperation with organisations in this policy area.

- 3.14 The EESC observes that, in view of the plethora of tasks to be undertaken, the budget for the protection of consumers' interests is extremely tight at EUR 198.5 million. The EESC urges the European Parliament and the Council to increase the available budget accordingly.
- 3.15 Data and statistics provide the basis for decisions in numerous areas, including social, economic, regional, environmental and agricultural policy. The statistics produced by the European Statistical Programme therefore have a high European added value and constitute one of the bases for the European Union's policies, including, in particular, on the single market. The EESC therefore agrees with the Commission that the current European Statistical Programme should continue to be given the necessary resources under the Single Market Programme, particularly in light of the need to modernise statistical production processes and of the increasing need for statistical data.
- 3.16 With regard to standards, the EESC advocates developing them quickly and in a timely manner, in cooperation with SME, employees, consumers and environmental representatives.
- 3.17 The food supply chain programme supports measures to ensure a high level of human, animal and plant health protection, and also to improve the sustainability of European food and feed production and raise quality standards. The impact of animal diseases and pests should be minimised using EU-supported preventative programmes. The level of environmental protection and biodiversity should also be supported.
- 3.18 Many of the activities in the food supply chain programme fall under agricultural policy and environmental policy. The EESC therefore calls on the Commission to ensure funding for these food chain activities via category 3 on "natural resources and environment".

4. **Budget**

- 4.1 The Commission proposes a total budget for the Single Market Programme of EUR 4 089 million for the period 2021-2027. This includes:
- around EUR 438 million for the internal market objective
 - EUR 1 billion for the COSME SME programme
 - EUR 198.5 million for consumers
 - EUR 220.5 million for standardisation
 - EUR 552 million for statistics, and
 - EUR 1.68 billion for the food chain.
- 4.2 The EESC notes that, as regards the comparability of these financial envelopes with the current funding period 2014-2020, Brexit and the integration of the individual programmes into the Single Market Programme mean that only limited statements can be made regarding the current budget.

- 4.3 The EESC notes that, according to the European Commission, the funding provided for the Single Market Programme is comparable to the current financial period (around EUR 3.9 billion), but is concerned that the negotiations could result in budget cuts and thus in a reduction in available resources compared with 2014-2020.
- 4.4 The EESC notes that more than 41% of the total budget – EUR 1.68 billion – is allocated to the food chain, making it by far the best-funded item in the Single Market Programme, while less than 5% is to be available for consumer policy projects.
- 4.5 It is pleased that, on top of the EUR 1 billion COSME programme, an additional EUR 2 billion will be available through the InvestEU window for supporting SMEs⁴.
- 4.6 The EESC calls for funding for the consumer policy element of the Single Market Programme to be significantly increased, as the challenges facing consumer protection policy are mounting significantly, not least because of the growing importance of cross-border e-commerce and online services.
- 4.7 With regard to the food chain, the EESC calls for funding to be provided under category 3 on "natural resources and environment" for measures that are not covered by market surveillance. This includes, for example, activities to combat animal diseases and plant pests, and animal welfare measures.
- 4.8 The EESC welcomes the option of combining project financing from other programmes such as the European Regional Development Fund, the Cohesion Fund, the European Social Fund Plus or the European Agricultural Fund for Rural Development.
- 4.9 As well as support for SMEs and start-ups and strengthening the competitiveness and growth of enterprises, eligibility under Article 3 of the Single Market Programme should also be extended to measures that enable the public, consumers, end users, trade unions and representatives of civil society and business to take an active part in political debate, policy-making and decision-making, including support for the activities of national and EU-wide representative organisations.

Brussels, 17 October 2018

Luca JAHIER

The president of the European Economic and Social Committee

⁴ COM(2018) 439 final.