

Single Market emergency instrument

2022/0278(COD) - 25/07/2023 - Committee report tabled for plenary, 1st reading/single reading

The Committee on the Internal Market and Consumer Protection adopted the report by Andreas SCHWAB (EPP, DE) on the proposal for a regulation of the European Parliament and of the Council establishing a Single Market emergency instrument and repealing Council Regulation No (EC) 2679/98.

As a reminder, the proposed Single market Emergency Instrument (SMEI) is intended to anticipate, prepare for and respond to the impacts of crises. It builds on lessons learnt from recent emergencies by continuously monitoring potential future crises, by entering vigilance or emergency modes whenever a threat becomes clear and by putting in place a governance architecture that enables Member States to coordinate decision-making.

The committee responsible recommended that the European Parliament's position adopted at first reading under the ordinary legislative procedure should amend the proposal as follows:

Title change

Members suggested changing the name of the instrument from the Single Market emergency instrument (SMEI) to the **Internal Market Emergency and Resilience Act (IMERA)** and introducing additional changes to strengthen the Union's resilience.

Internal Market Emergency and Resilience Board

Contrary to the Commission's proposal to establish an advisory board, Members proposed setting up an internal market emergency and resilience board to be composed of one representative from each Member State and one expert appointed by the European Parliament. The Commission should chair the Board and provide its secretariat. The Board may adopt opinions, recommendations or reports, which should be made publicly available, without prejudice to personal data or trade secrets.

Members also proposed that the Commission should ensure the participation of the European Parliament and of all bodies at Union level that are relevant to the respective crisis. In addition, the Commission should, in particular, ensure equal access to all information, so that the European Parliament and Council receive all documents at the same time.

Crisis protocols

The report noted that the Commission, taking into account the opinion of the Board, may initiate, encourage and facilitate the drawing up of **voluntary crisis protocols** by economic operators in order to address internal market emergencies, strictly limited to extraordinary circumstances.

Stress tests

To ensure the free movement and the availability of goods and services of critical importance and to anticipate, and prepare for disruptions to the internal market, the Commission should all conduct and coordinate stress tests, including simulations and peer reviews, in particular for critical sectors identified by the Commission.

Prohibited restrictions to free movement during an internal market emergency

Restrictions on the free movement of goods, services and persons imposed by Member States in response to an internal market emergency should be prohibited, unless they are justified on grounds of legitimate public interest objectives, such as public policy, public security or public health, and are in compliance with the principles of non-discrimination and proportionality. Any such restriction should be limited in time and immediately removed as soon as the internal market emergency mode is deactivated or earlier, in the event that the restriction is no longer justified or proportionate. Any restriction should take into account the situation of border regions and outermost regions, especially for cross-border workers.

Strategic reserves

Member States should make best efforts to build up strategic reserves of goods of critical importance. The Commission should provide support to Member States in order to assist them in coordinating and streamlining their efforts. In particular, the Commission should ensure coordination and information exchange, and should promote solidarity between national competent authorities in relation to shortages of crisis-relevant goods or services, or building strategic reserves for goods of critical importance.

Coordinated distribution of strategic reserves

In the event of a shortage of crisis relevant goods and services affecting one or more Member States, the Member States concerned may notify the Commission thereof and indicate the quantities needed and any other relevant information. The Commission should transmit the information to all competent authorities and streamline the coordination of Member States' responses.

Action of the emergency mode

Where the Commission, taking into due consideration the opinion of the Board, considers that there is an internal market emergency, it should adopt a legislative proposal to activate the internal market emergency mode. The internal market emergency mode may be activated by means of a legislative act adopted on the basis of the said legislative proposal. As soon as the internal market emergency mode is activated by means of the legislative act, the Commission shall, without delay, adopt such a list by means of an implementing act. That list may be amended by means of implementing acts.

Fast lanes

Members proposed the setting up, by the Commissions, of fast lanes that aim to facilitate the free movement of goods, services and workers, especially crisis-relevant goods and services. In particular, the Commission should provide relevant templates or single digital declaration, registration or authorisation forms for cross-border activities, in particular for professional services in the areas of healthcare, installation, maintenance and repair, construction and food and agriculture in order to accelerate declaration, registration or authorisation procedures, including recognition of professional qualifications or posting of workers.

Emergency and resilience stakeholder platform

Lastly, the creation of a stakeholder platform was proposed to facilitate sector-specific dialogue and partnerships by bringing together key stakeholders, namely representatives of economic operators, social partners, researchers and civil society. That platform should aim to encourage economic operators to draw up voluntary roadmaps in response to an internal market emergency.