

EUROPEAN ECONOMIC AREA

JOINT PARLIAMENTARY COMMITTEE

**RESOLUTION**

Adopted pursuant to Rules 11 and 13 of the Rules of Procedure,  
at the 42<sup>nd</sup> meeting of the Joint Parliamentary Committee

in Reykjavik

on 26 March 2014

Resolution on **Single Market Governance**

Co-rapporteurs:       MEP Catherine Stihler (S&D, European Parliament)  
                              MP Guðlaugur Þór Þórðarson (Independence Party, Iceland)

adopted unanimously

The Joint Parliamentary Committee of the European Economic Area:

- Having regard to Article 26 of the Treaty of the Functioning of the European Union (TFEU), which stipulates that “the internal market shall comprise an area without internal frontiers in which the free movement of goods, persons, services and capital is ensured in accordance with the provisions of the Treaties”,
- Having regard to Article 1 of the Agreement on the European Economic Area (EEA Agreement), enshrining the objective of a homogeneous EEA in which there is free movement of goods, persons, services and capital,
- Having regard to Article 102 of the EEA Agreement, which lays down a requirement of incorporation of EU acquis into the EEA Agreement as closely as possible to the adoption by the Community of the corresponding new Community legislation with a view to permitting simultaneous application of the latter,
- Having regard to the Commission Communication of 8 June 2012 entitled “Better Governance for the Single Market” (COM(2012) 259 final),

- Having regard to the Commission Communication of 27 October 2010 entitled “Towards a Single Market Act for a highly competitive social market economy: 50 proposals for improving our work, business and exchanges with one another” (COM(2010)0608),
- Having regard to the Commission Communication of 13 April 2011 entitled “Single Market Act - Twelve levers to boost growth and strengthen confidence – ‘Working together to create new growth’” (COM(2011) 206 final),
- Having regard to the Commission Communication of 3 October 2012 entitled “Single Market Act II - Together for new growth” (COM(2012) 573 final),
- Having regard to the Commission Staff Working Document of 7 December 2012 entitled “A review of the functioning of the European Economic Area” (SWD (2012) 425 final),
- Having regard to the Norwegian EEA review of 17 January 2012 entitled “Inside and Outside. Norway’s agreements with the European Union”,
- Having regard to Liechtenstein’s review of the EEA of 13 March 2013 entitled “The EEA Review and Liechtenstein’s Integration Strategy”,
- Having regard to the Commission Communication of 13 November 2013 entitled “Annual Growth Survey 2014” (COM(2013) 800 final) and the Commission Report of 13 November 2013 entitled “A single market for growth and jobs: An analysis of progress made and remaining obstacles in the Member States - Contribution to the Annual Growth Survey 2014” (COM(2013) 785 final),
- Having regard to the 26<sup>th</sup> Internal Market Scoreboard of February 2013, published by the European Commission,
- Having regard to the Council Presidency Conclusions of 8-9 March 2007,
- Having regard to the Council Conclusions of 20 December 2012 on EU relations with EFTA countries,
- Having regard to the European Parliament Resolution of 20 May 2010 on delivering a single market to consumers and citizens (2010/2011(INI)),
- Having regard to the European Parliament Resolution of 6 April 2011 on Governance and Partnership in the Single Market (2010/2289(INI)),
- Having regard to the European Parliament Resolution of 7 February 2013 with recommendations to the Commission on the governance of the Single Market (2012/2260(INI)),
- Having regard to the European Parliament Resolution of 25 February 2014 on Single Market governance within the European Semester 2014,
- Having regard to the Standing Committee of the EFTA States’ Comment of 28 February 2011 on the Single Market Act,

- Having regard to the Standing Committee of the EFTA States' Comment of 31 May 2013 on the follow-up to the Single Market Act I and Single Market Act II,
- Having regard to the 32<sup>nd</sup> Internal Market Scoreboard of July 2013, published by the EFTA Surveillance Authority,
- Having regard to its Report of 30 May 2013 on the Annual Report of the EEA Joint Committee on the Functioning of the EEA Agreement in 2012,

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- A. Whereas the Single Market has for 20 years proven to be a key driver for economic growth in the EEA,
- B. Whereas a well functioning and effective Single Market, based on a highly competitive social market economy, is needed to boost growth and competitiveness and to create jobs to revitalise the European economy,
- C. Whereas Single Market legislation must be properly transposed, implemented, applied and enforced in order to bring about its full benefits, both in the EU Member States and in the EEA EFTA States,
- D. Whereas it is at all times important that regulatory harmonisation does not add red tape or unnecessary burden to economic actors, thereby compromising the competitiveness of the EEA in a global context.
- E. Whereas the EU has undertaken efforts to strengthen the governance of the Single Market, notably through committing to a “zero tolerance” policy in the transposition of directives in key areas, which are expected to offer the most growth potential,
- F. Whereas a set of tools for the purpose of Single Market governance has been developed,
- G. Whereas the EEA cooperation must take the developments in the Single Market duly into account,

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### **I. Single Market governance and implications for the EEA**

1. Notes that the transposition deficit of the EEA EFTA States is currently higher than the EU Member States' average, and that a substantial part of the legislation concerned is in key areas that the Commission has identified as offering the most growth potential, namely services, financial services, transport, energy and the digital market;
2. Urges the EEA EFTA States to focus in particular on timely and correct implementation of legislation in those key areas;
3. Notes that it is an inherent feature of the EEA Agreement that a time lapse will occur between the adoption or abrogation of legal acts by the EU and their incorporation into

or deletion from the EEA Agreement; while national legislative procedures need to be respected, considers it of utmost importance that the EEA EFTA States increase their efforts in order to ensure the homogeneity of the Single Market, by keeping this time period to an absolute minimum; notes that the EEA Agreement provides for a consultation process between the EEA EFTA States and the EU side in the process of developing new EEA-relevant legislation and programmes;

4. Considers that Single Market governance should be developed and strengthened in parallel in the EU and in the EEA;
5. Welcomes the European Commission's initiatives aimed at improving Single Market governance and appreciates the support from the EEA EFTA States; highlights the Commission Communication on "Better Governance of the Single Market" as a key initiative to that end; and considers it important that the European Commission continues its work in this field;
6. Highlights the contribution of the European Parliament to the strengthening of the Single Market; and considers it important to engage the EEA EFTA Parliaments in that process, inter alia through Committee-to-Committee dialogue between the European Parliament and the EEA EFTA Parliaments;
7. Welcomes increased participation by the EEA EFTA Parliaments in inter-parliamentary meetings, both in permanent conferences like COSAC and ad-hoc meetings hosted by the European Parliament and national parliaments of EU presidencies; urges the relevant parliaments to always invite the EEA EFTA Parliaments as guests to meetings where the substance is of relevance to the EEA cooperation;
8. Notes the ongoing discussions on the rules of procedures for the inter-parliamentary conference on economic and financial governance of the European Union (so-called Article 13 Conference); supports the proposed amendment to include the EEA EFTA Parliaments as guests on a permanent basis and underlines the importance of this parliamentary cooperation for an effective Single Market;
9. Observes that the EU approach to Single Market policy has become more comprehensive and better coordinated; and notes the increased assistance of the European Commission regarding the transposition, implementation and monitoring of EU legislation;
10. Observes that the more comprehensive approach, embedding the Single Market within the broader context of the EU economic policy, raises particular challenges for the EEA EFTA States.
11. Calls for the EU to involve the EEA EFTA States in all EU developments pertaining to the Single Market, as required by the EEA Agreement.
12. Calls for ESA to provide a timely and thorough initial assessment of possible EEA horizontal challenges for the EEA EFTA States.
13. Notes the increasing use of regulations as legislative instruments for Single Market matters; and expresses concern about the difficulties this poses for reducing the delay between application of *acquis* in the EU Member States and in the EEA EFTA States;

notes at the same time that regulations are not directly applicable in the EEA EFTA States and that a process of incorporation into the EEA Agreement and national legislation therefore is necessary maintaining as much as possible the objective of ensuring a simultaneous application;

14. Welcomes the development of new cross-cutting Single Market monitoring tools; considers it important that the EEA EFTA States are involved and existing data included in these; and notes that more coordinated EU action in the field of Single Market governance could lead to more coherent Single Market governance structures in the EEA and the EU;

## **II. EEA EFTA participation in the tools of Single Market governance**

15. Highlights the importance of the specific tools for Single Market monitoring, information exchange and problem-solving;
16. Stresses the need for easy access to information on Single Market matters, both for transposing legislation, and for citizens and businesses when making use of their rights;
17. Welcomes, while underlining that ESA has the sole surveillance authority over the EEA EFTA States, the Commission's inclusion of the EEA EFTA States in the online Single Market Scoreboard; while highlighting that any comparison of the results with the EEA EFTA Scoreboard has to take into account that the Single Market *acquis* applicable in EEA EFTA States does not coincide exactly with that applicable in EU Member States. This situation is due to the time lag between the adoption or abrogation of legal acts by the EU and their incorporation into or deletion from the EEA Agreement;
18. Encourages the EEA EFTA States to maintain a close dialogue with the Commission in the development of the Single Market tools;
19. Encourages the European Commission to improve the inclusion of information and data available on the EEA EFTA States in the relevant governance tools; and urges all EEA States to give priority to addressing the shortcomings of their implementation of the Single Market tools, as identified by the Commission and set forth on the online Single Market Scoreboard;
20. Invites the European Commission to enhance cooperation with the EEA EFTA States in EU sweeps, which are monitoring actions coordinated by the European Commission and executed at the same time in the EU Member States by the relevant national authorities;
21. Instructs its President to forward this Resolution to the EEA institutions, the European Commission, the European Parliament and the EEA EFTA Parliaments.

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