Single Market governance within the European Semester 2014

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The Committee on the Internal Market and Consumer Protection adopted the own-initiative report by Sergio Gaetano Cofferati (S&D, IT) on Single Market governance within the European Semester 2014.

European Semester: it reiterated its call on the Commission to strengthen Single Market governance by establishing an **annual Single Market governance cycle** as a **specific pillar of the European Semester.** This should include the Internal Market Scoreboard, an annual report on the integration of the Single Market as part of the Annual Growth Survey, European Council guidance to Member States, national action plans aimed at implementing the Single Market guidelines, and dedicated country-specific recommendations. Members called on the Commission, furthermore, to take full account of the key growth areas – identified as the services sector, the energy sector, the transport sector and the digital single market – and of the measures included in the Single Market Acts I and II. They stressed the need to define the Single Market as the third pillar of the European Semester in order to cover a clear set of priorities related to the real economy. The definition and achievement of these priorities was essential to bridge the present gap from reaching the objectives of the Europe 2020 strategy, while ensuring economic convergence between Member States inside and outside the euro area and in core and peripheral areas of the EU.

Whilst welcoming the Commission's Single Market integration report 2014 Members considered that the **report still lacked any qualitative assessment of the effectiveness of measures taken**, progress made and policy results actually achieved. They called for the development of an analytical tool to measure Single Market integration within the framework of the Single Market pillar of the European Semester in relation to the country-specific recommendations, and this analytical tool could further complement the Internal Market Scoreboard. The forthcoming country-specific recommendations in the European Semester cycle 2014 should reflect the findings of the Single Market integration report in a much stronger and stringent way than the country-specific recommendations for 2013.

Key sectors: the report stated that the key sectors identified by the Commission – services, financial services, transport, energy and the digital market – remained decisive for the full integration of the Single Market. Furthermore, the relaunch of a consistent and integrated industrial policy focusing on these sectors should also include efforts to strengthen the protection of citizens' rights – including those of consumers and workers – and a competitiveness model based on knowledge and innovation through EU incentives to drive investment and access to finance, R&D, and support for higher education.

Members urged the Commission to develop a **genuine European industrial policy** should include the enforcement of Single Market rules, a holistic strategy for the external dimension of the Single Market with a particular emphasis on coherent consumer protection policies and improved access to capital and infrastructures. They stressed the need for further action on several areas including easier access to funding for SMEs, overcoming fragmentation of retail financial market services, the free movement of citizens, proper transposition of legislation on public procurement and concessions and the new rules regarding professional qualifications.

The committee also asked the Commission to present:

- a detailed action plan of measures designed to achieve a fully integrated and interconnected Single Market in energy;

- a policy for a digital single market that made online services in Europe more competitive, more effective across borders and more transparent, providing a high level of accessibility and consumer protection.

Governance instruments: Members welcomed the **Online Single Market Scoreboard**, and especially its visual and informative way of presenting the performance of Member States with regard to EU legislation relevant for the functioning of the internal market. They believed, however, that purely quantitative statistics on the implementation of Single Market legislation were not sufficient and that it was necessary to focus on the quality of how the legislation is implemented within the Member States based on specific key indicators for sectors of the Single Market developed at European level. The report applauded the improved level of average transposition deficit, now down to 0.6 %, but deplored the average duration of infringement proceedings, in particular the fact that cases dealing with services take longest (49.8 months on average).

Lastly, it welcomed the Single Market Month which, between 23 September and 23 October 2013, brought together citizens from across Europe, policy-makers, experts and EU leaders in an online debate and in related national events to discuss the progress made so far, the challenges remaining and ideas for the future of the Single Market. Members called on the Commission to take good stock of the concerns and suggestions put forward by the participants.