



Brussels, 21 November 2018
(OR. en)

14257/18

**Interinstitutional File:
2018/0231(COD)**

COMPET 772	SAN 391
MI 834	DENLEG 99
IND 343	PHYTOSAN 30
CONSOM 315	SEMENCES 19
JUSTCIV 275	STATIS 73
AGRI 552	ECOFIN 1052
AGRIFIN 132	CADREFIN 353
VETER 82	IA 372
AGRILEG 199	CODEC 1995
ANIMAUX 23	

NOTE

From: Permanent Representatives Committee (Part 1)
To: Council

No. prev. doc.: 13836/18 COMPET 730 MI 789 IND 317 CONSOM 303 JUSTCIV 260
AGRI 522 AGRIFIN 119 VETER 75 AGRILEG 183 ANIMAUX 21 SAN 373
DENLEG 96 PHYTOSAN 28 SEMENCES 18 STATIS 70 ECOFIN 1008
CADREFIN 318 IA 350 CODEC 1875

No. Cion doc.: 9890/18 COMPET 427 MI 439 IND 158 CONSOM 168 JUSTCIV 141 AGRI
275 AGRIFIN 55 VETER 48 AGRILEG 89 ANIMAUX 8 SAN 184 DENLEG
48 PHYTOSAN 16 SEMENCES 7 STATIS 38 ECOFIN 590 CADREFIN 84
IA 192 CODEC 1001 + ADD 1

Subject: Proposal for a REGULATION OF THE EUROPEAN PARLIAMENT AND
OF THE COUNCIL establishing the Programme for single market,
competitiveness of enterprises, including small and medium-sized
enterprises, and European statistics and repealing Regulations (EU) No
99/2013, (EU) No 1287/2013, (EU) No 254/2014, (EU) No 258/2014, (EU)
No 652/2014 and (EU) 2017/826
- Partial general approach

I. INTRODUCTION

1. On 7 June 2018, the Commission submitted to the European Parliament and to the Council its proposal for a Regulation of the European Parliament and the Council establishing the Programme for single market, competitiveness of enterprises, including small and medium-sized enterprises, and European statistics and repealing Regulations (EU) No 99/2013, (EU) No 1287/2013, (EU) No 254/2014, (EU) No 258/2014, (EU) No 652/2014 and (EU) 2017/826.
2. The objective of the Programme is to strengthen the governance of the internal market and to enable consumers, businesses and public authorities to take full advantage of the market integration and opening, to support the competitiveness of enterprises, in particular small and medium-sized enterprises, and to establish a framework for European statistics. The Programme is proposed to be established for the period of the next multiannual financial framework (MFF) 2021-2027. It brings together activities financed during the current MFF period under six predecessor programmes (European statistical programme; COSME; Consumer programme; Programme supporting specific activities in the field of financial reporting and auditing; Regulation relating to the food chain, animal health and animal welfare, plant health and plant reproductive material; Regulation supporting the involvement of consumers and other financial services end-users), and also includes some new initiatives. The proposed overall financial envelope is EUR 4.1 billion.
3. Since the proposed Regulation is one of the package of proposals linked to the MFF, all provisions with budgetary implications or of horizontal nature have been set aside - and thus excluded from the partial general approach aimed for - pending further progress on the MFF. These provisions, which appear between square brackets in the text, concern the protection of the Union's budget in case of generalised deficiencies as regards the rule of law in the Member States (Recital 80), the overall financial envelope for the implementation of the Programme (Article 4(1)), the indicative amounts allocated to specific objectives (Article 4(2)), the participation of third countries on the basis of a specific agreement (Article 5(d)) and the reference to the InvestEU Regulation (Article 15).

4. The European Parliament's Committee on Internal Market and Consumer Protection (IMCO) appointed Mr Nicola Danti (S&D, IT) as rapporteur and intends to vote on a draft report in January 2019. The plenary vote is expected to take place in February or March 2019.
5. The European Economic and Social Committee adopted and delivered its opinion on 17 October 2018¹, while that of the Committee of the Regions is still pending.

II. WORK WITHIN THE COUNCIL

1. The Working Party on Competitiveness and Growth (Industry) - reinforced, as needed, by experts of other relevant Working Parties - has intensively examined the Commission's proposal at meetings between June and November 2018.
2. The impact assessment accompanying this proposal² was examined in detail during two Working Party meetings on 3 and 13 July 2018. The examination of the impact assessment showed that, to a large extent, delegations support the aim of the proposed Regulation, as well as the methods, criteria and options identified by the Commission.
3. The Commission's proposal was generally welcomed by delegations. Taking into account that the Programme brings together activities financed previously under different predecessor programmes, they took note of the explanations given by the Commission that the Programme will contribute to simplification, help to streamline and exploit synergies between actions, reduce overlaps and provide for a more flexible and cost-efficient financing framework.

¹ Doc. 13680/18.

² Doc. 9890/18 ADD 2-3.

4. However, further to the discussions at Working Party level, the Presidency included a number of amendments to the initial proposal in its compromise text, notably on the following issues:
- the specific mentioning of the area of plants, animals, food and feed in the title of the Regulation and in the subject matter, taking into account the share of this area in the overall financial envelope of the Programme;
 - more detailed provisions on the implementation and governance of the Programme, including on the establishment of work programmes, the role of the European Statistical System Committee, the assistance by two additional committees and the interim evaluation of the Programme;
 - the programme objectives, in particular as regards the prevention of unjustified unequal treatment of market participants, support to small and medium-sized enterprises, including in the tourism sector, the development of skills with particular attention to digitalisation, the interests of consumers, and European statistics;
 - the detailed provisions on eligible actions, eligible entities, eligible costs and co-financing rates in the area of plants, animals, food and feed;
 - the detailed provisions on eligible actions in the area of European statistics.
5. The Presidency's compromise text is included in the Annex to this note (changes compared to the previous document 13836/18 are indicated in **bold underlined** for additions and in ~~strike through~~ for deletions). The compromise does not cover the bracketed parts in Recital 80, Article 4(1) and (2), Article 5(d) and Article 15 of the proposed Regulation relating to the issues mentioned under point I.3.

In addition, Article 14(2) of the proposal has been placed between brackets, as discussions in other Council preparatory bodies on the horizontal rules for providing support to actions awarded a Seal of Excellence certification and setting out other cumulative, comparative, conditions for providing support are still ongoing.

Therefore, it only aims at a partial general approach.

6. The Presidency's compromise text set out in the Annex reflects the continuous efforts of the Presidency and Member States to find the right balance between the different interests and objectives. It was discussed by the Permanent Representatives Committee (Part 1) at its meeting on 14 November 2018. From this discussion it emerged that a large majority of delegations can support the Presidency's compromise text. The Chair concluded that the compromise text is a solid basis for reaching a partial general approach at the Council (Competitiveness) session on 29 November 2018.

It should be noted that DK and UK have entered a parliamentary scrutiny reservation on the whole text.

III. CONCLUSION

The Council is invited to agree to reach a partial general approach on the Commission's proposal on the basis of the compromise text set out in the Annex.

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, the area of plants, animals, food and feed, 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) 2017/826³

(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 168(4)(b) and Articles 114, 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 Committee⁴,

Having regard to the opinion of the Committee of the Regions⁵,

Acting in accordance with the ordinary legislative procedure,

³ DK, UK: Parliamentary scrutiny reservation.

⁴ OJ C , , p. .

⁵ OJ C , , p. .

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. It has generated new opportunities and economies of scale for European businesses, notably micro, small and medium-sized enterprises (SMEs), and strengthened their industrial competitiveness. The internal market contributed to the creation of jobs and offered greater choice at lower prices for consumers. It continues to be an engine for building 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.
- (2) The internal market has to continuously adapt to a rapidly changing environment of digital revolution and globalisation. A new era of digital innovation continues to provide opportunities for businesses and individuals, creates new products and business models and new opportunities for the efficient production of high-quality statistics but equally constitutes a challenge to regulation and enforcement.
- (3) The substantial body of Union legislation underpins the functioning of the internal market. This concerns, in particular, competitiveness, standardisation, conformity assessment, consumer protection, market surveillance and the plant, animal, food and feed area, but also rules concerning business, trade and financial transactions, the production of European statistics and the promotion of fair competition providing for a level playing field essential for the functioning of the internal market.
- (4) Still, unjustified or disproportionate barriers to the proper functioning of the internal market remain and the new obstacles emerge. Adopting rules is only a first step, but making them work is as important. This is ultimately a matter of citizens' trust in the Union, in its capacity to deliver, and ability to create jobs and growth while protecting the public interest.

- (5) Several programmes for Union action exist currently in the fields of competitiveness of enterprises including 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 are financed directly under the internal market budget lines. It is necessary to streamline and exploit synergies between various actions and provide for a more flexible and agile framework to finance activities aiming to achieve a well-functioning internal market in the most cost-efficient manner. It is therefore necessary to establish a new programme bringing together activities financed previously under those other programmes and other relevant budget lines. The programme should also include new initiatives which aim to improve the functioning of the internal market.
- (6) The development, production and dissemination of European statistics are subject to a separate European Statistical Programme established by Regulation (EU) No 99/2013 of the European Parliament and of the Council⁶. In order to provide continuity of producing and disseminating European statistics, the new programme should also include activities covered by the European Statistical Programme by providing a framework for the development, production and dissemination of European statistics. 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. The professional independence as one of the most important principles is seen as a necessary prerequisite for the development, production and dissemination of European statistics.

⁶ 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).

- (6a) High-quality European statistics developed, produced and disseminated under the European Statistical Programme are essential for evidence-based decision making. European statistics should be available in a timely manner, in accordance with the principles of the European statistics Code of Practice, and should contribute to the implementation of Union policies as reflected in the Treaty on the Functioning of the European Union, notably strengthened and integrated economic governance, social, economic and territorial cohesion, sustainable development, agricultural policy, the social dimension of Europe and globalisation.
- (6b) European statistics are indispensable for Union decision-making and for the measurement of the performance and impact of Union initiatives. Therefore, the continued provision and development of European statistics, taking a Union-wide approach and going beyond an internal market perspective should be ensured in order to cover all Union activities and policy areas, including empowering businesses and citizens to take informed decisions. In order to respond correctly to policy-making requirements, gender disaggregated data is necessary, where appropriate.

- (6c) In view of its horizontal character, the European Statistical Programme is subject to specific requirements and notably those laid down in Regulation (EC) No 223/2009 of the European Parliament and of the Council⁷, in particular with regard to the respect of statistical principles, 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.
- (6d) The Programme has been submitted for prior examination to the European Statistical System Committee in accordance with Regulation (EC) No 223/2009.
- (7) It is therefore appropriate to establish a Programme for the internal market, competitiveness of enterprises, including micro, small and medium-sized enterprises, protection and empowering of citizens and consumers, the area of plants, animals, food and feed, and European statistics (the 'Programme'). The Programme should be established for the duration of seven years from 2021 to 2027.

⁷ 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).

- (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: businesses, citizens including consumers, civil society and public authorities. To that end, the Programme should aim to ensure the competitiveness and the capacity building of businesses, notably SMEs, including in the tourism sector, but also supporting the enforcement of consumer protection and safety rules and by raising the awareness of businesses and individuals by providing them with the right tools, knowledge and competence to make informed decisions and strengthen their participation in Union's policy-making. Furthermore, the Programme should aim to enhance regulatory and administrative cooperation, notably through exchange of best practices, 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 European and international standards that underpin the implementation of Union legislation. This also includes standard setting in the field of financial reporting and audit, thereby contributing to the transparency and well-functioning of the Union's capital markets and to enhancing investor protection. The Programme should support rulemaking and standard setting also by ensuring the broadest possible stakeholder involvement. 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 and the protection of the well-being of people and the welfare of animals, food and feed safety whilst respecting the principles of sustainable development. 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 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 unjustified or disproportionate barriers, and to ensure a regulatory framework that can accommodate new innovative business models including social entrepreneurship as well as 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 means that goods that are lawfully marketed in one Member State enjoy the right to free movement and can be sold in another Member State. However, inadequate application of mutual recognition makes it harder for companies to access markets in other Member States. Despite the high degree of market integration in the area of goods, this leads to lost opportunities for the economy at large. The Programme should therefore aim to improve the application of mutual recognition in the area of goods and to reduce the number of illegal and non-compliant goods entering the market through the reinforcement of market surveillance.
- (11) New regulatory and enforcement challenges relate to a rapidly changing environment of the digital revolution, concerning issues such as cybersecurity, internet of things or artificial intelligence. Should damage occur, stringent rules on product safety and liability are essential to ensure a policy response that allows European citizens, including consumers and businesses, to benefit from such rules. The Programme should therefore contribute to the rapid adaptation and enforcement of a Union product liability regime which fosters innovation.

- (12) Placing on the market of products that are not compliant with Union law puts those who comply at disadvantage and may endanger consumers. 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 and identifying the responsible entity within their jurisdiction. The Programme should therefore seek to strengthen product compliance by providing the right incentives to entrepreneurs, intensifying compliance checks and 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.
- (13) Product safety is a common concern. The conformity assessment bodies verify whether products meet the safety requirements before they are placed on the market. It is therefore of paramount importance that the conformity assessment bodies are reliable and competent. The Union has put in place a system of accreditation of the conformity assessment bodies, verifying their competence, impartiality and independence. The main challenge is now to keep the accreditation system in line with the latest state of the art and to ensure that it is applied with the same stringency across the Union. The Programme should therefore support measures to ensure that conformity assessment bodies continue fulfilling the regulatory requirements and to enhance the European accreditation system, in particular in new policy areas, by supporting the European co-operation for Accreditation (EA) referred to in Article 14 of Regulation (EC) No 765/2008 of the European Parliament and of the Council⁸.

⁸ 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).

- (14) As consumer markets know no borders with the development of online trade and travel services, it is important to ensure that consumers residing in the Union can benefit from adequate protection when importing goods and services from economic operators based in third countries. The Programme should therefore allow supporting cooperation with relevant bodies located in key trading third country partners of the Union where necessary.
- (15) 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 Council⁹, Directive 2014/24/EU of the European Parliament and of the Council¹⁰ and Directive 2014/25/EU of the European Parliament and of the Council¹¹ provide the legal framework for the integration and effective functioning of the public procurement markets representing 14%¹² 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, improved access to procurement markets for SMEs, 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.

⁹ 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).

¹⁰ 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).

¹¹ 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).

¹² European Commission Communication "Making Public Procurement work in and for Europe" of 3 October 2017 (COM(2017) 572).

- (16) 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. 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. The Programme should also support activities using administrative data sources in order to minimize response burden when European statistics are produced.
- (17) The Programme should support the development of the Union regulatory framework in the area of company law and corporate governance, as well as contract law, with a view to make business more efficient and competitive while providing protection for stakeholders affected by company operations, and to react to emerging policy challenges. It should also ensure 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 favour of a clear and adapted legal framework for the data economy and innovation. Those initiatives are necessary to enhance legal certainty with regard to contractual and extra contractual law, in particular with regard to liability, security, ethics and privacy, or a combination of them, in the context of emerging technologies, such as internet of things, artificial intelligence, robotics, 3D Printing. The Programme should aim at stimulating the development of data-driven business, as it will be decisive for the position of the Union economy in a global competition.

- (18) The Programme should also promote the correct and full implementation and application of the Union legal framework for anti-money laundering and countering terrorism financing by the Member States and the development of future policies to address new challenges in the field. It should also support the relevant activities of the 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.
- (19) The implementation and development of the internal market in the area of financial services, financial stability and the Capital Markets Union including sustainable finance, highly depends on the evidence based policy measures taken by the Union. In order to achieve this objective, the Commission should have an active role in 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 identifying potential areas of action where new risks emerge, with a 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.
- (20) Considering that the internal market as set out in Article 3 of the Treaty on European Union includes a system ensuring that competition is not distorted, the Programme should support the Union's competition policy, networks and cooperation with national authorities and courts, as well as outreach to a wider group of stakeholders in communicating and explaining the rights, benefits and obligations of Union competition policy.

- (21) The Programme in particular needs to tackle the radical implications for competition and the functioning of the internal market resulting from the ongoing transformation of the economy and business environment, in particular through the exponential growth and use of data, taking account of the increasing recourse to artificial intelligence and other IT tools and expertise by companies and their advisors. It is also essential that the Programme supports networks and cooperation with Member State authorities and courts, considering that 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 anticompetitive 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. Given that a number of initiatives in the Programme are new and that the competition part of the Programme is particularly affected by dynamic developments in the conditions of competition in the internal market, notably relating to Artificial Intelligence, algorithms, big data, cybersecurity and forensic technology, the pace and magnitude of which are difficult to estimate, it is anticipated that flexibility will be required to face the evolving needs under this part of the Programme.
- (22) Strengthening the competitiveness of European enterprises while reassuring an effective level playing field and an open and competitive internal market is of outmost importance. SMEs are the engine of the European economy making up 99% of all businesses in Europe¹³, providing two thirds of jobs, and contributing substantially to the creation of new jobs with a regional and local dimension.

¹³ SME Performance Review - 2016.

- (23) 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 inter alia through public procurement, to access markets and foster internationalisation activities. The Programme should address such market failures proportionally, while not unduly distorting competition in the internal market.
- (23a) When establishing work programmes for providing support to SMEs, the strategic provisions of the Small Business Act and its performance review should be taken into account. Attention should also be paid to the considerations of the SME Envoy Network.
- (23b) The Programme should address SMEs, as defined in Commission Recommendation 2003/361/EC¹⁴ in the version of 6 May 2003. In the application of this Regulation, regarding SMEs, the Commission should consult all relevant stakeholders, including public and private organisations representing SMEs and the Trade Promotion Organisations of the Member States.
- (24) Many of the Union's competitiveness problems involve SMEs' difficulties in obtaining access to finance because they struggle to demonstrate their credit-worthiness and have insufficient collateral. Additional financing challenges arise from SMEs' need to stay competitive by engaging e.g. in digitization, internationalization and innovation activities and skilling up 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.

¹⁴ 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).

- (25) To overcome these market failures and to ensure that SMEs continue to play their role as the foundation for the Union economy's competitiveness, SMEs including start-ups and scale-ups need extra support through debt and equity instruments to be established under the SME window of the InvestEU Fund established by Regulation [...] of the European Parliament and of the Council¹⁵. The loan guarantee facility put in place under Regulation (EU) No 1287/2013 of the European Parliament and of the Council¹⁶ has a proven added value and is expected to bring a positive contribution to at least 500 000 SMEs; a successor will be established under the SME window of the InvestEU Fund.
- (26) The policy objectives of this Programme will be addressed not only by grants, but also through financial instruments and budgetary guarantee under the SME window of the InvestEU Fund. Financial support should be used to address market failures or sub-optimal investment situations, in a proportionate manner and actions should not duplicate or crowd out private financing or distort competition in the internal market. Actions should have a clear European added value.

¹⁵ COM(2018) 439 final.

¹⁶ 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, 20.12.2013, p. 33).

- (27) The Programme should provide effective support for SMEs throughout their life-cycle. It should build on the unique knowledge and expertise developed with regard to SMEs and industrial sectors and on a long experience in working with European, national and regional stakeholders. This support should build on the successful experience of the Enterprise Europe Network (EEN) as a one-stop-shop to improve SMEs competitiveness and develop their business in the Single Market and beyond. The EEN plans to continue delivering services on behalf of other Union programmes, notably for the Horizon Europe programme, using the financial resources of these programmes. Also the mentoring scheme for new entrepreneurs should remain the tool to enable new or aspiring entrepreneurs to gain business experience by matching with an experienced entrepreneur from another country and thus allow strengthening entrepreneurial talents. The Programme should further strive to grow and extend its geographical coverage and thus offer wider range of matching possibilities to entrepreneurs in complementarity with other Union initiatives where relevant.
- (27a) While building on the experiences of the existing measures supporting SMEs, it is also important to be open for new measures regarding SMEs in the light of the changing conditions for SMEs in the Single Market, e.g. regarding digitalisation and regulatory burden.

- (28) Clusters are a strategic tool for supporting the competitiveness and scaling-up of SMEs as they offer favourable business environments. Joint Cluster Initiatives should achieve critical mass to accelerate the growth of SMEs. They should remain open for collaboration with SMEs from third countries. By connecting specialised eco-systems, clusters create new business opportunities for SMEs and integrate them better in European and global strategic value chains. Support should be provided for the development of transnational, including interregional, partnership strategies and the implementation of joint activities, supported by the European Cluster Collaboration Platform. Sustainable partnering should be encouraged with continuation funding if performance and participation milestones are reached. Direct support to SMEs should be channelled through cluster organisations for the following: uptake of advanced technologies, new business models, low-carbon and resource-efficient solutions, creativity and design, skills upgrading, talent attraction, entrepreneurship acceleration, and internationalisation. Other specialised SME support actors should be associated to facilitate industrial transformation and implementations of smart specialisation strategies. The Programme should thus contribute to growth and build linkages with the Union's (digital) innovation hubs and investments made under Cohesion Policy and Horizon Europe. Synergies with the Erasmus programme can also be explored.
- (29) Creativity and innovation are crucial for the competitiveness of the Union's industrial value chains. They represent catalysts for industrial modernisation 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 and digital and industrial transformation throughout the industrial value chain.

- (30) European standards play an important role in the internal market. They are of vital interest for the competitiveness of undertakings, and especially SMEs. They are also a crucial tool to support Union legislation and policies in a number of key areas such as energy, climate change, information and communication technology, sustainable use of resources, innovation, product safety, consumer protection, worker's safety and working conditions and ageing population, thus positively contributing to the society as a whole.
- (31) European standardisation activities are governed by Regulation (EU) No 1025/2012 of the European Parliament and of the Council¹⁷ and implemented through a long standing Public-Private-Partnership which is fundamental to achieve the objectives set in that Regulation as well as in general and sectorial Union standardisation policies.
- (32) A well-functioning common financial reporting framework is essential for the internal market, for the effective functioning of the capital markets and for the realisation of the integrated market for financial services in the context of the Capital Markets Union.

¹⁷ 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).

(33) In accordance with Regulation (EC) No 1606/2002 of the European Parliament and of the Council¹⁸, 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 criteria set out in that Regulation, including the requirement that accounts give a ‘true and fair view’ as laid down in Article 4(3) of Directive 2013/34/EU of the European Parliament and of the Council¹⁹ and that they are conducive to the European public good. Such international accounting standards need to be developed under a transparent and democratically accountable process. IFRS therefore plays a major role in the functioning of the internal market and thus the Union has a direct interest in ensuring that the process through which IFRS are developed and approved delivers standards that are consistent with the requirements of the legal framework of the internal market. It is therefore important to establish appropriate funding arrangements for the IFRS Foundation.

¹⁸ 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).

¹⁹ 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).

(34) 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 also is necessary for the Union to ensure EFRAG's stable financing and thus contribute to its funding. The technical work of EFRAG should be focused on technical advice to the Commission on the endorsement of IFRS as well as on the appropriate participation in the process of development of such IFRS and should ensure that Union interests 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. A European Corporate Reporting Lab should also be established as part of the European Financial Reporting Advisory Group (EFRAG), to promote innovation and the development of best practices in corporate reporting. In this forum, companies and investors can share best practices notably in the field of non-financial and sustainability reporting.

- (35) 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 their application in the Union provided, in particular, that they have been developed with due process, public oversight and transparency as required under Article 26 of Directive 2006/43/EC of the European Parliament and of the Council²⁰. 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 ensure appropriate funding arrangements for the PIOB.
- (36) 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. The Union has also to ensure that consumer and product safety laws are properly and equally enforced on the ground and that businesses enjoy a level playing field with fair competition in the internal market. Moreover, it is necessary to empower, encourage and assist consumers in making sustainable choices, thus contributing to a sustainable, energy and resource efficient and circular economy.

²⁰ 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).

- (37) The Programme should aim to raise the awareness of consumers, businesses, civil society and authorities on Union consumer and safety laws and to empower consumers and their representative organisations at national level and at the Union level notably by supporting the *Bureau Européen des Unions de Consommateurs* (BEUC) which is the long established and recognised NGO representing consumer interests in relation to all relevant Union policies, and 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 given to new market needs regarding the promotion of sustainable consumption and the prevention of vulnerabilities as well as challenges created by the digitisation of the economy or the development of new consumption patterns and business models. The Programme should support the development of relevant information on markets, policy challenges, emerging issues and behaviours, and the publication of the Union consumer scoreboards.
- (38) The Programme should support national competent authorities, including those responsible for monitoring product safety, who 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 Council²¹ 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 and online dispute resolution and information on redress possibilities.

²¹ 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).

- (39) The European Consumer Centres Network is assisting 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 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 Council²² and its evaluation stresses the importance to continue its operation. The network also intends to develop reciprocity arrangements with similar bodies in third countries.
- (40) The fitness check of Union consumer and marketing law carried out by the Commission in May 2017 exposed the need to better enforce rules and facilitate redress when consumers have been harmed by breaches to consumer laws. As a result the Commission adopted a "New Deal for Consumers" in April 2018 to ensure, inter alia, the equal treatment of consumers across the internal market in relation to dual quality standards, stronger enforcement capacities of Member States, enhanced product safety, increased international cooperation and new possibilities for redress notably through representative actions by qualified entities. The Programme should aim to support consumer policy with awareness raising and knowledge building, capacity building and exchange of best practices of the consumer organisations and consumer protection authorities, networking and development of market intelligence, strengthening the evidence base on the functioning of the internal market for consumers, IT systems and communication tools, inter alia.

²² 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).

- (41) 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.
- (42) 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 Council²³ which continued the pilot programme and preparatory action of the years 2012-2017. This is necessary in order to provide policy makers with views from stakeholders other than financial sector professionals and ensure a better representation of the interests of consumers and other financial services end-users. This should result in better financial services policies, notably thanks to a better public understanding of the issues at stake in financial regulation and enhanced financial literacy.

²³ 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).

- (43) In the context of a pilot project, between 2012 and 2013, and of a preparatory action, between 2014 and 2016, 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 product of successive re-organisations and rebranding of pre-existing European federations and shareholders since 2009. The Capacity-Building Programme established under Regulation (EU) 2017/826, identifies these same two organisations as sole beneficiaries. It is therefore necessary to continue to co-finance these organisations in the context of the Programme. However, this financing would be subject to the evaluation of the achievement of the objectives pursued, based on a thorough evaluation of its effectiveness and impact.
- (44) A high level of health protection in the area of plants, animals, food and feed is necessary to allow the internal market to operate efficiently. This is a prerequisite for society and for the internal market. Cross border health crises and food scares disrupt the functioning of the internal market by limiting the movements of persons and goods and disrupting production.
- (45) The general objective of Union law in the area of plants, animals, food and feed is to contribute to a high level of health for humans, animals and plants, 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 the preservation of biodiversity, while improving the sustainability of European food and feed productions, increasing quality standards across the Union, enhancing the competitiveness of the Union food and feed industry and favouring the creation of jobs.

(46) Considering 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 provided in this Regulation. In particular, by way of derogation from Regulation (EU, Euratom) 2018/1046 of the European Parliament and of the Council²⁴ (the 'Financial Regulation'), as an exception to the principle of non-retroactivity, the costs for the emergency measures, due to their urgent and unforeseeable nature, should be eligible and include also costs incurred as a result of a suspected occurrence of a disease or pest provided that that 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 prevention and 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, a Member State or overseas countries and territories, of certain animal diseases and zoonoses as well as in respect of protection measures, or other relevant activities, taken in support of the health status of plants in the Union.

²⁴ 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).

(47) 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. The effectiveness and efficiency of official control systems is vital for maintaining a high level of safety for humans, animals and plants 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, European Union reference centres and national plant health reference laboratories in order to help them bear the costs arising from the implementation of work programmes approved by the Commission. 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.

(47a) Antimicrobial 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 antimicrobial resistance under this Programme.

(48) *(partly moved to recital 6a)*

(49) *(moved to recital 6b)*

(50) *(moved to recital 6c)*

(51) *(moved to recital 6d)*

(52) The Union and Member States are committed to the implementation of 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.

- (53) Reflecting the importance of tackling climate change in line with the Union's commitments to implement the Paris Agreement and the United Nations Sustainable Development Goals, this Programme should contribute to mainstream climate actions and to the achievement of an overall target of 25 % of the Union budget expenditures 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.
- (54) This Regulation lays down a financial envelope for the Programme which is to constitute the prime reference amount, within the meaning of [*reference to be updated as appropriate according to the new inter-institutional agreement: point 17 of the Interinstitutional Agreement of 2 December 2013 between the European Parliament, the Council and the Commission on budgetary discipline, on cooperation in budgetary matters and on sound financial management*²⁵], for the European Parliament and the Council during the annual budgetary procedure.
- (55) The Agreement on the European Economic Area 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, on the other. Provision should also be made to open the Programme to participation by other countries, including the neighbouring countries of the Union and countries which are applying for, are candidates for or are acceding to, membership of the Union. 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 statistics²⁶.

²⁵ OJ C 373, 20.12.2013, p. 1.

[http://eur-lex.europa.eu/legal-](http://eur-lex.europa.eu/legal-content/EN/TXT/?uri=uriserv:OJ.C_.2013.373.01.0001.01.ENG&toc=OJ:C:2013:373:TOC)

[content/EN/TXT/?uri=uriserv:OJ.C_.2013.373.01.0001.01.ENG&toc=OJ:C:2013:373:TOC](http://eur-lex.europa.eu/legal-content/EN/TXT/?uri=uriserv:OJ.C_.2013.373.01.0001.01.ENG&toc=OJ:C:2013:373:TOC)

²⁶ OJ L 90, 28.3.2006, p. 2.

- (56) Third countries which are members of the European Economic Area (EEA) may participate in Union programmes in the framework of the cooperation established under the EEA agreement, which provides for the implementation of the programmes by 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 to grant the necessary rights for and access to the authorising officer responsible, the European Anti-Fraud Office (OLAF) as well as the European Court of Auditors to comprehensively exert their respective competences.
- (57) The Financial Regulation applies to this Programme. It lays down rules on the implementation of the Union budget, including rules on eligibility criteria for grants, prizes, procurement.
- (58) 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, the plant, animal, food and feed area and European statistics should also be included in the Programme.
- (59) 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.
- (60) Considering the increasing interconnectivity of the world economy, the Programme should continue to provide the possibility of involving external experts, such as officials of third countries, representatives of international organisations or economic operators in certain activities.
- (61) It is necessary to indicate specific criteria concerning co-financing rules and eligible costs.

- (62) In line with the Commission's commitment, set out in its Communication of 19 October 2010 entitled 'The EU Budget Review'²⁷, 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.
- (63) This 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"²⁸.
- (64) The Programme should promote synergies, while avoiding duplication with related Union programmes and actions. The actions under this Programme should be complementary to those of the Customs and Fiscalis Programmes established by Regulation (EU) [...] of the European Parliament and of the Council²⁹ and Regulation (EU) [...] of the European Parliament and of the Council³⁰ which also aim at supporting and improving the functioning of the internal market.

²⁷ COM(2010) 700 final of 19 October 2010.

²⁸ COM(2017) 623 final.

²⁹ COM(2018) 442 final.

³⁰ COM(2018) 443 final.

- (65) The Programme should promote synergies and complementarities with respect to the SMEs and entrepreneurship support under the European Regional Development Fund established by Regulation (EU) [...] of the European Parliament and of the Council³¹. Moreover, the SME window of InvestEU Fund established by Regulation (EU) [...] of the European Parliament and of the Council³² 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) [...] of the European Parliament and of the Council³³ in respect of encouragement of SMEs to benefit from breakthrough innovation and other solutions developed under those programmes.
- (66) This Programme should promote synergies with Horizon Europe established by Regulation (EU) No [...] of the European Parliament and of the Council³⁴ 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 via the EEN.
- (67) The Programme should promote synergies and complementarities with respect to the Digital Europe Programme established by Regulation (EU) [...] of the European Parliament and of the Council³⁵ which aims to promote the digitalisation of the Union economy and the public sector.

³¹ COM(2018) 372 final.

³² COM(2018) 439 final.

³³ COM(2018) 447 final.

³⁴ COM(2018) 435 final.

³⁵ COM(2018) 434 final.

- (68) In addition, the Programme, should also seek synergies with the Justice, Rights and Values Fund established by Regulation (EU) [...] of the European Parliament and of the Council³⁶ which aims to support the further development of a European area of justice for the effectiveness of national justice systems, a key enabler of a fair and cost effective European economy.
- (69) This Programme should promote synergies with Erasmus programme established by Regulation (EU) [...] of the European Parliament and of the Council³⁷, the European Union Solidarity Fund established by Regulation (EU) [...] of the European Parliament and of the Council³⁸ and the European Social Fund Plus established by Regulation (EU) [...] of the European Parliament and of the Council³⁹ in the area of labour and youth mobility which is essential for the well-functioning internal market.
- (70) 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 established by Regulation (EU) [...] of the European Parliament and of the Council⁴⁰.
- (71) Where relevant the Programme's actions should be used to address market failures or sub-optimal investment situations, in a proportionate manner, without duplicating or crowding out private financing and have a clear European added value.

³⁶ COM(2018) 375 final.

³⁷ COM(2018) 367 final.

³⁸ COM(2018) 322 final, Article 10.

³⁹ COM(2018) 382 final.

⁴⁰ COM(2018) 393 final .

- (72) The implementing powers should be conferred on the Commission in respect of the adoption of work programmes implementing the actions contributing to a high level of health for humans, animals and plants as well as food and feed safety. Those powers should be exercised in accordance with Regulation (EU) No 182/2011 of the European Parliament and of the Council⁴¹.
- (73) The types of financing and the methods of implementation under this Regulation 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 costs of controls, the administrative burden, and the expected risk of non-compliance. This should include 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.
- (74) To ensure regular monitoring and reporting, 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, measuring the effects of the actions under the Programme against pre-defined baselines.

⁴¹ 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).

- (75) Pursuant to paragraph 22 and 23 of the Inter-institutional Agreement of 13 April 2016 on Better Law-Making⁴², there is a need to evaluate this Programme on the basis of information collected through specific monitoring requirements, while avoiding overregulation and administrative burdens, in particular on Member States. These requirements, where appropriate, should include measurable indicators, as a basis for evaluating the effects of the Programme on the ground.
- (76) The list of animal diseases and zoonosis 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 Chapter 2 of Part I of Regulation (EU) 2016/429 of the European Parliament and of the Council⁴³, Directive 2003/99/EC of the European Parliament and of the Council⁴⁴, Regulation (EC) No 2160/2003 of the European Parliament and of the Council⁴⁵ and Regulation (EC) No 999/2001 of the European Parliament and of the Council⁴⁶.

⁴² OJ L 123, 12.5.2016, p. 1.

⁴³ 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).

⁴⁴ 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).

⁴⁵ 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).

⁴⁶ 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, 31.5.2001, p. 1).

- (77) In order to take account of situations that are provoked 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 of the Treaty on the Functioning of the European Union should be delegated to the Commission, in respect of amending the list of animal diseases and zoonoses. 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 of the Treaty on the Functioning of the European Union should be delegated to the Commission in respect of reviewing or complementing the indicators to measure the achievement of the specific objectives where considered necessary and to supplement this Regulation with provisions on the establishment of 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. In particular, 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.
- (78) Pursuant to [*reference to be updated as appropriate according to a new decision on OCTs: Article 94 of Council Decision 2013/755/EU⁴⁷*], persons and entities established in overseas countries and 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.

⁴⁷ 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).

(79) In accordance with the Financial Regulation, Regulation (EU, Euratom) No 883/2013 of the European Parliament and of the Council⁴⁸, Council Regulation (Euratom, EC) No 2988/95⁴⁹, Council Regulation (Euratom, EC) No 2185/96⁵⁰ and Council Regulation (EU) 2017/1939⁵¹, the financial interests of the Union are to be protected through proportionate measures, including the prevention, detection, correction and investigation of irregularities and fraud, the recovery of funds lost, wrongly paid or incorrectly used and, where appropriate, the imposition of administrative sanctions. In particular, in accordance with Regulation (EU, Euratom) No 883/2013 and Regulation (Euratom, EC) No 2185/96 the European Anti-Fraud Office (OLAF) may 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. In accordance with Regulation (EU) 2017/1939, the European Public Prosecutor's Office (EPPO) may investigate and prosecute fraud and other criminal offences affecting the financial interests of the Union as provided for in Directive (EU) 2017/1371 of the European Parliament and of the Council⁵². In accordance with the Financial Regulation, any person or entity receiving Union funds is to fully cooperate in the protection of the Union's financial interests, to grant the necessary rights and access to the Commission, OLAF, the EPPO in respect of those Member States participating in enhanced cooperation pursuant to Regulation (EU) 2017/1939, and the European Court of Auditors (ECA) and to ensure that any third parties involved in the implementation of Union funds grant equivalent rights.

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- ⁴⁸ 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 L 248, 18.9.2013, p. 1).
- ⁴⁹ 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).
- ⁵⁰ 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 L 292, 15.11.1996, p. 2).
- ⁵¹ 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 L 283, 31.10.2017, p. 1).
- ⁵² 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).

- (80) Horizontal financial rules adopted by the European Parliament and the Council on the basis of Article 322 of the Treaty on the Functioning of the European Union apply to this Regulation. These rules are laid down in the Financial Regulation and determine in particular the procedure for establishing and implementing the budget through grants, procurement, prizes, indirect implementation, and provide for checks on the responsibility of financial actors. [Rules adopted on the basis of Article 322 TFEU also concern the protection of the Union's budget in case of generalised deficiencies as regards the rule of law in the Member States, as the respect for the rule of law is an essential precondition for sound financial management and effective Union funding.]
- (81) Regulation (EU) 2016/679 of the European Parliament and of the Council⁵³ 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 (EC) No 45/2001 of the European Parliament and of the Council⁵⁴ 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 and 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 (EC) No 45/2001.

⁵³ 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).

⁵⁴ Regulation (EC) No 45/2001 of the European Parliament and of the Council of 18 December 2000 on the protection of individuals with regard to the processing of personal data by the Community institutions and bodies and on the free movement of such data (OJ L 8, 12.1.2001, p. 1).

- (81a) 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) shall take all necessary measures to ensure the alignment of principles and guidelines with regard to the physical and logical protection of confidential data.
- (82) Since the objectives of this Regulation 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 those objectives.
- (83) The Programme should also be to ensure greater visibility and coherence of the Union's internal market, competitiveness of enterprises including SMEs and European statistics actions towards European citizens, businesses and administrations.

- (84) Regulation (EU) No 99/2013, Regulation (EU) No 1287/2013, Regulation (EU) No 254/2014 of the European Parliament and of the Council⁵⁵, Regulation (EU) No 258/2014 of the European Parliament and of the Council⁵⁶, Regulation (EU) No 652/2014 of the European Parliament and of the Council⁵⁷ and Regulation (EU) 2017/826 should be repealed with effect from 1 January 2021.
- (85) It is appropriate to ensure a smooth transition without interruption between the programmes in the fields of competitiveness of enterprises and SMEs, consumer protection, customers and end-users in financial services, policy making in financial services, in the area of plants, animals, food and feed, and European statistics, established by Regulation (EU) No 1287/2013, Regulation (EU) No 254/2014, Regulation (EU) 2017/826, Regulation (EU) No 258/2014, Regulation (EU) No 652/2014, Regulation (EU) No 99/2013 and this Programme, in particular regarding the continuation of multiannual measures and the evaluation of the previous programmes successes,

⁵⁵ 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).

⁵⁶ 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).

⁵⁷ 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).

HAVE ADOPTED THIS REGULATION:

CHAPTER I

GENERAL PROVISIONS

Article 1

Subject matter

This Regulation establishes the programme for both improving the functioning of the internal market and the competitiveness of enterprises, in particular micro, small and medium-sized enterprises, for the area of plants, animals, food and feed, and the programming and financing framework for the development, production and dissemination of European statistics within the meaning of Article 13 of Regulation (EC) No 223/2009 (the 'Programme').

It lays down the main fields and objectives of the actions envisaged in the Programme, the budget for the period 2021 to 2027, the forms of Union funding and the rules for providing such funding as well as the system of governance.

Article 2

Definitions

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

- (1) 'Blending operation' means actions supported by the Union budget, including within blending facilities pursuant to Article 2(6) of Regulation (EU, Euratom) 2018/1046 of the European Parliament and of the Council (the 'Financial Regulation'), combining non-repayable forms of support and/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 any natural or legal person created and recognised as such under national law, Union law or international law, which has legal personality and which may, acting in its own name, exercise rights and be subject to obligations, or an entity without a legal personality in accordance with Article 197(2)(c) of the Financial Regulation;
- (4) 'SMEs' means micro, small and medium-sized enterprises as defined in Commission Recommendation 2003/361/EC in the version of 6 May 2003;
- (5) 'third country' means a country that is not a member of the Union.

Article 3

Programme objectives

1. The Programme has the following general objectives:
 - (a) to improve the functioning of the internal market, and especially to protect and empower citizens, consumers and businesses, in particular SMEs, by enforcement of Union law, facilitation of market access, standard setting, and by promoting human, animal and plant health and animal welfare, whilst respecting the principles of sustainable development; 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;
 - (b) to provide high-quality, comparable, timely and reliable European statistics which underpin the design, monitoring and evaluation of all the Union policies and help policy makers, businesses, academia, citizens and media to make informed decisions and actively participate in the democratic process.

2. The Programme has the following specific objectives:
- (a) making the internal market more effective, also in the light of the digital transformation, facilitating the prevention and removal of unjustified or disproportionate obstacles, prevention of unjustified unequal treatment of market participants, 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-money laundering, free movement of capital, financial services and competition, including the development of user-centric governance tools;
 - (b) strengthening the competitiveness of SMEs and achieving additionality at Union level through measures that:
 - (i) provide various forms of support to SMEs, including in the tourism sector,
 - (ii) facilitate access to markets including the internationalisation of SMEs,
 - (iii) promote a favourable business environment for SMEs,
 - (iv) support the competitiveness of sectors,
 - (v) promote the modernisation of industry,
 - (vi) support the development of industrial value chains and
 - (vii) promote entrepreneurshipin a proportional manner;

- (c) ensuring the effective functioning of the internal market through standardisation processes that:
 - (i) enable the financing of European standardisation and stakeholder participation in setting up European standards;
 - (ii) support the development of high-quality international 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) empowering, assisting and educating consumers, businesses and civil society; ensuring a high level of consumer protection, sustainable consumption and product safety notably by supporting competent enforcement authorities and consumer representative organisations, cooperation actions and activities enhancing the cooperation between competent authorities with particular attention to vulnerable consumers; ensuring that the interests of consumers in the digital world are duly taken into consideration; ensuring that all consumers have access to redress; provision of adequate information on markets and consumers;
 - (ii) enhancing the participation of consumers, other financial services end-users and civil society in financial services policy-making; promoting a better understanding of the financial sector;
- (e) contributing to a high level of health for humans, animals and plants in the plant, animal, food and feed area, including by preventing, detecting and eradicating animal diseases and plant pests, and to support the improvement of the welfare of animals, the fight against antimicrobial resistance as well as a sustainable food production and consumption;

- (f) producing 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 the European Statistical System and with all relevant external parties, using multiple data sources, advanced data analytics methods, smart systems and digital technologies.

Article 4

Budget

1. The financial envelope for the implementation of the Programme for the period 2021 to 2027 shall be EUR [4 088 580 000 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 [1 000 000 000] to the objective referred to in Article 3(2)(b);
 - (b) EUR [188 000 000] to the objective referred to in Article 3(2)(d)(i);
 - (c) EUR [1 680 000 000] to the objective referred to in Article 3(2)(e);
 - (d) EUR [552 000 000] to the objective referred to in Article 3(2)(f).
3. Up to 5 % of 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 as well as use of information technology networks focusing on information processing and exchange, and use and development of corporate information technology tools.

4. For the objective referred to in Article 3(2)(e), budgetary commitments extending over more than one financial year, may be broken down over several years into annual instalments.
5. By 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 assessment of the payment applications submitted by Member States.
6. Resources allocated to Member States under shared management may, at their request, be transferred to the Programme. The Commission shall implement those resources directly in accordance with point (a) of Article 62(1) of the Financial Regulation or indirectly in accordance with point (c) of that Article. To the maximum extent possible those resources shall be used for the benefit of the Member State concerned.

Article 5

Third countries associated to the Programme

The Programme shall be open to the following third countries:

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

- (c) countries covered by the European Neighbourhood Policy, 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 similar agreements, and in accordance with the specific conditions laid down in agreements between the Union and those countries;
- (d) [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 to the third country a decisional power on the 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 (ii) shall constitute assigned revenues in accordance with Article [21(5)] of the Financial Regulation.]

Article 6

Implementation and forms of EU funding

1. The Programme shall be implemented in direct management in accordance with the Financial Regulation or in indirect management with bodies referred to in Article 62(1)(c) of the Financial Regulation.
2. The Programme may provide funding in any of the forms laid down in the Financial Regulation, in particular 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 X of] Regulation XXX [successor of the Regulation on the Guarantee Fund] shall apply⁵⁸.

⁵⁸ [to add]

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:
 - (a) creation of the right conditions to empower all actors of the internal market, including businesses, citizens and consumers, civil society and public authorities through transparent information and awareness raising campaigns, best practice exchange, promotion of good practices, exchange and dissemination of expertise and knowledge and organisation of trainings; such actions, implemented through existing networks such as SOLVIT and the European Consumer Centres Network, shall involve, where relevant, third countries, with the purpose to promote EU values, rules and standards;
 - (b) provision of mechanisms for citizens, consumers, end-users, civil society and businesses representatives from the Union to contribute to political discussions, policies and decision making process, notably by supporting the functioning of representative organisations at national and the Union level;

- (c) capacity building, facilitation and coordination of joint actions between Member States and 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;
 - (d) support for the effective enforcement and modernisation of the Union legal framework and its rapid adaptation to the ever-changing environment and third countries' practices, including through data gathering and analyses; research on the functioning of the internal market, studies, evaluations and policy recommendations; organisation of demonstration activities and pilot projects; communication activities; development of dedicated IT tools ensuring transparent and efficient functioning of the internal market as well as combating and preventing fraudulent practices in the internet.
3. The following actions implementing the specific objective referred to in Article 3(2)(b) shall be eligible for funding:
- (a) to provide various forms of support to SMEs, including information, mentoring, training, education, mobility, cross-border cooperation or advisory services;
 - (b) facilitating SMEs' access to markets within and outside the Union, supporting them in addressing global and societal challenges and business internationalisation, and strengthening Union industrial leadership in global value chains;
 - (ba) supporting the Enterprise Europe Network (EEN) to provide integrated business support services to Union SMEs that seek to explore opportunities in the internal market and in third countries; the EEN may also be used to deliver services on behalf of other Union programmes, such as Horizon Europe, including advisory or capacity-building services; services provided by the EEN on behalf of other programmes shall be funded by these programmes; the implementation of the EEN shall be closely coordinated with Member States to avoid duplication of activities in accordance with the principle of subsidiarity;

- (c) addressing market barriers, administrative burden and creating a favourable business environment to empower SMEs to benefit from the internal market;
 - (d) facilitating the growth of businesses, including the development of technical, digital and entrepreneurial skills, product development, digitalisation and industrial transformation across manufacturing and service sectors;
 - (e) supporting the competitiveness of enterprises and whole sectors of economy, and supporting SMEs' uptake of creativity and innovation, adoption of new business models and value chain collaboration through strategically connecting ecosystems and clusters, including the joint cluster initiative;
 - (f) fostering an entrepreneurial business environment and entrepreneurial culture, including the mentoring scheme for new entrepreneurs and supporting start-ups, business sustainability and scale-ups.
4. The actions set out 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.
 5. The actions providing support for activities aimed at developing, applying, assessing and monitoring international standards in the fields of financial reporting and auditing and overseeing their standard-setting processes and implementing the specific objective referred to in Article 3(2)(c)(ii) shall be eligible for funding.
 6. The actions set out in Annex I implementing the specific objective referred to in Article 3(2)(e) shall be eligible for funding.
 7. 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. In addition to 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 countries:
 - (i) a Member State or an overseas country or territory linked to it;
 - (ii) a third country associated to the Programme in accordance with Article 5;
 - (b) any legal entity created under Union law or any international organisation;
 - (c) legal entities established in a third country which is not associated to the Programme are exceptionally eligible to participate, provided that the action pursues 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 in referred to Article 3(2)(d)(i).

The entities participating in the actions referred to in points a) and b) shall not be entitled to receive Union financial contributions, except where it is essential for the Programme, in particular in terms of competitiveness and access to markets for Union enterprises or in terms of protection of the 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 specified in Articles 15 and 16 of Regulation (EU) No 1025/2012 shall be eligible.
5. For actions supporting consumer protection implementing the specific objective referred to in Article 3(2)(d)(i) and related to the European Consumer Centres Network, the following bodies shall be eligible:
 - (a) a body designated by a Member State or a third country referred to in Article 5 which is a non-profit-making body selected through a transparent procedure;
 - (b) a public body.
6. Third countries, associated or not associated to the Programme 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 it is necessary to take account of the occurrence of animal diseases and zoonoses which are not covered by Union legal acts referred to in this Annex.

Except in case of animal diseases and plant pests having a substantial impact on the Union, in principle, non-associated countries should finance themselves their participation in the actions referred to in points (a) and (b).

7. For actions implementing the specific objective referred to in Article 3(2)(f) of this Regulation, 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, other bodies operating in the field of statistics that are not 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

The following entities may be awarded a grant under the Programme without a call for proposals:

- (a) for actions in the area of market surveillance implementing the specific objective referred to in Article 3(2)(a) of this Regulation, the market surveillance authorities of the Member States as referred to in Article 17 of Regulation (EC) No 765/2008 and Article 11 of [Proposal for a Regulation of the European Parliament and of the Council laying down rules and procedures for compliance with and enforcement of Union harmonisation legislation on products]⁵⁹;

⁵⁹ COM(2017) 795 final.

- (b) for actions in the area accreditation and market surveillance implementing the specific objective referred to in Article 3(2)(a) 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;
- (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) in relation to the representation of consumers interest at the Union level, Bureau *Européen des Unions de Consommateurs* (BEUC) and *European Association for the Coordination of Consumer Representation in Standardisation* (ANEC) provided they have no conflicting interests and represent 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, 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 its members the interests of Union consumers and other end-users in the area of financial services;

- (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 Articles 92, 95 and 97 of Regulation (EU) 2017/625 of the European Parliament and of the Council⁶⁰, the European Union reference centres referred to in Article 29 of Regulation (EU) 2016/1012 of the European Parliament and of the Council⁶¹, national plant health reference laboratories, national animal health reference laboratories and international organisations;
 - (ii) only in the case of actions described under Article 9(6)(a) and (b) of this Regulation, third countries, associated or not associated to the Programme;
- (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.

⁶⁰ 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).

⁶¹ 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).

Article 11

Evaluation committees

The evaluation committee(s) for actions implementing the specific objective(s) referred to in Article 3(2) may be composed fully or partially of external experts.

Article 12

Co-financing rules

1. For actions implementing the specific objective referred to in Article 3(2)(a) 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 20 of [Proposal for a Regulation of the European Parliament and of the Council laying down rules and procedures for compliance with and enforcement of Union harmonisation legislation on products], the Programme may finance up to 100 % of eligible costs of an action, provided that the co-financing principle as defined in Article 190 of the Financial Regulation is not infringed.
2. For grants awarded to the Public Interest Oversight Board (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).
- 2a. For grants awarded to ANEC as referred to in Article 10(e) of this Regulation, the Programme may finance up to 95 % of the eligible costs.
3. For actions implementing the specific objective referred to in Article 3(2)(e) of this Regulation, the Programme may finance up to 100 % of the eligible costs, provided that the co-financing principle as defined in Article 190 of the Financial Regulation is not infringed.

For the actions referred to in Annex I, points 1. and 2., the co-financing rate applied shall be, as a general principle, at least 50 % of the eligible costs. The following exceptions apply:

- (a) The rate shall be increased to 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 whose gross national income per inhabitant based on the latest Eurostat data is less than 90 % of the Union average.
 - (b) The maximum rate may be increased to 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) are specific tasks which are indispensable for the Union as a whole as laid down by the Commission in the work programme adopted in accordance with Article 16; or
 - (iii) are implemented in third countries.
 - (c) With the assistance of the Standing Committee on Plants, Animals, Food and Feed, the co-financing rate may be reviewed due to budgetary availability, insufficient implementation of the programme or the emergency measure, or the phasing-out of the co-financing of actions against animal diseases or plant pests.
4. 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. For actions implementing the specific objective referred to in Article 3(2)(e), costs incurred for measures referred to in Annex I, points 2.1a.1. and 2.1a.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.
2. In addition to the criteria set out in Article 186 of the Financial Regulation, the following cost-eligibility criteria shall apply for 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) as referred to in Article 193(2)(b) of the Financial Regulation costs shall be eligible prior to the start date of the action;
 - (b) such costs may also be eligible as a result of taking measures in relation to suspected occurrence of a disease or presence of a pest, provided that that occurrence or presence is subsequently confirmed.

Costs referred to in point (a) of this paragraph, to be laid down in the specific work programme as adopted in accordance with Article 16, shall be eligible from the date of notification of the occurrence of the disease or presence of the pest to the Commission.

Cumulative, complementary and combined funding

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 each contributing Union programme shall apply to its respective contribution to the action. The cumulative funding shall not exceed the total eligible costs of the action and 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.
2. (Actions awarded a Seal of Excellence certification under Horizon 2020 or Horizon Europe, or which comply with the following cumulative, comparative, 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) they may not be financed under that call for proposals due to budgetary constraints.

may receive support from the European Regional Development Fund, the Cohesion Fund, the European Social Fund Plus or the European Agricultural Fund for Rural Development, in accordance with paragraph 5 of Article [67] of Regulation (EU) XX [Common Provisions Regulation] and Article [8] or Regulation (EU) XX [Financing, management and monitoring of the Common Agricultural Policy], provided that such actions are consistent with the objectives of the programme concerned. The rules of the Fund providing support shall apply.)⁶²

⁶² Discussions on this clause are still ongoing in other Council preparatory bodies. A conclusion on paragraph 2 is therefore not possible at this stage.

3. An operation may receive support from one or more Union programmes. In such cases 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 this Programme shall be implemented in accordance with the [InvestEU regulation] and Title X of the Financial Regulation.

CHAPTER IV

PROGRAMMING, MONITORING, IMPLEMENTATION AND CONTROL

Article 16

Implementation of the Programme

1. The Programme shall be implemented by work programmes referred to in Article 110 of the Financial Regulation. Each of the specific objectives set out in this Regulation shall be implemented by an annual or multiannual work programme. However, where synergies between specific objectives can be achieved, the necessary provisions may be implemented in a joint work programme.

In order to ensure the implementation of the Programme, implementing powers are conferred on the Commission to adopt work programmes. Those powers should be exercised in accordance with the procedure referred to in Article 21.

The work programme shall set out in detail:

- (a) the objectives pursued for each action, which shall be in accordance with the general and specific objectives referred to in Article 3, an indication of the budgetary envelope per each of the forms of funding set out in Article 6, a total amount for all actions and an indicative implementation timetable;
- (b) for grants, the essential evaluation criteria, which shall be set so as best to achieve the objectives pursued by the programme, and the maximum rate of co-financing.

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

- 1a. 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 procedure referred to in Article 21(1).
- 1b. 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 procedure referred to in Article 21(2).
- 2. Work programmes implementing the specific objective referred to in Article 3(2)(e) as set out in Article 8(2) 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(3).

3. By derogation from paragraph 1 of this Article, 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 in the European Statistical System.

Article 17

Monitoring and reporting

1. Indicators to report on progress of the Programme towards the achievement of the specific objectives set out in Article 3(2) are set in Annex IV.
2. To ensure effective assessment of progress of the Programme towards the achievement of its objectives the Commission is empowered to adopt delegated acts in accordance with Article 20 to review or complement the indicators in Annex IV where considered necessary and to supplement this Regulation with provisions on the establishment of a monitoring and evaluation framework.
3. The performance reporting system shall ensure that data for monitoring programme implementation and results 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 relevant, Member States.

Article 18

Evaluation

1. Evaluations shall be carried out in a timely manner to feed into the decision-making process.
2. The interim evaluation of the Programme shall be performed once there is sufficient information available about the implementation of the Programme, but no later than four years after the start of the Programme implementation and at least six months before the submission of a new programme proposal for the next multiannual financial framework period.
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, of the IOB and of the EFRAG. The Commission shall transmit the report to the European Parliament and to the Council.
4. In accordance with Article 13 of Regulation (EC) No 223/2009, the Commission shall consult the European Statistical System Committee (ESSC) for the part of the interim and final evaluations 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 that pertains 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.

5. At the end of the implementation of the Programme, but no later than four years after the end of the period specified in Article 1, a final evaluation of the Programme shall be carried out by the Commission.
6. The Commission shall communicate the conclusions of the evaluations, accompanied by its observations and recommendations, to the European Parliament, the Council, the European Economic and Social Committee and the Committee of the Regions.

Article 19

Protection of the financial interests of the Union

Where a third country participates in the Programme by a decision under an international agreement or by virtue of any other legal instrument, the third country shall grant the necessary rights and access required for the authorizing officer responsible, the European Anti-Fraud Office (OLAF), the European Court of Auditors to comprehensively exert 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, provided for in Regulation (EU, Euratom) No 883/2013 concerning investigations conducted by OLAF.

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 Articles 9 and 17 shall be conferred on the Commission until 31 December 2028.
3. The delegation of power referred to in Articles 9 and 17 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 Articles 9 and 17 shall enter into force 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 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.

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

2. With regard to 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.

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

3. With regard to 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 established by Article 58 of Regulation (EC) No 178/2002. That committee shall be a committee within the meaning of Regulation (EU) No 182/2011.

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.

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

CHAPTER V

TRANSITIONAL AND FINAL PROVISIONS

Article 22

Information, communication and publicity

1. The recipients of Union funding shall acknowledge the origin and ensure the visibility of the Union funding (in particular when promoting the actions and their results), by providing pertinent information to multiple audiences, including the media and the public.
2. The Commission shall implement information and communication actions relating to the Programme, and its actions and results. Financial resources allocated to the Programme shall also contribute to the corporate communication of the political priorities of the Union, as far as they are related to the objectives referred to in Article 3.
3. The Commission (Eurostat) shall carry out information and communication activities 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, (EU) No 258/2014, (EU) No 652/2014 and (EU) 2017/826 are repealed with effect from 1 January 2021.

Article 24

Transitional provisions

1. This Regulation shall not affect the continuation or modification of the actions concerned, until their closure, under 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 the actions concerned until their closure.
2. The financial envelope for the Programme may also cover technical and administrative assistance expenses necessary to ensure the transition between the Programme and the measures adopted under predecessor programmes established by 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.

Article 25

Entry into force

This Regulation shall enter into force on the twentieth day following that 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

For the Council

The President

The President

ANNEX I

Eligible actions implementing the specific objective referred to in Article 3(2)(e)

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

1. 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 zoonosis 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 the 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 of the European Parliament and of the Council⁶³ or pursuant to the Union measures adopted in accordance with Article 28(1) or (3) of that Regulation;

⁶³ 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).

- (b) eradication and prevention measures against a pest, not listed as Union quarantine pests, taken by the competent authority of a Member State pursuant to Article 29(1), 30(1) or 30(4) of Regulation (EU) 2016/2031 and which may qualify as Union quarantine pests in accordance with the criteria referred to in those Articles of that Regulation;
- (c) additional protective measures taken against the spread of a pest, against which Union measures have been adopted pursuant to 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 OCT, of one of the animal diseases and 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 and zoonoses listed in Annex III might constitute a threat to the Union.

1.4. Eligible costs

1.4.1. Veterinary emergency measures

The following costs incurred by the Member States in carrying out the measures referred to in Article 3(2)(e) may qualify for funding under that paragraph:

- (a) costs of compensation to owners for the value of their animals slaughtered or culled, limited to the market value of such animals 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 measures referred to in Article 3(2)(e) may qualify for grants under that Article:

- (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 of such plants, plant products and other objects as 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 owners referred to in point (d) shall only be eligible if the measures have been carried out under the supervision of the competent authority.

2. Annual and multiannual veterinary and phytosanitary programmes

2.1. Annual and multiannual 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.

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.

2.1a. Eligible costs

2.1a.1. The following costs incurred by the Member States in implementing the national veterinary programmes may qualify for EU 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 of such animals 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) of the first paragraph, the salvage value of the animals, if any, shall be deducted from the compensation.

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

2.1a.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;
- (aa) costs for visual examinations;
- (b) costs of tests, provided that they are limited to:
 - (i) the costs of test kits, of reagents and of 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;
- (c) 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;
- (d) costs of service contracts with third parties to execute part of the measures;
- (e) 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;
- (f) 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 of such plants, plant products and other objects as if they had not been affected by those measures; the salvage value, if any, shall be deducted from the compensation; and

- (g) in exceptional and duly justified cases, the costs incurred in carrying out necessary measures other than those referred to in points (a) to (f).

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

- 2.2. 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 to be implemented in territories of third countries in cooperation with the authorities of those countries. Under the same circumstances and for the same objective, Union funding may be directly awarded to third countries' competent authorities.
- 2.3. 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 Regulation (EU) 2016/2031 or, where applicable, pursuant to Articles 47 to 77 of Regulation (EU) 2017/625;
 - priority pests pursuant to Article 24(1) of Regulation (EU) 2016/2013;

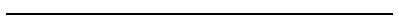
- (b) surveys, over specific periods of time, checking at least for the presence of any pests, other than the pests referred to in point (a), which might represent an emerging risk for the Union, and the entry or spread of which might have a significant impact on Union territory;
- (c) eradication and 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 against a pest, not listed as Union quarantine pests, taken by the competent authority of a Member State pursuant to Article 29(1), 30(1) or 30(4) of Regulation (EU) 2016/2031 and which may qualify as Union quarantine pests in accordance with the criteria referred to in those Articles of 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 programme referred to in Article 16 shall determine the list of plant pests to be covered under these measures.

2a. Union funding may be awarded to Member States for implementing 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 ('programmes for the outermost regions'). Those programmes shall concern activities necessary to ensure the correct implementation in those regions of the rules, whether they are Union rules or national rules, in force in those regions, on the control of pests.

3. Activities to support the improvement of the welfare of animals.
4. European Union reference laboratories, referred to in Articles 92, 95 and 97 of Regulation (EU) 2017/625, and the European Union reference centres referred to in Article 29 of Regulation (EU) 2016/1012.
- 4a. Obtaining accreditation regarding test and diagnostic methods at national plant health reference laboratories for up to three years after the designation of the European Union reference laboratory of the specific area.
5. Coordinated control programmes and information and data collection, referred to in Article 112 of Regulation (EU) 2017/625.
6. Activities for preventing food waste and combating food fraud.
7. Activities supporting a sustainable food production and consumption.
8. 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.
9. The training of the staff of the competent authorities responsible for official controls and other parties involved in the management and/or prevention of animal diseases or plant pests, as referred to in Article 130 of Regulation (EU) 2017/625.

10. 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.
11. Technical and scientific work, including studies and coordination activities, 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.
12. Activities carried out by the Member States or international organisations operating 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.
13. 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).
14. Support to information and awareness raising initiatives by the Union and Member States aimed at ensuring improved, compliant and sustainable food production and consumption, including food waste and food fraud prevention activities, as well as other initiatives contributing to a high level of health for plants and animals, food and feed safety, within the implementation of the rules in the area of the specific objective referred to in Article 3(2)(e).
15. Measures carried out to protect human, animal and plant health and animal welfare, implemented on 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)

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 allow 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) 223/2009 on European statistics, and especially with reference to the professional independence of statistical institutes and the other statistical principles laid down in Article 2 of Regulation (EC) No 223/2009, the Programme provides the overall framework for the development, production and dissemination of European statistics for 2021-2027. European statistics are developed, produced and disseminated under that framework and in accordance with the principles of the European statistics Code of Practice and quality criteria according to 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, contribute to the implementation of the Union's policies as set out in the TFEU and further reflected in the Commission's strategic priorities.

With this multi-annual programme the ESS aims to maintain and extend its leading position in the statistical field. The Commission shall, in the preparation of the annual work programmes, ensure effective priority-setting and an annual review of, and report on, statistical priorities. The annual work programmes will thereby aim to ensure that European statistics can be produced within the available resources at the national and the Union level.

Continuous research and innovation are seen as key drivers in modernizing European statistics and in improving the quality of European statistics. Therefore the implementation of this multiannual programme should invest substantially in scaling up activities in the area of developing 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

- providing high-quality comparable and reliable statistics underpinning the Excessive Deficit Procedure and the Union's annual cycle of economic monitoring and guidance;
- providing and where necessary, enhancing the Principal European Economic Indicators (PEEIs);
- providing statistics and methodological guidance on the statistical treatment of the investment and budgetary instruments in supporting economic convergence, financial stability and job creation;
- providing statistics for own resource purposes and remunerations and pensions of EU staff;
- better measuring of trade in goods, supported by the exchange of microdata within the ESS, trade in services, foreign direct investment, global value chains and the impact of globalisation on the Union economies;
- investigating data availability and the possibility for producing statistics underpinning the Reform Support Programme.

Single Market, Innovation and Digital transformation

- providing high quality and reliable statistics for the Single Market and key areas of innovation and research;
- providing more and timelier statistics on collaborative economy and the impact of digitalisation on the European business and citizens;
- investigating data availability and the possibility for producing statistics for the European Defence Action Plan.

Social dimension of Europe

- providing high quality, timely and reliable statistics to support the European Pillar of Social Rights, the Union Skills Policy and other Union social policies;
- providing statistics related to the United Nations Convention on the Rights of Persons with Disabilities;
- enriching statistics on migration in particular on the situation and integration of migrants and education needs and qualification levels of asylum seekers;
- developing modernised post-2021 Population and Housing Census programmes and population statistics;
- providing ageing-related statistics and population projections to support policies on an ageing society;
- investigating data availability and the possibility for producing statistics in the following areas:
 - statistics on gender based violence;
 - satellite accounts on skills;
- further exploring methodological and other issues related to undeclared work in support to the European Platform tackling undeclared work.

Sustainable development, Natural Resources and Environment

- monitoring the progress towards the Sustainable Development Goals (SDGs);
- further developing statistics in support of the Energy Strategy and circular economy;
- providing key environmental statistics and indicators including on waste, water, biodiversity, forests, land use and land cover and environmental economic accounts;
- providing freight and passengers' transport statistics to support the policies of the Union and
- developing further indicators to monitor intermodality and modal shift towards more environmentally friendly transport modes;
- 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;
- investigating data availability and the possibility for producing statistics in the following areas:
 - statistics to support the EU plastics strategy;
 - climate-related statistics.

Economic, Social and Territorial Cohesion

- 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;
- increasingly using geospatial data and systematically integrating and mainstreaming geospatial information management into statistical production;
- investigating data availability and the possibility for producing:
 - indicators on anti-money laundering;
 - indicators on the fight against financing of terrorism;
 - police and security statistics.

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

- systematically promoting European statistics as a trustworthy source of evidence and facilitating fact checkers, researchers and public authorities to use it in tackling disinformation;
- enhancing the existent dialogue with users to promote the value of European statistics and closely monitor their needs and satisfaction;
- 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;
- setting actions on helping to educate both professional users, citizens and young people and increasing statistical literacy;
- 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;
- 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

- stepping-up the exploitation of new digital data sources in a multisource environment and establishing the foundations of trusted smart statistics to produce new statistics in near real-time with trusted algorithms that are fit for purpose;
- developing novel approaches to use privately held data through the adoption of privacy-preserving computation and secure multiparty computation methods;
- 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

- strengthening the ESS partnership and the cooperation with the European System of Central Banks;
 - 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;
 - enhancing cooperation with research and academia, in particular as regards the use of new data sources, data analytics, and the promotion of statistical literacy;
 - continuing the cooperation with international organisations and third countries for the benefit of global official statistics.
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ANNEX III

List of animal diseases and zoonoses

- (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)	1 - Number of new complaints and cases of non-compliance 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. 4 - Number of Joint market surveillance campaigns.
Objectives laid down in Article 3(2)(b)	1 - Number of SMEs receiving support 2 - Number of companies supported having concluded business partnerships.
Objectives laid down in Article 3(2)(c) (i) (ii)	1 - Share of implementation of European standards as national standards by Member States in total amount of active European standards. 2 - Percentage of international financial reporting and auditing standards endorsed by the Union.
Objectives laid down in Article 3(2)(d) (i) (ii)	1 - Consumer condition index. 2 - Number of position papers and responses to public consultations in the field of financial services from beneficiaries.
Objectives laid down in Article 3(2)(e)	1 - Number of successfully implemented national veterinary and phytosanitary programmes.
Objectives laid down in Article 3(2)(f)	1- Impact of statistics published on the internet: number of web mentions and positive/negative opinions.