Single Market governance within the European Semester 2014

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The European Parliament adopted by 607 votes to 64, with 9 abstentions, a resolution on Single Market governance within the European Semester 2014.

Integration of the Single Market in the European Semester: Parliament 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.

It 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.

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.

Parliament called for **more horizontal coordination and coherence** in the preparation of legislative proposals with relevance for the Single Market. It stressed the need for comprehensive consultations and thorough impact assessments before the Commission adopts a proposal and the proposals must be in line with the principles of smart regulation and regulatory fitness, include an **assessment of the impact** on SMEs. The impact assessments must evaluate the effects of new legislation on prospects for growth and on Europe's competitiveness.

More measures in the key sectors: Parliament 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 and workers, health and safety of consumers. Members also recalled the importance of the political agreements reached on the reforms of the Mutual Recognition of Professional Qualifications Directive and the Public Procurement and Concessions package.

Parliament 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 resolution 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.