14.4.2020

Mr Johan van Overtveldt
Chair
Committee on Budgets
BRUSSELS

Subject: Opinion on Guidelines for the 2021 Budget - Section III (2019/2213(BUD)) - Rapporteur for opinion, Mr Leszek Miller

Dear Chair,

Under the procedure referred to above, the Committee on the Internal Market and Consumer Protection has decided to submit an opinion to your committee in the form of a letter.

The Committee decided to call on the Committee on Budgets, as the committee responsible, to incorporate the suggestions in annex to this letter into its motion for a resolution.

Yours sincerely,

Petra De Sutter, MD, PhD
Chairwoman

Annex: Suggestions
SUGGESTIONS

The Committee on the Internal Market and Consumer Protection calls on the Committee on Budget, as the committee responsible, to take into account the following suggestions into its motion for a resolution:

A. whereas the 2021 Union budget is the first one under the multiannual financial framework (MFF) for 2021-2027;

B. whereas the Parliament has been ready to negotiate the new MFF since November 2018, but the Council has, so far, failed to engage in fully-fledged negotiations, whereas the window of opportunity for reaching an agreement is constantly shrinking;

C. whereas the internal market is since its inception a major contributor to growth, competitiveness and employment in the Union which has allowed persons, goods, services and capital to move more freely in the Union, has generated new opportunities and economies of scale for European businesses, notably micro, small and medium-sized enterprises (SMEs), has contributed to the creation of jobs and has offered greater choice at lower prices for consumers while guaranteeing their protection and the high quality of products and services offered; whereas the internal market is a core element in achieving the transformation into a resource- and energy-efficient sustainable economy to respond to the increasing pressure of climate change; whereas the completion of the Single Market should remain one of the priorities in the 2021 Budget;

D. whereas the Digital Single Market (DSM) should be seen as one of the key elements of the overall Single Market, whose effective implementation is a sine qua non condition for the effective functioning of the Single Market as a whole benefiting both the citizens and the businesses;

1. Welcomes the EP budget section III rapporteur’s ambition of 883 million EUR (in 2018 prices) for the Single Market programme for the year 2021 that corresponds to the Parliament proposal for the next MFF (2021-2027) made of a significant increase of expenditure on the Single Market cluster in comparison to the Commission’s proposal by almost half (i.e. by 48.5%, in 2018 prices), taking into account the expected spending profile for that programme, which clearly demonstrates its importance; stresses the need to maintain these proportions of appropriations in the forthcoming negotiations; expresses disappointment with the revised 2021-2027 MFF-OR “negotiating box” presented by the President of European Council, which reduces the appropriations for the Single Market Programme by estimated 57.1%;

2. Urges Member States to maintain high level of commitments for the new Single Market Programme1 (including former COSME actions), which addresses the Single Market fragmentation, empowering and protecting consumers and enabling micro and small and medium-sized enterprises (SMEs) to take full advantage of a well-functioning Single Market which is indispensable for development of European economy while

focusing on sustainability;

3. Welcomes the Commission’s Communications on “Shaping Europe's digital future” and on “A European strategy for data” as well as the Commission’s White Paper on Artificial intelligence, since all three initiatives contain important reflections linked to consumer protection and harmonised rules for companies in the Single Market; stresses the importance of sufficient funding for the Commission’s digital initiatives as part of the MFF-related programmes;

4. Welcomes the Commission's proposed new initiatives for the European Green Deal, and in particular on "Empowering the consumer for the green transition" since promoting the commitment of consumers to sustainable consumption patterns is key to deliver on the Green Deal priorities; stresses the importance of raising consumer awareness and directing funding towards actions promoting sustainable consumption, as part of the future consumer policies in the Single Market Programme (MFF);

5. Underlines that in order to achieve comprehensive sustainable consumption patterns, single market’s rules are key in order to incentivise products and services, processes and business models aimed at achieving circularity through sustainability and durability requirements in line with the European Green Deal’s objectives; recalls that in order to support the transition of our economy towards sustainability while preserving our competitiveness, adequate funding of targeted actions should be ensured through the Single Market Programme (MFF);

6. Calls for allocation of the additional resources towards full implementation of the Single Digital Gateway, which may be facing delays in multiple Member States; notes that eGovernment programmes aiming at modernization of a public administration and addressing digitalisation of public services offer added value for everyone involved in the Single Market, especially citizens and business; reminds the need to allocate sufficient funds to unlock ambitious projects in this area;

7. Recalls that consumer protection is one of the most substantial areas of EU policy for citizens, which supports especially the consumers in vulnerable situations; underlines the constant need to improve the consumer policy, especially in light of the emerging challenges both in the digital and physical areas through adequate financing and enforcement of existing provisions aimed particularly at combatting the unfair commercial practices within the Single Market;

8. Stresses that effective enforcement of single market’s rules plays an important role in consumer protection policy by making sure that consumers are offered safe and compliant products and services, both on the online and offline markets; highlights the need for greater cooperation between market surveillance authorities at EU level and need for strengthening the existing framework; calls therefore for specific funding in this area under the Single Market Programme (MFF);

9. Stresses the importance of an increase in the level of commitment appropriations for the modernisation of the customs union, in support of the implementation of the Union Customs Code (Code) and of the development of the electronic customs systems; notes that in the Single Market policy cluster only the appropriations for financing the
Customs programme are foreseen, considers, however, that financing of Customs Control Instrument\(^2\) should also be included in this cluster; stresses at the same time that cuts of 31% foreseen in the proposal put forward by the President of the European Council on CUSTOMS program and on the instrument for financial support for customs control equipment jeopardise meeting the objectives of both programs;

10. Concerns that the failure of the Council to agree on a negotiating position could delay negotiations with the Parliament and implies the risk of delaying the entry into force of programmes due to start in 2021, in particular the new Single Market Programme, as well as CUSTOMS program and the Customs Control Instrument -which is not a continuation of an existing programme but a new initiative.