<u>Member States compliance with EU law:</u> <u>not yet good enough</u>

Today's Annual Report on monitoring the application of EU law sets outhow the Commission monitored and enforced EU law in 2016.[1] The online Single Market Scoreboard, also published today, shows that whilst most barriers to the free movement of persons, services, goods and capital are being eliminated, in some fields the situation is stalling or even worsening.

The effective application of the law is essential in order to guarantee citizens and businesses the enjoyment of the benefits granted by EU law. Often, when issues come to the fore – be it car emissions testing, illegal landfills or transport safety and security – the reason is not a lack of EU legislation but rather the fact that Member States do not apply EU law correctly and effectively. Likewise, the EU Single Market remains Europe's most precious asset for the millions of citizens and businesses, and the European Commission is committed to ensure, by checking on the implementation of EU Single Market rules, that they benefit each day from the freedom to live, work, shop and trade in 28 Member States.

Annual Report on Monitoring the application of EU law in 2016

The Annual Report for 2016 shows a considerable increase (by 21%) of open infringement cases compared to the previous year, thus reaching a five-year peak (see chart 1). This is a concern because failure to correctly apply EU law denies citizens and businesses the rights and the benefits they enjoy under European law. For example, the full transposition and implementation of EU rules on public procurement and concessions is essential to make it easier and cheaper for small and medium-sized enterprises (SME) to bid for public contracts.

The Commission thus acts firmly when breaches of EU law obstruct the key EU policy objectives. For example, the Commission specifically targeted Member States' failure to establish or apply penalties systems to deter car manufacturers from violating car emissions legislation.

The chart 2 (below) provides an overview of the situation for each Member State. For late transposition cases, **Cyprus** and **Belgium** had the highest amount of open cases, whereas the fewest were open in **Italy**, **Slovakia** and **Denmark**. **Germany** and **Spain** 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.

Internal market, industry, entrepreneurship and SMEs as well as the environment remain the policy areas in which most infringement cases were opened in 2016 (see the chart 3).

Combating late transposition of 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 they committed to.

In 2016, the number of new infringement procedures relating to late transposition almost doubled (847 cases) in comparison to previous year (543 cases). The Commission launched new infringement procedures against a majority of Member States for failure to transpose the Directives on public procurement and concessions (Directives 2014/23/EU, 2014/24/EU and 2014/25/EU) on tobacco products (Directives 2014/40/EU; 2014/109/EU) and on driving licences (Directive 2014/85/EU).

To facilitate timely transposition, the Commission continued to assist Member States by preparing implementation plans, dedicated websites and guidance documents, and by exchanging best practice in expert groups' meetings.

Last year, the Commission referred three cases to the Court of Justice of the EU requesting that financial penalties be applied: two cases against Luxembourg[2] and a case against Romania[3].

Single Market Scoreboard 2017

The online Single Market Scoreboard gives an accurate picture of the state of implementation of the EU Single Market rules. It evaluates how the EU Member States apply these rules and identifies the shortcomings where the EU countries should step up their efforts.

Depending on their performance in a series of governance tools and policy areas in 2016, Member States were given green (above average), yellow (average) and red (below average) cards. The arrows indicate whether their performance has improved or worsened (see the chart 4).

In addition to assessing Member States' compliance with Single Market law, the Scoreboard evaluates how they help citizens and businesses via various EU tools for general information, concrete problem solving and job search (<u>Your</u> <u>Europe</u> portal, <u>Your Europe Advice</u>, <u>Solvit</u>, <u>EURES</u>). The Scoreboard also monitors Member States' openness to trade and investment and their wider efforts in opening up sectors such as public procurement, professional qualifications or postal services.

Taking all these evaluated areas into account, **Austria**, **Denmark**, **Estonia**, **Lithuania**, **Malta** and **Slovakia** performed best.

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 portal <u>Your rights</u>. In 2016, the majority of complaints concerned justice and consumer rights, employment, EU Single Market, industry and SMEs matters. As part of the complaint form, SOLVIT can help citizens and businesses solve 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.

The online Single Market Scoreboard is published annually. It monitors the performance of EU Member States in a number of policy areas (public procurement, professional qualifications, postal services, trade integration, market openness) and governance tools (Transposition, infringement procedures and EU Pilot in Single Market-related areas; <u>EURES</u>, <u>Your Europe</u>, <u>Your Europe</u> <u>Advice</u>, <u>SOLVIT</u>, <u>IMI</u>, <u>e-Certis</u>, priority areas, <u>European Consumer Centres</u>, <u>Consumer Protection Cooperation Network</u>, Technical Regulation Information System (<u>TRIS</u>).

For More Information

- a) Annual Report on Monitoring the application of EU law in 2016:
- 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 here.

b) Single Market Scoreboard (edition 2017):

- <u>Scoreboard</u>
- Fact sheets by country
- <u>Performance overview</u>

[1] Communication 'EU law: Better results through better application', C(2016) 8600, OJ C 18, 19 January 2017.

[2] Commission v Luxembourg, <u>C-489/16.</u> The Commission referred Luxembourg to the Court for failing to fully implement the Single European Railway Area Directive. It proposed a daily penalty of EUR 8 710; Commission v Luxembourg, <u>C-511/16</u>. The Commission referred Luxembourg to the Court for failing to fully implement the Directive 2014/27/EU in order to align it to Regulation (EC) No <u>1272/2008</u> on the classification, labelling and packaging of substances and mixtures. It proposed a daily penalty of EUR 8 710.

[3] Commission v Romania, C=62/156. The Commission referred Romania to the Court for failing to fully implement the Directive on sulphur content of marine fuels. It proposed a daily penalty of EUR 38 042.60. Romania subsequently adopted the necessary legislative measures and the Commission therefore withdrew this case from the Court.

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[4] For Transposition, Infringements and Priority areas, the Single Market Scoreboard evaluates Member States' performance exclusively with respect to Single Market legislation, other EU law is not taken into account.