Member States' compliance with EU law in 2018: efforts are paying off, but improvements still needed

Today's Annual report on Monitoring the Application of EU law sets out how the Commission monitored and enforced EU law in 2018. The online Single Market Scoreboard, also published today, evaluates the performance of EU/EEA countries in the EU single market and identifies the shortcomings where the countries and the Commission should step up their efforts.

Citizens and businesses can only enjoy the many benefits of the <u>single market</u> if the rules that have been jointly agreed actually work on the ground. In <u>November 2018</u>, the Commission presented a fresh assessment of remaining barriers in the single market and called on Member States to be vigilant in implementing, applying and enforcing EU rules and refrain from putting up new barriers. For instance, from <u>car emissions</u> to <u>e-commerce</u>, from <u>social</u> <u>media</u> to the <u>services sector</u>, and much more besides.

The Commission continues to ensure that EU rules are properly applied and enforced. For instance, in 2018, the Commission acted firmly in enforcing rules in a number of policy areas. The Commission supported national and regional authorities in implementing clear air and clean water rules. It also took action against Member States who failed to live up to their commitments and implement EU rules on Passenger Name Records, on combating terrorism and on anti-money laundering. In addition, the Commission used enforcement powers when some EU countries did not move fast enough to improve access for people with disabilities to websites and other mobile applications.

Annual report on monitoring the application of EU law in 2018

The Annual Reportfor 2018 shows a small increase (by 0.8%) of open infringement cases (1571) compared to 1559 cases in 2017. Thus after reaching a five-year peak in 2016, the number of cases started to level off by 5% in 2018 since 2016 (see Chart 1). Amongst others, the main policy areas concerned were on matters of environment, mobility and transport as well as internal market, industry, entrepreneurship and SMEs. Each failure to correctly apply EU law denies citizens and businesses the rights and the benefits they enjoy under EU law. In the area of environment, for example, the Commission continued measures to ensure full compliance with the Air Quality Directive as regards PM_{10} and nitrogen dioxide (NO_2) limit values, as well as monitoring systems across the EU.

Chart 2 (see Annex) provides an overview of the situation for each Member State. Concerning late transposition cases, **Cyprus**, **Belgium**, and **Spain** had the highest amount of open cases, whereas the fewest were open in **Estonia**, **Denmark** and **Italy**. **Spain**, **Italy**, and **Germany** had the highest number of cases pending for incorrect transposition and/or wrong application of EU law, while **Estonia** had the lowest total number of open cases last year. The policy areas

in which most new infringement cases were opened in 2018 were EU Internal market, industry, entrepreneurship and SMEs as well as mobility and transport (see Chart 3).

Combating late transposition of EU Directives

For citizens and businesses to reap the benefits of EU law, it is crucial that Member States transpose European directives into their national legal order within the deadlines.

In 2018, the number of new infringement procedures relating to late transposition decreased sharply by one fourth (from 558 cases in 2017 to 419 in 2018). However, the highest number of new late transposition cases during the Juncker Commission was in 2016 (847 cases). The Commission launched new infringement procedures against a majority of Member States for failing to transpose EU personal data protection rules (Directive 2016/680/EU) into national law on time, as agreed by Member States themselves beforehand. To facilitate timely and correct transposition, the Commission continued to assist Member States by preparing implementation plans, dedicated websites and guidance documents, and by exchanging best practices in expert group meetings.

Last year, the Commission referred 5 Member States to the Court of Justice of the EU requesting financial penalties be applied: Slovenia (3 cases: $\frac{\text{C-628/18}}{\text{C-69/18}}$ and $\frac{\text{C-188/18}}{\text{C-164/18}}$), Spain (3 cases: $\frac{\text{C-430/18}}{\text{C-165/18}}$ and $\frac{\text{C-164/18}}{\text{C-164/18}}$), Ireland ($\frac{\text{C-550/18}}{\text{C-164/18}}$) and Romania ($\frac{\text{C-549/18}}{\text{C-164/18}}$) (1 case each).

Single Market Scoreboard 2019

The Single Market Scoreboard provides a detailed overview of how EU single market rules were applied in the European Economic Area (EEA) in 2018; how open and integrated certain markets are; and how much Member States contributed to a number of EU tools to make the single market function better.

Depending on their performance in 2018, Member States were given **153 green**, **137 yellow** and **59 red cards** indicating excellent (green), average (yellow) or below average (red) performance.

The overview (see Chart 4 in Annex) shows that, despite further expansion of trade in goods and services, the situation has worsened in certain policy areas since 2017. Member States improved the functioning of some Single Market tools, such as the <u>Your Europe</u> portal and the Internal Market Information System (<u>IMI</u>). However, countries received more red cards on a number of policy areas than last year. For instance, on the fairness of public procurement systems and the recognition of professional qualifications. The same happened with regard to the cooperation in EU pilots.

In general, the best performing countries were **Portugal**, **Slovakia**, **Finland**, **Sweden** and **Lithuania**, while the most red and yellow cards were given to

Spain, Italy, Greece and Luxembourg.

The Commission reacts to citizens' complaints

Citizens, businesses, NGOs and other stakeholders can report suspected breaches of EU law through an online complaint form accessible via the Europa "Your rights" portal. In 2018, the majority of new complaints concerned justice and consumer rights; EU internal market, industry, entrepreneurship and SMEs; as well as employment and social affairs matters. Thanks to the SOLVIT portal, an informal problem-solving network of the Commission and the Member States, citizens and businesses can seek a solution to their problems with a public authority in another EU country.

Background

Since 1984, following a request made by the European Parliament, the Commission presents an Annual report on monitoring the application of EU law during the preceding year. The European Parliament then adopts a resolution on the Commission's report.

As a matter of priority, the Commission targets problems where its enforcement action can make a real difference and benefit individuals and businesses. In the division of responsibilities between the European institutions, the European Commission has the general responsibility of initiating the legislative process. The Council and the European Parliament decide on the Commission's proposals. The Member States are responsible for the timely and correct application, implementation and enforcement of EU law in the national legal order. The Commission closes this circle: once proposals are adopted and become EU law, it monitors whether the Member States are applying this law correctly and takes action if they are not. The Commission should therefore act firmly and guickly when infringements obstruct the achievement of EU policy objectives. In this vein, the Commission recently set out its more strategic approach to enforcement in terms of handling infringements, in line with its <u>commitment</u> to be 'bigger and more ambitious on big things, and smaller and more modest on small things'.

The annual Single Market Scoreboard evaluates how Member States:

- implement EU rules;
- create open and integrated markets (e.g. public procurement, trade in goods and services);
- handle administrative issues concerning foreign workers (e.g. professional qualifications);
- cooperate and contribute to a number of EU-wide governance tools (e.g. Your Europe portal, Solvit, and EURES)

The Single Market Scoreboard evaluates performance in four policy areas, two areas regarding market openness and integration, and 13 governance tools.

For More Information

- a) Annual report on Monitoring the application of EU law in 2018:
- Annual report on national implementation of EU law
- Fact sheets by country
- EU-28 fact sheet
- On the general EU infringement procedure, see a full MEMO of $\underline{17/01/2012}$.
- b) Single Market Scoreboard (edition 2019 based on data in 2018):
- Scoreboard
- Fact sheets by country
- <u>Performance overview</u>

ANNEX - $\frac{IP}{19/3030}$