



**COUNCIL OF  
THE EUROPEAN UNION**

**Brussels, 6 March 2013**

**7172/13**

**MI 181  
COMPET 132  
POLGEN 32  
CO EUR-PREP 14**

**COVER NOTE**

---

from: European Parliament  
date of receipt: 26 February 2013  
to: Mr Uwe CORSEPIUS, Secretary-General of the Council of the European Union  
Subject: Governance of the Single Market  
European Parliament resolution of 7 February 2013 with recommendations to the Commission on the governance of the Single Market

---

Delegations will find attached European Parliament document P7\_TA-PROV(2013)0054.

---

Encl.: P7\_TA-PROV(2013)0054

## **P7\_TA-PROV(2013)0054**

### **Governance of the Single Market**

#### **European Parliament resolution of 7 February 2013 with recommendations to the Commission on the governance of the Single Market (2012/2260(INI))**

*The European Parliament,*

- having regard to Article 225 of the Treaty on the Functioning of the European Union (TFEU),
- having regard to Article 26(3) TFEU,
- having regard to the Commission Communication of 8 June 2012 entitled ‘Better Governance for the Single Market’ (COM(2012)0259),
- having regard to the Commission Communication of 28 November 2012 entitled ‘Annual Growth Survey 2013’ (COM(2012)0750) and the Commission Report entitled ‘State of the Single Market Integration 2013 – Contribution to the Annual Growth Survey 2013’ (COM(2012)0752),
- having regard to the European Added Value Assessment on Better Governance of the Single Market, as a contribution to the European Semester exercise, carried out by the European Added Value Unit of the European Parliament and transmitted to its Committee on the Internal Market and Consumer Protection on 7 February 2013,
- having regard to the Commission Communication of 3 March 2010 entitled ‘Europe 2020 – A strategy for smart, sustainable and inclusive growth’ (COM(2010)2020),
- having regard to the Commission Communication of 27 October 2010 entitled ‘Towards a Single Market Act for a highly competitive social market economy – 50 proposals for improving our work, business and exchanges with one another’ (COM(2010)0608),
- having regard to the Commission Communication of 13 April 2011 entitled ‘Single Market Act – Twelve levers to boost growth and strengthen confidence – “Working together to create new growth”’ (COM(2011)0206),
- having regard to the Commission Communication of 3 October 2012 entitled ‘Single Market Act II – Together for new growth’ (COM(2012)0573),
- having regard to the Commission Communication of 8 June 2012 entitled ‘On the implementation of the Services Directive – A partnership for new growth in services 2012-2015’ (COM(2012)0261),
- having regard to the report to the President of the European Commission by Mario Monti of 9 May 2010 entitled ‘A New Strategy for the Single Market – At the Service of Europe’s Economy and Society’,

- having regard to the Commission White Paper of 28 March 2011 entitled ‘Roadmap to a Single European Transport Area – Towards a competitive and resource efficient transport system’ (COM(2011)0144),
- having regard to the report of the President of the European Council of 26 June 2012 entitled ‘Towards a genuine economic and monetary union’, the interim report of 12 October 2012 and the final report of 5 December 2012 thereon,
- having regard to the Internal Market Scoreboard No 23 (September 2011) and Parliament’s resolution of 22 May 2012<sup>1</sup> thereon,
- having regard to the Internal Market Scoreboard No 25 (October 2012),
- having regard to the Commission staff working document of 24 February 2012 entitled ‘Making the Single Market deliver – Annual governance check-up 2011’ (SWD(2012)0025),
- having regard to the Conclusions of the Competitiveness Council of 30-31 May 2012 on the Digital Single Market and Governance of the Single Market,
- having regard to the deliberations of the Competitiveness Council of 10-11 October 2012 on the Single Market Act,
- having regard to the Conclusions of the European Council of 28-29 June 2012,
- having regard to the Conclusions of the European Council of 18-19 October 2012,
- having regard to the contribution and the conclusions of the XLVIII Conference of Parliamentary Committees for Union Affairs of Parliaments of the European Union (COSAC) of 14-16 October 2012,
- having regard to its resolution of 20 May 2010 on delivering a single market to consumers and citizens<sup>2</sup>,
- having regard to its resolution of 6 April 2011 on governance and partnership in the single market<sup>3</sup>,
- having regard to its resolution of 14 June 2012 entitled ‘Single Market Act – The Next Steps to Growth’<sup>4</sup>,
- having regard to its resolution of 5 July 2011 on a more efficient and fairer retail market<sup>5</sup>,
- having regard to Rules 42 and 48 of its Rules of Procedure,

---

<sup>1</sup> Texts adopted, P7\_TA(2012)0211.

<sup>2</sup> OJ C 161 E, 31.5.2011, p. 84.

<sup>3</sup> OJ C 296 E, 2.10.2012, p. 51.

<sup>4</sup> Texts adopted, P7\_TA(2012)0258.

<sup>5</sup> OJ C 33 E, 5.2.2013, p. 9.

- having regard to the report of the Committee on the Internal Market and Consumer Protection and the opinions of the Committee on Employment and Social Affairs and the Committee on Regional Development (A7-0019/2013),
- A. whereas a well-functioning and effective Single Market, based on a highly competitive social market economy, is needed more than ever to boost growth and competitiveness and to create jobs so as to revitalise the European economy; whereas the Single Market should work for that objective by providing a concrete response to the crisis whilst ensuring the safety of consumers and fostering social cohesion;
- B. whereas the Single Market has an indispensable role to play in meeting the objectives of the Europe 2020 Strategy for smart, sustainable and inclusive growth;
- C. whereas, 20 years after its official creation, the Single Market has not yet been fully completed, primarily because Member States have not fully transposed or implemented the approximately 1500 directives and around 1000 regulations;
- D. whereas there is an urgent need to strengthen the governance of the Single Market and to improve the transposition, implementation and enforcement of the rules governing it;
- E. whereas the Single Market should be completed with the utmost determination and as quickly as possible, whilst maintaining a necessary balance between its economic, social and environmental dimensions;
- F. whereas the Single Market should not be seen in isolation from other horizontal policy areas, such as consumer and worker protection, social rights, the environment and sustainable development;
- G. whereas the completion of the Single Market is the foundation for the completion of the political and economic integration process of the Union and provides the necessary link between all Member States, both euro zone members and non-members;
- H. whereas good governance of the Single Market and further development of the regions complement each other, could significantly improve the prospects for local and regional growth and jointly create a powerful Europe characterised by cohesion and competitiveness; whereas, in particular, European Territorial Cooperation is based on concepts similar to the Single Market in terms of promotion of cross-border interactions and mutually benefitting from regional and local infrastructures, investments and markets; whereas the Single Market could be further strengthened by addressing market deficiencies, consolidating cross-border territorial cooperation and facilitating activities and funding of local and regional authorities in the framework of territorial pacts;
- I. whereas, despite the political commitments given at the highest level and the efforts undertaken by the Commission and the Member States, the average transposition deficit rose from 0,7 % in 2009 to 1,2 % in February 2012 and, following some progress in the recent months, has now reached 0,9 %; whereas further efforts still have to be made since that deficit leads to distrust towards the Union in general and the Single Market in particular;
- J. whereas the Single Market as the backbone of the Union, and its good functioning as the basis and framework for economic and social recovery in Europe, are of the utmost

importance; whereas in that context respect for social rights, in accordance with national law and practices which respect Union law, is indispensable;

- K. whereas, as indicated by the Consumer Markets Scoreboards and the Single Market integration check-up for the four freedoms, increased competition resulting from the integration process works as a powerful incentive to offer a wider variety of cheaper and higher quality products for European consumers;
- L. whereas the potential economic gains from a full and proper implementation of the Directive 2006/123/EC of the European Parliament and of the Council of 12 December 2006 on services in the internal market<sup>1</sup> amount to a growth potential of between 0,8 % and 2,6 % of gross domestic product (GDP), which would materialise between five and ten years after implementation of that Directive;
- M. whereas the Commission estimates that the Union could gain an additional 4 % of GDP over the next ten years by stimulating the rapid development of the Single Market;
- N. whereas the Single Market strategy should be coordinated and based on a pragmatic, comprehensive and wide-ranging agreement supported by all the Member States and the European institutions; whereas strong leadership on the part of all European institutions and clear political ownership on the part of the Member States is still required in order to fully implement and enforce Single Market-related directives and regulations, and increase credibility of and confidence in the Single Market;
- O. whereas the President of the European Council emphasised, in his above-mentioned report of 26 June 2012, the importance of full compatibility with the Single Market as well as openness and transparency in the process towards a deeper economic and monetary union; whereas, in the final report of 5 December 2012, the President of the European Council further underlined the importance, in the near term, of completing the Single Market as it provides a powerful tool to promote growth;
- P. whereas concrete actions, both at Member State and Union level, are still necessary to fully implement freedom of movement for goods, persons, services and capital in the European Union; whereas opening up new business opportunities for companies, in particular for small and medium-sized enterprises (SMEs), including by a rigorous application of the SME test within the impact assessments as carried out by the Commission and Parliament, quick progress with the smart regulation agenda and tailor-made legislation for different types of companies, where appropriate, without undermining overall objectives such as health and safety at work, could also help inject new life into Europe's economies;
- Q. whereas, in the context of the Single Market, the valuable role of one-stop shops should be recognised, including electronic and physical ones, in reducing administrative burdens and transaction costs, improving efficiency, market openness, transparency and competition, resulting in less public spending and greater opportunities for businesses including SMEs and micro-enterprises to access markets and retain and create new jobs;

### ***Better legislation***

---

<sup>1</sup> OJ L 376, 27.12.2006, p. 36.

- R. whereas the Commission should aim for more horizontal coordination and coherence in the preparation of legislative proposals with relevance for the Single Market; whereas the Commission should conduct in-depth impact assessments, including territorial impact assessments, setting out convincing arguments for the need for Single Market legislation before adopting legislative proposals;
- S. whereas the Commission should, in accordance with the principle of subsidiarity and wherever appropriate, and principally where there is no need for further discretion in the implementation of Union legislation, choose regulations rather than directives as the preferred legal instrument for regulating the Single Market;
- T. whereas the Member States and the Commission should introduce a ‘Single Market test’ at national level with the aim of assessing whether any new national legislation may have a negative impact on the effective functioning of the Single Market; whereas the Commission should consider the feasibility of a notification system for draft national laws that may have a negative impact on the functioning of the Single Market, thus supplementing the procedure laid down in Directive 98/34/EC to create a horizontal instrument, to strengthen its preventive nature when the Commission puts forward a detailed opinion on a draft law and to ensure its application in order to remedy the unsatisfactory application of Union legislation at local level;
- U. whereas it is essential that administrative cooperation between the Member States is carried out in an efficient, effective and cost-effective way, as is the case with the Internal Market Information System (IMI); whereas IMI should always be used, including in other areas, in order to strengthen its functionality and to reduce red tape, increase transparency and enable all actors in the Single Market to fully reap its benefits;

#### ***Better transposition, implementation and application***

- V. whereas each Member State should transpose every directive in a consistent manner and adopt all transposition measures relating to the whole of a Union legislative act jointly and at the same time, in order to ensure that the national transposition of that act reflects the compromise reached at Union level, since improper and belated transposition distorts competition in the Single Market and impedes citizens and businesses from taking full advantage of the Single Market;
- W. whereas there is a need to achieve more transparency of implementation and uniform application of Union law in the Member States; whereas correlation tables will become an increasingly useful tool in an integrated Single Market to reflect the national transposition of Union rules and whereas the Commission should therefore request such tables on a more frequent basis;

#### ***Monitoring of implementation***

- X. whereas the exchange of experience and best practice between Member States is crucial to understanding the national mechanisms for the application of Union law and the remaining obstacles to the Single Market; whereas Member States should exchange information among themselves and with the Commission prior to transposition in order to ensure correct transposition and prevent fragmentation; whereas the monitoring of implementation of Union law is one of the core competencies of the Commission and its civil servants; whereas in order to fulfil its commitments to assist Member States with the

transposition and implementation of Union legislation the Commission could initiate and coordinate a network of civil servants in charge of implementation of all new Union legislation beyond SOLVIT, thus providing a platform for exchange and peer review to cooperate closely with Member States, in order to improve the overall quality of implementation and to resolve problems concerning implementation by the Member States; whereas an exchange of national civil servants in charge of the implementation of Union law between the Member States, in order to encourage a better flow of information and best practices, should be promoted;

- Y. whereas purely quantitative statistics on the implementation of Single Market legislation do not allow measurement of the quality of implementation and the particular impact on the Single Market of specific key instruments; whereas a political and qualitative evaluation of implementation and the progress of the Single Market is therefore required, in particular with respect to the economic relevance of new Single Market legislation and the application of existing legislation;
- Z. whereas such an evaluation should differentiate between non-transposition, which is a clearly identifiable failure by the Member State, and the possibility of non-conformity which can be based on a different interpretation and understanding of Union law; whereas the Treaties provide that only the European Court of Justice may ultimately and publicly establish the non-conformity of national law with Union law; whereas, therefore, no other institution may declare such non-conformity; whereas Parliament should be provided annually with a list of non-transposed or incorrectly transposed Union legislation in the Member States concerned;
- AA. whereas forms of conditionality in the Structural Funds relating to transposing Single Market directives in the Member States are still under negotiation in the legislative process for the adoption of the new Regulations; whereas such measures should only be used as a last resort, and whereas using the leverage of Union financial support to provide incentives for the timely transposition of Single Market rules should be properly balanced;

### ***Better enforcement***

- AB. whereas, in order to improve Single Market governance, there should be a ‘zero tolerance’ policy in relation to Member States that do not implement the rules of the Single Market properly;
- AC. whereas infringement proceedings, as laid down in Article 258 TFEU and as implemented by the Commission, do not allow implementation and application deficiencies of Single Market provisions in Member States to be addressed and corrected in a swift manner;
- AD. whereas infringement proceedings have often revealed a number of limitations in terms of their suitability for meeting the expectations of individual consumers and businesses, and whereas a single, rapid and affordable means of redress at Union level should be established;
- AE. whereas the Member States and the European Council should therefore continue the further development of infringement proceedings in the framework of future revisions of the TFEU; whereas in the meantime every effort should be made towards a more stringent use of infringement proceedings for breaches of Union law provisions in the field of the

Single Market; whereas in that context faster procedures within the Commission and, where appropriate, recourse to interim proceedings before the Court of Justice, in accordance with Article 279 TFEU, should be applied more actively; whereas some Union legal acts provide for provisional measures that may be taken by national courts to prevent an imminent infringement, such as injunctions; whereas this could serve as a model for more efficient procedures and whereas the use of such provisional measures should therefore be considered in all relevant areas;

- AF. whereas the use of the EU Pilot has had positive results in ensuring the correct application of Union law and is providing more rapid solutions to problems encountered by citizens and businesses; whereas the Commission should therefore promote the use of the EU Pilot and further improve its effectiveness, in order to better detect and correct infringements of Single Market rules without the need to draw upon time-consuming infringement proceedings;
- AG. whereas SOLVIT has an important role as key problem-solving tool at national level and hence in ensuring better compliance with Union law relating to the Single Market, yet the potential of SOLVIT remains under-used; whereas concrete actions to improve the visibility of SOLVIT and more intensive communication to European citizens on SOLVIT should be encouraged, in order to better exploit its potential, within the current budget; whereas more efforts should be undertaken to better integrate SOLVIT into the range of assistance services and enforcement tools available at national and Union level; whereas, in the same vein, improvements with regard to the user-friendliness and the clarity of information of the Points of Single Contact in the Member States are necessary;
- AH. whereas the Commission must reinforce its actions in ensuring the proper implementation and enforcement of all adopted rules in the Member States, reacting more swiftly to notices and complaints about incorrect implementation of Union law and take the necessary steps in order to remove existing inconsistencies;
- AI. whereas it is necessary that the Commission – after a political evaluation – makes firm use of all its powers and exploits all sanctioning mechanisms at its disposal to the fullest;
- AJ. whereas the EU sweeps, which are monitoring actions coordinated by the Commission and executed at the same time in Member States by the relevant national authorities, have proven to be a useful tool in enabling the Commission and Member States to monitor with joint actions the application of existing Single Market legislation in the Member States; whereas recent sweeps detected poor compliance with consumer protection rules in the banking sector across the Union; whereas, therefore, the Commission should offer a more extensive use of EU sweeps to Member States in order to facilitate surveillance in particular by less-equipped and less-prepared national authorities; whereas coordination of EU sweep actions in other areas should be considered and whereas EU sweeps should be extended also to products and services that are offline;

### ***Single Market Acts***

- AK. whereas the Single Market Acts form part of the efforts to strengthen the governance of the Single Market by improving and better coordinating in particular the pre-legislative phase;



- AL. whereas the cyclical method of submitting Single Market Acts should be viewed positively, as it enables priorities for the development of the Single Market to be regularly identified and discussed;
- AM. whereas the Single Market Act constituted an important cross-cutting strategy to remedy major remaining shortcomings of the Single Market; whereas this strategy horizontally determined concrete legislative and non-legislative measures with the capacity to unleash unused growth potentials and remove obstacles to the Single Market; whereas some progress in that respect can be noted in the proposals submitted by the Commission, but further efforts in terms of long-term outlook are still necessary; whereas the Commission should, as a matter of priority, follow up the proposals already set out in the Single Market Act, in particular those concerning the horizontal instrument for market surveillance and the transparency of bank charges and non-financial information from businesses;
- AN. whereas the Single Market Act II continues this approach by identifying integrated networks, the mobility of citizens and businesses, the digital economy and social entrepreneurship together with consumer confidence as the four axes for future growth; whereas legislative proposals to ensure the right to access to a basic bank account, the revision of the Directive 2007/64/EC of the European Parliament and of the Council of 13 November 2007 on payment services in the internal market<sup>1</sup> and facilitating long-term investment in the real economy could make an important contribution in this regard; whereas the Commission, when proposing the measures, and Parliament and the Council when discussing them should thoroughly assess each of the envisaged measures and their potentials to achieve a highly competitive social market economy and work on a swift adoption;
- AO. whereas the Single Market Act should address the Union's socio-economic problems and promote a market that is at the service of citizens;
- AP. whereas future horizontal approaches should look into the completion of the Digital Single Market in order to allow citizens to fully benefit from digital solutions and ensure the competitiveness of businesses in the Union;

### ***Key areas***

- AQ. whereas the Commission proposes to target its activities towards specific key areas and instruments; whereas, however, a stronger focus on a limited number of instruments and actions is necessary in order to achieve tangible improvements in the application of Single Market rules; whereas the Digital Single Market, the services sector, the energy sector, public procurement, research and innovation as well as consumer protection and increased mobility of citizens, in particular workers and professionals, figure among the most important key areas for growth;
- AR. whereas such key areas and instruments could be reviewed on an annual basis so that the current developments in the Member States, and in particular in the areas which are economically the most relevant ones for the Single Market, as supported by evidence based evaluation, are duly reflected and taken into account in the decision-making processes of the Union's institutions; whereas the methodology for defining the key areas

---

<sup>1</sup> OJ L 319, 5.12.2007, p. 1.

for improving the functioning of the Single Market should be regularly revised, taking account of growth targets and the growth outlook;

- AS. whereas the Member States and the Union institutions should focus on the adoption and swift implementation of legislative measures linked to key areas, which are vital for growth and job creation, as underlined in the Compact for Growth and Jobs;
- AT. whereas further steps should be taken towards a regulation of financial services that provides adequate information and protection for consumers, enables a transparent assessment to be made of financial products, particularly the risky ones, and offers the possibility of alternative dispute settlement and means that ensure that consumers are properly compensated and reimbursed;
- AU. whereas a properly functioning and fully completed Single Market cannot be effective without a single, interconnected and efficient European transport system which is crucial to the smooth movement of goods, people and services: the essential and underlying freedoms for a Single Market;
- AV. whereas a Single European Transport Area should ease the movements of citizens and freight, reduce costs and enhance the sustainability of European transport, through the completion of interoperable and sustainable trans-European transport networks, and by eliminating all residual barriers between modes and national systems while facilitating the emergence of multinational and multimodal operators; whereas, for the completion of the Single European Transport Area, rail services, maritime transport, road freight transport as well as the Single European Sky and uniform interpretation of passenger rights play a pivotal role;

#### ***A Single Market for all actors***

- AW. whereas Union citizens and, in particular students, professionals and entrepreneurs, as well as SMEs, in all Member States should be invited to make suggestions on how to best achieve the full realisation of the Single Market, and whereas all institutions should be encouraged to set up a public consultation and a dialogue with civil society in order to guarantee that the needs of the citizens, consumers and businesses are adequately taken into account and that the proposed policies provide added value for all actors; whereas proper tools for communicating Union law to citizens are needed;
- AX. whereas the Single Market should focus on the rights of all stakeholders; whereas a stronger and earlier involvement of the social partners, civil society and all other stakeholders in designing, adopting, implementing and monitoring the measures needed to boost growth and citizens' rights in the Single Market, based also on forms of online participation and e-democracy, is essential to restoring confidence in the Single Market;
- AY. whereas, through local and regional self-government, local and regional actors perform many duties that are provided for in Union legislation on the Single Market, especially in the field of public procurement, state aid, services of general economic interest and concessions; whereas those policies should be properly implemented, inter alia in order to reduce error rates in cohesion policy; whereas the provision of high-quality public services for people living in every single region in the Union is a prerequisite for a dynamic and powerful Single Market, and whereas effective governance of the Single Market should therefore take account of the interests of local and regional stakeholders;

- AZ. whereas the Single Market strategy should strengthen social welfare, convergence and workers' rights, prevent social dumping and ensure fair working conditions for all Europeans;
- BA. whereas there is a need for one easily accessible and first-line help service at the national level that businesses and citizens, including people with disabilities, can turn to when encountering obstacles in trying to make use of the rights and opportunities offered by the Single Market; whereas attention should be given to reducing obstacles to accessibility in the built environment and services so that all citizens can benefit from the Single Market;

### ***European Semester***

- BB. whereas the European Semester provides the framework for coordination of economic policies and takes stock of the budgetary and economic situation in Member States but does not take account of the state of the Single Market despite its paramount importance for economies across all Member States;
- BC. whereas the Single Market can play an important role in promoting social cohesion in the Union; whereas the improvement of the economic governance framework should be based on a set of interconnected and mutually consistent policies that foster growth and employment, and whereas the full development of the Single Market is a prerequisite for this to happen;
- BD. whereas the Commission should monitor the completion of the Single Market and the actual implementation of the relevant measures within the annual exercise of the European Semester, taking account of the annual governance check-up and the Scoreboard reporting mechanisms; whereas, moreover, the annual monitoring should assess the extent to which consumers and businesses alike benefit from the Single Market and should report on obstacles to its functioning;
- BE. whereas every spring session of the European Council should also be devoted to assessing the state of the Single Market, backed up by a monitoring process;
- BF. whereas it is appropriate to look individually at each Member State by working in increasingly close cooperation with national parliaments in order to identify transposition, implementation and application deficits and address them in country-specific recommendations;
- BG. whereas the Annual Growth Survey 2013 has launched the third European Semester cycle and now includes for the first time an annual report on the state of the Single Market integration; whereas this stronger focus on the Single Market in the context of the European Semester is necessary in order to better exploit its growth and employment potentials in Europe and to allow citizens and businesses to fully benefit from it;
- BH. whereas the above-mentioned report on the State of the Single Market Integration 2013 does not, however, provide any new insights on the state of play in Member States nor draw sufficiently elaborated conclusions with regard to concrete growth potential generated by the Single Market; whereas the choice of priority areas in the integration report should be backed by comprehensive data;

- BI. whereas future reports on the state of the Single Market integration should therefore be clearer on current deficiencies in the Single Market, and provide more concrete guidance on possible remedies and the expected benefits, in order to enable meaningful responses by Member States;
- BJ. whereas the report on the State of the Single Market Integration 2013 emphasises in particular the services sector and calls, inter alia, for full compliance with the Directive 2006/123/EC; whereas this is a valid call but not compelling, if it is not accompanied by both supportive and stringent measures on the correct transposition and interpretation and full implementation of that Directive;
- BK. whereas the report lists a number of priorities for the energy and transport markets, and whereas many of those priorities point to the lack of national and European investment and competition in some areas; whereas further research and evidence-based information is needed for these markets in order to make a strong case for specific actions and for calls made upon Member States; whereas an integrated, interoperable and accessible European transport infrastructure, the establishment of an internal energy market while ensuring robust competition and strengthening the protection of consumers, and an ambitious European industrial policy are vital for ensuring the proper functioning of the Single Market;
- BL. whereas the digital economy is also considered as a priority area; whereas the Digital Single Market requires up-to-date and practicable transparency and consumer protection mechanisms; whereas a timely and correct transposition and implementation of Directive 2011/83/EC of the European Parliament and of the Council of 25 October 2011 on consumer rights<sup>1</sup> is therefore one of the essential factors for the development of the digital economy;
- BM. whereas Union citizens have not yet benefited in full from the potential of the Single Market in many areas, in particular as regards the free movement of persons and workers; whereas labour mobility across Europe is still too low and stronger measures are needed in order to remove the remaining obstacles and to ensure the principle of equal treatment of workers within the scope of application of the Treaties and in accordance with national law and practices;
- BN. whereas Directive 2011/7 of the European Parliament and of the Council of 16 February 2011 on combating late payment in commercial transactions<sup>2</sup> is a fundamental instrument to reduce the huge debt of public administrations towards many companies, especially SMEs, and whereas its transposition should take place quickly and properly in order to reduce the numbers of insolvency situations;
- BO. whereas more innovative actions are needed in order to support the Single Market based on the social market economy; whereas the Annual Growth Survey 2013 brought forward an interesting proposal on the introduction of a consumer insolvency regime, and whereas this proposal should be further explored, considering that this kind of measures can play a fundamental role both for consumer protection and prevention of possible systemic risks for the financial sector;

---

<sup>1</sup> OJ L 304, 22.11.2011, p. 64.

<sup>2</sup> OJ L 48, 23.2.2011, p. 1.

- BP. whereas it is important for an ambitious consumer agenda to be drawn up, including legislative and programming measures, with a view to encouraging an average consumer to be responsible and increasing protection of vulnerable consumers;
- BQ. whereas the achievement of the objectives of the EU 2020 Strategy, at which the European Semester should aim, depends on the full development of the potential of the Single Market, on the commitment of the Union as a whole and on the effective participation of the Member States;
- BR. whereas the European Semester should be even more systematically linked to the Union initiatives currently under way and should take account of the completion of the Single Market to ensure the consistency of Union economic policy, in particular to ensure the necessary convergence between countries inside and outside the euro zone;
- BS. whereas the quality of the national reform programmes under the European Semester varies widely in terms of substance, transparency, feasibility and completeness and those programmes should be reviewed in depth, improved and be made sufficiently ambitious to achieve the objectives of economic integration and completion of the Single Market;
- BT. whereas the Member States should provide information that is as detailed as possible also on the arrangements for applying and implementing the rules in the key areas of the Single Market;
- BU. whereas a new methodology needs to be applied to the European Semester, consisting of discussing Single Market priorities alongside economic and budgetary priorities, interlinking them, together with employment and social priorities, in a single, integrated coordination framework;
- BV. whereas the country-specific recommendations should take into account the progress made and the implementing arrangements for Single Market legislation, with particular reference to the key areas and priorities identified annually;
- BW. whereas the country-specific recommendations should, at the same time, offer to the Member States more practical solutions for improving the functioning of the Single Market, in order to generate stronger public support and political commitment so as to encourage the completion of the Single Market;
- BX. whereas the evaluation of the state of the Single Market should become an integral part of the European Semester, with a Single Market Governance pillar being put in place alongside the Economic Governance pillar; whereas the proposal of the Commission to prepare an annual report on the integration of the Single Market contributing to the evidence base underpinning country-specific recommendations could lay the foundation for a future annual Single Market cycle within the European Semester;
- BY. whereas the European Semester should be introduced with the full involvement of the national parliaments and should take place without prejudice to the prerogatives of the European Parliament;
1. Requests the Commission to submit as soon as possible, whilst considering as the possible legal basis all relevant provisions of the TFEU relating to the internal market, including Article 26(3) TFEU, a proposal for an act aimed at strengthening the

governance of the Single Market, following the detailed recommendations set out in the Annex hereto;

2. Confirms that the recommendations respect fundamental rights and the principle of subsidiarity;
3. Considers that the financial implications of the requested proposal should be covered by the existing budgetary allocations;

o

o o

4. Instructs its President to forward this resolution and the accompanying detailed recommendations to the Commission and the Council, and to the European Council and the parliaments and governments of the Member States.

## DETAILED RECOMMENDATIONS AS TO THE CONTENT OF THE PROPOSAL REQUESTED

### **Recommendation 1: Establish a coherent framework for Single Market governance**

*The European Parliament considers that the legislative proposal to be submitted should aim to regulate as follows:*

- A proposal for a legislative act aimed at strengthening the governance of the Single Market should be submitted with a view to contributing to ensuring the functioning of the Union's Single Market and to promoting inclusive economic growth in Europe. The proposal should be based on relevant TFEU provisions relating to the internal market. The Commission should also consider submitting a proposal based on Article 26(3) TFEU.
- The procedure should provide for appropriate involvement of the European Parliament in the establishment of the Single Market governance framework. It should also provide for the adoption, by the European Parliament and by the Council, of other measures necessary to strengthen Single Market governance, in particular measures addressing the areas where the Union regulatory framework has been established in accordance with the ordinary legislative procedure laid down in Article 294 TFEU.
- The act should be without prejudice to the Single Market regulatory framework already in place or rules to be put in place in different sectors. It should also be without prejudice to the prerogatives of the institutions as set out in the Treaties, in particular the Commission, or to the obligations of the Member States based on the Treaties or deriving from the Single Market *acquis*.
- The act should complement the Single Market regulatory framework and facilitate the transposition, implementation, application and enforcement of the rules and freedoms of the Single Market.
- The act should provide for the adoption of Union Single Market guidelines. Those guidelines should include objectives to be pursued, priorities for action and conditions to be ensured, and should be accompanied by working methods and procedures to be established with a view to strengthening the governance of the Single Market.
- The procedures for submission, assessment and monitoring of national action plans and for determination of Single Market-related country-specific recommendations should be formulated.
- Complementary measures necessary to improve the implementation and enforcement of the Single Market regulatory framework should be defined.
- The link between the governance cycle of the Single Market and the annual policy cycle of the European Semester should be clarified.

### **Recommendation 2: Determine Union objectives and priorities for action with the aim of**

## **improving the functioning of the Single Market**

*The European Parliament considers that the legislative proposal to be submitted should aim to regulate as follows:*

- In order to ensure that the Single Market effectively delivers growth, creates jobs, and enhances consumer and business confidence, Union guidelines aimed at improving the functioning of the Single Market should be established. Those guidelines should include:
  - (a) objectives and priorities for action by the Union and Member States;
  - (b) conditions to be put in place in order to further improve Single Market governance.
- A limited set of objectives and priorities for action in areas where a better-functioning Single Market is likely to bring about the most significant gains in growth and jobs across the Union should be determined.
- The selection of objectives and priorities for action should be based on the following criteria:
  - (a) Production benchmarking using a selection of key quantitative indicators covering the inputs into the production of goods and services to identify sectors which demonstrate the highest untapped potential to generate growth;
  - (b) Economic importance, analysing whether the sector is significant enough in terms of economic scale to make a non-negligible impact on growth if the root causes of its untapped potential are addressed;
  - (c) Dynamic factors analysing whether the sector appears to be already addressing its untapped potential, based on factors such as the sector's capacity to create employment growth and its possible convergence with benchmark labour productivity levels;
  - (d) Single Market factors analysing whether there is evidence that improvements to the Single Market could harness untapped potential;
  - (e) Factors regarding additional elements to protect and safeguard consumers, workers and citizens.

### **Recommendation 3: Determine the conditions to be ensured to improve Single Market governance**

*The European Parliament considers that the legislative proposal to be submitted should aim to regulate as follows:*

- The conditions to be put in place in order to further improve Single Market governance should include:
  - (a) The application of smart regulation principles when Single Market rules are made and implemented so as to ensure that those rules are made, transposed and implemented in such a manner that they effectively work for those for whom they are intended;



- (b) Reduction of the level of administrative burdens, especially for small and medium-sized enterprises, to the minimum level;
- (c) Enabling businesses and citizens, where they need to comply with the procedures, to do so swiftly via electronic means;
- (d) Ensuring that businesses and citizens find information and help and have access to fast, effective and affordable redress where needed;
- (e) Smarter use of information technology to inform businesses and citizens, enabling them to make use of their rights and opportunities, and better connect initiatives at national and Union level;
- (f) Enhanced use of on-line tools, such as the Internal Market Information System (IMI), in cross-border cooperation between administrations;
- (g) Further development of the Points of Single Contact;
- (h) Effective use of fast and effective problem-solving and redress mechanisms, including through the establishment of one easily accessible and first-line help service at national level that businesses and citizens can turn to when encountering problems in trying to make use of the rights and opportunities offered by the Single Market;

**Recommendation 4: Define supplementary measures necessary to enhance the implementation and enforcement of the Single Market regulatory framework**

*The European Parliament considers that the legislative proposal to be submitted should aim to regulate as follows:*

- In order to enhance the implementation and enforcement of the Single Market regulatory framework, the Commission should:
  - (a) Enhance its transposition assistance to Member States for directives that are yet to be transposed;
  - (b) Conduct systematic conformity checks and take supporting measures to make rules work in practice across Member States;
  - (c) For legislation that has been transposed and implemented, conduct in-depth reviews to assess how rules are implemented and work in practice, both in practical and economic terms;
  - (d) Enhance ex-post implementation reporting focusing on compliance by Member States, and its performance assessments focusing on the efficiency of adopted policy measures;
  - (e) Organise peer review exercises with Member States.
- In order to enhance the implementation and enforcement of the Single Market regulatory framework, Member States should:

- (a) Submit to the Commission draft transposition measures, where Member States or the Commission consider it appropriate, in order to ensure also ex-ante assessment of proper transposition and to secure conformity and rapid implementation;
- (b) Regularly consult stakeholders and civil society, including consumers, businesses and local and regional authorities during the transposition process and during implementation;
- (c) Provide an on-line explanation of how they have transposed rules and how those rules work in practice;

**Recommendation 5: Provide for the submission, assessment and monitoring of national action plans**

*The European Parliament considers that the legislative proposal to be submitted should aim to regulate as follows:*

- Member States should draw up and submit to the Commission national action plans aimed at implementing the Union objectives and priorities for action with a view to improving the functioning of the Single Market. The action plans should include a list of detailed measures to be undertaken and a roadmap for their implementation.
- The national action plans should be drawn up in consultation with relevant stakeholders representing economic and social interests, as well as the interests of consumers.
- The Commission, in cooperation with the Internal Market Advisory Committee, should assess the national action plans and submit a summary report to the European Parliament and to the Council.
- The assessment of national action plans should take account of the Internal Market Scoreboard and the Single Market Governance Report.
- The Commission should monitor the progress made in the implementation of the national action plans. For that purpose, Member States should provide the Commission with all relevant information deemed necessary to assess the progress made.
- The submission and assessment of national action plans should be regarded as coordinated measures which, within an integrated framework, are part of an annual cycle to identify policy priorities for the full achievement of the Single Market, taking into account the economic, social and environmental dimension.

**Recommendation 6: Provide for the formulation of distinct Single Market-related country-specific recommendations**

*The European Parliament considers that the legislative proposal to be submitted should aim to regulate as follows:*

- Based on the assessment of the national action plans and using other relevant Single Market tools, the Council, on a proposal from the Commission and after consulting the European Parliament, as appropriate, should formulate, on the basis of the policy priorities for action in the areas deemed to be key, Single Market-related recommendations to

Member States aimed at improving the transposition, implementation and enforcement of Single Market rules.

- When addressing recommendations to Member States, the Council should make full use of instruments provided for in the TFEU.
- Where a Single Market-related recommendation is made, the relevant Committee of the European Parliament should have the possibility to invite representatives of the Member State concerned to participate in an exchange of views, and representatives of the Commission should have the possibility to be invited to exchange views with the parliament of that Member State.

### **Recommendation 7: Define a Single Market pillar of the European Semester**

*The European Parliament considers that the legislative proposal to be submitted should aim to regulate as follows:*

- In order to ensure that the Single Market delivers concrete results for citizens, consumers, workers and businesses, the annual cycle of the European Semester should be used as a platform for policy guidance, reporting, monitoring of the progress made by the Member States and the Union in achieving the Single Market objectives and defining remedial action.
- A Single Market pillar of the European Semester should be defined.
- The Single Market pillar of the European Semester should include:
  - (a) The Internal Market Scoreboard, including detailed country-specific reports with regard to the implementation and application of Single Market legislation;
  - (b) The implementing arrangements for Single Market legislation, as detailed by the Member States, with particular reference to the key areas and policy priorities identified annually;
  - (c) The proposals by the Commission for policy priorities for the coming year, at Union and national level, presented within the Annual Growth Survey and the annual report on the integration of the Single Market. The annual report should also provide an assessment of how the Single Market functions in practice. Those proposals on policy priorities should be based on the findings of the Internal Market Scoreboard and other Single Market monitoring instruments, in order to avoid overlap and to produce efficient and clear recommendations and to ensure the coherence of European economic policy;
  - (d) The formulation of policy priorities for action and targets to be achieved to overcome the remaining obstacles at Union and national level in the form of Single Market guidelines;
  - (e) The submission by Member States national action plans aimed at implementing the Single Market guidelines;

- (f) The assessment of national action plans by the Commission, in close cooperation with the Internal Market Advisory Committee, and taking account of the Internal Market Scoreboard and the Annual Single Market Governance Report;
- (g) The adoption by the Council and the European Parliament of distinct Single Market-related recommendations to the Member States, on the basis of a proposal from the Commission.

**Recommendation 8: Increase the democratic accountability and the role of the European Parliament and of national Parliaments**

*The European Parliament considers that the legislative proposal to be submitted should aim to regulate as follows:*

- The European Parliament should be involved in the establishment of the Single Market governance framework in accordance with the Treaties. It should also be involved, and at least consulted by the Council, in the adoption of other measures necessary to strengthen Single Market governance, including in relation to Union objectives, priorities and planned policy actions.
- Before the Spring European Council, the European Parliament should discuss the Annual Growth Survey and vote on the amendments related to the annual report on the integration of the Single Market to be submitted to the European Council.
- The President of the European Parliament should, at the Spring European Council meeting, present the European Parliament's views on the integration of the Single Market.
- The Council and the Commission should be present at inter-parliamentary meetings between the European Parliament and national Parliaments when the integration of the Single Market is discussed.