REPORT

on the Internal Market Scoreboard
(2009/2141(INI))

Committee on the Internal Market and Consumer Protection

Rapporteur: Róża Thun Und Hohenstein
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MOTION FOR A EUROPEAN PARLIAMENT RESOLUTION

on the Internal Market Scoreboard
(2009/2141(INI))

The European Parliament,

– having regard to the Commission Recommendation of 29 June 2009 on measures to improve the functioning of the single market\(^1\),

– having regard to the Commission Recommendation of 12 July 2004 on the transposition into national law of Directives affecting the internal market\(^2\),

– having regard to the Commission Staff Working paper on the Internal Market Scoreboard (SEC(2009)1007),

– having regard to its resolution of 4 September 2007 on the Single Market Review: tackling barriers and inefficiencies through better implementation and enforcement\(^3\),

– having regard to its resolution of 23 September 2008 on the Internal Market Scoreboard\(^4\),

– having regard to its resolution of 9 July 2008 on the role of the national judge in the European judicial system\(^5\),

– having regard to the Council Conclusions (Competitiveness - Internal Market, Industry and Research) of 24 September 2009 entitled "How to make the Internal Market work better"\(^6\),

– having regard to Rules 48 and 119(2) of its Rules of Procedure,

– having regard to the report of the Committee on Internal Market and Consumer Protection (A7-0084/2009),

A. whereas an effectively functioning internal market is imperative for the creation of a stable and innovative economic environment within which consumers can purchase high-quality goods and services and businesses can create new jobs,

B. whereas, although the internal market has come a long way, there is still a great deal of work to be done in order to ensure that it reaches its full potential,

C. whereas the internal market cannot work properly without the correct transposition, application and enforcement of Community rules which affect its functioning,

\(^1\) OJ L 176, 7.7.2009, p. 17.
\(^3\) OJ C 187 E, 24.7.2008, p. 80.
\(^6\) Council document 13024/09.
D. whereas it is imperative that Member States transpose internal market legislation on time,

E. whereas the European Parliament and national parliaments can actively contribute to a better transposition of internal market legislation by continuing to work together closely with each other during the negotiation and transposition process,

F. whereas representatives of the EU institutions and Member States should meet on a regular basis to take stock of the implementation of internal market legislation,

G. whereas the publication of the Internal Market Scoreboard helps to reduce the transposition deficit, but it is necessary to adopt a more qualitative approach aimed at looking beyond the figures and identifying the reasons for the deficit,

H. whereas although the Internal Market Scoreboard and the Consumer Market Scoreboard have different methodologies with different scopes and different sets of indicators, they share the overall aim of improving the functioning of the internal market,

I. whereas the current average deficit of 1% is in accordance with the target of 1% agreed by the Heads of State and Government in 2007, but nine Member States still remain short of this target,

J. whereas the fragmentation factor is 6%, meaning that 100 directives have not been transposed in at least one Member State,

K. whereas 22 directives are more than two years behind their transposition deadline, in direct violation of the 'zero tolerance' target set by the Heads of State and Government in 2002,

L. whereas it is particularly important to track the transposition of certain directives that are key for the development of the internal market,

M. whereas more publicly accessible information on which directives have not been transposed by individual Member States could be useful as a means of raising awareness among the general public and applying peer pressure, including by Members of the European Parliament on Members of national parliaments,

N. whereas the continuing cases of non-transposition or incorrect transposition are not necessarily the result of reluctance on the part of Member States, but may be due to a lack of clarity or consistency in the relevant EU legislation, and it is therefore desirable that the Internal Market Scoreboard should be not only a means of putting pressure on the Member States, but also an instrument for dialogue that might improve understanding of the difficulties encountered by Member States in transposing legislation,

O. whereas more information is needed on the quality of transposition,

P. whereas, keeping in mind the general shift from legislation to implementation in the internal market area, the Internal Market Scoreboard should on a regular basis provide more detailed information on the application and enforcement of internal market legislation, including objective indicators as to the functioning of the internal market,
allowing better tracking of performance and trends,

Q. whereas Members of the European Parliament should inform their constituents about the implementation of internal market legislation that affects them and ways in which they are able to enforce their rights,

R. whereas the work of its Committee on the Internal Market and Consumer Protection has provided useful insights into the implementation, transposition and enforcement of key internal market legislation, through own-initiative reports, studies, workshops and hearings, and will continue to do so in the future,

S. whereas training and cross-border exchanges, inter alia via the electronic networks set up by the Commission, are essential for the better application of the Community's internal market acquis,

T. whereas citizens and businesses rely on effective enforcement of internal market rules to help them to fully benefit from its potential,

Introduction

1. Welcomes the Commission’s above-mentioned Recommendation on measures to improve the functioning of the single market; stresses that Member States should not cherry-pick the measures that suit them best but undertake to implement them all;

2. Urges Member States to work closely with the Commission and with each other, and to assume their share of responsibility and ownership to exploit the potential of the internal market fully; calls on the Commission to use all its powers in ensuring effective application of internal market rules including effective market monitoring, harmonisation, further simplification of legislation and other tools to reduce the administrative burden on citizens and businesses;

3. Takes the view that it is important to act at an earlier stage in order to limit the risk of a transposition deficit and that the Commission should do more to support the Member States throughout the transposition period; takes the view that this should involve in particular dialogue and a greater exchange of information aimed at anticipating possible problems and seeking to resolve them before the end of the deadline for transposition;

4. Particularly supports the idea of close involvement of national parliaments and enhanced cooperation with other stakeholders, such as the social partners, during negotiations and the transposition process;

5. Underlines the importance of open dialogue and closer cooperation between national parliaments and the European Parliament with a view to further discussion and detailed consideration of the problems encountered by Member States during the transposition process, as the correct transposition and implementation of directives at national level are basic preconditions for the effective operation of the internal market, competition and economic and social stability within the EU;

6. Calls on the Commission to organize an annual Internal Market Forum bringing together
representatives of EU institutions and Member States and other stakeholders in order to establish a clearer commitment to transposition, application and enforcement of internal market legislation;

7. Underlines that such an Internal Market Forum should hold meetings at working group level as well as at ministerial level in order to provide an important platform for the sharing of best practice between national administrations;

8. Calls on the Commission to regularly include in its Internal Market Scoreboard more detailed information on the application and enforcement of internal market legislation, including objective indicators as to the functioning of the internal market;

9. Calls for the Internal Market Scoreboard, the SOLVIT Report, the Citizens' Signpost Service and the Consumer Market Scoreboard to be published at the same time once a year (not changing the frequency of their publication) in order to provide a global picture of the development of the internal market and to better coordinate the work that has been done in those areas while maintaining the particular nature of those instruments;

10. Calls on the Commission to look into new ways to eliminate remaining barriers to completing the internal market, including the creation of a "internal-market test" for all proposed new EU legislation, to ensure that proposed new measures do not undermine the internal market;

11. Considers that the Internal Market Scoreboard has important overlaps with the Commission's annual review of the application of Community law; therefore encourages the Commission to use that annual review in a more strategic way by focusing on vertical policy areas which could improve the qualitative analysis of the Internal Market Scoreboard;

12. Calls on the Commission to present a more reader-friendly press release together with the Internal Market Scoreboard in order to raise awareness of its results and to increase pressure on the Member States to ensure the correct and timely transposition of directives;

**Transposition**

13. Welcomes the fact that the transposition deficit of 1.0% has been met for the third consecutive time; urges the nine Member States which failed to reach this objective to take action to improve their record;

14. Considers that there is a clear link between the timely and correct transposition of internal market directives and the quality of the original legislation; therefore notes the importance of upstream work, including a commitment to comply with better regulation principles, full consultation with Member States on transposition and enforcement methods, and the need for thorough impact assessments and analysis of the relevant case law of the European Court of Justice before proposing new legislation;

15. Recalls that the number of directives that have not been transposed by one or more Member States remains too high and calls on the Commission and the Member States to work together to bring this number down as a matter of urgency, starting with those
directives whose transposition has been overdue for two years or more;

16. Calls on the Commission to provide more detailed information on its website on the directives which have not been implemented in the individual Member States;

17. Urges Member States to provide the Commission with correlation tables containing detailed information on the national measures taken to transpose directives in order for it to be able to provide more detailed information on the quality of transposition; calls on the Commission to identify best practices of timely and correct transposition and to communicate these to the Member States;

Application

18. Considers that Member States should enhance the efficient cooperation among national, regional and local authorities involved in applying internal market rules by ensuring and strengthening an internal market coordination function within their national administrations;

19. Calls on Member States to provide national and local civil servants and judicial authorities with regular training on internal market rules in the framework of existing Community programmes and networks;

20. Shares the Commission's view that Member States need to ensure that the cross-border networks of electronic information systems established by the Commission (e.g. the Internal Market Information system (IMI), the Rapid alert system for non-food dangerous products (RAPEX), the Rapid alert system for food and feed (RASFF) or the Consumer Protection Cooperation network (CPC)) are operational by taking the necessary measures, including the allocation of resources;

21. Calls on the Commission to view internal market legislation as a circular process in which ex-post evaluations should play an important part and should be used to establish whether the legislation meets or surpasses the original impact assessment and, if not, to identify how it should be amended or recast to ensure that it meets its original objectives;

Enforcement

22. Holds the view that Member States should step up their efforts in providing information to citizens and businesses about their rights in the internal market, enabling them to exercise those rights in practice; calls on the Commission to finalise as a matter of priority the Single Market Assistance Services project for streamlining information, advice and problem-solving assistance services and making them more accessible;

23. Takes the view that the internal market information that the Commission posts on the internet is comprehensive but overly fragmented; calls on the Commission, with the participation of the Enterprise Europe Network, to establish and strengthen the 'Your Europe - Business' portal as an electronic one-stop-shop for business information relating to the internal market in order to avoid unnecessary and costly parallel structures and to exploit possible synergies, particularly in connection with the information to be provided
under the Services Directive¹;

24. Highlights the key role played by the Enterprise Europe Network in enabling SMEs to make use of the opportunities offered by the internal market; stresses that bureaucratic obligations tie up valuable resources and thereby prevent a stronger focus on the Enterprise Europe Network's core task of providing tailor-made support for SMEs; calls on the Commission to make greater use of the Enterprise Europe Network for the targeted distribution of information and to reduce bureaucracy for the Network's partners;

25. Believes that Member States should, with the support of the Commission, improve the capacity of problem-solving mechanisms, in particular SOLVIT, so as to provide more effective redress; emphasises that experiences from SOLVIT should be fed into national and EU policy-making, resulting in structural or regulatory changes where necessary; calls on Member States to further reinforce the networks of SOLVIT centres by allocating additional financial and human resources;

26. Calls on the Commission and the Member States to take the necessary measures in order to make the SOLVIT centres and their free-of-charge problem-solving services more visible to European businesses and citizens;

27. Instructs its President to forward this resolution to the Council and the Commission.

EXPLANATORY STATEMENT

Introduction

An effectively working internal market is essential for the creation of a stable and innovative economic environment within which consumers feel free to spend and businesses create new jobs. Although the internal market has come a long way, there is still a lot of work to be done in order to make sure the internal market reaches its full potential.

The internal market cannot work properly without correctly transposed, applied and enforced Community rules affecting the functioning of the internal market. On the 29th of June 2009 the Commission adopted a recommendation 'on measures to improve the functioning of the single market Europe'. This Recommendation and the Internal Market Scoreboard of July 2009 form the basis for this report. Your rapporteur supports the Commission's recommendation and stresses that Member States should engage to implement all the measures proposed, not 'cherry pick' from them.

An idea mentioned by the Commission which your rapporteur particularly supports is that of involving national parliaments during the negotiations and the transposition process of new internal market legislation. She would like to expand on this idea by calling upon the Commission to organize an annual Internal Market forum bringing together representatives of European and Member States institutions and other stakeholder in order to establish a clearer commitment to transposition, application and enforcement of internal market legislation.

Furthermore your rapporteur feels it is important for the Internal Market Scoreboard and the Consumer Market Scoreboard to be published at the same time, understanding that the Internal Market Scoreboard is published biannually and the Consumer Market Scoreboard only once a year, allowing for a better overall picture of the development of the Internal Market.

Transposition

It is imperative that Member States transpose internal market legislation into national law on time. Published biannually since 1997, the Internal Market Scoreboard examines how quickly and how well each of the Member States transposes Single Market directives into national legislation. It also highlights the number of ongoing infringement proceedings against Member States. Recently there has been some significant improvement on this level.

The Internal Market Scoreboard of July 2009 reveals that for the third consecutive time the EU average transposition deficit was 1%, in line with the target set by the European Council. Your rapporteur however notes that 9 Member States have failed to meet this 1% target. Your rapporteur is also concerned about the fact that the number of long overdue directives remains too high. In the case of 22 directives the deadline for transposition had expired more than 2 years prior. Furthermore 6% of directives have not been transposed in all Member States, which translates into 100 Internal Market directives not producing their full effect in the whole EU. Your rapporteur calls upon the Member States and the Commission to work
together to bring this number down as a matter of urgency, starting with the 22 directives that have been overdue for 2 years or more.

In its September 2008 resolution on the Internal Market Scoreboard the Parliament called for more detailed information about which directives have not been transposed, since all directives have the same weight in the statistics. Following up on this idea your rapporteur would like the Commission to provide more detailed information on its website on the directives which have not been implemented in the individual Member States. This could be useful to raise awareness among the general public and for applying peer pressure, also by members of the European parliament on members of national parliaments.

For the Commission to be able to adequately check the quality of transposition it needs the Member States to provide it with correlation tables detailing the national measures taken to transpose a directive. Your rapporteur urges Member States to comply with this request.

Application

Once transposed, it appears that Member States pay less attention to applying directives correctly. They try to avoid infringement procedures by making minimal efforts. In any event the number of infringement proceedings remains too high, with a number of Member States well over the EU average of 47 cases.

In order to achieve a better application of single market rules Member States should enhance the efficient cooperation among national, regional and local authorities involved in applying internal market rules by ensuring and strengthening the internal market function within their national administration.

Your rapporteur would also like to stress the need for further training and cross border exchanges of civil servants and judges. In July 2008 the Parliament has already adopted a report on the role of the national judge in the European judicial system stressing the need for all levels of the judicial system to be trained in Community law and have access to up to date information in their mother tongue alongside efforts to increase their language skills. Your rapporteur believes the points made in this resolution are still appropriate today and particularly important to stress in the internal market area.

Furthermore your rapporteur believes Member States need to make real effort to ensure that the cross border networks of electronic information systems established by the Commission, in particular the Internal Market Information system (IMI), Rapid alert system for non-food dangerous products (RAPEX), Rapid alert system for food and feed (RASFF) and the Consumer Protection Cooperation System (CPC-S), are operational by taking the necessary measures, including the allocation of resources. The IMI enables administrative authorities to find competent authorities in other Member States and address requests to them facilitated by pre translated standard questions and answers. The IMI supports administrative cooperation under the Professional Qualifications Directive (2005/36/EC) and the Services Directive (2006/123/EC). RAPEX and RASFF enable a rapid exchange of information amongst national authorities about dangerous products (or other events involving risks). The CPC-S is a system which supports cooperation between public authorities in the cross border enforcement of consumer protection law in accordance with harmonised investigative and enforcement powers.
**Enforcement**

Finally, and perhaps most importantly, your rapporteur is of the opinion that Member States should step up their efforts in providing information to citizens and businesses about their rights in the internal market enabling them to be able to exercise those rights in practice. Your rapporteur particularly supports the Single Market Assistance Services (SMAS) project, which aims to facilitate access to various existing information, advice, assistance and problem-solving services and streamline them. Furthermore Member States should, with the support of the Commission, improve the capacity of those problem-solving mechanisms, in particular SOLVIT. Your rapporteur calls on Member States to further reinforce the networks of SOLVIT centres by allocating additional financial and human resources.
# RESULT OF FINAL VOTE IN COMMITTEE

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| Result of final vote | +: 22  
|                    | --: 15  
|                    | 0: 0     |
| Substitute(s) present for the final vote | Damien Abad, Liem Hoang Ngoc, Jacek Olgierd Kurski, Emma Mcclarkin, Antonyia Parvanova, Konstantinos Poupakis, Wim van de Camp, Anja Weisgerber, Kerstin Westphal |