Mutual evaluation process of the Services Directive

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The Committee on the Internal Market and Consumer Protection adopted an own-initiative report by Magorzata HANDZLIK (EPP, PL) on the Mutual Evaluation Process of the Services Directive, in response to the Commission Communication on the subject.

The report welcomes the Commission's Communication and highlights the fact that a **functioning Single Market in services is a prerequisite for generating growth**, decent employment and innovation in Europe and for maintaining Europe's competitive role on the world stage.

Members consider that the first priority for the creation of a Single Market in Services is the full and complete implementation of the Services Directive in all Member States and setting up fully operational Points of Single Contact. They call therefore for consideration to be given to supplying the information at the Points of Single Contact in English as well as in the local language for the benefit of service providers and service users from other Member States, and whether an electronic signature could be used by service providers and users.

Experiences with the Mutual Evaluation Process: the committee deplores the delays in the implementation of the Services Directive in some Member States and considers that these have had an impact on the process of mutual evaluation. However, it considers that the mutual evaluation process has proved to be a worthwhile exercise:

- while the timing of the mutual evaluation process was challenging, it helped to maintain momentum after the implementation of the Directive;
- it enabled a better understanding of the remaining barriers and the situation in each Member State on the part of the European Commission and the Member States;
- it was key in clarifying certain ambiguous situations still prevalent in the provision of services both at national and cross-border level, such as the mutual recognition of professional qualifications and insurance obligations imposed on cross-border service providers;
- the exercise has contributed to the development of a 'European spirit' among national administrations and enabled Member States' administrations to get to know each other better.

Improving the functioning of the Internal Market for Services: Members take the view that the mutual evaluation process in the Services Directive is an important instrument for identifying further initiatives aimed at improving the functioning of the internal market in services. They urge the Commission to keep Parliament informed about the progress and outcomes of the dialogue held with Member States on the implementation of the Services Directive, and to take further enforcement measures when deemed necessary.

The report welcomes the internal market performance check initiative and calls on the Commission to involve the European Parliament closely in the performance check initiative.

Members take the view that many national barriers still remain in place, slowing in particular growth in professional business-to-business services. The report calls on Member States:

- to ensure that new and remaining requirements are non-discriminatory, necessary and proportionate;

- to ensure complete and proper implementation of the provisions of the Services Directive which were not included in the mutual evaluation process, such as the Points of Single Contact.

The Commission, in turn is asked to:

- concentrate its efforts on unjustified or disproportionate requirements which should be abolished in order to guarantee the smooth functioning of the Single Market;
- continue and step up work with Member States on an individual basis so as to achieve a complete and correct transposition and implementation of the Services Directive in all Member States;
- undertake a comprehensive assessment of the state of play on the provision of cross-border services in the EU including the reasons explaining the moderate growth rate in this sector;
- pay careful attention to the regular checks and evaluations of the work of the Points of Single Contact in Member States.

The Mutual Evaluation Process as a tool: Members reiterate their support for the use of mutual evaluation in other policy areas, where appropriate. They suggest that a 'light-touch' mutual evaluation to be considered and where appropriate introduced for the mutual evaluation of policy areas covered by 'horizontal' directives under which Member States have retained significant scope for manoeuvre, with a view to obtaining more uniform legislation, creating better relations and mutual understanding between Member States, and preventing 'gold plating'.

Underlining that 'cluster discussions' should remain the central element of the mutual evaluation process, Members ask the Commission to **increase transparency by informing the European Parliament** on the contents and progress of discussions between Member States and by presenting regular reports throughout the different stages of mutual evaluation.