



DIRECTORATE-GENERAL FOR INTERNAL POLICIES

POLICY DEPARTMENT
ECONOMIC AND SCIENTIFIC POLICY **A**



Smart Single Market Regulation

Economic and Monetary Affairs

Employment and Social Affairs

Environment, Public Health and Food Safety

Industry, Research and Energy

**Internal Market and
Consumer Protection**

Smart Single Market Regulation

Study for the IMCO Committee



**DIRECTORATE GENERAL FOR INTERNAL POLICIES
POLICY DEPARTMENT A: ECONOMIC AND SCIENTIFIC POLICY**

Smart Single Market Regulation

STUDY

Abstract

This study proposes a consolidated governance system that would serve as a tool for smart Single Market regulation toward 2020 and beyond. It outlines areas for improvement in Single Market regulation through the adoption of performance-based policy concepts; and reviews the scope for making better use of the Single Market governance tools to improve the effectiveness of regulation. The study was prepared for Policy Department A at the request of the Internal Market and Consumer Protection Committee.

This document was requested by the European Parliament's Committee on Internal Market and Consumer Protection.

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LIST OF ABBREVIATIONS

- ADR/ODR** Alternative and Online Dispute Resolution
- CPC** Consumer Protection Cooperation Network
- DG** Directorate General
- EC** European Commission
- ECA** European Court of Auditors
- ECC-Net** European Consumer Centre Network
- EEN** Enterprise Europe Network
- EP** European Parliament
- EU** European Union
- EURES** European Employment Service
- IMI** Internal Market Information System
- PSC** Points of Single Contact
- PCP** Product Contact Points
- SOLVIT** An online problem solving network between Member States which addresses cross-border Internal Market issues
- YE** Your Europe
- YEA** Your Europe Advice

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EXECUTIVE SUMMARY

FOCUS OF THE STUDY

This study builds on previous work commissioned by the European Parliament's Committee on Internal Market and Consumer Protection (the '**IMCO Committee**'), in particular the 'Performance-based Policy' and 'Contribution of Internal Market and Consumer Policy to Growth' studies. This study proposes a **consolidated system** that would serve as a tool for **smart Single Market regulation towards 2020 and beyond**. It aims to suggest areas for improvement in Single Market regulation based on **performance-based policy** concepts.

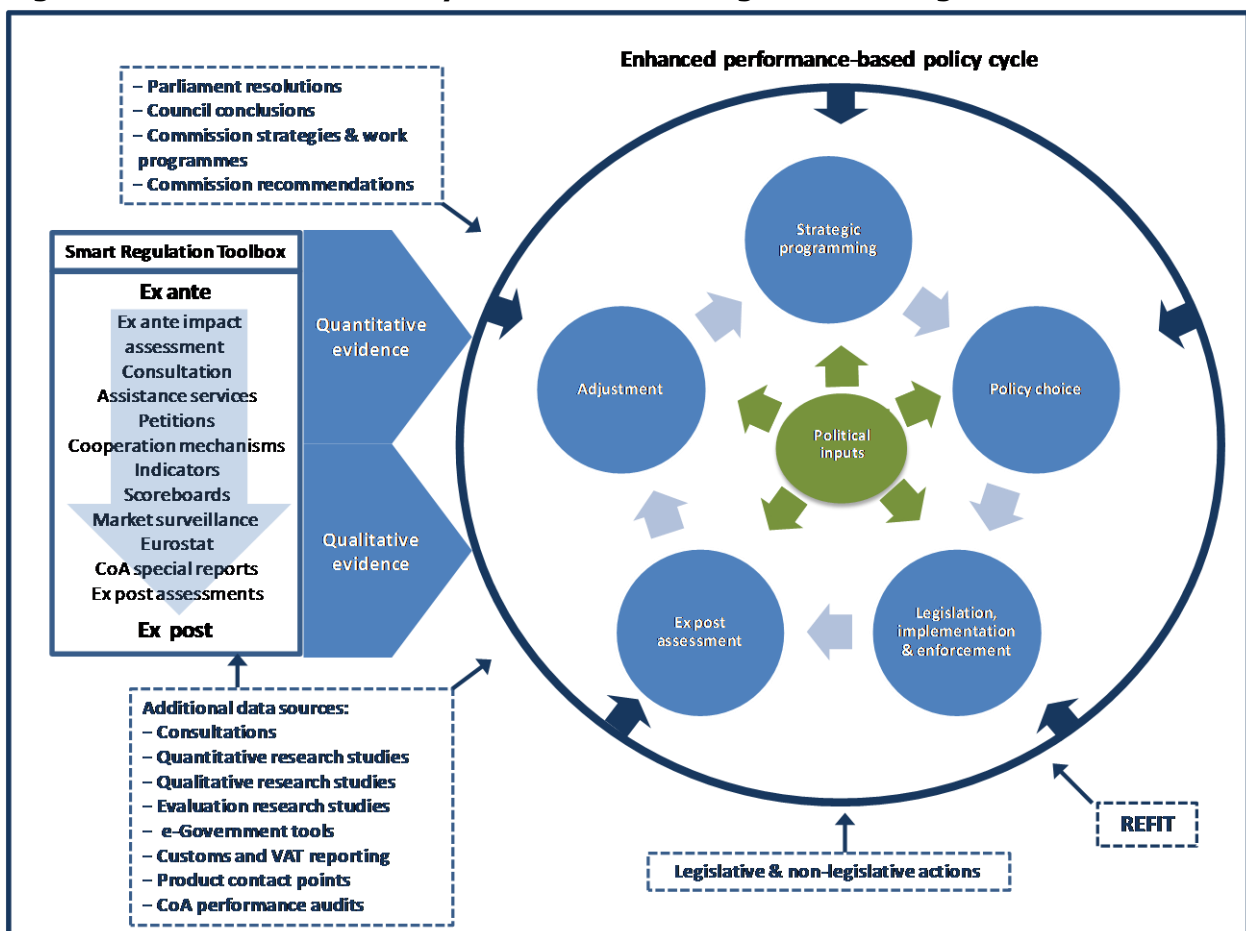
KEY FINDINGS

Smart Single Market regulation

Many of the elements of a performance-based policy cycle are already in place in Single Market regulation, and the '**Better Regulation Package**' of 19 May 2015 introduced changes that should improve performance. Nevertheless there is **potential for further improvement**. This potential can be realised in two ways.

- First, by transforming Single Market regulation into **one consolidated system** that follows the structure of an **enhanced performance-based policy cycle** and maximises information flows within the system.
- Second, by **improving the performance of individual Single Market tools** and ensuring that full use is made of the information that is generated by those tools.

Figure 1: A consolidated system for smart Single Market regulation



Source: London Economics.

The enhanced performance-based policy cycle

We propose an enhanced performance-based policy cycle which includes the **strategic programming phase** of policy development and which emphasises the importance of **information flows and feedback**: from stakeholders, from smart regulation tools and between the stages of the policy cycle.

Box 1: Phases of the enhanced performance-based policy cycle

Phase	Description
Strategic programming	<ul style="list-style-type: none"> ■ Identifying at a strategic level which areas should be the subject for most policy attention, based on: <ul style="list-style-type: none"> □ quantitative and qualitative analysis of the nature and extent of problems that need addressing; □ where the powers and ability to address those problems lie; □ the evidence base in regard to whether available policy instruments are likely to address those problems. ■ the development of a comprehensive logic map identifying synergies and conflicts with other policies
Policy identification and choice	<ul style="list-style-type: none"> ■ A clear articulation of the problem to be addressed by the policy intervention and the reasons why government should intervene, leading to an identification of policy objectives. ■ Identification and ex ante assessment of the main policy options against the objectives, compared to a comprehensive baseline or counterfactual scenario, and incorporating lessons from previous ex post assessments. ■ Consultation with stakeholders and coordination with all players in the decision-making process. ■ Decision on which policy to choose, taking into account ex ante assessment and the views of all parties in the decision-making process, in particular the European Parliament as the institution contributing democratic legitimacy to the process.
Legislation, implementation and enforcement	<ul style="list-style-type: none"> ■ Execution of the proposed policy, including decision-making on details and practicalities of law-making, policy implementation and enforcement and consulting with stakeholders. ■ Preparation of an evaluation and data collection plan.
Ex post evaluation and assessment	<ul style="list-style-type: none"> ■ Evaluation of whether EU law was properly implemented and enforced ■ independent ex post assessment of quantified impacts of the policy ■ the identification of success / failure factors; and ■ consultation with stakeholders.
Adjustment	<ul style="list-style-type: none"> ■ Application of lessons learned to new policies in the same (vertical feedback) or other (horizontal feedback) policy areas.

Source: London Economics

The smart regulation toolbox: Improving the performance of the tools

The smart Single Market toolbox includes a variety of governance tools that should be applied at all stages of the performance-based policy cycle. These include **assessment mechanisms** such as impact assessments, indicators and scoreboards, and the Court of Auditors' special reports; **formal and informal cooperation mechanisms** between the European Commission, the Member States and national authorities; and **various assistance services** for citizens and businesses. Currently, very little use appears to be made of these tools at the strategic programming phase of the policy cycle. Many of these instruments can contribute to the evidence base that should inform strategic policy development.

With regard to the assessment mechanisms, the Impact Assessment framework seems to be robust. However, its application should be improved, in particular with respect to the still **limited use of quantified analysis**. In a review of 10 Digital Single Market initiatives, a previous study found that:

- quantitative objectives are only set out for **2 cases**;
- robust quantitative data are provided in only **4 of the 10 cases**;
- no detailed **logic model**/map is provided for any of the initiatives;
- in only **5 cases** is a list of quantitative indicators provided;
- in **none** of the 10 cases is a detailed evaluation plan provided.

In addition, around 40% of draft impact assessments examined by the EC Impact Assessment Board 2010-2014 were considered to be of insufficient quality and sent back for improvement.

A number of studies have shown that the **level of awareness** of the various assistance services is **very limited** among both European citizens and businesses. For example, only around 7% of consumers and 9% of businesses surveyed in 2013 indicated that they had heard of Your Europe when specifically prompted, and less than 0.5% of both respondent groups named the information portal when asked about EU-level online services they would turn to if they needed information or advice on EU legislation. As shown in the table, awareness of some tools is higher than this.

Table 1: Consumer and business knowledge of Single Market tools

Single Market tools	Level of prompted awareness amongst survey respondents	
	Consumers	Businesses
Your Europe	7%	9%
Your Europe Advice	6%	5%
European Employment Service (EURES)	20%	12%
European Consumer Centre Network (ECC-	22%	16%
Enterprise Europe Network	-	19% (SMEs)
SOLVIT	4%	4%

Sources: London Economics (2013), Eurobarometer (2013), Eurobarometer (2010).

When they are used, most of these tools are considered to provide useful information. The **Your Europe Advice** and **IMI** tools have particularly high levels of performance across a number of criteria. Demand for the services provided by the Single Market governance tools has been continuously rising in the last decade. However, there is room for improvement. In particular, **long case handling periods** (e.g. **SOLVIT**, **ECC-Net**) and **limited expertise** of network staff (e.g. **EEN**, **EURES**) lead to dissatisfaction with the services provided

One characteristic feature of the performance-based policy cycle is the existence of feedback mechanisms between different stages of the process, so that **lessons learned** in the later phases of the policy cycle inform policy-making and vice versa. The Single Market tools potentially offer valuable information about the issues hindering a successful implementation of the different Single Market areas. This information could be used to inform new policy priorities and adjustments to existing programmes and policies. Conversely, policy adjustments might be able to address those factors that impair the effectiveness of assistance tools. For this reason, an **integrated information flow** between the various governance tools and centralisation of the information generated and collected through them is highly desirable.

New ICT developments and concepts such as **cloud computing**, **data analytics** and '**big data**' provide opportunities for collating and analysing the large scale data that exists about the performance of Single Market regulation. Tools such as Your Europe and IMI have the potential to develop into a **central ICT hub** with a '**once only**' access point.

RECOMMENDATIONS

1. The **enhanced performance-based policy cycle should be applied to all areas of Single Market governance** in order to assist with the robust development of Single Market policy.
2. **Information flows to policymakers and between Single Market instruments should be improved.** The proposed Action Plan sets out a series of measures to achieve this.
3. **Awareness of the assistance services for consumers and businesses needs to be improved.** They cannot benefit from these tools unless they know about them.
4. **Improve the performance of individual instruments.** Whilst many of the governance instruments work well, there is room to improve. The proposed Action Plan includes measures to improve the performance of individual instruments.
5. **Make better use of ex post impact assessments** by improving their quality and using them in all relevant ex ante impact assessments.
6. **Strengthen the role of the Single Market in the European Semester process.** The Single Market is one of the core competences of the European Union and this needs to be better reflected in the European Semester process.

The measures necessary to move towards the implementation of these recommendations and develop the consolidated system that would serve as a tool for smart Single Market regulation are set out in the **Action Plan** proposed below for the IMCO Committee's consideration.

Action plan for smart Single Market regulation

Recommendation	Actions
<p>1. The enhanced performance-based policy cycle should be applied to Single Market regulation.</p>	<p>1.1 Introduce a distinct strategic programming phase into the Better Regulation Guidelines, applicable to European Parliament resolutions, European Council conclusions, European Commission strategies and workplans, and European Commission recommendations (as a part of economic governance process). The European Parliament should have an overview of this process as the institution contributing legitimacy and democratic representativeness.</p> <p>1.2 Provide more complete and transparent quantification of anticipated impacts alongside strategic plans such as the Commission Work Programme.</p>
<p>2. Information flows to policymakers and between Single Market instruments should be improved.</p>	<p>2.1 Assess the scope for using cloud computing, business analytics and big data techniques to extract useful information from the myriad of potential sources at the regional, national and EU levels.</p> <p>2.2 Explore the scope for integrating the different Single Market governance tools via a central information hub, either using the existing IMI platform as a basis for that hub, or through other means.</p> <p>2.3 As a part of the forthcoming e-Government Action Plan 2016-2020, we suggest that the Commission introduce a set of 'digital by design' criteria for online services such as the proposed 'Single Digital Gateway' and that these criteria draw on the experiences of applying the 'Digital by Default Service Standard' in the UK.</p> <p>2.4 Every legislative proposal should indicate: which ICT measures will accompany the proposal in order to assure its 'digital by design' dimension; and how they will be integrated into European e-government services. Such measures could be further developed through implementing or delegated acts under the European Parliament's scrutiny.</p> <p>2.5 Implement the recommendations of the London Economics (2013) report on improving the quality of the analysis that underpins impact assessments across the Single Market.</p> <p>2.6 Explore alternative methods for disseminating information and best practice about impact assessment, such as expert networks and conferences. This should seek to confirm whether or not Single Market regulation could benefit from improved dissemination practices and, if so, which dissemination practices would be most beneficial.</p> <p>2.7 Develop a 'What Works' approach to Single Market regulation, drawing on experiences of the UK 'What Works Network' the use of systematic evidence reviews in policy development elsewhere.</p>

Recommendation	Actions
<p>3. Awareness of the assistance services for consumers and businesses needs to be improved.</p>	<p>3.1 Increase the promotion of Single Market tools through media and advertising channels and ensure a high profile in internet searches.</p> <p>3.2 Strengthen relations between the EU level tools and national consumer and business support organisations, as the latter are potentially a good source of information on Single Market tools. In particular, explore the scope for capacity building, such as EC workshops on assistance services, in order to raise awareness of the assistance services amongst national and EU level consumer and business representative organisations.</p> <p>3.3 Assess the scope for additional signposting between national and EU assistance services and including the possibility of a single portal for access to all assistance services, drawing on previous evaluations of these services.</p>
<p>4. Improve the performance of cooperation mechanisms and assistance services.</p>	<p>4.1 European Commission to report to the IMCO Committee on current implementation status of recommendations of previous evaluations of assistance services.</p> <p>4.2 Develop proposals for strengthening coordination between the EU-level networks and national authorities, particularly for SOLVIT and EURES, as part of the development of the 'Single Digital Gateway' for the e-Government Action Plan 2016-2020.</p> <p>4.3 Reassess the role of ECC-Net in the light of the introduction of the enhanced ADR/ODR framework.</p>
<p>5. Make better use of ex post impact assessments.</p>	<p>5.1 Ensure that the data needs of an ex post assessment are anticipated and planned for at the policy development stage in order to achieve higher quality ex post assessments. Introduce this requirement into the Better Regulation Guidelines.</p> <p>5.2 Every legislative proposal should include a data collection plan showing how it will be integrated into European data collection activities. Such a plan could be further developed through implementing or delegated acts under the European Parliament's scrutiny.</p> <p>5.3 Use the information from relevant ex post assessments in all ex ante impact assessments and implement the recommendations on this point of London Economics (2013).</p>
<p>6. Strengthen the role of the Single Market in the European Semester process.</p>	<p>6.1 Introduce the Single Market as a separate pillar of the European Semester process. In particular, we suggest that:</p> <ul style="list-style-type: none"> ○ the annual Single Market Integration report is reintroduced and produced every year as an input to the Annual Growth Survey; ○ country reports include a specific section showing barriers and progress towards the Single Market, including a report on the implementation of the

Recommendation	Actions
	<p>previous year's country-specific recommendations on the Single Market; and</p> <ul style="list-style-type: none"> ○ country-specific recommendations include a specific section making recommendations on what priorities the Member State needs to set for removing barriers to the Single Market. <p>6.2 Ensure European Parliament has an active role in this process and scrutinises it. In particular:</p> <ul style="list-style-type: none"> ○ Member States who have not implemented the country-specific recommendations relating to the Single Market should, on request, explain the reasons for this to the European Parliament's IMCO committee. ○ The Parliament could then use this as a basis for providing inputs to the Commission on the development of the new Country-Specific Recommendations in time for their publication by the Commission in May.

Source: London Economics.

1. INTRODUCTION

The European Parliament's Committee on Internal Market and Consumer Protection (the 'IMCO Committee') has a continuing interest in improving the quality of European Single Market regulation, in particular in the areas of the Single Market for Services, the Digital Single Market, Professional Qualifications and Public Procurement. This interest has been expressed in numerous resolutions and in research performed on the request of the IMCO Committee, among them the studies on "Performance based full policy cycle for the Digital Single Market"¹ and "Contribution of Internal Market and Consumer Protection to Growth"².

The 'performance-based policy cycle' study emphasised the need for greater ex post and ex ante assessment of the impacts of Single Market policy and the need for better data in order to achieve these aims. The existing Single Market governance tools have the potential to contribute to improving the effectiveness of Single Market policy by providing evidence on current performance. Full advantage has not yet been taken of this evidence.

Furthermore, while the Commission started making use of the European Semester to monitor the functioning of the Single Market, notably through annual reports on the state of Single Market integration and invested efforts in improving the Single Market instruments, in particular the online Single Market Scoreboard, the 'contribution to growth' study suggested that more might be done to establish a high level of Single Market governance. It also emphasised that the governance of the Single Market deserves to be kept high on political agenda, and in particular efforts need to be stepped up to ensure that Single Market legislation is effectively transposed, implemented and enforced.

Better Single Market regulation also implies continued monitoring of the development of the Single Market specific tools and instruments, and in particular stepping up efforts both at EU and national level to ensure the collection, aggregation and availability of quality assessments and information from national bodies and relevant stakeholders, e-government tools and mechanisms to rapidly resolve problems within the Single Market.

Finally, a continued interest of the Committee is in understanding and addressing how regulation in the Single Market area could be further simplified, including secondary legislation, i.e. delegated and implementing acts, taking particular account of the needs of SMEs, but without undermining broader welfare policy objectives, in particular concerning consumers and vulnerable impact groups.

This Study aims to provide background information and advice for the Members of the IMCO Committee on priority measures and actions to be undertaken in this field.

1.1. Terms of reference of the study

According to the terms of reference, the study needs to address to the following questions:

- provide a detailed assessment, in all governance aspects, of how the Single Market could work better and how its governance could be improved, in particular by reducing the compliance deficit, and on the Single Market governance cycle role as a specific pillar of the European Semester to ensure better governance, and consider further actions to enhance the role of the EP in the European Semester process;
- provide an analysis on the operation and development of the Single Market tools, and in particular stepping up efforts both at EU and national level to ensure the availability

¹ [http://www.europarl.europa.eu/RegData/etudes/etudes/join/2013/507457/IPOL-IMCO_ET\(2013\)507457_EN.pdf](http://www.europarl.europa.eu/RegData/etudes/etudes/join/2013/507457/IPOL-IMCO_ET(2013)507457_EN.pdf)

² Contribution of Internal Market and Consumer Protection to Growth, 2015, [http://www.europarl.europa.eu/RegData/etudes/STUD/2014/518762/IPOL_STU\(2014\)518762_EN.pdf](http://www.europarl.europa.eu/RegData/etudes/STUD/2014/518762/IPOL_STU(2014)518762_EN.pdf)

of good quality and comparable information, e-government tools and mechanisms to rapidly identify and resolve problems within the Single Market;

- assess knowledge about SOLVIT, ADR/ODR and other tools among European consumers and entrepreneurs, including expansion of IMI into new policy areas, and how the tools might be adapted or improved to respond to their needs;
- assess the assistance services such as SOLVIT, ODR, Your Europe Advice, the European Consumer Centres and the Enterprise Europe Network;
- explore the synergies between different governance tools, coordination structures and contact points (for both products and services), including consideration of what data and information is collected and how it could be combined and used more effectively;

This applies also to referrals of cases, for instance between SOLVIT, Enterprise Europe Network and Product Contact Points and an analysis should be provided both on consolidation or restructuring of current tools through use of ICT and new possibilities offered by digital tools, e.g. through big data, reform of statistical and accounting systems or IoT.

- evaluate how "joined up " use of tools could best identify bottlenecks or consistent difficulties in the Single Market (e.g. rules frequently misunderstood, misapplied or problems with mutual recognition). Consideration of whether market surveillance tools may also be used, as part of a wider approach towards securing better implementation and enforcement of Single Market rules;
- assess how smart regulation may contribute to simplification of regulation and lowering compliance costs, taking particular account of the needs of SMEs, and without undermining broader welfare policy objectives in particular in relation to consumers and vulnerable impact groups, across IMCO's area of competence;
- address horizontal aspects of preparing the legislative proposals, to ensure that the principle of making legislation 'digital by design' is etched in the relevant guidelines of new regulations.

The study should also address the horizontal preparation of delegated and implementing acts, in particular when their impact can be expected to be considerable.

As a result the study should propose a view on a consolidated system that would serve as a tool for smart Single Market regulation towards 2020 and beyond it with comprehensive use of ICT tools implemented into it by design in interoperable way across different areas of European Single Market regulation.

1.2. Structure of the report

The structure of the report is as follows:

- chapter 2 develops an enhanced model of a performance-based policy cycle for the Single Market;
- chapter 3 introduces the single market toolbox, presents an overview of the single market governance tools in place and assesses the effectiveness of existing tools;
- chapter 4 assesses the extent to which current single market policy is consistent with the enhanced performance-based policy cycle and sets out a consolidated smart regulation system for the single market;
- chapter 5 concludes by highlighting the key points made in the study and setting out a number of recommendations and, in particular, an action plan for improving information flows in the policy cycle.

Annexes provide a summary of the views of a small number of consumer and business representative organisations and an overview of some Single Market governance tools.

2. THE PERFORMANCE-BASED POLICY CYCLE

KEY FINDINGS

1. An outcomes- or performance-based approach to public policy making and public management increases the accountability of governments and makes it easier to assess whether the public sector and government departments, programs, laws and regulations are performing well and achieving their objectives.
2. Many of the elements of a performance-based policy cycle are already in place in Single Market regulation, and the 'Better Regulation Package' of 19 May 2015 introduced changes that are encouraging, though the extent to which the changes will improve policy practice, in particular the use of a quantitative evidence base, remains to be seen. There is also potential for further improvement in the design of the policy cycle.
3. Building on a previous IMCO Committee study, we propose an enhanced performance-based policy cycle which extends the approach to the strategic programming phase of policy development and which emphasises the importance of both vertical and horizontal feedback.
4. High level strategies ('strategic programmes') are an important part of the policy development process. They set the context in which many individual policy choices are made. Since their influence on policy choices is strong, it is important that the concepts of performance-based policy-making are also applied at this level of the policy cycle.
5. This enhanced performance-based policy cycle should be applied to all areas of Single Market governance in order to assist with the robust development of Single Market policy.

2.1. Introduction

This Chapter builds on a previous study for the IMCO Committee on the performance based policy cycle in the context of the Digital Single Market and proposes that the concept is applied more widely across the whole area of Single Market governance. Section 2.2, in particular, draws heavily on material from that study³.

The previous study was based on a review of academic literature on policy cycles and reflected the fact that since the late eighties and early nineties, public administrations in OECD countries have shifted towards an outcomes- or performance-based approach to public policy making and public management. This approach increases the accountability of governments and makes it easier to assess whether the public sector and government departments, programs, laws and regulations are performing well and achieving their objectives.

2.2. The performance-based policy cycle

Efforts in the late eighties and early nineties by public administrations to improve the policy-making process and increase the focus of public management and policy-making on policy outputs rather than just mere inputs (funding, etc.) culminated in the so-called **new**

³ London Economics (2013). [http://www.europarl.europa.eu/RegData/etudes/etudes/join/2013/507457/IPOL-IMCO_ET\(2013\)507457_EN.pdf](http://www.europarl.europa.eu/RegData/etudes/etudes/join/2013/507457/IPOL-IMCO_ET(2013)507457_EN.pdf).

public management (NPM) adopted in one form or another by many OECD countries which in countries such as Australia, Canada, United Kingdom and United States evolved to also encompass **evidence-based policy** (EBP)⁴.

According to Van Doren et al. (2010), "*Originally derided by many OECD members (generally those who had not accepted its precepts), the take-up of NPM elements that involve performance (much less so market aspects) has spread almost universally across Europe. While NPM has been partly superseded in first generation countries, performance management has been further institutionalised in countries such as Australia and the United Kingdom. The language of NPM has become more prevalent now in late reforming countries. The most recent performance movement is evidence-based policy*".

To a large extent this evolution built on previous efforts aiming at making the policy process more rational and increase the efficiency and effectiveness on government activities, especially government spending⁵.

Following standard evaluation theory and methodology, the concepts of efficiency and effectiveness are defined as follows in the present report:

- **Effectiveness:** the effectiveness of a government program is the extent to which the program achieves its intended objectives
- **Efficiency:** the efficiency of a program is the extent to which the program is minimising the costs incurred in achieving the objectives, i.e. is cost-efficient.

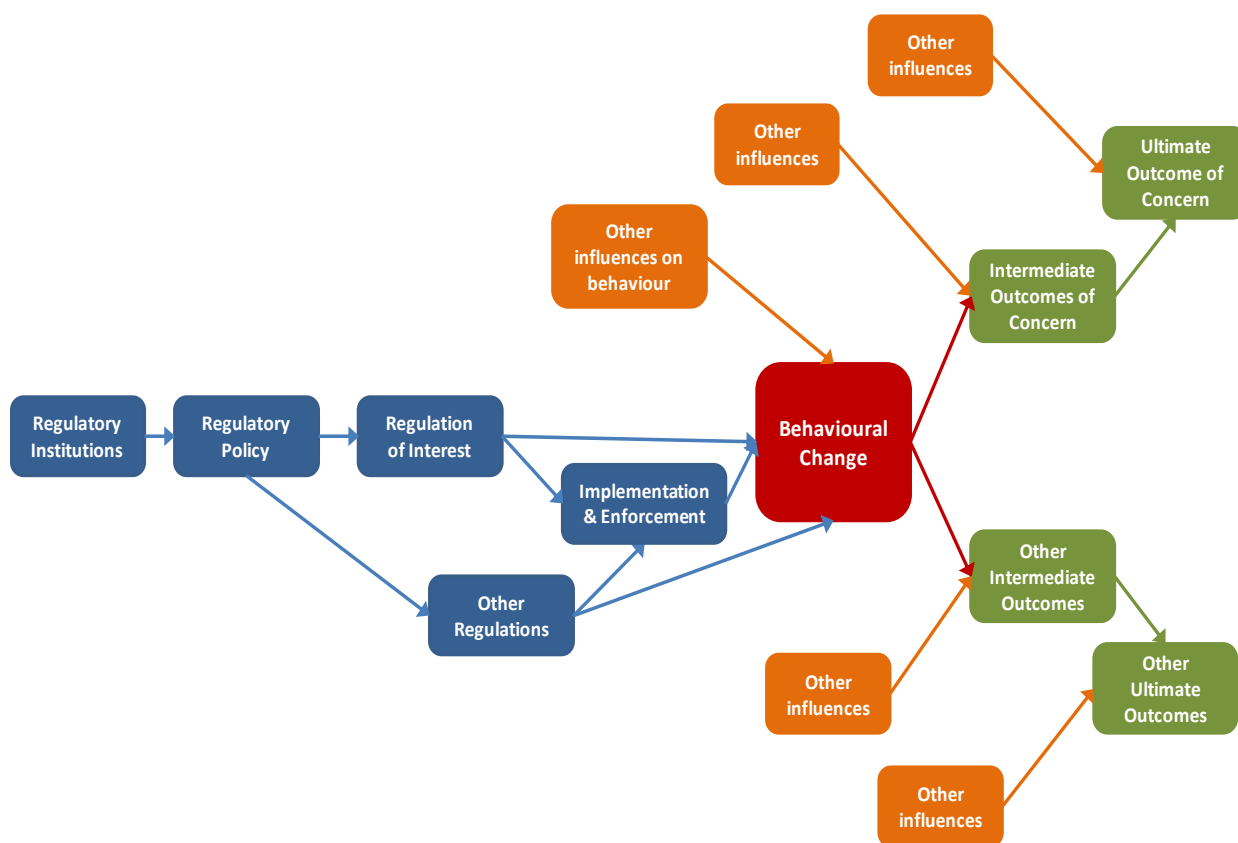
Typically, the ex post assessments of effectiveness and efficiency focus on government programs involving outlays of public funds.

But, the legislative and regulatory activities of governments can be subjected to the same type of ex post assessments as it is useful, from a policy perspective, to determine whether regulations and laws are achieving their intended objectives.

For example, the figure overleaf provides an illustration taken from Coglianesi (2012) of how one would need to map out the potential impact of a regulation in an ex post performance assessment.

⁴ See, for example, Bouckaert and Halligan (2008), Fryer et al. (2009), Greiling(2005), Johnsen et al. (2006), Kuhlman (2010), Prollitt (2005), OECD (1997a), and Van Doren et al. (2010).

⁵ See, for example, Curristine et al. (2007) for an analysis of key institutional drivers that may contribute to improving public sector efficiency, in particular performance information and its role and use in the budget process.

Figure 2: A map of the effects of a regulation

Source: Adapted from Coglianesi (2012).

Moreover, while regulations and laws may involve little direct government spending, they may yield significant benefits and/or impose substantial costs on the economic agents subject to these regulations and benefits. Therefore, it is essential to assess whether such regulations and laws are cost-efficient from a broader societal perspective, taking into account **all social costs and benefits**.

The need for a performance-based approach to policy-making in the European Union is reflected in the regulatory tools⁶, including the system for impact assessment, that have been in place for some time. 'Smart Regulation' was also defined in the Commission's Communication of 2010 on 'Smart Regulation in the European Union' as regulation that:

- uses a **performance-based** approach;
- is a **shared responsibility** of the EU institutions; and
- takes account of **stakeholder views**.

Nevertheless, there have been **criticisms** of the approach, in particular the way that it is implemented. The **European Parliament** adopted a Resolution on guaranteeing independent impact assessments in June 2011. The Resolution stressed the need for further improvements to the IAs undertaken by the Commission and commented the European Parliament's **lack of trust** in the objectivity of the assessments undertaken by the Commission⁷. More recently, London Economics (2013), for example, made a number of suggestions for improvements in the way that policy appraisal is undertaken in the digital Single Market, emphasising the importance of a performance-based policy cycle and of using a **quantitative evidence** base.

⁶ The regulatory tools are discussed in detail in the next Chapter.

Recent improvements in the policy appraisal system have been made through the European Commission's '**Better Regulation Package**' of 19 May 2015. The package aims at designing EU policies and laws so that they achieve their objectives at minimum cost and seeks to ensure that political decisions are prepared in an open, transparent manner, informed by the best available evidence and backed by the comprehensive involvement of stakeholders. This is encouraging, but the extent to which the changes will improve policy practice, remains to be seen.

2.3. The key elements of a policy-cycle

A key analytical tool underpinning the greater focus on performance and evidence-based policy-making is the concept of "policy cycle" which seeks to distinguish the different stages of policy-making, from conception to policy execution and review, and identify the requirements of sound policy-making at each of the stages.

While the voluminous academic literature on policy cycles⁸ does not fully agree on the precise number of stages in a comprehensive policy cycle, there is broad consensus that such a cycle comprises at least the following broad elements (see figure below):

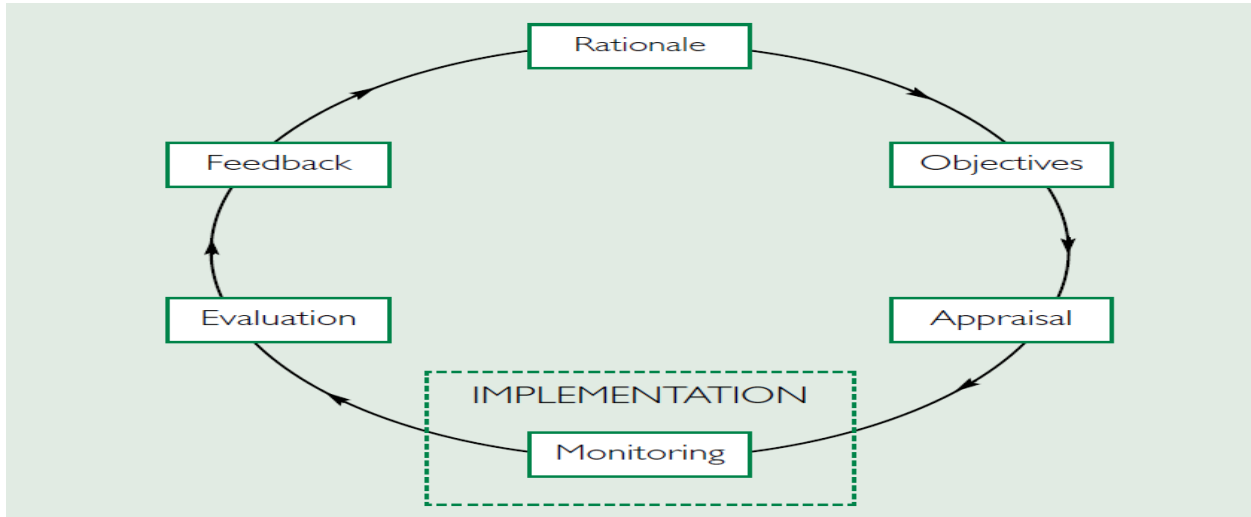
- Articulation of the policy **rationale**. A problem is identified and the reasons for government intervention are articulated⁹. In the ideal world, this is the stage at which the rationale for government intervention should be articulated.
- Policy **objectives** are defined. Such policy objectives should be clearly related to the rationale for the policy intervention.
- A number of **policy options** for addressing the problem and achieving the policy objectives are developed and assessed. The policy options need to consider various approaches (including a "do-nothing" option) and various policy instruments (spending / taxation, or regulation) where appropriate. Such assessment typically takes the form of an impact assessment or regulatory impact assessment which serves to rank the various options. In the academic literature, this element and the previous one are often consolidated into a single element called "policy formulation and decision making".
- The next and highly critical element involves the **implementation (or 'execution')** of the policy and **monitoring** of that policy execution process.
- The policy needs to undergo a proper **ex post assessment** to assess the efficiency of any spending of public funds, the effectiveness of the policy of achieving the desired objectives and the additionality of the policy (i.e. whether without the policy the objectives would not have been achieved).
- Any **lessons learned** in the ex post assessment feed back into either improving the existing policy and /or inform the development of new policies.

⁷ Poptcheva (2013b) ; see also London Economics (2013b).

⁸ For the purpose of the London Economics (2013) report a large body of literature was reviewed to draw out the key distinguishing features of the policy-making process. Useful information is provided among others in Banks (2009), Bouckaert and Haligan (2008), de Bruin (2007), Calmette (2010), Conseil d'analyse économique (2013), Hallsworth (2011, 2012), Hallsworth et al. (2012), Jann and Wegrich (2007).

⁹ Such as, for example, the existence of a public good, market failures because of externalities (positive or negative, information asymmetries, etc.).

Figure 3: Key stages of a full policy cycle



Source: UK HMT Green Book (2003).

While the example above is taken from the UK HMT Green Book, a document which sets out “binding guidance for departments and executive agencies” in the United Kingdom on the appraisal and evaluation of government action¹⁰, the latest Better Regulation Guidelines, published by the European Commission in May 2015, describe a very similar process, covering the whole of the policy cycle from policy design, preparation, and adoption to policy execution (transposition, complementary non-regulatory actions), application (including enforcement), evaluation and revision (see Figure 4).

Figure 4: The EU policy cycle



Source: European Commission (2015b)¹¹

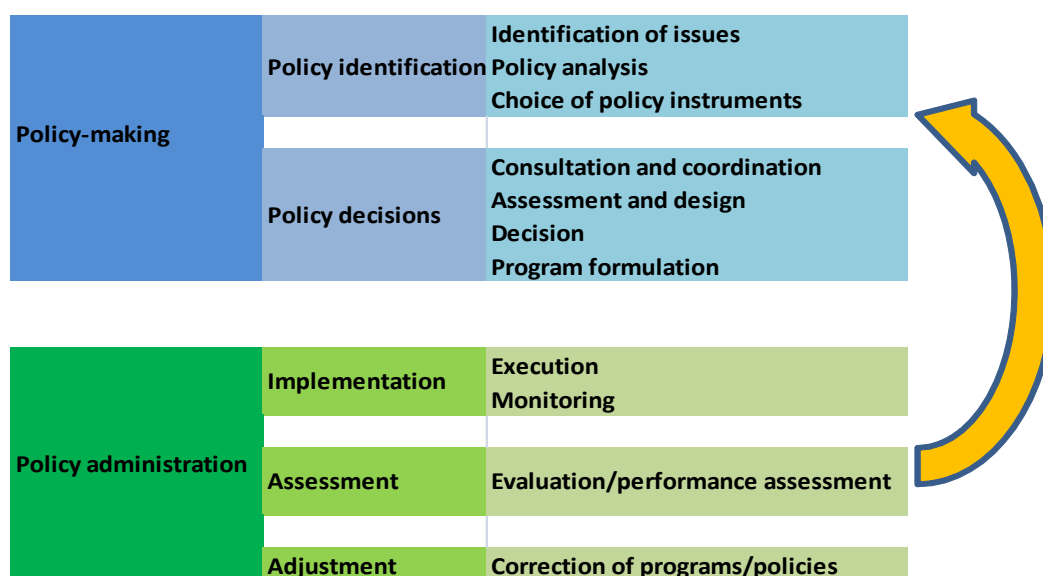
¹⁰ UK HM Treasury (2003).

¹¹ http://ec.europa.eu/smart-regulation/guidelines/docs/swd_br_guidelines_en.pdf.

The additional example of a policy cycle in Figure 5 offers a clearer distinction between policy-making and policy administration. The key feature of this policy-cycle model is that all the stages in the policy-making phases are ex ante, i.e. before the policy is implemented while all the stages in the policy execution phase are ex post, i.e. post adoption of the policy. The policy-making stage covers the first three elements of the stylised model above (i.e. rationale, objectives and appraisal) while the policy administration stage covers the last three elements (i.e. monitoring, evaluation and feedback).

Stakeholder consultations and the political decision-making process are key elements of each policy decision sub-stage.

Figure 5: Detailed stages of a full policy cycle



Source: London Economics based on Government of Spain and World Bank (2010).

One important feature which characterises this more detailed policy model is the existence of a feedback loop from the ex post assessment / performance assessment stage to the policy-making stage of new policies in the same or other policy areas.

Some of the policy models described above imply a clear linear sequencing of the various stages leading up to the execution / monitoring stage. In reality, policy-making does not always follow such clear linear process and, sometimes, the lines between the various stages get blurred due to feedback loops between the various stages leading up to policy execution¹².

Finally, it is important to note that, while the policy model set out above may give the impression that any policy is to be considered in isolation from other policies which may also impact on the policy objectives, in practice this is not necessarily the case as there is clearly scope for taking into account synergies or conflicts with other policies.

¹² See, for example, Hallsworth, Parker and Rutter (2012).

2.4. Synergies and conflicts in the policy cycle

The world is a highly complex socio-economic system with numerous interdependences among key factors and variables. In response, in recent years, in countries such as the United States, the general performance-focused policy-making and public management framework has been expanded from a stove-pipe type approach focusing on individual government institutions, programs and policies to a broader, more encompassing approach which considers not only the impact of a particular government department, program or policy on the objective(s) they aim to achieve but also on the impacts of other policies on the achievement of these objectives.

In other words, **synergies** (as well as potentially conflicts) between different programs and policies are explicitly taken into account in a) the performance framework and b) the definition of program /policy objectives and objective indicators. Synergies can occur at two levels:

- First, the target objective(s) of a particular program or policy may also be impacted by other already implemented or soon to be implemented programs or policies (**type I synergy**). Therefore, in the development and assessment of any program or policy, it is essential to consider to what extent other programs or policies will complement and, or even possibly, conflict with the program or policy under consideration.
- Second, the program or policy under consideration may also have an impact on the desired outcomes of other programs or policies or on wider cross-cutting public objectives (**type II synergy**).

An in-depth assessment of policy coherence between various policies contributes to identify potential synergies (and conflicts) at both the level of outputs and outcomes of policies. Joined-up government and building on potential synergies has been advocated by both policy-makers based in central agencies/departments in government structures and academics for a number of years. But, the existing literature on this issue suggests that it has proven difficult to implement in practice.¹³

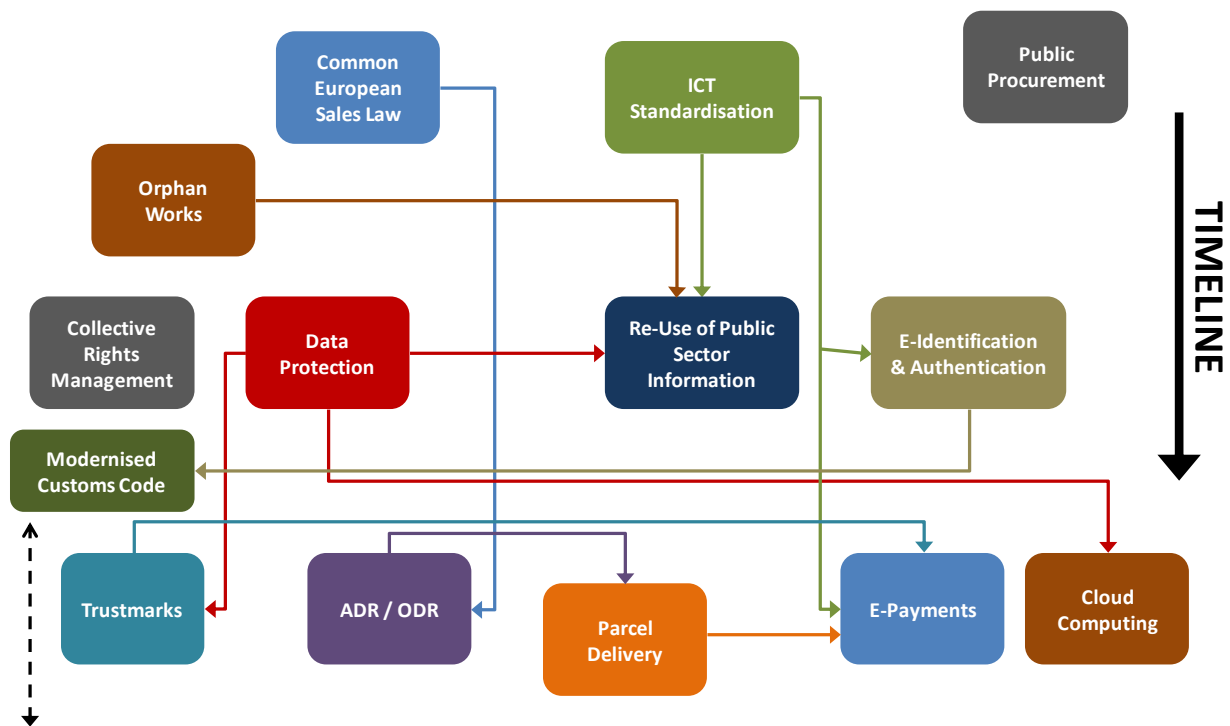
The most notable example of a formalisation of such synergy considerations in the policy-making process is the US GPRA Modernisation Act of 2010 (GPRAMA). This act requires US federal government departments to identify priority goals, elaborate on how other government institutions contribute to the achievement of these priority goals and explain whether the achievement of any of the department's priority goals contributes to broader government-wide objectives defined by a central agency, namely the Office of Management and Budget¹⁴.

A very useful way of identifying synergies and conflicts is the use of logic and synergy maps. For example, in the case of the Digital Single Market, a flowchart in a recent note by the European Parliament provides a good example of synergies between different DSM policy initiatives (see Figure below)¹⁵.

¹³ See, for example, Fiori et al. (2012), Larsen et al. (2012), Nilsson et al. (2012), Pachauri et al. (2012), Pollitt (2003), Porritt (2012) and Ürge-Vorsatz et al. (2012).

¹⁴ See Brass (2012) and United States Accountability Office (2013b).

¹⁵ European Parliament (2012).

Figure 6: Example of a synergy map of DSM initiatives

Note: The two-way dotted arrow associated with the Modernised Customs Code is testament to the peculiar status of this measure, whose effects are expected to start playing out from the deadline when this measure will be implemented and do not depend on the timing of the proposal.

Source: Adapted from Bolognini and Legovini (2012).

In practical terms, the two-step approach set out in Nilsson et al. (2012) for identifying and building on synergies among policies appears the most useful in terms of the rational policy-making cycle. These two steps are as follows.

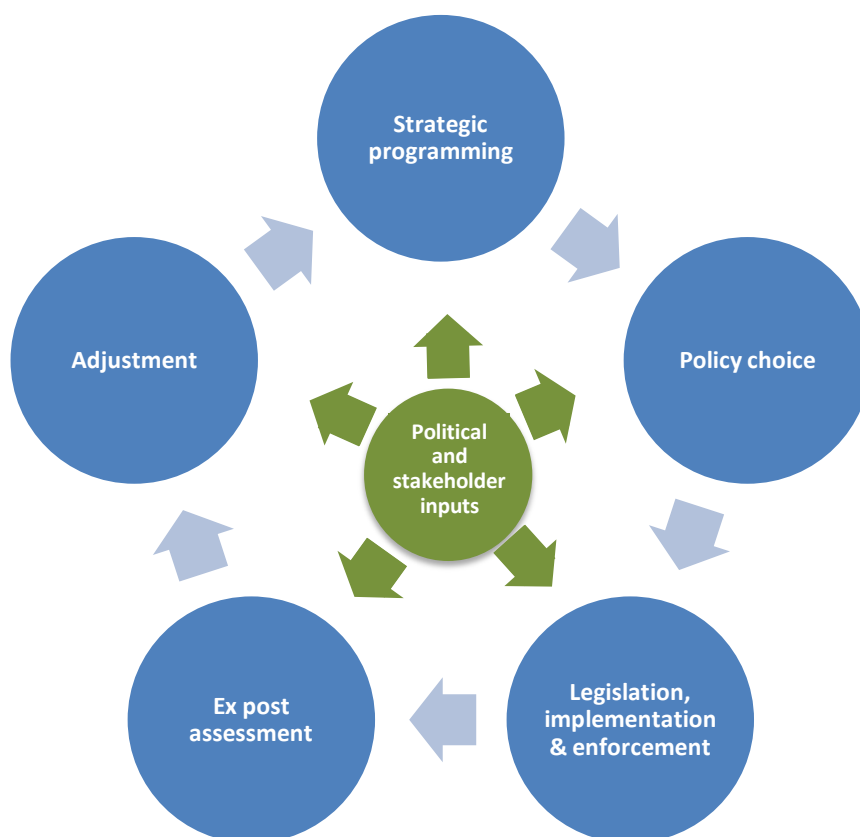
- Step 1: establish an **inventory of the policy objectives** of the policies of interest to policy-makers. This requires reviewing all the main policies pursued by a government and identifying all the explicit and implicit policy objectives; and,
- Step 2: develop a series of **screening matrices** which map all the interactions between the main policies of interest. In order to gain a deep understanding of the various synergies, sectoral expert input may be required.

Such a **synergy analysis** does not only assist policy-makers in a) better understanding how a particular policy under consideration may interact with other policies and b) identifying potential leveraging opportunities, but also provides useful information for the ex post assessment by identifying how the expected outputs and outcomes of a particular policy may also reflect the impact of other policies. Such a synergy analysis should form a natural part of a new 'strategic programming' phase of the performance-based policy cycle. (discussed below).

2.5. An enhanced performance-based policy cycle

We propose that an enhanced performance-based policy cycle is applied to all areas of the Single Market in order to assist with the robust development of Single Market policy. The key stages of such a cycle are outlined in Figure 7.

Figure 7: Key stages of the enhanced performance-based policy cycle



Note: Feedback from the ex post assessment and adjustment phases is applied to all of the other phases (not shown in the diagram in order to maintain clarity).

Source: London Economics.

The enhanced performance-based policy cycle improves on the previous development of this cycle by including:

- **strategic programming** as the first phase of the policy cycle, before the policy identification and choice phase;
- **information flows and feedback** from the assessment and adjustment phases to all the previous stages in the policy cycle, including the policy execution phase; and
- Emphasising the importance of **quantitative analysis** and **good data sources**.

Table 2: The enhanced performance-based policy cycle

Phase	Description
Strategic programming	<ul style="list-style-type: none"> ■ Identifying at a strategic level which areas should be the subject for most policy attention, based on: <ul style="list-style-type: none"> □ quantitative and qualitative analysis of the nature and extent of problems that need addressing; □ where the powers and ability to address those problems lie; □ the evidence base in regard to whether available policy instruments are likely to address those problems. ■ the development of a comprehensive logic map identifying synergies and conflicts with other policies
Policy identification and choice	<ul style="list-style-type: none"> ■ A clear articulation of the problem to be addressed by the policy intervention and the reasons why government should intervene, leading to an identification of policy objectives. ■ Identification and ex ante assessment of the main policy options against the objectives, compared to a comprehensive baseline or counterfactual scenario, and incorporating lessons from previous ex post assessments. ■ Consultation with stakeholders and coordination with all players in the decision-making process. ■ Decision on which policy to choose, taking into account ex ante assessment and the views of all parties in the decision-making process, in particular the European Parliament as the institution contributing democratic legitimacy to the process.
Legislation, implementation and enforcement	<ul style="list-style-type: none"> ■ Execution of the proposed policy, including decision-making on details and practicalities of law-making, policy implementation and enforcement and consulting with stakeholders. ■ Preparation of an evaluation and data collection plan.
Ex post evaluation and assessment	<ul style="list-style-type: none"> ■ Evaluation of whether EU law was properly implemented and enforced ■ independent ex post assessment of quantified impacts of the policy ■ the identification of success / failure factors; and ■ consultation with stakeholders.
Adjustment	<ul style="list-style-type: none"> ■ Application of lessons learned to new policies in the same (vertical feedback) or other (horizontal feedback) policy areas.

Source: London Economics.

2.5.1. Strategic programming

High level strategies ('strategic programmes') and political agendas are an important part of the policy development process. They set the **context** in which many individual policy choices are made. An important question in the literature on EU governance is therefore why certain issues are taken up for decision-making at the EU level while others are not¹⁶.

¹⁶ Princen (2007).

Since the influence of high level strategies on policy choices is strong, it is important that the concepts of performance-based policy-making are also applied at this early stage of the policy cycle. This issue has been discussed in a number of policy and academic papers. Banks (2009) emphasized that political systems should be 'open to evidence at each stage of the policy development 'cycle': from the outset when an issue or problem is identified for policy attention [...]'¹⁷. On a related note, Curristine et al. (2007) discussed the use of performance information in the budget process to improve longer-term decision making¹⁸. At the same time, the academic and empirical literature on 'agenda setting' has shown that high-level problem recognition and agenda-setting are 'inherently political processes in which political attention is attached to a subset of all possibly relevant policy problems'¹⁹. Jann and Wegrich (2007) also note that:

"Numerous policy studies have convincingly argued that the processes in the **preliminary stages of decision-making strongly influence the final outcome** and very often shape the policy to a larger extent than the final processes with the parliamentary arena (Kenis and Scheider 1991)." [our emphasis]

This suggests that whilst political inputs are important at the strategic programming stage, a **quantified evidence base** should also be an important input at this early stage.

The '**Better Regulation Package**' recognises a policy preparation ('planning') phase and refers to a new requirement for '**inception impact assessments**' for major initiatives. 'Major initiatives' include a wide range of initiatives, such as those included in the Commission Work Programme, REFIT items, new legislative proposals, any that are sensitive or important, **delegated and implementing acts** having significant impacts²⁰ and recommendations relating to the negotiation or conclusion of international agreements.

The guidelines require that the European Commission's work should 'focus on the Commission's priorities as reflected in the President's political guidelines and the Commission's annual work programmes'. Where a new initiative is planned in line with the Commission's priorities then it must be accompanied by an inception impact assessment (or a '**roadmap**' where impact assessment is not required) and must then obtain political validation (e.g. by a Commissioner or the college of Commissioners) before further work is undertaken on the initiative. The guidelines state that the inception impact assessment 'sets out in greater detail the description of the problem, issues related to subsidiarity, the policy objectives and options as well as the likely impacts of each option'. No clear guidance is given on whether the likely impacts should be quantified at the inception impact assessment stage. In addition, it appears that no assessment of potential impacts is required in the preparation of the President's political guidelines or the Commission's annual work programmes.

We therefore propose to explicitly incorporate a strategic programming stage into an **enhanced performance-based policy cycle** to extend the principles of rationale articulation and policy justification discussed within the context of the UK HMT Green Book policy cycle (see Section 2.3) to the process of setting high level and long-term policy priorities.

¹⁷ Banks (2009).

¹⁸ Curristine et al. (2007).

¹⁹ Jann & Wegrich (2007).

²⁰ There does not appear to be any specific definition of 'significant impacts' in this context and so this is likely to be at the discretion of the relevant Commission services.

Relevant questions include the following.

- Which are the most important **market failures** and **distributional problems** that need addressing by public authorities?
- What does the **evidence** suggest about which types of policies may be successful in addressing these issues?
- Can **existing strategic programmes** be amended to address these issues, or do new strategies need to be developed?

An important aspect of performance-based strategic programming is the identification of **interactions** between policies within a strategic programme and between strategic programmes. Where these interactions are beneficial (i.e. they involve synergies) that needs to be recognised so that they can be reinforced. In contrast, where the interactions are negative, policies and programmes need to be adjusted so that conflicts and their negative impacts are reduced or avoided.

2.5.2. Information flows and feedback

One important feature which characterises this, and some other, policy models is the emphasis on information flows in order to promote policy learning. All the key stages of the policy cycle can benefit from learning about what has worked previously in the same and in different contexts - in terms of the process of policy execution; the impacts of policies; and the achievement of policy objectives. A **vertical feedback** loop, as illustrated in Figure 8, shows the information flow from the assessment and adjustment stages to all of the previous phases in the policy cycle, including the policy execution phase.

Lessons learned through ex post assessment can inform future policy execution as well as future policy choices and strategic programming.

Figure 8: Vertical feedback in the enhanced performance-based policy cycle



Source: London Economics.

In addition to the vertical feedback loop, the enhanced performance-based policy cycle also allows for **horizontal feedback**. This is the process through which lessons learned in the ex post assessment of one policy can be applied not only in that policy area (vertical feedback) but in other policy areas too (horizontal feedback).

2.5.3. Importance of quantitative analysis and good data sources

Robust, evidence-based policy-making requires good data in order to be able to undertake comprehensive ex-ante assessments of the likely impacts of various programme or policy options, and ex post performance or effectiveness assessments of how the programme or policy actually worked and whether it achieved its intended outcomes²¹.

The objective is to draw, in a rigorous manner, on all relevant information, ex ante and ex post, qualitative and quantitative, when developing a particular policy. **Quantification** of outcomes is desirable and efforts should be made to use quantitative data whenever possible so as to provide greater clarity and transparency about the objectives of a policy and facilitate more objective ex-post assessments²². It is therefore essential that, during the ex-ante policy development and approval stage, a series of quantifiable indicators of **expected outputs and outcomes** are defined and that clear quantified targets be set for each of these indicators²³.

While the exclusive use of qualitative inputs limits the range of lessons that can be learned as a result of an ex-post performance assessment, as the success test to be used is much weaker²⁴, **qualitative data** (e.g. from stakeholder interviews or focus groups) is very useful to support and better understand the mechanisms underlying quantitative findings (e.g. why a certain outcome occurred). Moreover quantitative inputs and analysis may not always be available, either at all or within the timeframe foreseen for the production of the ex-ante assessments, in which case qualitative data plays an important role.

²¹ London Economics (2013b).

²² London Economics (2013b).

²³ London Economics (2013b).

²⁴ London Economics (2013b).

3. THE SINGLE MARKET GOVERNANCE TOOLBOX

KEY FINDINGS

1. Smart Single Market regulation relies on a variety of governance tools that are applied at all stages of the performance-based policy cycle. These include legal-based guidelines and assessment mechanisms; formal and informal cooperation mechanisms between the European Commission, the Member States and national authorities; and various assistance services for citizens and businesses.
2. On 19 May 2015, the European Commission published the 'Better Regulation Package', setting out the EU Agenda on better regulation for the coming years and providing guidelines on how to deliver better results for citizens and businesses through better EU rules.
3. Within the European Commission's Regulatory Fitness and Performance programme introduced in December 2012, the Commission is screening the entire stock of EU legislation on an ongoing and systematic basis to identify burdens, inconsistencies and ineffective measures as well as corrective actions.
4. Impact assessments play a crucial role in improving EU governance. In response to remaining concerns regarding the quality and objectivity of the IAs carried out by the European Commission, the Commission has announced that the Impact Assessment Board will be transformed into an independent Regulatory Scrutiny Board to strengthen the existing system of quality control.
5. Robust and consistent policy execution is crucial for ensuring a level playing field across the Single Market. A variety of cooperation mechanisms connecting Member States and the Commission and national authorities as well as assistance services for citizens and businesses are available to facilitate this, but a range of problems remain.
6. There are overlaps between the objectives, functions and target audiences of various assistance services, with a majority of tools focusing on either informing citizens and/or businesses about their EU rights (YE, YEA, EURES, EEN, ECC-Net) or solving disputes arising from breaches or misapplications of EU law (SOLVIT, ECC-Net, ADR/ODR, CPC Network).
7. The level of awareness of the various Single Market assistance services and the understanding of the services' scope and functions is very limited among both European citizens and businesses. Users often don't understand the complementarities and differences between the different tools.
8. Satisfaction levels among the consumers and businesses that do make use of the tools are reasonably high, with a majority of users being satisfied with the services provided. Most of the tools are easily accessible and are considered to provide useful information. The Your Europe Advice and IMI tools have particularly high levels of performance across a number of criteria.
9. However, there is room for improvement with regards to the effectiveness of the assistance services. In particular, long case handling periods (e.g. SOLVIT, ECC-Net) and limited expertise of network staff (e.g. EEN, EURES) lead to dissatisfaction with the services provided by the tools.

The European Commission defines Single Market governance as 'the set of mechanisms, rules and practices to design, implement, apply and enforce the Single Market regulatory framework'^{25,26}. In order to bridge remaining gaps in Single Market regulation and underpin the working of the Single Market, a variety of governance tools have been developed at both the EU and State level²⁷, which are put to use at all stages of the performance-based policy cycle introduced in Chapter 2. This Chapter presents an overview of existing Single Market governance tools, outlining which elements of the current EU Single Market governance toolbox work and which do not work.

3.1. Overview of existing Single Market governance tools

Single Market governance tools as defined within this report can be classified into the following categories:

- i) Legal-based guidelines and **assessment mechanisms** to assist in the ex ante assessment of potential new policies as well as ex post assessment of existing policies;
- ii) formal and informal **cooperation mechanisms**, both between the European Commission and the Member States and between national authorities; and
- iii) **assistance services** for citizens and businesses.

Note that this definition of Single Market governance tools is more encompassing than the definition advanced by the European Commission on its Single Market Scoreboard website in that it includes more traditional legal-based guidelines and assessment mechanisms used by EU institutions in addition to primarily network- and web-based cooperation mechanisms and assistance services.

Table 3 presents the Single Market governance toolbox as it exists today. In order to be more specific about the functions of the various tools, we adopted the partition of the policy execution stage into five interrelated sub-stages as suggested by the European Commission on its Single Market Scoreboard website: transposing, informing, enabling, connecting, and solving²⁸. The first step in implementing EU Single Market regulations consists of Member States **transposing** EU directives into national laws. Next, EU citizens and businesses have to be properly **informed** about their rights within the EU and **enabled** to make use of their rights. The **connection** stage of the policy execution phase seeks to foster cooperation between national authorities by linking them through pan-European networks to facilitate the handling of cross-border cases and the uniform application of Single Market legislation across the EU. Finally, the execution of Single Market regulation requires appropriate ways of **solving** disputes related to misapplication or breaches of EU law.

Although Table 3 clearly shows the partial overlap of governance tools with respect to type, policy stage and/or target audience, the various tools are insufficiently harmonised at the European level and information collected and generated by the tools is not centralised in one single institution.

²⁵ ClientEarth (2014).

²⁶ http://ec.europa.eu/internal_market/scoreboard/governance_cycle/index_en.htm.

²⁷ http://ec.europa.eu/internal_market/scoreboard/governance_cycle/index_en.htm.

²⁸ The Single Market Scoreboard defines a total of seven stages of the 'Single Market Governance Cycle'. Those include the five stages 'transpose', 'inform', 'enable', 'connect' and 'solve', which are referred to in the main text and which correspond to the implementation phase of the performance-based policy cycle defined in Chapter 2. In addition, the Single Market Scoreboard refers to the stages 'adopt' and 'evaluate', which broadly align with the 'Policy identification and choice' and the 'Assessment/Adjustment' phases of the performance-based policy cycle, respectively.

Table 3: The Single Market governance toolbox

Governance tool	Type of tool	Policy cycle stage	Target audience
Better Regulation Package	Assessment mechanism	All stages	Commission officials
REFIT	Assessment mechanism	Adjustment	European Commission, European Council, European Parliament, Member
Impact Assessments	Assessment mechanism	Policy identification & choice	European Commission, European Council & European Parliament
Indicators and Scoreboards	Assessment mechanism	Assessment	European Commission, European Council, European Parliament
Eurostat	Assessment mechanism	Assessment	European Commission, European Council, European Parliament
Court of Auditors Special Reports	Assessment mechanism	Assessment	Court of Auditors
Petitions	Assessment mechanism	Policy execution > solve	European citizens & European parliament
Transposition	Cooperation mechanism	Policy execution > Transpose	European Commission & Member States
Infringements	Cooperation mechanism	Policy execution > Transpose	European Commission & Member States
Internal Market Information System	Cooperation mechanism	Policy execution > Connect	National authorities
Consumer Protection Cooperation Network	Cooperation mechanism	Policy execution > Connect, Solve	National authorities
Market surveillance	Cooperation mechanism	Policy execution > Connect	National authorities

Governance tool	Type of tool	Policy cycle stage	Target audience
Your Europe	Assistance service	Policy execution > Inform	All EU nationals, residents in the EU & businesses with their seat in the EU
Your Europe Advice	Assistance service	Policy execution > Inform	All EU nationals, residents in the EU & businesses with their seat in the EU
European Employment Service	Assistance service	Policy execution > Inform	EU citizens
European Consumer Centre Network	Assistance service	Policy execution > Inform, Solve	Consumers in the EU
Enterprise Europe Network	Assistance service	Policy execution > Inform	Small companies with their seat in the EU
EUGO Points of Single Contact	Assistance service	Policy execution > Enable	Businesses with their seat in the EU or Switzerland
SOLVIT	Assistance service	Policy execution > Solve	All EU nationals, residents in the EU & businesses with their seat in the EU
Alternative and Online Dispute Resolution	Assistance service	Policy execution > Solve	EU consumers and businesses
Product Contact Points	Assistance service	Policy execution > Inform	EU businesses

Source: London Economics based on European Commission Single Market Scoreboard and London Economics (2013a).

3.2. State of play: The effectiveness of existing Single Market governance tools

The following sections look at the effectiveness of the Single Market governance tools introduced above. Most of the data is drawn from the European Commission Single Market Scoreboard, a reporting system introduced in July 2013 that publishes performance indicators for several Single Market tools on a single online platform²⁹. However, the Single

²⁹ European Commission Single Market Scoreboard : http://ec.europa.eu/internal_market/scoreboard/performance_by_governance_tool/youreurope/index_en.htm [accessed 15 April 2015].

Market Scoreboard covers only the more web-based cooperation mechanisms and assistance services³⁰, but not the more traditional assessment mechanisms used by EU institutions. For most of the governance tools assessed within the Commission's Single Market Scoreboard, the latest available reporting period is 2013.

It is worth noting that some of the performance indicators from the Single Market Scoreboard presented in the following sections refer to high-level averages only, and don't take account of the considerable differences between Member States and/or the fact that levels of effectiveness of the tools vary across the different policy areas in the Single Market.

3.2.1. Assessment mechanisms used by EU institutions

a. The Better Regulation Package

On 19 May 2015, the European Commission published the 'Better Regulation Package'³¹, setting out the EU Agenda on Better Regulation for the coming years and providing guidelines on how to deliver better results for citizens and businesses through better EU rules. The package aims at designing EU policies and laws so that they achieve their objectives at minimum cost and seeks to ensure that political decisions are prepared in an open, transparent manner, informed by the best available evidence and backed by the comprehensive involvement of stakeholders.

To this end, the Package includes Better Regulation guidelines on six topics:

- Guidelines on planning
- Guidelines on impact assessment
- Guidelines on preparing proposals, implementation and transposition
- Guidelines on monitoring
- Guidelines on evaluation and fitness checks
- Guidelines on stakeholder consultation

In addition, the Better Regulation 'Toolbox' presents a comprehensive array of additional guidance to assist practitioners in the application of Better Regulation³².

Further details on the Better Regulation Package are provided in Section 4.1.

b. REFIT

REFIT is the European Commission's Regulatory Fitness and Performance programme. Initiated in December 2012, the programme aims at simplifying EU law and reducing regulatory burdens. Under REFIT, the Commission is screening the entire stock of EU legislation on an ongoing and systematic basis to identify burdens, inconsistencies and ineffective measures and identified corrective actions³³.

Implementation progress achieved under the REFIT programme is assessed in an annual scoreboard. The second edition of the REFIT scoreboard, published in May 2015 as an accompanying document to the Better Regulation package, shows the state of play in

³⁰ With the exception of the EEN, all assistance services discussed in this report are evaluated within the Single Market Scoreboard website.

³¹ http://ec.europa.eu/smart-regulation/index_en.htm.

³² http://ec.europa.eu/smart-regulation/guidelines/docs/br_toolbox_en.pdf.

³³ http://ec.europa.eu/smart-regulation/refit/index_en.htm.

implementing 164 initiatives for simplification and regulatory burden reduction identified by the Commission and provides an overview of smart regulation efforts in 2014-2015.

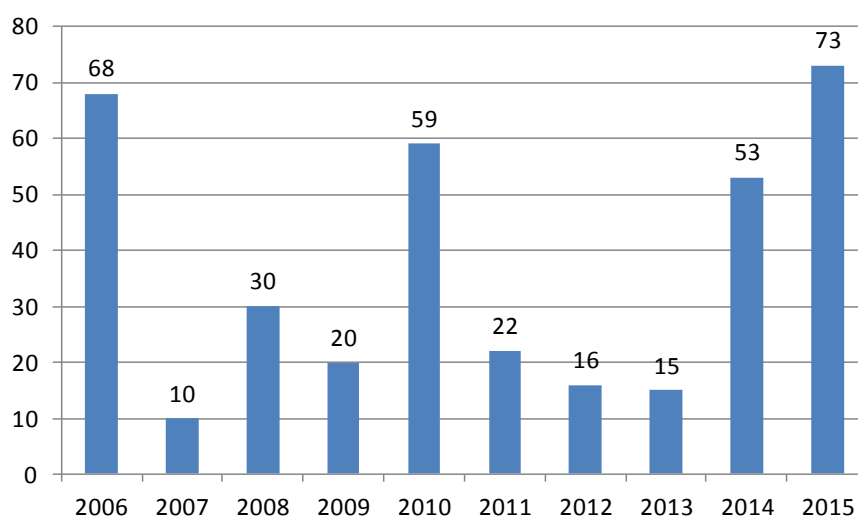
The document notes that since the inception of the programme end 2012, REFIT has achieved the following results:

- 58 legislative initiatives have been proposed by the Commission under REFIT; of those 25 have been adopted by the legislator and 22 have been implemented on the ground in Member States. These 58 legislative initiatives contain 17 exemptions or lighter regimes for SMEs.
- 2 measures have been repealed, while 4 measures are still pending repeal with the legislator, 10 proposals have been withdrawn, 11 evaluations and Fitness Checks have already delivered results and 31 evaluations and Fitness Checks are planned to be concluded in 2015³⁴.

Within the REFIT programme, the Commission also regularly withdraws pending proposals that are either outdated or not supported by the legislator. Out of 73 pending proposals withdrawn on February 2015, six had been identified through the REFIT programme itself. Since end 2012, the Commission withdrew 141 proposals which were pending in legislative procedure. Within its Work Programme for 2015 alone, the Commission withdrew 73 pending proposals on 25 February 2015. Six of those withdrawals had been identified through the REFIT programme. 2 further proposals may be withdrawn in June 2015 if no agreement in legislative procedure can be reached. Proposals withdrawn in 2015 include Investor Compensation schemes, the Statute for a European Foundation and European Tourism Quality Principles³⁵.

Figure 9 shows the number of proposals withdrawn by the commission between 2006 and 2015.

Figure 9: Proposals withdrawn by the Commission



Source: REFIT website³⁶.

On 19 May 2015, the Commission decided to set up a REFIT Platform to involve Member States and stakeholders in an ongoing dialogue on how to improve EU legislation in the

³⁴ European Commission (2015c).

³⁵ European Commission (2015c).

³⁶ http://ec.europa.eu/smart-regulation/refit/index_en.htm.

context of the Regulatory Fitness and Performance Programme. Paragraph three of the 'Commission Decision of 19 May 2015 establishing the REFIT Platform' foresees that the platform should 'invite, collect and assess suggestions from all available sources, including from members of the Platform, on how to reduce regulatory and administrative burden. It should request comments from the Commission service or Member State concerned on the suggestions considered most likely to simplify existing Union legislation and its application in Member States, thereby reducing regulatory burden associated with Union legislation. This includes suggestions relating to the administrative and broader compliance costs placed on citizens, public administration and business, particularly micro-enterprises, and small and medium-sized enterprises (SMEs), arising from Union legislation and its implementation in Member States'³⁷.

The Better Regulation package further strengthens the REFIT programme. In particular, REFIT should become more *targeted* by focusing on the most serious sources of inefficiency and unnecessary burden, and more *quantitative* through the inclusion of estimates of the potential benefits and cost savings in each REFIT proposal. Furthermore, the Better Regulation Communication foresees REFIT to be more *inclusive*, with the new REFIT Platform serving as an invaluable source of suggestions to improve EU laws, and more *embedded* in political decision-making³⁸.

c. Impact assessments

Impact assessments (IAs) form a crucial part of the performance-based policy cycle, and, when appropriately done, 'will provide all the information required for being able to implement a full, rational and performance-focused policy cycle'³⁹. Ex ante assessments occur at a relatively early stage of the governance cycle, at the time when proposals are being developed.

The European Commission uses impact assessments to measure potential economic, social and environmental impacts that a proposed Commission initiative may have, before it is implemented⁴⁰. The 2009 revisions of the Impact Assessment Guidelines require the Commission to add an Impact Assessment to all important initiatives with far-reaching impacts. The Impact Assessment guidelines within the 'Better Regulation Package', published by the European Commission on 19 May 2015, reinstate this principle, saying IAs have to be carried out for all 'initiatives that are likely to have significant economic, environmental or social impacts'⁴¹. In practice, all legislative proposals, both those that are recorded in the Commission's Legislative and Work Programme and those that are not, as well as important non-legislative proposals, delegated acts and implementing measures have to be accompanied by an Impact Assessment, taking into account the principle of proportionate analysis⁴². The 'Better Regulation Package' includes some detailed guidelines on how to conduct impact assessments and provides additional guidance on the application of impact assessments in its Better Regulation 'Toolbox' (see also Section 4.1).

Figure 10 shows the evolution of the total number of impact assessments submitted by the EC DGs to the EC Impact Assessment Board between 2007 and 2014. It reveals that there

³⁷ European Commission (2015c).

³⁸ European Commission (2015a).

³⁹ London Economics (2013b)

⁴⁰ European Commission's Single Market Scoreboard:

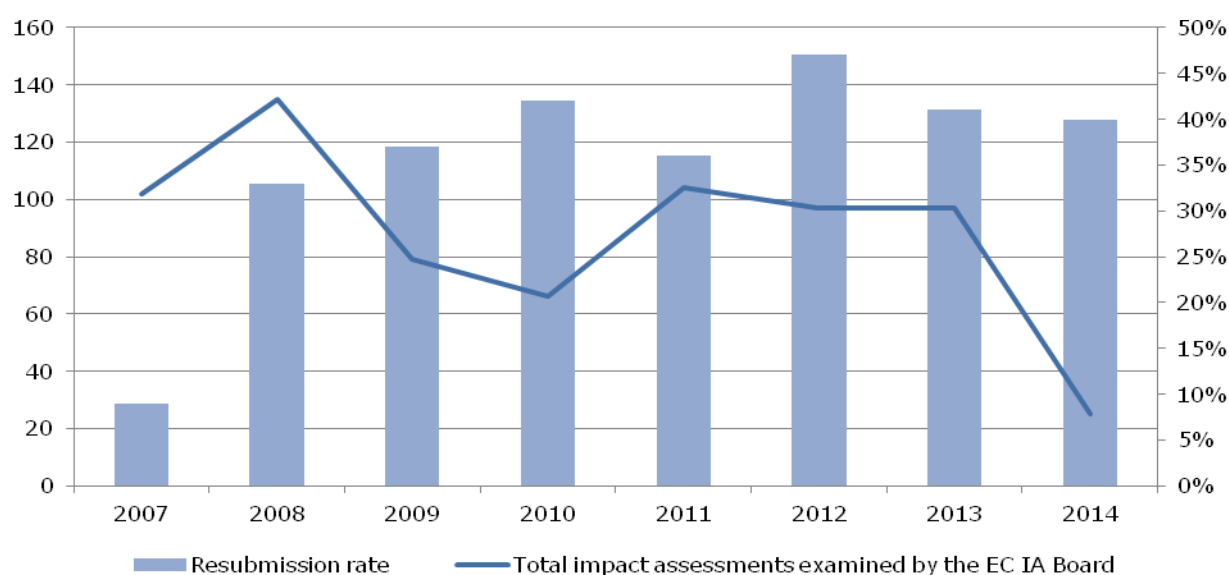
http://ec.europa.eu/internal_market/scoreboard/governance_cycle/evaluate/index_en.htm

⁴¹ European Commission (2015)

⁴² European Commission (2015); London Economics (2013b)

was a substantial drop in IAs in 2014. This is due to changes in the European Commission structure and ERP legislature⁴³.

Figure 10: Quality of Impact Assessments examined by the EC Impact Assessment Board



Source: Impact Assessment Board.

The quality of the EC's Impact assessments is assessed by the EC Impact Assessment Board, the EP's IA unit and, to a lesser extent, the European Court of Auditors (ECA). As announced in December 2014, a new Regulatory Scrutiny Board will take the place of the existing Impact Assessment Board and will have a strengthened role. Contrary to the past, the Board will also check major evaluations and "fitness checks" of existing legislation⁴⁴.

Taking into account the views from the different EU bodies that assess the quality of the Commission's IAs, a study on performance-based policy conducted by London Economics in 2013⁴⁵ concluded that while the IA framework seems to be robust, there is substantial room for improvement of the quality of the actual IAs. It therefore remains to be seen how the IA guidelines developed within the 'Better Regulation Package' 2015 (see also Chapter 4.1.2) will be reflected in the quality of future IAs.

Moreover, the study found that the Commission's impact assessments only make very limited use of quantified analysis in impact assessments. When assessing how well individual Digital Single Market initiatives met the requirements of a performance-based policy cycle, the authors found that less than half of the DSM IAs under consideration used 'any type of hard data (i.e., quantitative data from primary sources such as national statistical organisations or private data providers or data gathered specifically for the IA)⁴⁶. However, soft data such as the results of stakeholder consultations or focus groups were well used in all IAs.

⁴³ http://ec.europa.eu/smart-regulation/impact/key_docs/docs/iab_stats_2014_en.pdf.

⁴⁴ European Commission (2015b).

⁴⁵ London Economics (2013b).

⁴⁶ London Economics (2013b).

The EC Impact Assessment Board's 2014 statistics⁴⁷ confirm this result and indicate that 40% of all draft IAs submitted by the EC DGs to the Board were considered to be of insufficient quality and sent back for improvement. The Board recommended that the DGs should:

- define the problem at hand more clearly;
- develop the analysis of impacts; and
- better present the different options.

Note that those comments only relate to the quality of EC draft submissions, and not directly the quality of the final IAs.

In June 2011, the European Parliament also stressed the need for further improvements to the IAs undertaken by the Commission and commented the European Parliament's lack of trust in the objectivity of the assessments undertaken by the Commission, noting that the European Parliament "regards the Commission IAs as mere justifications of the Commission's proposal, lacking unbiased analysis of the different possible options"⁴⁸.

The resolution provided the ground for the formation of a special impact assessment unit within a newly created EP Directorate General for Impact Assessment and European Value Added. The tasks of this unit are to assess the quality and independence as well as some formal criteria of the IAs prepared by the European Commission. The unit also tasks external experts with carrying out IAs of any 'substantive amendments' being considered by a parliamentary Committee⁴⁹.

The Commission communication accompanying the 'Better Regulation Package' calls on the European Council and European Parliament to carry out an impact assessment on any substantial amendments that the European Parliament or the Council propose during the legislative process⁵⁰. The joint commitment of the European Parliament, the European Council and the European Commission to integrate impact assessments into the legislation process was enshrined in the 'Interinstitutional agreement on better lawmaking' of 2003 and the 'Interinstitutional Common Approach to impact assessment' adopted in the July 2006 Conference of Presidents. In addition, the European Parliament adopted a Resolution on guaranteeing independent impact assessments in June 2011, emphasizing the importance of good and robust impact assessments as a policy instrument and highlighting how the European Parliament should make greater use of IAs⁵¹. However, so far only the European Commission and at times the European Parliament are actively involved in undertaking IAs⁵². For example, between 2007 and 2014, the Commission produced over 700 impact assessments, while in the same period, the European Parliament assessed the impact of around 20 of its amendments, and the Council assessed none.

d. Indicators and scoreboards

The use of quantitative indicators to better define desired policy outputs and outcomes forms a crucial part of the performance-based policy cycle described in Chapter 2. In order to be able to undertake robust ex post performance assessments of any policy, it is essential that, during the ex ante policy development and approval stage, a series of

⁴⁷ http://ec.europa.eu/smart-regulation/impact/key_docs/docs/iab_stats_2014_en.pdf.

⁴⁸ Poptcheva (2013b) ; see also London Economics (2013b).

⁴⁹ London Economics (2013b).

⁵⁰ European Commission (2015a).

⁵¹ London Economics (2013b).

⁵² London Economics (2013b).

quantifiable indicators of expected outputs and outcomes are defined and that clear quantified targets be set for each of these indicators⁵³.

Scoreboards of national performance, as measured by these indicators, allow for a regular monitoring of how much progress has been made in implementing the Single Market agenda and help identify which parts of the Single Market are not performing. Several scoreboards published by the European Commission are concerned with Single Market legislation.

The **Single Market Scoreboard (SMS)** aims to give an overview of the practical management of the Single Market. Initially conceived as a monitoring tool to address the issue of timely and correct transposition of EU legislation, the scope of the SMS has been expanded in 2013 to assess the performance of the cooperation mechanisms and assistance services underpinning the working of the Single Market described in Sections 3.2.2 and 3.2.3. The SMS provides 'traffic light charts' on the governance tools and shows how Member States have performed as regards those governance tools that have been monitored on the basis of selected indicators in each area. In addition, the European Commission has introduced 'traffic light charts' and reports on national performance by policy area, which are again based on clear, pre-defined indicators. However, the Single Market Scoreboard currently only features a very limited number of areas (public procurement and postal services).

An example of the material in the SMS is provided in Figure 11.

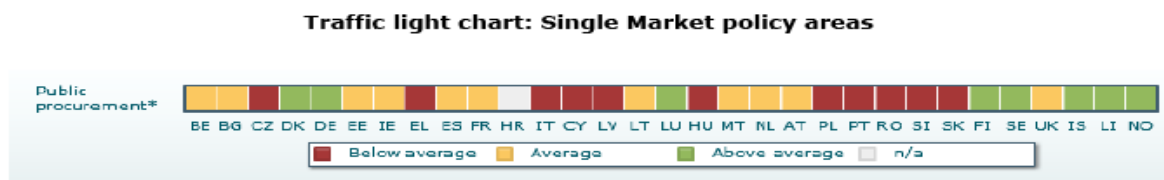
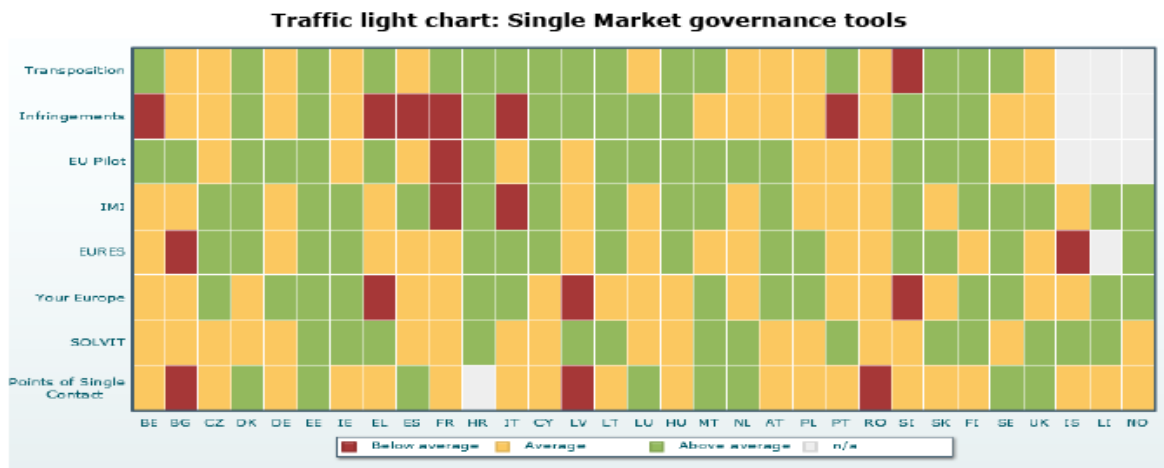
⁵³ London Economics (2013b).

Figure 11: Example of material from the Single Market Scoreboard

Single Market Scoreboard

Performance overview

(Reporting period: 2013 - 2014)
(edition 04/2015 - Transposition and Infringements update)



* This composite indicator does not capture many key aspects of national public procurement, and thus gives only a partial view of member states' performance.

Source: European Commission.

http://ec.europa.eu/internal_market/scoreboard/docs/2015/04/2015-04-performance-overview.pdf.

The Consumer Markets Scoreboard (CMS) tracks consumer conditions in 52 goods and services consumer markets. The CMS is based on a perception-based set of indicators⁵⁴. It reports six measures of consumer experience across EU Member States: i) ease of comparison; ii) consumers' trust in consumer protection rules; iii) problems experienced and related complaints; iv) consumer satisfaction; v) choice of retailers/providers; and vi) switching of tariffs/providers.

⁵⁴ CEPS (2014a); CEPS (2014b).

Figure 12: Example of material from the Consumer Markets Scoreboard



Source: European Commission.

http://ec.europa.eu/consumers/consumer_evidence/consumer_scoreboards/10_edition/docs/cms_10_chess_scoreboard_en.pdf

A 2014 study conducted by the Centre for European Policy Studies (CEPS) on behalf of the IMCO Committee analyses the possibility and challenges of defining indicators for measuring the economic and regulatory performance of the Single Market and provides the necessary elements for identifying the indicators.

The study presents a variety of economic indicators and evaluates them according to the criteria of causality, significance and feasibility. The authors conclude that while price convergence might be the most appropriate variable for measuring economic performance of the Single Market, a set of economic indicators is probably the best option to serve as a monitoring and assessment tool, as it might compensate for the drawbacks of single indicators. The additional variables analysed by the authors include trade flows, share of foreign workers, interest rates and FDI⁵⁵.

The authors further develop a composite indicator of the regulatory performance of the Single Market from which policy recommendations could be drawn, which is

- 'actionable (capable of both informing policy-makers and triggering policy interventions)

- covers both the legal texts and the actual effects on EU citizens and companies
- focuses on policy outputs, as opposed as to inputs and processes which are already sufficiently covered by existing tools; and
- remains focused on the performance of the Single Market⁵⁶.

The study maintains that while the SMS can be considered as 'a best-practice for monitoring and evaluating compliance of Member States with Single Market obligations, in view of triggering improvements and a catch-up process among countries'⁵⁷, the underlying indicators primarily focus on policy inputs and processes, but not policy outputs.

e. Eurostat

The majority of the indicators presented in the latest available edition of the Single Market country reports (2012) as well as many of the economic indicators suggested in the 2014 study on indicators for Single Market performance evaluation published by the IMCO Committee in 2014 make use of Eurostat data⁵⁸. These include indicators related to the free movements of goods and services, free movement of capital, free movement of people and labour as well as general governance indicators such as e-government.

Using Eurostat as a tool for the collection of Single Market performance data bears the advantages of harmonised underlying statistical methods across Member States and of direct data provision by the national governments. However, specific Single Market performance indicators are not yet institutionalised within Eurostat. For example, price convergence is measured by Eurostat through the coefficient of variation of comparative price level index for private household consumption, at purchasing power parity (PPP), which includes consumer spending on non-tradable goods such as housing and is therefore not specific to areas affected by Single Market regulation⁵⁹. Another issue is product-level comparability: 'the basket of products may include different products depending on country-specific consumers' tastes'⁶⁰. Moreover, the latest statistical classification of economic activities used by Eurostat (NACE Rev. 2) does not group economic activities directly into different Single Market areas⁶¹. For example, there is no direct way of obtaining indicators on the free movements of goods within the Digital Single Market, and as such data for measuring economic and regulatory performance in the different Single Market areas may be partially lacking. The creation of indices, product baskets or groups of economic activities that are more directly related and exposed to Single Market effects would therefore be desirable.

f. Court of Auditors special reports

The European Court of Auditors (ECA) carries out ex post assessments of EU legislation in relation to verifications of whether EU funds have been properly used or, to a lesser extent, to assess the performance of EU programmes and EU legislation⁶².

In 2015, the ECA plans to publish 35 special reports, representing an increase on those published in 2014. The priorities of performance audits in 2015 include: the financial and

⁵⁵ CEPS (2014a).

⁵⁶ CEPS (2014a).

⁵⁷ CEPS (2014a).

⁵⁸ CEPS (2014a).

⁵⁹ CEPS (2014a).

⁶⁰ CEPS (2014a).

⁶¹ London Economics (2013b).

⁶² London Economics (2013b).

economic governance framework; the Europe 2020 strategy; the closure of the 2007-2013 programming period and the Multiannual Financial Framework; disaster preparedness and response at the EU level; youth employment; and energy security⁶³.

g. Petitions

Article 227 of the TFEU establishes that EU citizens can lodge a petition to the Committee on Petitions of the European Parliament if they perceive that their rights under the EU treaties have been breached. The Committee then verifies whether the claims are substantiated, and if they are, attempts to solve the issue through non-judicial and non-legislative remedies⁶⁴.

CEPS report that 'Each year, the Committee reports on its activities and on the areas on which it has heard and discussed petitions. Petitions may also concern the alleged breach of rights and freedoms linked with the Single Market. In 2013, the following areas of the Single Market acquis were mentioned: property rights, environmental regulation, the right of free movement including the portability of pensions, the mutual recognition of civil status documents and consumer rights. However, no statistics could be found on petitions submitted, substantiated and processed per policy area or economic sector. If disaggregated data were available, it could be possible to spot whether certain areas of the Single Market acquis generate a significant number of petitions and might thus be worthy of further monitoring or policy intervention'⁶⁵.

3.2.2. Cooperation mechanisms between the European Commission and the Member States

a. Formal and informal cooperation between the European Commission and the Member States

i. Transposition

Member States are to **transpose** EU law into national legislation within a specified timeframe. In order to ensure that Member States transpose new rules completely, correctly and by the deadline set out in the directive, Member State's enforcement performance has to be monitored. The process of 'transposition monitoring' involves capturing the transposition deficit, the difference between the amount of Single Market directives adopted in EU legislation and the number of Single Market directives transposed in Member States, as well as the compliance deficit, the number of inadequately transposed directives. Transposition monitoring is an important step in ensuring that Single Market legislation at the EU-level has its intended effects in that it encourages Member States to improve enforcement performance and provides an overview of (geographical or topical) areas where transposition is incomplete or incorrect.

⁶³ http://www.eca.europa.eu/en/Pages/home_wp2015.aspx.

⁶⁴ Centre for European Policy Studies (2014a).

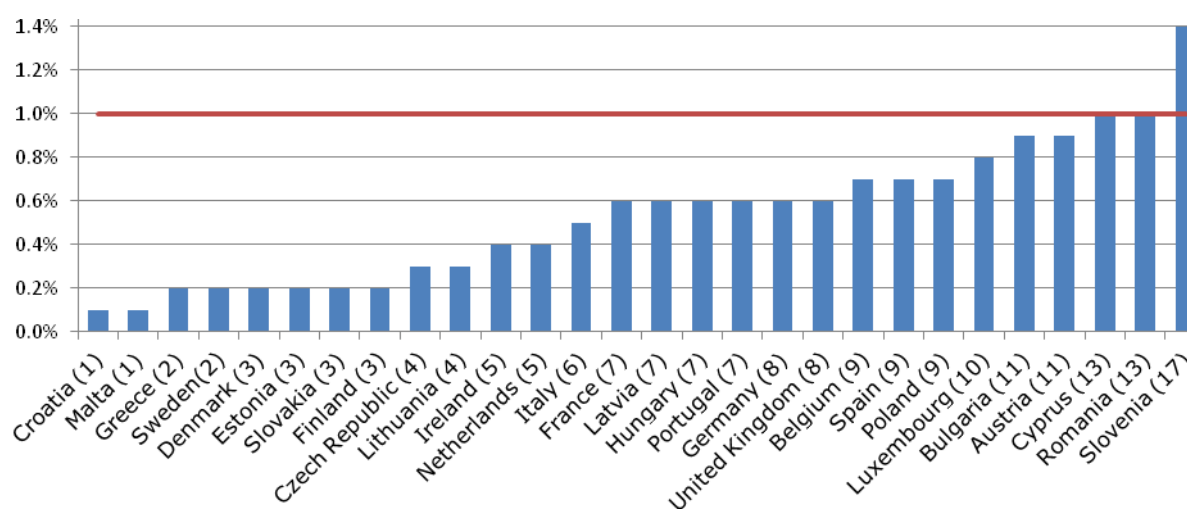
⁶⁵ Centre for European Policy Studies (2014a).

The transposition performance of Member States is monitored by the European Commission by means of two indicators. The transposition deficit, measured as the percentage of all directives that have not (yet) been transposed, relates to the timeliness aspect of the transposition process⁶⁶. The compliance deficit, defined as the percentage of directives that have been transposed incorrectly, refers to the quality of the transposition process.

Figure 13 depicts the transposition deficit by Member State as of 10 November 2014. It reveals that nearly all Member States have been sufficiently quick in transposing new directives into national law during the reporting period, with Slovenia being the only Member State not achieving the 1% target. The average percentage of not yet transposed directives amounts to 0.5%, which represents a drop from the 0.6% registered in the two last reporting periods (November 2012 and May 2013) and constitutes the lowest level of transposition delays recorded since the creation of the EU.

The Commission proposed a 0.5% target in the 2011 Single Market Act.⁶⁷ Three member States meet this target and a further six Member States are very close to it at 0.6%. This suggests that most Member States could meet the target with a small amount of additional effort.

Figure 13: Transposition deficit by Member State



Note: Transposition deficit of Member States as of 10 November 2014.

Source: European Commission's Single Market Scoreboard⁶⁸.

The latest drop of Member States' transposition deficits is in line with a longer run trend in rising transposition speed across the EU. Since 1997, the transposition deficit has been decreasing steadily from an original average of 6.3% in November 1997 to 0.5% in November 2014.

The Commission attributes this improved performance to a number of factors, including a **strong political commitment** in most Member States and also the introduction of

⁶⁶ http://ec.europa.eu/internal_market/scoreboard/performance_by_governance_tool/transposition/index_en.htm

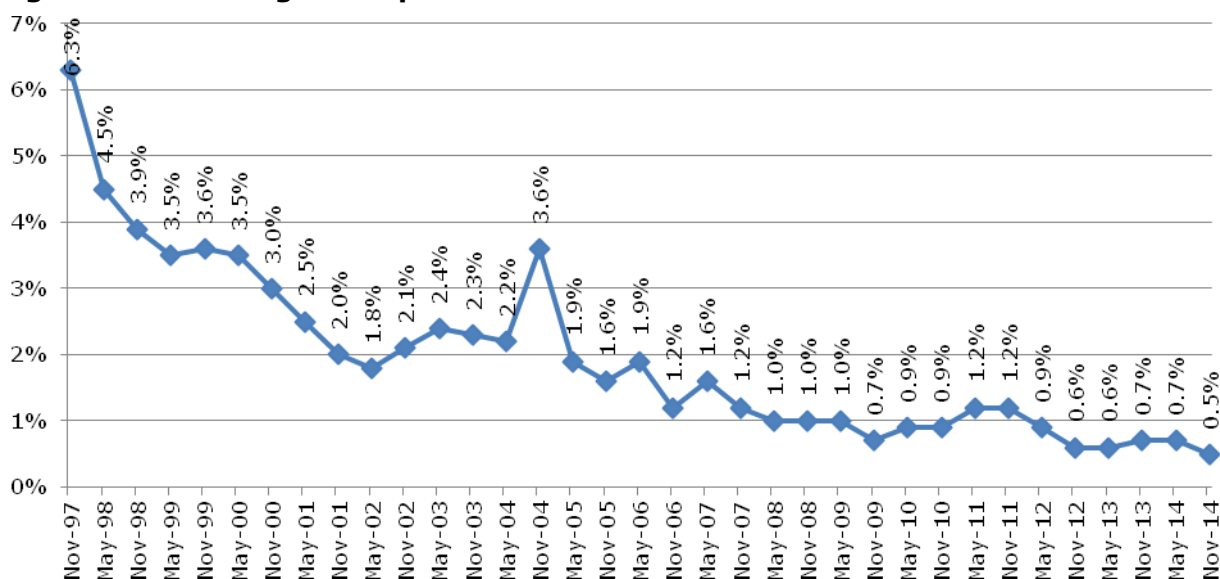
⁶⁷ <http://eur-lex.europa.eu/legal-content/EN/TXT/PDF/?uri=CELEX:52011DC0206&from=EN>.

⁶⁸ http://ec.europa.eu/internal_market/scoreboard/performance_by_governance_tool/transposition/index_en.htm

effective administrative procedures and **improved coordination**. The **targets** for the transposition deficit and the availability of **financial sanctions**⁶⁹ have also played a role.

However, it is important to note that the transposition deficit recorded in Figure 14 represents an average. As shown in Figure 13, **the transposition deficit still varies considerably between Member States**. Even more importantly, some particular areas of the Single Market remain more fragmented. For example, a total of 11 Member States had not transposed the VAT Directive as of May 2015, although the directive should have been transposed by all Member States by 2013.

Figure 14: Average transposition deficit over time



Source: European Commission’s Single Market Scoreboard⁷⁰.

The European Commission’s Single Market Performance Scoreboard includes further indicators of the timeliness of Member State’s transposition efforts⁷¹. These include a measure of transposition progress, quantifying the change in the number of non-transposed directives in the course of the last six months, the number of directives that have been overdue for a long time (two years or more), and the average transposition delay for overdue directives in months. Table 4 provides the latest available performance of Member States in these three areas.

Table 4: Indicators of the timeliness of Member State’s transposition efforts

Country	Progress over the last 6 months	Number of long overdue directives (2 years or more)	Number of directives not notified	Average transposition delays
Austria	-7	1	11	12.6
Belgium	-7	0	9	7.9
Bulgaria	4	0	11	5
Croatia	0	0	1	5.2

⁶⁹ Available under Article 260(3) TFEU.

⁷⁰ European Commission (undated).

⁷¹ http://ec.europa.eu/internal_market/scoreboard/performance_by_governance_tool/transposition/index_en.htm.

Country	Progress over the last 6 months	Number of long overdue directives (2 years or more)	Number of directives not notified	Average transposition delays
Cyprus	-3	0	13	6.9
Czech	-2	1	4	12.5
Denmark	1	1	3	3.7
Estonia	0	0	3	5.6
Finland	-1	1	3	9.5
France	0	0	7	7.7
Germany	-2	1	8	15.5
Greece	0	1	2	4.6
Hungary	0	0	7	7.5
Ireland	-2	0	5	20
Italy	-3	0	6	7.9
Latvia	0	0	7	8.1
Lithuania	-1	1	4	7.9
Luxembourg	-2	0	10	12.1
Malta	-1	0	1	10.3
Netherlands	0	0	5	16.4
Poland	-3	0	9	11.2
Portugal	-3	0	7	7.6
Romania	-1	0	13	10.7
Slovakia	-4	0	3	6.1
Slovenia	0	0	17	11.4
Spain	1	1	9	8.3
Sweden	-3	0	2	9.8
United Kingdom	4	1	8	7.2

Source: European Commission's Single Market Scoreboard⁷²

The number of outstanding directives (progress over 6 months indicator) improved overall over the 6 month period from May to November 2014 with 16 Member States decreasing their number of outstanding directives and 4 Member States increasing the number. Continuing efforts are needed to prevent increases in the deficit.

⁷² http://ec.europa.eu/internal_market/scoreboard/performance_by_governance_tool/transposition/index_en.htm.

The European Council set up a 'zero tolerance' target for long overdue directives in 2002. Given this, performance is poor in this area. Nine Member States each have one long overdue directive and this is an increase in 5 between May and November 2014. The European Commission also consider that a further 4 directives are at risk of being added to this list in 2015.

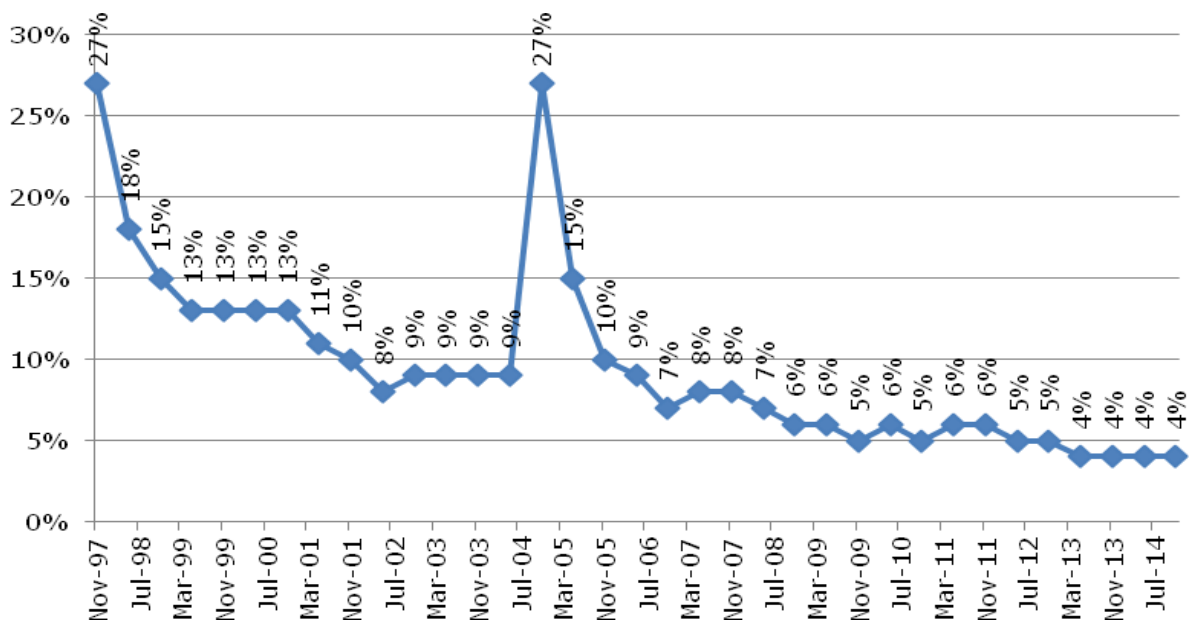
Average transposition delays also increased between May and November 2014 from 7.5 months to 9.2 months, partly as a result of the continuing number of long overdue directives.

The **incompleteness rate**, a measure of the extent of the realization of Single Market principles at the EU aggregate level, is depicted in Figure 15. The incompleteness rate reports the number of Single Market directives that have not been implemented by one or several Member States as a percentage of the total number of Single Market directives, and thus captures the extent to which Single Market legislation is not a reality in the European Union.

The incompleteness rate has remained at 4% for the fourth consecutive reporting period between May and November 2014. Given that a total number of published Single Market directives amounted to 1246 in November 2014, this represents a total of 45 directives that have not been implemented by one or several Member States. Again, it is important to note that the downward trend registered in Figure 15 does not take place in all areas of the Single Market. The main problem areas identified by the European Commission are employment and social policy (with 6 non-transposed directives out of 74), financial services (4 out of 70) and energy and energy efficiency (4 out of 19).

The obvious spike in the number of non-transposed directives in 2004 is due to the accession of ten new Member States⁷³ to the EU in that year.

Figure 15: Single Market Incompleteness rate over time



Source: European Commission's Single Market Scoreboard⁷⁴.

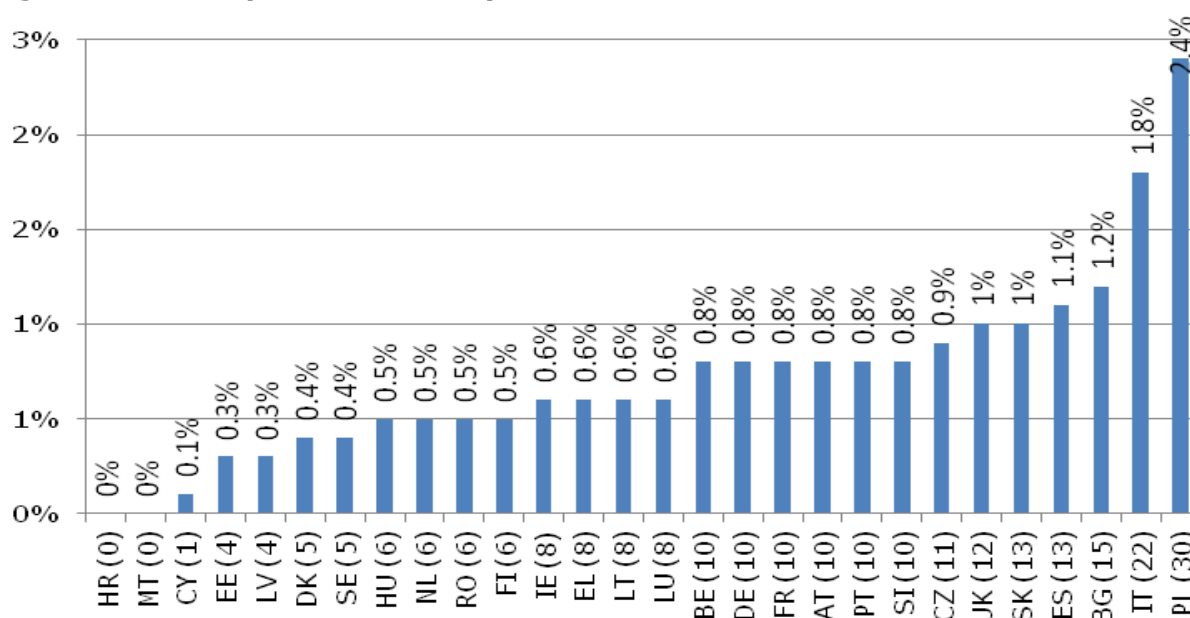
⁷³ Cyprus, Czech Republic, Estonia, Hungary, Latvia, Lithuania, Malta, Poland, Slovakia, Slovenia.

⁷⁴ European Commission (undated).

With regard to the correctness of transposition efforts undertaken by Member States, the average **compliance deficit** is stable at 0.7% and 11 countries have a compliance deficit of 0.5% or less and so meet the target suggested in the 2011 Single Market Act⁷⁵. Poland, Italy, Bulgaria, Spain, Slovakia and the UK still have compliance deficits of 1% or above and so there is still room for improvement from these Member States before the 0.5% target is met.

Note that the compliance deficit is measured as the ratio of the number of transposed directives with ongoing infringement proceedings for non-conformity and the number of transposed⁷⁶ Single Market measures. Given that the definite decision on whether a Member State has incorrectly transposed a directive will depend on the verdict of the European Court of Justice, the number of actually non-compliant transpositions might turn out to be lower than depicted in Figure 16.

Figure 16: Compliance deficit by Member State



Note: Compliance deficit as of November 2014. Number of incorrectly transposed directives in brackets.

Source: European Commission's Internal Market Scoreboard.

ii. Infringements

The correct application of Union law across the EU does not only requires the Member States to transpose directives into national law in an appropriate manner, but also necessitates the correct (direct) application of Treaty articles, regulations, and decisions as well as of those parts of directives that do not have to be transposed into national laws.

The European Commission can open a formal infringement proceeding at the European Court of Justice for both the cases of late/wrong transposition and misapplication/breaches of EU law. This process can only be started after a letter of formal notice has been sent to the Member State and no satisfactory solution could be achieved.

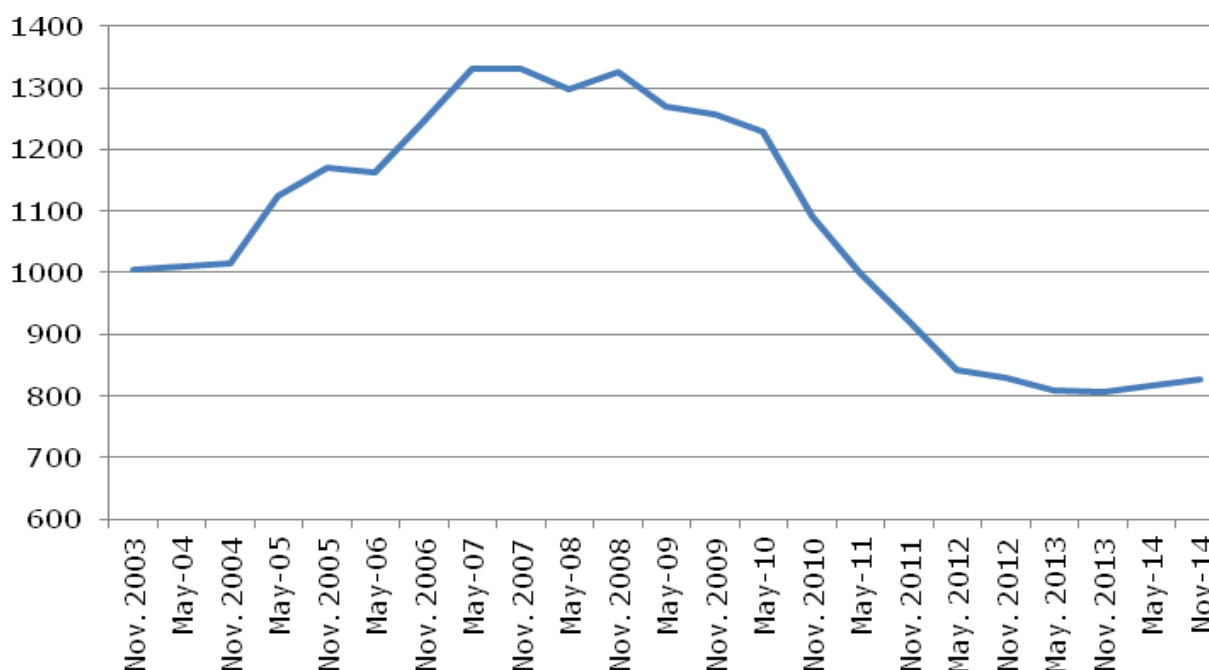
⁷⁵ http://ec.europa.eu/internal_market/scoreboard/performance_by_governance_tool/transposition/index_en.htm.

⁷⁶ 'transposed' or 'not requiring any further implementation measures'.

As of November 2014, 35.6% of infringement cases were for late transposition, 17.4% of cases for incorrect transposition, 20.7% for the wrong application of directives and 26.3% for the wrong application of Treaty articles, regulations and decisions.

The statistics on infringement cases reported on the European Commission’s Single Market Scoreboard website exclude the numbers of cases relating to late transposition of directives. However, since cases for incorrect transposition have not been excluded, only the aggregate number of infringements as of November 2014 can be attributed clearly to either transposition failures or breaches of law. The infringement statistics therefore do not allow for a clear separation between the stages of ‘transpose’ and ‘solve’ of the Single Market Governance cycle.

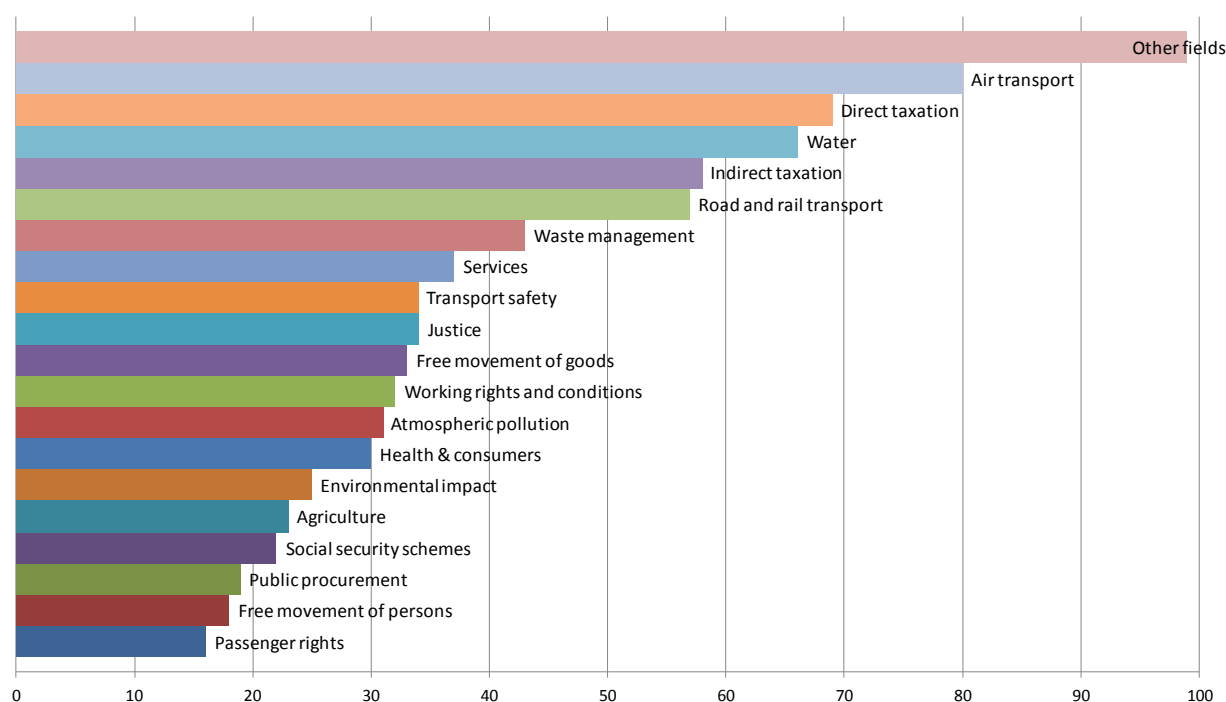
Figure 17: Number of pending infringement cases (EU aggregate)⁷⁷



Source: European Commission Single Market Scoreboard⁷⁸.

⁷⁷ This number excludes infringements for late transposition.

⁷⁸ European Commission Single Market Scoreboard : http://ec.europa.eu/internal_market/scoreboard/performance_by_governance_tool/infringements/index_en.htm

Figure 18: Total number of EU infringement cases by sector, 2014

Note: As of 01 November 2014. Cases of infringement for late transposition are not included. 'Justice' includes non-discrimination and data protection. 'Free movement of goods' includes market surveillance. 'Social security schemes' includes free movement of workers. 'Free movement of persons' includes union citizenship. 'Water' includes water protection and management. 'Other fields' includes maritime transport, intellectual property and free movement of professionals.

Source: European Commission's Single Market Scoreboard.

b. Administrative cooperation between national authorities

There are currently two governance tools within the Single Market Scoreboard that are concerned with connecting national authorities across borders to foster cross-border cooperation, facilitate the handling of cross-border cases and the uniform application of Single Market legislation across the EU.

- The **Internal Market Information System** provides an IT-based information network that connects national, regional and local authorities across borders, facilitating communication between authorities⁷⁹. The IMI is currently being used for administrative cooperation in many areas, among others in the Single Market for services, recognition of professional qualifications, the posting of workers, Euro-cash transportation, train driver certification, patient's rights and e-commerce (on a pilot basis)⁸⁰.
- The **Consumer Protection Cooperation Network** is more targeted and connects those public authorities in EU and EEA countries who are responsible for enforcing EU consumer protection laws.

⁷⁹ European Commission Single Market Scoreboard: http://ec.europa.eu/internal_market/scoreboard/performance_by_governance_tool/internal_market_information_system/index_en.htm [accessed 15 April 2015].

⁸⁰ Pelkmans & Correia de Brito (2012), p. 106.

- In addition, there is a further tool, **market surveillance**, which is not included in the Single Market Scoreboard, but which can be seen as a tool for administrative cooperation aimed at improving the operation of the Single Market.

i. Internal Market Information System

The main purpose of the IMI system is to render administrative cooperation between Member States more efficient, and the rapidity with which requests are handled is therefore a key performance indicator for the system (a more detailed overview of the functions of the IMI is presented in Annex II)⁸¹. On average, requests were answered within 16 days in 2014⁸².

This is consistent with the results from earlier evaluations that indicated that IMI works rather rapidly. The latest performance data published within the European Commission Single Market Scoreboard indicates that 88% of IMI counterparts were satisfied with the timeliness of replies. A 2012 study conducted by CEPS found that 43% of requests were processed within a week⁸³, and the latest available Single Market Governance Country Reports provided by EC DG Internal Market and Services indicate that almost 60% of requests were answered within a fortnight⁸⁴.

Table 5 reports handling speed by country (2014 values) as well as satisfaction of IMI counterparts with the service provided (2013 values).

Table 5: Performance of IMI authorities by Member State

Country	Number of authorities	Number of requests	Answering speed (in days)	Requests accepted within a week	Requests answered in time ⁸⁵	Satisfaction with timeliness of replies ⁸⁶	Satisfaction with efforts made ⁸⁷
Austria	83	91	11	81	76	77%	93%
Belgium	136	132	15	65	65	90%	90%
Bulgaria	67	289	29	69	66	79%	86%
Croatia ⁸⁸	81	202	9	81	88	94%	92%
Cyprus	111	45	6	92	100	100%	100%
Czech Republic	336	158	9	80	81	89%	89%
Denmark	28	52	10	96	80	100%	97%
Estonia	27	55	11	78	76	88%	88%

⁸¹ EC DG Internal Market and Services (2012). 'Single Market Governance 2012. Country Report Austria'.

⁸² Internal Market Information System website.

⁸³ Pelkmans & Correia de Brito (2012).

⁸⁴ EC DG Internal Market and Services (2012).

⁸⁵ by the date agreed in IMI.

⁸⁶ (as rated by counter-parts in 2013).

⁸⁷ (as rated by counter-parts in 2013).

⁸⁸ Functional since 1 July 2013 only.

Country	Number of authorities	Number of requests	Answering speed (in days)	Requests accepted within a week	Requests answered in time ⁸⁵	Satisfaction with timeliness of replies ⁸⁶	Satisfaction with efforts made ⁸⁷
Finland	26	48	9	90	79	100%	100%
France	453	167	40	41	39	57%	66%
Germany	2215	551	12	74	75	78%	82%
Greece	345	508	15	81	77	85%	91%
Hungary	81	374	11	88	79	89%	89%
Ireland	82	112	9	84	82	97%	100%
Italy	224	417	16	78	77	78%	84%
Latvia	75	86	16	67	68	71%	72%
Lithuania	98	127	13	85	73	85%	85%
Luxembourg	9	18	34	76	62	100%	100%
Malta	42	24	10	89	78	80%	80%
Netherlands	39	155	15	63	68	92%	86%
Poland	449	740	17	85	79	82%	88%
Portugal	289	365	18	90	80	81%	89%
Romania	122	996	22	77	73	68%	74%
Slovakia	72	210	22	91	66	92%	95%
Slovenia	22	162	10	90	86	92%	85%
Spain	1034	585	9	94	94	97%	97%
Sweden	49	71	14	77	62	87%	91%
UK	456	304	7	87	84	91%	92%
EU average	7112					88%	90%

Note: Reporting periods are 2014 for columns 2-6, 2013 for 7-8.

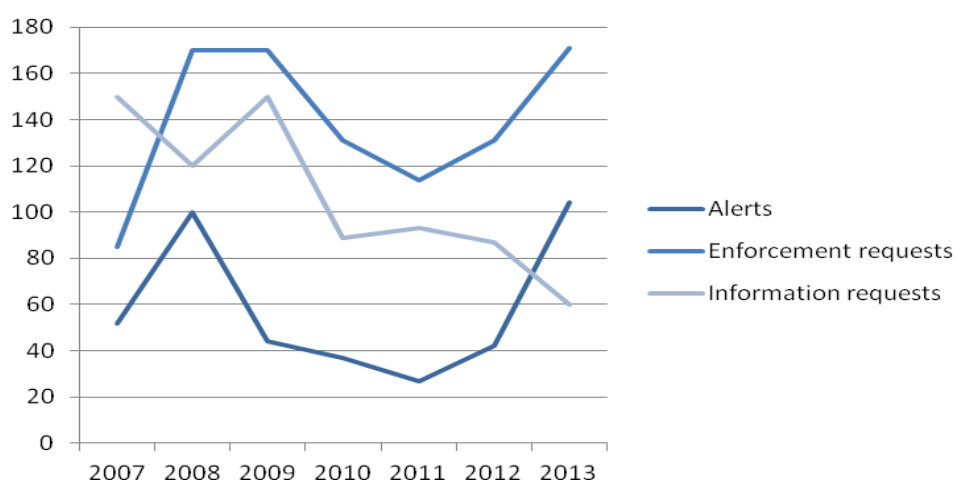
Source: European Commission IMI Homepage and European Commission Single Market Scoreboard.

ii. Consumer Protection Cooperation Network

The national authorities in the CPC Network cooperate with each other via an IT-system through three mechanisms: information requests, enforcement requests and alerts. The Figure below shows the number of these three forms of CPC cases between 2007 and 2013. It shows that alerts and enforcement requests follow a similar pattern and have been

increasing in the last two years, while the network is charged with fewer and fewer information requests.

Figure 19: Number of CPC Network requests over time



Source: European Commission Single Market Scoreboard⁸⁹.

The CPC Network, its scope and its cooperation mechanisms have been under review several times in recent years. The Commission published reports on the functioning of the CPC regulation in 2009, 2012 and 2014, with the latest report drawing on both the results of past reports and an extensive public consultation carried out by the Consumer Policy Evaluation Consortium (CPEC) between October 2013 and February 2014⁹⁰. An external evaluation was carried out by CPEC in 2012⁹¹.

In addition, the European Commission published a roadmap offering an overview of the main areas for improvement in 2013⁹², forming the basis of the CPEC Public Consultation. Further conclusions on the effectiveness of the CPC Network were drawn in the context of the 2013 EU Consumer Summit⁹³.

Overall, the CPC Regulation and the therein established network are thought to yield substantial benefits to European consumers⁹⁴.

According to the 2014 report published by the European Commission, the CPC Regulation set minimum enforcement capacities for national authorities and enabled joint enforcement actions. Examples of those enforcement actions include the screening of over 3'000 e-commerce websites for infringements by CPC authorities in 2013, and a coordinated presentation of the Network's understanding of how to apply consumer rules in the area of large technology companies to those technology companies⁹⁵.

⁸⁹ European Commission Single Market Scoreboard : http://ec.europa.eu/internal_market/scoreboard/performance_by_governance_tool/consumer_protection_cooperation_network/index_en.htm [accessed 15 April 2015].

⁹⁰ European Commission (2014).

⁹¹ Consumer Policy Evaluation Consortium (2012).

⁹² Roadmap "Review of the Regulation of the European Parliament and of the Council on cooperation between national authorities responsible for the enforcement of consumer protection laws", 09/2013. http://ec.europa.eu/smartregulation/impact/planned_ia/docs/2014_sanco_001_consumer_protection_cooperation_review_en.pdf.

⁹³ European Consumer Summit (2013).

⁹⁴ European Commission (2014b).

⁹⁵ European Commission (2014b).

However, the fact that consumer conditions still vary between countries, and the high number of cross-border infringements of consumer rights, highlight that there is room for the CPC Network to increase its enforcement activities. This has been confirmed by the public consultation carried out by CPEC between 2013 and 2014.

In its 2013 Roadmap, the European Commission identified a list of potential areas for improvement. Among the main areas of concern were a heterogeneous understanding of the CPC framework among all actors, gaps in alert mechanisms, barriers in the handling of assistance requests, in particular procedural and legal barriers, the enforcement powers of the relevant authorities, the role of the Commission within the network and the lack of tools able to address widespread infringements that affect several Member States simultaneously.

iii. Market surveillance

The term market surveillance relates to the activities undertaken by EU institutions and public authorities across Europe, through which the **safety and compliance of non-food products** with European product safety law is checked and the protection of other public interests such as environment and security is upheld. These actions include product withdrawals, recalls and the application of sanctions to stop the circulation of non-compliant products, and/or bring them into compliance⁹⁶. Market surveillance provides a mechanism for **protecting consumers** and **ensuring fairness in trade across the Single Market**, and efforts undertaken by EU institutions in this area are therefore crucial for supporting effective implementation of smart Single Market regulation.

In order to facilitate the implementation of the market surveillance framework, the Commission supports the development of a common understanding of market surveillance issues and cooperation among national authorities. In conjunction with regular contacts and policy discussions with national experts as well as financial support to Administrative Cooperation Groups, the Commission deploys market surveillance tools which seek to enable an efficient exchange of information on market surveillance measures between public authorities and the coordination of activities and inspections⁹⁷.

An important market surveillance tool is the **Information and Communication System on Market Surveillance** (ICSMS), provided by the Commission for use by all market surveillance authorities. The IT-platform is divided into two areas. The internal area is designed for market surveillance, customs and EU authorities and contains information on products marketed in the EU, including internal data on the information exchange between public authorities and the importer/manufacturer, whereby confidential data are protected by access authorisations. The public area, which is addressed to consumers, users and manufacturers, provides information on non-compliant products, but no internal information.

The ICSMS is targeted at helping market surveillance authorities to:

- exchange information on market surveillance measures quickly and efficiently;
- coordinate activities and inspections more effectively;
- share resources and to test products which have yet to be tested;
- carry out wide-scale market interventions on dubious products. These interventions use the latest information to avoid duplicate inspections;
- develop best practices;

⁹⁶ http://ec.europa.eu/growth/single-market/goods/building-blocks/market-surveillance/index_en.htm.

⁹⁷ http://ec.europa.eu/growth/single-market/goods/building-blocks/market-surveillance/index_en.htm.

- ensure that market surveillance is efficient and uniform across all EU countries to prevent the distortion of competition; and
- establish an encyclopaedia of EU market surveillance intelligence⁹⁸.

However, the ICSMS faces several challenges. For example, national authorities do not always make correct use of the ICSMS or fail to take necessary measures in a timely fashion⁹⁹. In particular, the minutes of the ICSMS expert group meetings reveal that there remain issues related to the passing on of cases between public authorities, with situations occurring where the so-called 'batons' are passed on to authorities not dealing with the product at hand or where no follow-up occurs¹⁰⁰. Missing, incorrect or poor data moreover seems to be a problem, with many platform entries providing insufficient information on ongoing and completed product investigations. A sample analysis conducted by the Commission in 2014 found that 60% of completed product investigations did not report on the country of origin, 32% of machinery product investigations were not accompanied by a risk classification, which is crucial to judge the priority for action, and 5% percent of entries did not make reference to the EU regulation/directive at breach.

Another example of a market surveillance tool is RAPEX, the **EU Rapid Alert System for dangerous non-food products** that facilitates the rapid exchange of information between Member States and the Commission on measures taken to prevent or restrict the marketing or use of products posing a serious risk to the health and safety of consumers with the exception of food, pharmaceutical and medical devices, which are covered by other mechanisms. As of 2010, the system also facilitates the rapid exchange of information on products subject to EU harmonisation regulation and posing a serious risk to the health and safety of professional users as well as on those posing a serious risk to other public interests protected via the relevant EU legislation (e.g. environment and security). Both measures ordered by national authorities and measures taken 'voluntarily' by producers and distributors are reported by RAPEX.

Market surveillance tools should be used in conjunction with Single Market tools to strengthen the enforcement of Single Market legislation and provide information about remaining problem areas in the Single Market. Given the prominence of the General product safety and market surveillance package in the list of **top 10 most burdensome laws for SMEs**, care would need to be taken not to use these tools in such a way as to increase this burden. Nevertheless the data generated from these tools could provide useful indications of where the Single Market is not functioning so well and of how improvements could be made.

To enhance the effectiveness of market surveillance tools, i.e. the existing information exchange platforms such as ICSMS and RAPEX, we suggest that further user and quality control guidance as well as targeted training and coaching to public authorities be provided by the Commission. In addition, enhanced quantification and data provision on products would be desirable. Methods for improving the consistency with which raw data are provided to public authorities are currently being investigated by the Commission¹⁰¹.

⁹⁸ http://ec.europa.eu/growth/single-market/goods/building-blocks/market-surveillance/index_en.htm.

⁹⁹ http://ec.europa.eu/growth/single-market/goods/building-blocks/icsms/index_en.htm.

¹⁰⁰ European Commission (2014). 'Session on ICSMS of the expert group on the internal market for products, Brussels 2nd June 2014 – Minutes'. Available at : http://ec.europa.eu/enterprise/policies/single-market-goods/internal-market-for-products/icsms/index_en.htm [accessed 31 July 2015].

¹⁰¹ European Commission (2014). 'Session on ICSMS of the expert group on the internal market for products, Brussels 2nd June 2014 – Minutes'. Available at : http://ec.europa.eu/enterprise/policies/single-market-goods/internal-market-for-products/icsms/index_en.htm [accessed 31 July 2015].

As with other Single Market tools, there also remains room for enhancing coordination and information flows between different tools, both within the realm of market surveillance and between market surveillance and other Single Market tools. In particular, several Member States have expressed the view that centralisation of information on market surveillance actions and non-conform products within one single online platform would be desirable¹⁰².

3.2.3. Assistance services for citizens and businesses

The assistance services, which seek to address the needs of consumers and businesses within the area of the Single Market, mostly apply at the policy execution stage of the performance-based policy cycle.

A variety of Single Market tools seek to ensure that citizens and businesses are aware of their rights within the EU. The Your Europe website, Your Europe Advice, EURES, and the European Consumer Centre Network (ECC-Net) all inform citizens and businesses about their rights under EU law and/or provide them with tailored advice¹⁰³. Both Your Europe and Your Europe Advice provide information on all matters relating to citizen or business rights within the EU, at both the EU and national level, with the former acting as a single gateway online portal providing general information and the latter being a network of legal expert advisors. The other information providers are more specialised, with EURES providing information/advice on labour markets and universities, ECC-Net focusing on consumer rights related to cross-border purchases, and the EEN being concerned with EU Single Market legislation relevant to SMEs.

A well-functioning Single Market requires citizens and businesses to be able to make use of their rights. The enabling stage is therefore concerned with the administrative procedures that allow citizens and businesses to claim their rights. In particular, this stage of the governance cycle seeks to simplify and accelerate administrative procedures, and enable citizens and businesses across the EU to complete administrative processes remotely online. Points of Single Contact (PSC), online e-government portals, provide information on procedures that have to be completed by service companies in order to provide services in any EU or EEA country, ranging from company registration procedures to the required business licences and recognition of professional qualifications. The tool thus only contributes to effective governance in the area of the Single Market for Services.

Finally, smart governance requires appropriate ways of solving disputes related to misapplication or breaches of EU law. Here, the Single Market governance tools play a crucial role in providing an informal alternative to formal court procedures. The governance tools that apply at the problem solving stage of the governance cycle are the ECC-Net, the Consumer Protection Cooperation Network, SOLVIT and Alternative and Online Dispute Resolution mechanisms. ECC-Net focuses on EU consumer rights related to the cross-border purchases of goods and services¹⁰⁴. Apart from its advisory functions, the network supports consumers in resolving individual cross-border complaints and assist consumers in reaching agreements via appropriate alternative dispute resolution (ADR) mechanisms if complaints are not solved amicably. SOLVIT's problem solving activities are broader in scope, with the network's goal being to solve any problems encountered by citizens or businesses that result from a breach or misapplication of EU law by public authorities¹⁰⁵. The SOLVIT centres, of which there is one in each Member State, accept and prepare

¹⁰² European Commission (2014).

¹⁰³ http://ec.europa.eu/internal_market/scoreboard/governance_cycle/index_en.htm#gov_cycle.

¹⁰⁴ Duke et al. (2013); Pelkmans & Correia de Brito (2012).

¹⁰⁵ London Economics (2013a).

complaints issued by citizens and businesses in their own country and forward it to the SOLVIT centre in the country where the breach of EU legislation incurred. The centres communicate with each other via the IMI system¹⁰⁶.

A more detailed explanation of the different assistance service tools is provided in the second annex to this report.

a. Awareness and understanding of available services

Several studies have assessed consumer and business knowledge of one or more Single Market assistance services in the past.

Two Eurobarometer surveys have gauged the level of awareness of the Internal Market and its benefits, including knowledge about the assistance services described in previous chapters. These are the Special Eurobarometer 363 on 'Internal Market: Awareness, Perceptions and Impacts' in 2011¹⁰⁷ and the 2013 Flash Eurobarometer 358 on 'Consumer attitudes towards cross-border trade and consumer protection' commissioned by EC DG Health and Consumers¹⁰⁸.

In 2013, London Economics conducted a survey among citizens and SMEs in the UK, Hungary, Italy, Bulgaria and Portugal to assess their knowledge of single points of contact. 100 consumers and 50 SMEs per Member State were asked about their awareness of specific SPCs, the channels through which they became aware of them, and their understanding of the Single Market tool's target audience, geographic scope and functions¹⁰⁹.

Evaluations of SOLVIT and the Entrepreneurship and Innovation Programme, both carried out by the Centre for Strategy and Evaluation Services in 2011,¹¹⁰ as well as a 2011 survey conducted by the European Business Test Panel, contain further information about both consumer and business knowledge of some of the Single Market tools under consideration.

The following sections summarize the findings from these and other studies for each of the Single Market assistant services introduced above and described in more detail in Annex II. The last subsection summarises the more recent results of stakeholder consultations carried out by London Economics in June 2015.

i. Your Europe

Knowledge of Your Europe seems to be very low both among citizens and among businesses. Only 7% of consumers and almost 9% of businesses surveyed by London Economics in 2013 indicated that they had heard of Your Europe when specifically prompted, and less than 0.5% of both respondent groups named the information portal when asked about EU-level online services they would turn to if they needed information or advice on EU legislation.

Less than a third of consumers correctly identified the target audience of Your Europe as being comprised of both consumers and businesses, and only a little more than 1 one in four consumers recognized that the information portals covers both national and cross-border information. 36% and 18% of businesses correctly identified the target audience and geographical scope, respectively, of Your Europe.

¹⁰⁶ European Commission IMI Homepage: http://ec.europa.eu/internal_market/imi-net/about/index_en.htm. [accessed 15 April 2015].

¹⁰⁷ European Commission Directorate General Internal Market and Services (2011b).

¹⁰⁸ European Commission Directorate General Health and Consumers (2013).

¹⁰⁹ London Economics (2013a).

37% of consumers and almost 45% of businesses who were aware of Your Europe became so through web searches.

ii. Your Europe Advice

The 2013 London Economics Survey found that only 6% of consumers, and 5% of businesses, are aware of the existence of Your Europe Advice¹¹¹.

Of those who reported to know YEA, 30% of consumers and 25% of businesses understood that Your Europe Advice targets both consumers and businesses, while 50% and 33% didn't know and 17% and 25% incorrectly stated that it would focus on consumer issues only. 30% of consumers and 17% of businesses understood that YEA deals with both national and cross-border issues. 60% of consumers and 50% of businesses who indicated having heard of YEA did not know what its functions were. Only 13% of consumers correctly identified that one of the functions was information signposting, no consumer identified that YEA deals with violations of EU law. 33% of businesses correctly identified YEA's information signposting function, demonstrating a higher awareness of the online service's function than for most other Single Market tools.

45% of consumers and 50% of businesses who were aware of YEA were getting to know the service through web search, confirming the user approach experienced by YEA. In 2010, 58% of enquiries made to YEA came through the online enquiry form, while 42% were signposted through the Europe Direct service.

iii. European Employment Service

The 2013 London Economics study found that EURES was the EU-level online service of which consumers were most aware of. 20% of survey respondents indicated to have heard of the job mobility portal.

This level of awareness is somewhat higher than the observation made in a Special Eurobarometer from June 2010¹¹², which found that 12% of citizens had heard of EURES.

18% of consumers and % of businesses were aware that EURES provides services to both consumers and businesses, and 18% of consumers and % of businesses knew the services were related to cross-border issues¹¹³.

15% of consumers that knew of EURES were also aware of the fact that one of its functions was direct information provision. 8% knew that it provided expert advice and 7% knew of its role in intermediation.

Web searches were the most common route through which both consumers (38%) and businesses (%) became aware of EURES.

iv. European Consumer Centre Network

In the latest available Eurobarometer survey on 'Consumer attitudes towards cross-border trade and consumer protection'¹¹⁴, respondents were asked whether they knew of the European Consumer Centres¹¹⁵. At the EU aggregate level¹¹⁶, only 22% responded that

¹¹⁰ Centre for Strategy and Evaluation Services (2011b).

¹¹¹ London Economics (2013a).

¹¹² European Commission DG Employment and Social Affairs (2010).

¹¹³ London Economics (2013a).

¹¹⁴ Flash Eurobarometer 358. Survey conducted in September 2012, with results published in July 2013. See EC DG Health and Consumers (2013).

¹¹⁵ EC DG Health and Consumers (2013), Question 18.

¹¹⁶ EU 27 only.

they had heard of the ECC-Net, while 77% indicated they did not know the network¹¹⁷. Country-level responses are reported in Figure 20.

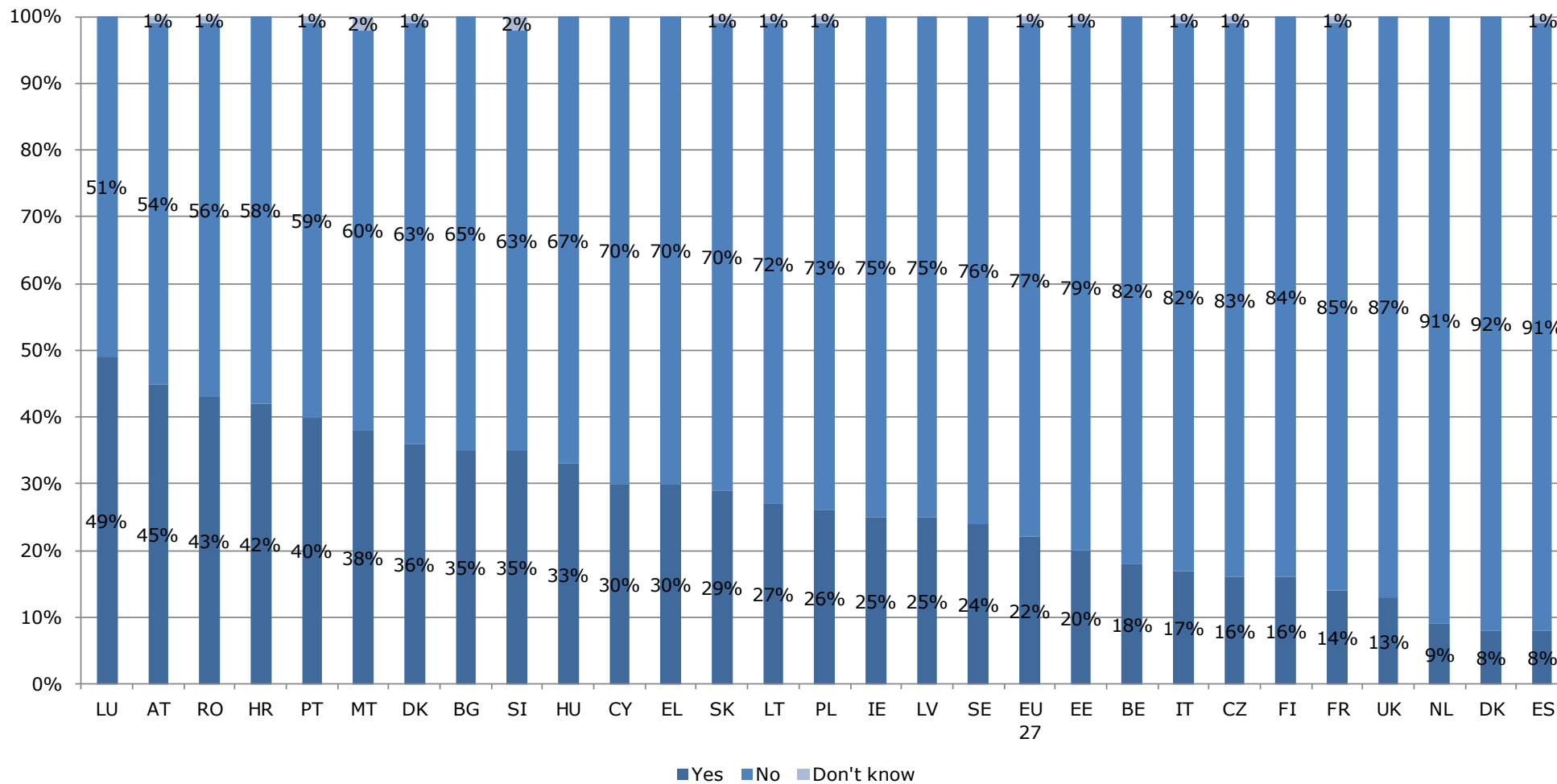
Other surveys found awareness levels of similar magnitude. A 2011 study commissioned by the Directorate General Health and Consumers found that 70% of European citizens did not know where to obtain information and advice regarding cross-border shopping in the EU¹¹⁸. London Economics found that 16% of consumers know about ECC-Net in 2013¹¹⁹.

¹¹⁷ European Commission (2013).

¹¹⁸ CIVIC Consulting, Van Dijk Management Consultants and GHK (2011).

¹¹⁹ London Economics (2013a).

Figure 20: Consumer awareness of ECC-Net



Source: EC DG Health and Consumers (2013).

Turning to citizens' understanding of the scope of ECC-Net, 34% of consumers who had heard of the network stated correctly that the centres focus on consumer issues only¹²⁰, while 47% indicated they would not know the target audience. 20% of those familiar with the network were aware that it deals with cross-border issues only, 6% identified that ECC-Net is involved in direct information provision, 8% were aware that it provides expert advice, and only 4% knew about ECC-Net's intermediation functions¹²¹.

The European Commission therefore also highlighted rising the visibility of the network and the introduction of a communication strategy aimed at increasing the general awareness of consumers of EU consumer rights as key priorities¹²².

With regard to the route via which consumers become aware of ECC-Net, results vary somewhat more. On the one hand, 2013 survey commissioned by DG Health and Consumers indicated that 34% of consumer awareness of ECC-Net could be attributed to internet searches and 27% to referral from a consumer organisation¹²³. The 2013 survey conducted by LE, on the other hand, indicated that 37% of consumers who knew about ECC-Net were so because of media and advertising, 27% thanks to web searches, 23% through friends and family¹²⁴.

v. Enterprise Europe Network

Out of the 250 SMEs surveyed by London Economics in 2013, 19% indicated that they had heard of the EEN, pointing to a level of business awareness of EEN that is higher than knowledge of the other Single Market tools analysed in this study. However, no business could name the EEN spontaneously when asked which online service at the EU level they would turn to for advice or assistance. Similar conclusions were reached in the 2010 CSES study. Comments from network partners reported in the study also indicated that the EEN had a 'visibility problem'¹²⁵.

Only 32% of businesses that reported to know about the EEN in the 2013 London Economics study were aware that its services were targeted at businesses only, while a majority (55%) indicated they would not know the target audience. 30% of businesses that knew of EEN's existence correctly stated that the network dealt with both national and cross-border issues. 9% of SMEs correctly stated that the EEN provides expert advice, and 9% correctly recognized that it has an intermediary function as well¹²⁶.

Over 40% of respondents in the London Economics study indicated that they came across the EEN via web search, and another 25% became aware of the network through media and advertising. Different conclusions regarding the relevance of different awareness raising channels were reached in the 2010 CSES survey. CSES found that the majority of respondents had first heard of EEN via local business support organizations (54.7%), with internet searches making up only 25.5%¹²⁷.

¹²⁰ London Economics (2013a)

¹²¹ London Economics (2013a)

¹²² http://ec.europa.eu/internal_market/scoreboard/performance_by_governance_tool/european_consumer_centre_network/index_en.htm.

¹²³ Consumer Policy Evaluation Consortium, 2011. Evaluation of the European Centres Network, Final report. DG Health and Consumers.

¹²⁴ London Economics (2013a).

¹²⁵ CSES (2011a), see also London Economics (2013a).

¹²⁶ London Economics (2013a).

¹²⁷ CSES (2011a).

vi. EUGO Single Points of Contact

In 2011, 14 member business federations of Business Europe, representing over 55% of the European services market, considered the general level of awareness of SPCs as poor or non-existent (compared to 75% in 2010)¹²⁸. This low level of awareness was confirmed by the results of a survey conducted by the EUROCHAMBERS in the same year, which indicated that businesses in many countries were unaware of the existence of PSCs and their potential benefits¹²⁹.

vii. SOLVIT

Consumer and business knowledge of SOLVIT has been found to be rather limited.

In a 2011 Eurobarometer survey conducted by TNS Opinion & Social on behalf of the EC DG for Internal Market and Services, EU citizens were asked to whom they would turn if they had a problem related to the breach of EU law by a public authority in another country¹³⁰. At the EU aggregate level, only 1 % of respondents spontaneously named SOLVIT, with representative consumer or business organisations, courts/judicial systems, national Ombudsmen and EU institutions being reported more frequently. Knowledge about SOLVIT was a little higher in Sweden, Cyprus and Luxembourg, where 7%, 6% and 5% of respondents, respectively, indicated they would first turn to SOLVIT in such a case¹³¹. In many Member States, however, none of the respondents indicated SOLVIT as a contact point.

The low level of awareness was confirmed in a 2013 survey among consumers and SMEs conducted by London Economics, which tested respondents' spontaneous and prompted knowledge of SOLVIT in five Member States. Less than 0.5% of consumers and none of the surveyed SMEs spontaneously identified SOLVIT. Even when directly asked whether they had heard of SOLVIT, only 4% of each consumers and businesses reported that they would know about the network¹³².

London Economics further assessed the respondents' understanding of SOLVIT. Among the consumers who reported to know about the network, only 21% recognized correctly that SOLVIT deals with both citizen and business requests, and only 21% knew that its services were focused on cross-border issues¹³³. For businesses, these numbers were even lower, with 10% recognizing that SOLVIT addresses both consumer and business issues and 18% realizing it was responsible for cross-border issues only. 74% of consumers and 55% of businesses who had previously heard of SOLVIT were not aware of the key functions performed by SOLVIT, 5% and 18% correctly identified information sign-posting as one of the key areas and none knew about the organisation dealing with misapplication and breaches of EU law 18%. 18% of businesses recognized that SOLVIT has a problem-solving function.

More optimistic results were found in a 2011 survey conducted by the European Business Test Panel. While still 50% of businesses surveyed did not know about SOLVIT, the vast majority of those that did know about the network said they would use it if they encountered a problem. This result appears to be surprising in light of the results discussed

¹²⁸ Business Europe (2011).

¹²⁹ EUROCHAMBERS (2011).

¹³⁰ EC DG Internal Market and Services (2011b).

¹³¹ EC DG Internal Market and Services (2011b).

¹³² London Economics (2013a).

¹³³ London Economics (2013a).

above, especially so since businesses are making considerably less use of SOLVIT than citizens¹³⁴.

In terms of routes via which consumers and businesses got to know SOLVIT, London Economics found that this was mostly through web search (53% and 45%, respectively). This is consistent with an earlier evaluation of SOLVIT undertaken by CSES in 2011, which concluded that roughly 50% of SOLVIT users found out about SOLVIT through internet searches¹³⁵.

viii. Alternative and Online Dispute Resolution

Given that the deadline for implementing the new ADR/ODR Directive is set for mid-2015, consumer and business awareness of the new ADR/ODR mechanisms has not yet been assessed.

ix. Stakeholder interviews conducted by London Economics during June 2015

The stakeholder interviews conducted by London Economics in June 2015 to support the present report confirmed that both consumer and business knowledge of existing Single Market governance tools remains very limited, with the interviewed consumer and business representatives being unaware of many of the existing tools themselves.

In fact, none of the six consumer organisation representatives interviewed by London Economics knew of Your Europe Advice, EURES, SOLVIT, or the IMI. Only one consumer representative had heard of each of the Consumer Protection Network and Your Europe. Two out of six consumer organisations indicated that they would redirect cases to the European Consumer Centre Network (ECC-Net) when appropriate, and two interviewees said they would refer pan-European consumer issues to BEUC the umbrella consumer group bringing together around 40 European consumer organisations, instead.

The main exception is the ADR/ODR mechanism, which seems to be rather well-known among consumers (with four out of six consumer organisations interviewed by London Economics indicating consumers are familiar with the mechanism). Moreover, consumer organisations seem to have a good understanding of the ADR/ODR mechanisms.

The general notion among consumer organisations was that there were too many Single Market assistance services and that consumers would not have the time to do a lot of research on the complex services to find out the most appropriate tools for their needs. A majority of the interviewees suggested that a better approach would be to have one single point of contact for consumers which would then direct the consumer to other tools as appropriate.

The interviews thus confirmed the survey results presented by London Economics in a 2013 report for the IMCO Committee, which found similarly low levels of awareness of European online services among European consumers and concluded that a Single Point of Contact, i.e. a single entry point or common platform for consumer, would improve awareness of existing online services, access to information, advice and assistance, access to services and would result in an improved understanding and knowledge of the Single Market (London Economics, 2013a).

The consumer representatives suggested a wide array of methods for increasing the visibility of existing governance tools, and most of the interviewees spontaneously indicated that their organisation could publicise the tools on their website.

¹³⁴ Pelkmans & Correia de Brito (2012), p. 33.

¹³⁵ CSES (2011).

Similarly, the business stakeholder consultations revealed that existing tools are not well known among businesses. Moreover, our interviewee suggested that the tools would lack transparency. Among existing assistance services for businesses, the Points of Single Contact seem to be the most well-known and most effective. In analogy to the results from the consumer stakeholder interviews, interviewees stressed the need for a single portal through which all the other tools could be accessed, including those of national authorities.

b. Satisfaction with the services provided

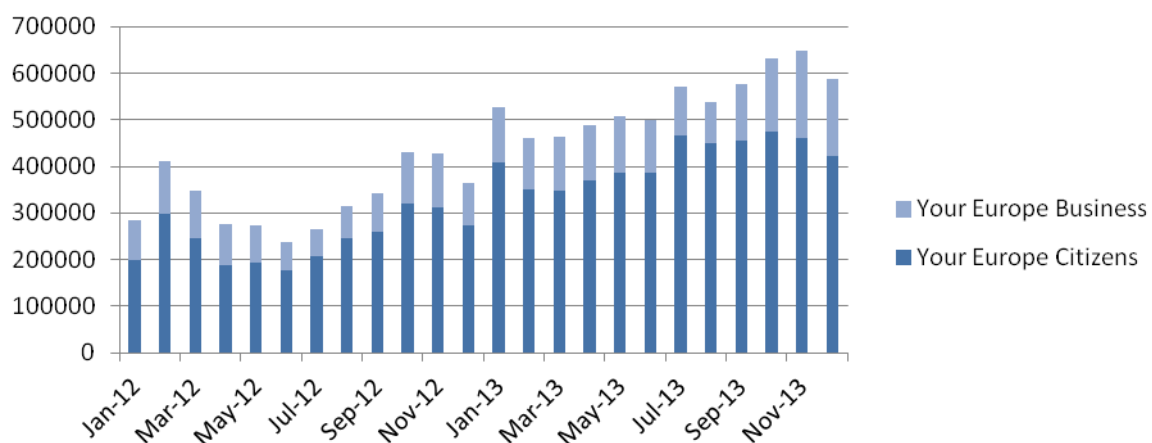
Given the low level of awareness of Single Market assistance services among European consumers and businesses, it seems clear that the effectiveness of many of the tools is rather limited. Regarding the quality of the services provided by the more well-known tools, the questioning of consumer stakeholders in June 2015 by London Economics offered mixed replies. The ECC Network was considered to be too passive. ADR/ODR mechanisms were thought to be effective in theory but distrusted by consumers. Moreover, it was indicated that limited enforcement powers of the ADR/ODR bodies in place would hinder efficiency. One organisation suggested that the ODR platform could be improved by giving consumers the option of being represented by a consumer organisation, to increase consumer trust.

The following sections summarise earlier survey results for satisfaction levels.

i. Your Europe

Figure 21 shows the number of visits of the Your Europe website in for 2012-2013. The portal attracted 6,497,312 visits in 2013, which is equivalent to an average of 17,800 visits a day. As is evident from the figure, citizens make more use of Your Europe's services than businesses. In 2013, the most frequent website visits of citizens are related to work issues (31%), followed by travel (24%) vehicles (10%), Education (8%) and Consumers (8%). Businesses frequent the information pages on 'start and grow' (31%) and VAT & customs (29%) most often.

Figure 21: Your Europe visits



Source: European Commission Single Market Scoreboard.

The Single Market Scoreboard provides information on the individual Member States' contribution to Your Europe based on three indicators.

The first indicator relates to the availability of national information on the Your Europe webpage, and indicates whether the Editorial Board's information requests sent out to the Member States are answered. Between January 2013 and May 2014, Greece, Latvia,

Lithuania, Slovenia and Slovakia were not submitting any answers to requests related to citizen and business issues in their countries.

The second indicator refers to the involvement of the country in the Editorial Board, and measures the number of annual meetings attended (out of 2).

The third indicator relates to the proactive promotion of Your Europe by the Member States.

Table 6 reveals that there is still room for improvement in the effectiveness of Your Europe in terms of the tool's engagement of Member States such as Greece, Latvia and Slovenia.

Table 6: Performance indicators by country

Country	Availability of national information on Your Europe	Activity and involvement of the country in the Editorial Board	Proactive promotion of Your Europe in the country
Belgium	Answers received in part	1	Some traffic or promotional activity
Bulgaria	All answers received	0	No traffic or promotional activity
Czech Republic	All answers received	2	Some traffic or promotional activity
Denmark	Answers received in part	2	Some traffic or promotional activity
Germany	All answers received	2	Some traffic or promotional activity
Estonia	All answers received	2	Some traffic or promotional activity
Ireland	All answers received	2	Traffic and promotional activities
Greece	No answers received	1	No traffic or promotional activity
Spain	Answers received in part	1	Some traffic or promotional activity
France	Answers received in part	2	Some traffic or promotional activity
Croatia	Answers received in part	2	5
Italy	All answers received	2	Traffic and promotional activities
Cyprus	Answers received in part	1	Some traffic or promotional activity
Latvia	No answers received	1	No traffic or promotional activity
Lithuania	No answers received	1	Some traffic or promotional activity
Luxembourg	Answers received in part	2	Some traffic or promotional activity
Hungary	Answers received in part	0	Some traffic or promotional activity

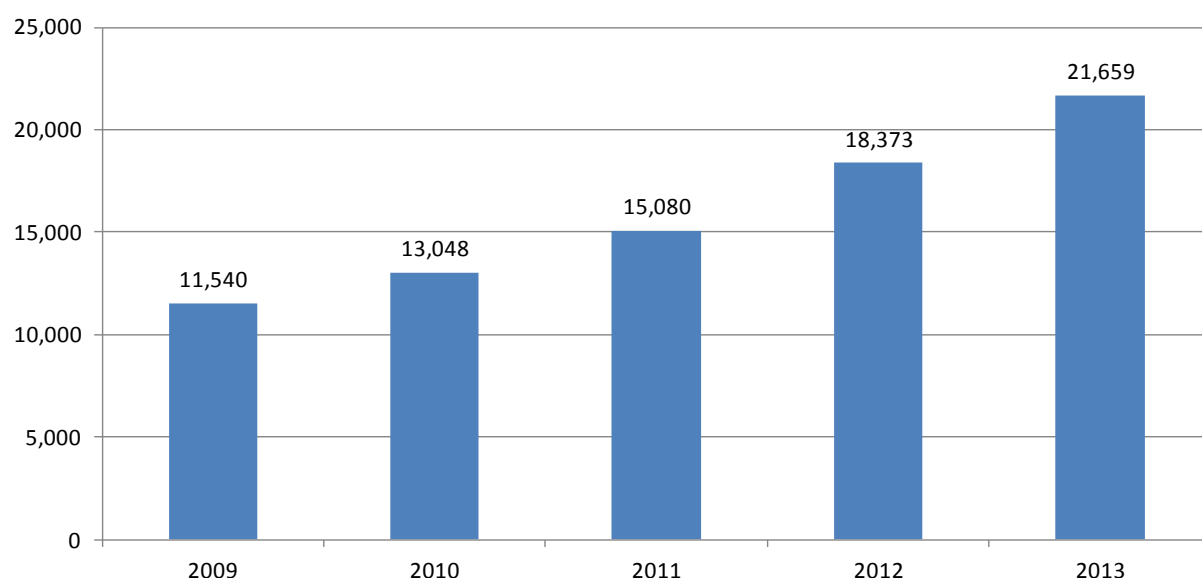
Country	Availability of national information on Your Europe	Activity and involvement of the country in the Editorial Board	Proactive promotion of Your Europe in the country
Malta	All answers received	2	Traffic and promotional activities
Netherlands	Answers received in part	1	No traffic or promotional activity
Austria	Answers received in part	2	Traffic and promotional activities
Poland	All answers received	2	Some traffic or promotional activity
Portugal	Answers received in part	2	Some traffic or promotional activity
Romania	Answers received in part	2	Some traffic or promotional activity
Slovenia	No answers received	0	No traffic or promotional activity
Slovakia	No answers received	2	Some traffic or promotional activity
Finland	All answers received	2	Traffic and promotional activities
Sweden	All answers received	2	Traffic and promotional activities
UK	No answers received	2	Some traffic or promotional activity

Source: European Commission Single Market Scoreboard¹³⁶.

ii. Your Europe Advice

The number of enquiries received by Your Europe Advice rose to 21,659 in 2013. Most of the enquiries were made by British, Italian and German citizens, and the main topics of the enquiries are social security (24.9%), Residence (18%, Entry procedures (13.1%) and work (10.2%).

¹³⁶ European Commission Single Market Scoreboard : http://ec.europa.eu/internal_market/scoreboard/performance_by_governance_tool/youreurope/index_en.htm [accessed 15 April 2015].

Figure 22: Annual number of YEA enquiries

Source: European Commission Single Market Scoreboard.

Your Europe Advice exhibits a very high resolution rate. The latest annual report¹³⁷ states that in both 2009 and 2010, 92% of cases were solved, with the remaining 8% not being eligible due to the incompleteness of the enquiry or because the question had already been answered in previous requests¹³⁸.

Your Europe Advice aims at providing answers to enquiries within 3 working days (internal target), and guarantees a reply within one week. In the latest annual report available, Your Europe Advice reported that the internal deadline was met in 91% of the cases.

On the quality dimension, the 2010 Annual Report indicated that 88% of the randomly selected sample of replies was considered to be of 'good quality' after in-depth application of quality control measures by the management team of the external contractor and the responsible manager in the Commission.

iii. European Employment Service

The European Commission's Single Market Scoreboard provides five performance indicators for the services provided by EURES. These are the quality of the job vacancy exchange of the National Public Employment Services (PES) with EURES, population covered by EURES adviser, number of contacts with job seekers per EURES adviser, number of contacts with employers per EURES adviser, and ratio of placements resulting from contacts¹³⁹. Table 7 reports the 2013 results for these indicators by Member State.

¹³⁷ Reporting year 2010.

¹³⁸ EC DG Internal Market and Services (2011a).

¹³⁹ European Commission Single Market Scoreboard : http://ec.europa.eu/internal_market/scoreboard/performance_by_governance_tool/eures/index_en.htm [accessed 15 April 2015].

Table 7: EURES performance indicators by country

Country	Quality ¹⁴⁰ of the PES job vacancy exchange with EURES	Population covered per EURES Adviser	Jobseekers per EURES Adviser	Employers per EURES Adviser	Ratio of placements resulting from contacts
Austria	100	749066	991	144	2.38
Belgium	93	379346	963	117	1.47
Bulgaria	n/a ¹⁴¹	868988	710	29	8.03
Cyprus	100	283801	2193	481	0.81
Czech Republic	100	706230	1142	109	5.24
Germany	100	735306	680	102	4.09
Denmark	89	238824	688	139	6.09
Estonia	100	274601	2157	166	3.69
Greece	100	3063728	1074	113	1
Spain	89	1165103	3286	104	1.09
Finland	94	258724	692	248	2.78
France	72	1307695	1657	283	4.33
Croatia	100	1815608	3041	184	3.01
Hungary	100	652238	991	34	6.35
Ireland	81	657203	2133	646	3.51
Italy	100	1425475	4550	219	1.58
Lithuania	100	662366	4050	95	4.77
Luxembourg	83	62252	928	43	1.68
Latvia	100	365998	696	92	3.17
Malta	100	232361	722	67	0
Netherlands	92	807440	659	131	3.22
Poland	100	103145	2252	125	1.09

¹⁴⁰ Quality score is based on quality of the connection of the national Job Vacancies Database to the EURES portal, the proportion of vacancies exchanged, compared to the entire stock, and the quality of the content of these vacancies.

¹⁴¹ Bulgaria is not yet connected to the platform for vacancy exchange.

Country	Quality ¹⁴⁰ of the PES job vacancy exchange with EURES	Population covered per EURES Adviser	Jobseekers per EURES Adviser	Employers per EURES Adviser	Ratio of placements resulting from contacts
Portugal	94	852597	1624	89	1.15
Romania	100	890232	587	35	5.62
Sweden	100	177962	808	160	7.12
Slovenia	100	392381	2890	479	5.4
Slovakia	89	314904	1991	287	5.47
UK	95	5186327	1307	177	1.25

Note: Reporting period is January 2013-December 2013.

Source: European Commission Single Market Performance Scoreboard.

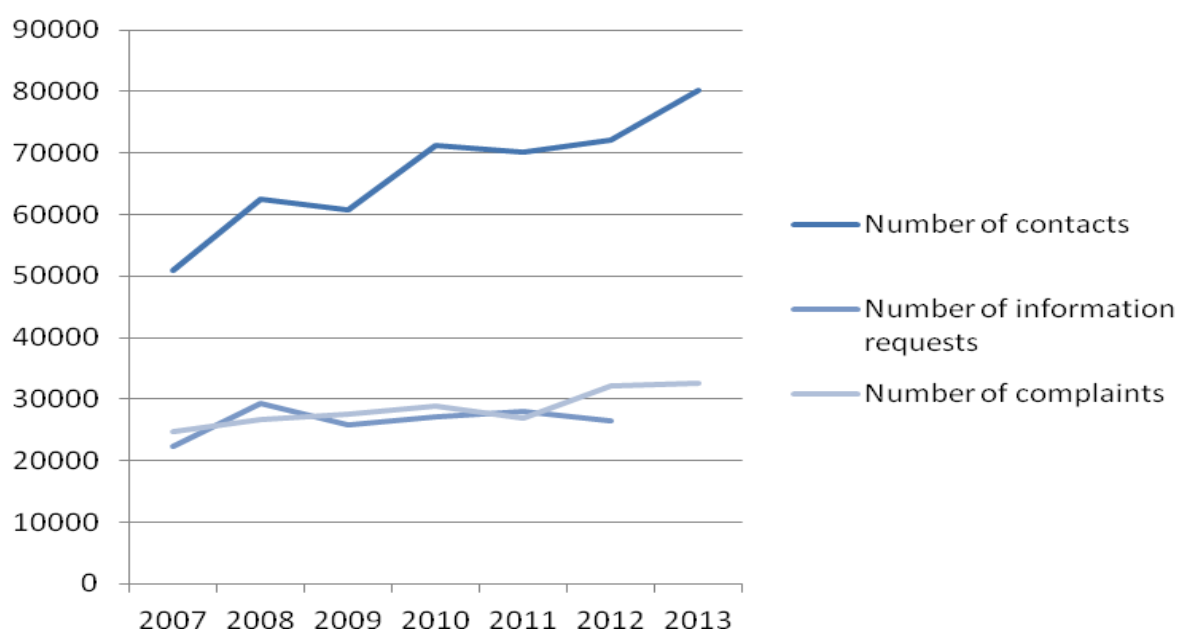
The most recent evaluation of EURES was carried out in 2010 on behalf of EC DG Employment, Social Affairs and Equal Opportunities for the reporting period 2006-2008¹⁴². The study found that 24% of employers, and 13% of job seekers (or job changers) felt that the information on labour market provided on EURES was very good, and 3% and 44% thought it was good, respectively. 11% of employers and 19% of jobseekers through the information provided on EURES relating to labour markets was poor or very poor.

iv. European Consumer Centre Network

Demand for ECC-Net services has been rising since 2007. In 2013, ECC-Net handled more than 80'000 requests and more than 32'000 cross-border complaints¹⁴³. Most of the complaints were related to transport (about one third).

¹⁴² European Policy and Evaluation Consortium (2010).

¹⁴³ European Commission Single Market Scoreboard : http://ec.europa.eu/internal_market/scoreboard/performance_by_governance_tool/european_consumer_centre_network/index_en.htm [accessed 15 April 2015].

Figure 23: Annual number of ECC-Net enquiries

Source: European Commission Single Market Scoreboard¹⁴⁴.

The ECC-Net was evaluated on behalf of DG Health and Consumers in 2011 by the Consumer Policy Evaluation Consortium (CPEC)¹⁴⁵. The study reported that 74% of consumers that had contacted the ECCs agreed to a statement saying that the ECC are providing useful services, 13% partially agreed. More than 85% of consumers stated they were happy with the services provided by ECC advisors, 81% that the information was appropriately tailored and 78% that the information provided was useful.

The survey also found that the centres were easily accessible and that existing contact options are sufficient.

10% of the ECC-Net consumers surveyed by the CPEC did not think the ECC-Net provides useful services (7% fully disagreed, 3% partially disagreed). The most pessimistic countries were the UK (46% fully disagreed) and Spain (40% fully disagreed).

A remaining challenge for the network is its relatively low resolution rate, with the inability to obtain a solution being one of the main reasons for dissatisfaction of consumers¹⁴⁶. In 2013, 40.8% of ECC-Net cases were closed without a solution being achieved, and a further 14.6% of all cases were transferred to other organisations or agencies. The main reason for lack of success is the trader's refusal to agree on an amicable solution.

ECC-Net should therefore seek to strengthen enforcement of consumer protection law through enhanced cooperation with enforcement bodies via formal procedures and improved data sharing and coordination¹⁴⁷.

¹⁴⁴ European Commission Single Market Scoreboard : http://ec.europa.eu/internal_market/scoreboard/performance_by_governance_tool/european_consumer_centre_network/index_en.htm [accessed 15 April 2015].

¹⁴⁵ Consumer Policy Evaluation Consortium (2011).

¹⁴⁶ See also London Economics (2013a).

¹⁴⁷ Consumer Policy Evaluation Consortium (2011); European Commission (2012).

Table 8: Resolution status of ECC-Net cases at closing date

Closure of the complaint	Percentage 2013
Amicable settlement obtained with the trader	44.5 %
No solution found, of which	40.8 %
- Lack of agreement from the trader	- 61.7 %
- Lack of agreement from the consumer	- 11.3 %
- Claim unfounded	- 27 %
Transfer case to other organisation, of which	14.6 %
- ADR entity	- 46.7 %
- Court	- 5.8 %
- Enforcement body	- 13.1 %

Note: Reporting year is 2013. Statistics based only on complex cases opened and closed in 2013.

Source: European Commission EU Single Market Scoreboard.

Another factor hindering the effectiveness of ECC-Net is the long time it takes the centres to handle a case. The 2011 evaluation of ECC-Net found that it takes on average 86 days to close a case.

Finally, the CPEC study indicated that some consumers were unhappy with the centre's communication. Those consumers suggested that the centres should provide more explicit and detailed explanations of their competences and maintain more regular contact with consumers who had issued a complaint to keep them up to date with the status of their case.

v. Enterprise Europe Network

The EEN was evaluated in a CSES 2011 study on the Entrepreneurship and Innovation Programme¹⁴⁸. A survey among network clients revealed that 68.3% were either satisfied or very satisfied with the services provided by the network, whereas 11.6% of clients indicated that they received an unsatisfactory service.

The EEN was reported to have had a significant positive impact on 42.3% of the Network clients, and some impact on 30.8% of the clients. This positive impact was mostly achieved through the provision of better business intelligence (58.5%), the provision of access to new customers (35.2%) and help with R&D efforts (30.2%).

In another survey of 1345 SMEs commissioned by the European Commission, 55% of firms reported that the Network services led to an increase in turnover¹⁴⁹. 26% of SME's indicated that the services provided by the EEN had a positive impact on job creation or safeguarding.

¹⁴⁸ CSES (2011a).

¹⁴⁹ European Commission (2013).

The services most appreciated by clients, as of 2011, were the option of getting in contact with foreign companies, the wide range of services offered and the promotion of partnership opportunities¹⁵⁰.

Clients reported that the network services were easily accessible (67%).

A concern raised by EEN clients relates to the knowledge of the network staff. The 2011 CSES survey showed that a minority of clients was satisfied with the level of knowledge of ENN members (46% of respondents through EEN staff knowledge on regulatory issues was satisfying, 49% of respondents indicated expertise on financing and funding issues was satisfactory)¹⁵¹.

Overall, however, the 2011 evaluation of the ENN came to the conclusion that the Network was perceived as working efficiently and providing adequate services, with users being overall satisfied¹⁵².

vi. EUGO Points of Single Contact

The European Commission's Single Market Scoreboard evaluates national PSCs according to four criteria.

The first indicator relates to the quality and availability of information. In essence, it rates the relevance and comprehensiveness of the information provided on the national PSC website¹⁵³.

The second performance measure relates to the requirement of PSCs to enable users to complete all administrative procedures online, and further assesses whether those online procedures are free of charge.

Another criterion is whether the PSC website is accessible to users from other countries, in particular whether the information is provided in English and/or any other EU-languages, whether e-signatures from abroad are accepted and whether foreign users can understand the requirements they must meet.

Finally, the European Commission evaluates the usability of the PSC website by analysing whether the processes are user-friendly and whether effective help is readily available.

Map 1 depicts the overall score of the different Member States, based on the following weighting of the criteria described above: Quality and availability of information (30%), Availability of online completion of procedures (35%), Accessibility to users from other countries (25%), and Usability (10%).

In 2013, only eight Member States (the UK, Sweden, Spain, the Netherlands, Malta, Denmark and Estonia) exhibited high-performing SPCs. In Latvia, Bulgaria and Romania, SPCs were rated as not fully functional.

While the available information was rated 'very good' in a majority of the countries, the 2013 evaluation found that only a few procedures can be completed online. One of the major objectives of the PSC Regulation, to enable businesses to complete all administrative procedures remotely via electronic process, has thus not been achieved. This especially

¹⁵⁰ CSES (2011)

¹⁵¹ Centre for Strategy and Evaluation Services (2011).

¹⁵² See also London Economics (2013a).

¹⁵³ European Commission Single Market Scoreboard :

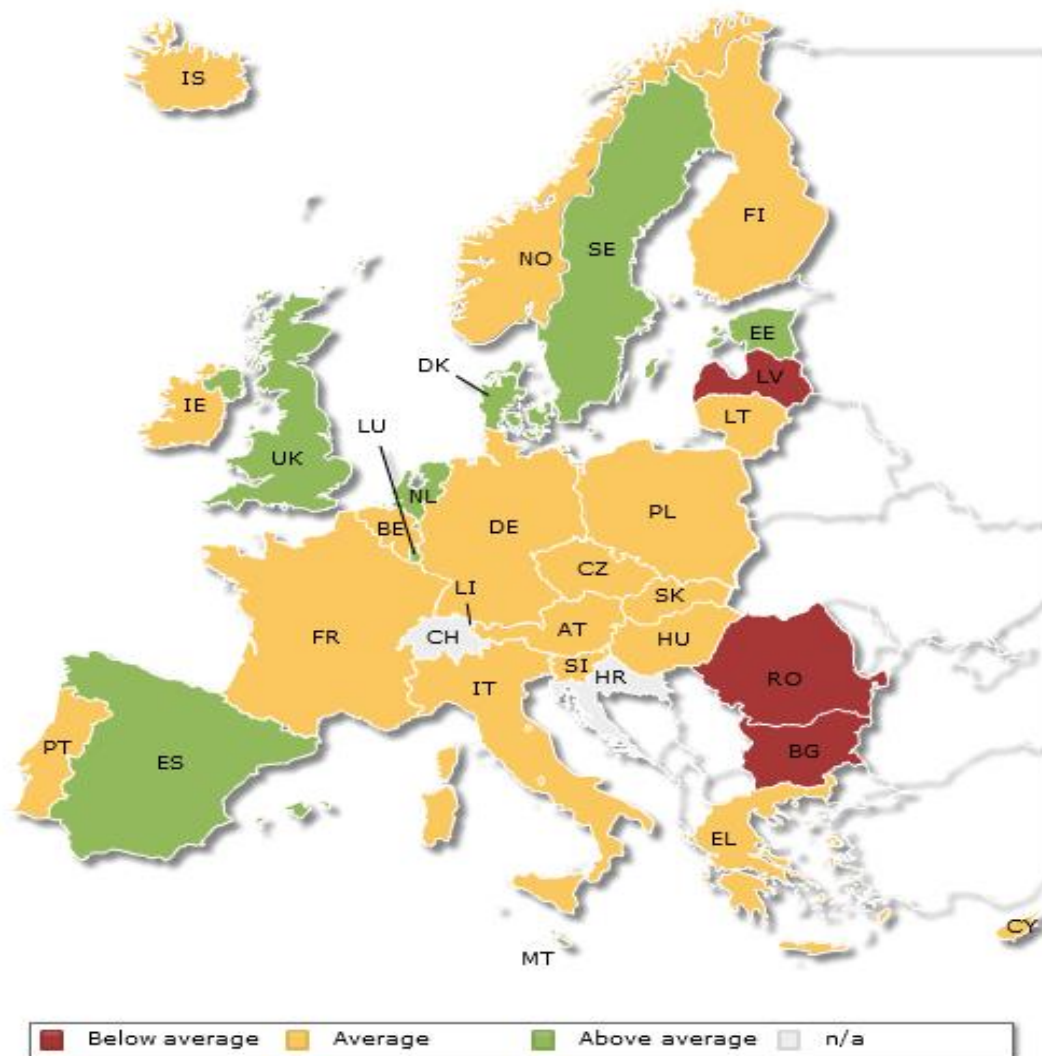
http://ec.europa.eu/internal_market/scoreboard/performance_by_governance_tool/points_of_single_contact/index_en.htm [accessed 15 April 2015].

true for users from other countries, since authentication requirements cannot be completed by foreign users.

Usability was generally very bad, only Malta and Luxembourg were rated as 'easy to use'.

The large differences in performance between different Member States is in part due to the set up of PSCs in the service Directive. Contrary to other Single Market tools, PSCs are not using a centralized electronic system and Member States are given more freedom in the set up of PSCs. The scope of the services currently provided by individual PSCs therefore depends on whether the PSCs could be embedded into existing e-government mechanisms or whether they had to be set up from scratch in order to comply with the Directive.

Map 1: Overall performance of national Single Points of Contact



Note: Reporting period is January 2013-December 2013.

Source: European Commission's Internal market Scoreboard.

A recent study conducted by Capgemini Consulting and Eurochambers on behalf of the Directorate General for Internal Market, Industry, Entrepreneurship and SMEs assessed the performance of the Points of Single Contact against the same four criteria using a different methodological approach¹⁵⁴. The authors collected the data through 'mystery shopping', a

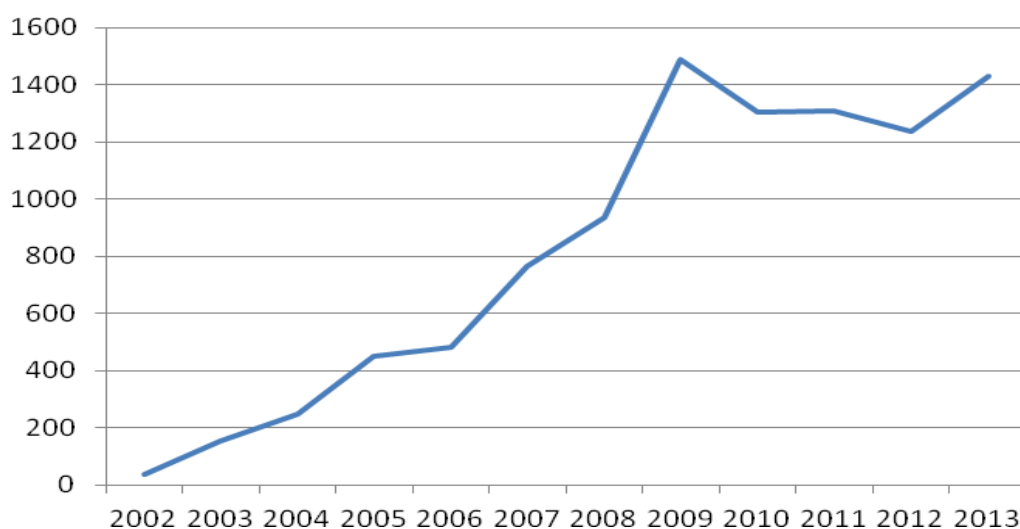
¹⁵⁴ Capgemini Consulting & Eurochambers (2015).

method involving users trained to observe, experience and measure the PSC services according to pre-defined scenarios. The mystery shoppers tested their own national PSC(s) and a PSC from another Member States according to three scenarios: new business establishment (home PSC), cross-border establishment and cross-border temporary service provision (foreign PSC)¹⁵⁵. The results of the assessment yielded similar results to the Single Market Scoreboard assessment. Overall, the performance of the Points of Single Contact in the 28 EU Member States, Norway, Liechtenstein and Iceland was found to be mediocre (54% of the maximum numerical value of the weighted indicators¹⁵⁶), with considerable scope for improvement. Most Member States fell in the category of middle ground performers, with scores between 40% and 75% of the maximum possible value of the different indicators. Germany was found to be lagging behind and classified as poor performer (under 40%), whereas Luxembourg and Cyprus were the only two countries passing the 75% threshold of very good performance. Again, the indicator measuring accessibility for cross-border users was found to be the most underperforming, followed by quality and availability of information. Usability and Transactionality of e-procedures were found to be better performing PSC features¹⁵⁷.

vii. SOLVIT

Since its set up in 2002, the number of cases submitted to SOLVIT has been rising sharply¹⁵⁸ (see Figure 24). In 2013, SOLVIT received 3 130 complaints, of which 1 430 fell under its mandate¹⁵⁹. SOLVIT services are most needed in the areas of social security (40% of all cases)¹⁶⁰, followed by residence permits and visas (25%) and profession qualifications (12%).

Figure 24: Number of cases received by SOLVIT



¹⁵⁵ Capgemini Consulting & Eurochambers (2015).

¹⁵⁶ The data collected were compiled and processed to produce numerical values of the indicators according to the methodology set out in the PSC Charter.

¹⁵⁷ Capgemini Consulting & Eurochambers (2015).

¹⁵⁸ Pelkmans & Correia de Brito (2012), p. 24.

¹⁵⁹ European Commission Single Market Scoreboard: http://ec.europa.eu/internal_market/scoreboard/performance_by_governance_tool/solvit/index_en.htm [accessed 15 April 2015].

¹⁶⁰ See also Pelkmans & Correia de Brito (2012).

Source: European Commission Single Market Scoreboard¹⁶¹.

One of the main goals of SOLVIT is to provide fast help. The latest performance measures show that while home centres on average provide a first answer to clients within 6 days almost all countries have to improve their handling speed as a lead centre. In 2013, lead centres took an average of 72 days to deal with a case, which exceeds the target period of seven weeks. 200 cases took more than 140 days to close in the reporting period, twice as long as the foreseen handling period. Moreover, some countries did not meet the deadline of 30 days case preparation time by the home centre, namely the Czech Republic, Poland and Denmark. A 2011 evaluation of SOLVIT, carried out by the Centre for Strategy and Evaluation Services (CSES) on behalf of the European Commission, found that this lack of responsiveness and long case handling time were among the most often cited factors through to hinder SOLVIT's effectiveness.

Apart from the growing caseload, delays in case handling can be attributed to limited staffing resources¹⁶². Table 9 provides a summary of performance indicators by country for the reporting period January 2013-December 2013.

¹⁶¹ European Commission Single Market Scoreboard: http://ec.europa.eu/internal_market/scoreboard/performance_by_governance_tool/solvit/index_en.htm. [accessed 15 April 2015].

¹⁶² European Commission Single Market Scoreboard: http://ec.europa.eu/internal_market/scoreboard/performance_by_governance_tool/solvit/index_en.htm. [accessed 15 April 2015].; see also Pelkmans & Correia de Brito (2012).

Table 9: Country performance by indicator

Country	Resolution rate	Cases submitted	Cases received	Request accepting time ¹⁶³	Case preparation time ¹⁶⁴	Case handling time ¹⁶⁵
Austria	> 90%	46	37	64%	91%	68%
Belgium	>90%	70	72	65%	71%	59%
Bulgaria	64%	73	11	n/a	87%	1
Croatia ¹⁶⁶	n/a	n/a	n/a	n/a	n/a	n/a
Cyprus	Almost	15	85	50%	93%	74%
Czech	70%	50	10	73%	66%	50%
Denmark	79%	14	19	75%	57%	68%
Estonia	100%	9	2	0%	100%	100%
Finland	n/a	13	10	80%	100%	80%
France	98%	101	212	40%	95%	41%
Germany	99%	133	102	71%	82%	71%
Greece	88%	13	42	100%	85%	79%
Hungary	91%	72	11	68%	89%	73%
Ireland	94%	42	38	90%	93%	74%
Italy	96%	73	132	47%	88%	56%
Latvia	66%	31	3	100%	90%	100%
Lithuania	66%	37	3	84%	92%	100%
Luxembourg	85%	13	20	50%	92%	67%
Malta	100%	5	9	100%	80%	89%
Netherlands	92%	68	25	90%	85%	68%
Poland	82%	97	17	35%	63%	38%
Portugal	99%	47	74	95%	100%	77%
Romania	87%	66	80	69%	77%	69%
Slovakia	82%	33	2	87%	91%	100%
Slovenia	85%	18	7	86%	100%	43%

¹⁶³ As a home centre. target is to reply in 7 days.

¹⁶⁴ As a home centre. target is to prepare cases in 30 days.

¹⁶⁵ As a lead centre. target is to close cases within 10 weeks.

¹⁶⁶ Functional since 1 July 2013 only.

Spain	87%	106	143	73%	80%	54%
Sweden	57%	27	46	72%	85%	62%
UK	94%	140	192	80%	86%	75%

Note: Reporting period January 2013-December 2013.

Source: European Commission. Single Market Scoreboard (undated).

Regarding the quality of the service provided, the 2011 CSES evaluation of SOLVIT, which included a series of surveys and interviews with SOLVIT users, found that 44.3% of users were either very satisfied or quite satisfied, whereas 43.4% were either not very satisfied or not satisfied at all with the way their cases were handled¹⁶⁷. The authors of the study found that there was a strong correlation between the outcome of the case and the perceived service quality and effectiveness.

When asked why they thought SOLVIT was successful, the satisfied SOLVIT users mentioned the network's ability to deal with national administrations, the staff's expertise in EU law, effective cooperation within the SOLVIT network, promptness and quality of service and the mere fact that such a service is available¹⁶⁸.

Clients who were unhappy with the services provided highlighted limited and sometimes insufficient legal expertise and inconsistent advice¹⁶⁹. This result is consistent with the findings of a more recent study conducted by the Centre for European Policy Studies, which indicates that limited legal expertise is hindering SOLVIT's capacity to handle social security cases¹⁷⁰. Enhanced cooperation and an increase of synergies between SOLVIT and the Administrative Commission for the Coordination of the Social Security Schemes were therefore suggested¹⁷¹.

A further limitation of SOLVIT named by the respondents of the 2011 CSES survey¹⁷² were the limited authority of SOLVIT, which can result in national authorities ignoring the network, and poor communication regarding the status of the case¹⁷³.

Regarding the effectiveness of the network, 51.4% of users expressed the view that SOLVIT operates effectively, whereas 29.5% said SOLVIT was not very effective or not effective at all.

An obvious problem hindering effectiveness of SOLVIT is the submission of cases to the network that do not fall under its mandate¹⁷⁴, for example information and advice requests of citizens and businesses. Since all cases submitted to SOLVIT have to be examined before deciding on whether to accept or reject it, this reduces overall effectiveness¹⁷⁵. Different national SOLVIT centres also interpret their role differently, and decisions about whether cases fall under the network's mandate are not yet reached coherently¹⁷⁶. Better information of citizens regarding the specific functions of the Single Market tools and a

¹⁶⁷ CSES (2011b).

¹⁶⁸ See also London Economics (2013a).

¹⁶⁹ CSES (2011b).

¹⁷⁰ Pelkmans & Correia de Brito (2012).

¹⁷¹ Pelkmans & Correia de Brito (2012).

¹⁷² CSES (2011b).

¹⁷³ CSES (2011b).

¹⁷⁴ See for example Pelkmans & Correia de Brito (2012), pp. 23, 25.

¹⁷⁵ Pelkmans & Correia de Brito (2012), p. 25.

¹⁷⁶ Pelkmans & Correia de Brito (2012), p. 31.

more coherent approach to determining what cases fall under SOLVIT's mandate could therefore enhance effectiveness¹⁷⁷.

A Recommendation was adopted by the European Commission on 17 September 2013 so as to help SOLVIT ameliorating its services¹⁷⁸.

viii. Alternative and Online Dispute Resolution

In 2011, the European Commission published an Impact Assessment study on the existing ADR/ODR schemes across the EU. It found that the divergence in the development of ADR schemes in different Member States, and the lack of any such mechanisms in some countries, was not a satisfactory solution to consumers and businesses. Further, the evaluation concluded that because of the divergence between different ADR/ODR procedures at the national level in place, access to and reliability of such mechanisms in cross-border disputes remained very limited.

The study identified three main deficiencies of ADR mechanisms in the EU; geographical and sectoral gaps in ADR coverage, insufficient knowledge of consumers about the ADR schemes, especially about which institutions would be competent to deal with a dispute in a particular case, and the quality of ADR schemes in place, not being transparent, effective or impartial enough.

Regarding ODR, the Commission found that only few ADR schemes in place offered the option of a full online processing of a complaint, which they found would render out-of-court processing of disputes related to e-commerce transactions difficult.

It concluded that the introduction and evaluation of ADR/ODR schemes solely at the national level was insufficient and recommended an EU-level approach to ADR/ODR schemes.

Given that Member States were given two years from the time the ADR Directive came into force in June 2013 to transpose the new rules into national legislation, the new ADR/ODR system will only be established in mid 2015. Evaluations of the latest developments in ADR/ODR schemes are therefore not yet available.

ix. Product Contact Points

The Mutual Recognition Regulation (EC 764/2008), in force since May 2009, seeks to strengthen the operation of free trade in goods in the EU by requiring that all member states provide free information on their national technical rules and set out a standard procedure for enforcing those rules. Articles 9 and 10 of the regulation provide for so-called Product Contact Points (PCP), through which information on the following issues shall be provided:

- the technical rules applicable to a specific type of product in the territory in which those Product Contact Points are established and information as to whether that type of product is subject to a requirement for prior authorisation under the laws of their Member State, together with information concerning the principle of mutual recognition and the application of this Regulation in the territory of that Member State;
- the contact details of the competent authorities within that Member State by means of which they may be contacted directly, including the particulars of the authorities

¹⁷⁷ Pelkmans & Correia de Brito (2012), p. 25.

¹⁷⁸ Civic Consulting (2014).

responsible for supervising the implementation of the technical rules in question in the territory of that Member State; and

- the remedies generally available in the territory of that Member State in the event of a dispute between the competent authorities and an economic operator.

Product Contact Points are required to respond within 15 working days of receiving a request. A list of national Product Contact Points can be downloaded from the Commission's website¹⁷⁹.

The 2011 Construction Products Regulation, which lays down harmonised rules and a common technical language for construction products, established more targeted national Product Contact Points (PCP) through which EU countries are to inform on their rules and regulations for construction products. In addition to the tasks defined in Article 10 of Regulation (EC) No 764/2008, Product Contact Points for Construction shall also provide information on rules concerning the incorporation of construction products as stipulated by national regulations, as well as information on provisions aiming at the fulfilment of basic requirements for construction works which are applied to the intended use of each construction product in the territory of each Member State.

The overarching goal of Product Contact Points (PCPs) is to remove barriers to trade in non-harmonised sectors by making national technical rules more accessible. In particular, the PCPs seek to provide a reliable and precise picture about the laws in force in the Member State where enterprises, and in particular SMEs, intend to place their products. In addition, the information collected by the PCPs provides a basis for identifying the sectoral areas and products where considerable cross-border trade takes place and where enhanced harmonization of technical rules may be beneficial, though other data on trade flows would also provide information in this area.

Information about the numbers of requests for information that PCPs receive is, in itself, unlikely to provide information that is very useful for single market governance since a request for information does not imply that there is any problem with trade in that product. In Regulation No 764/2008 there is no requirement on the PCPs to collect information about numbers and types of enquiries and as far as we are aware this information is not collected and published either by Member States or by the European Commission.

PCPs are a tool for reducing barriers to trade, so an evaluation of the performance of the tool could provide useful information about the extent to which it does reduce barriers and whether the performance of this tool could be improved. To our knowledge no evaluation of the effectiveness of the PCPs has been published to date. However, an evaluation of 'mutual recognition' has been commissioned by DG GROWTH and the Commission are due to report on this to the Council in mid 2015. It is currently anticipated that the evaluation will be published in October 2015. As far as we are aware, the Commission has not yet reported to the Council on this matter¹⁸⁰.

¹⁷⁹ http://www.constructionproducts.org.uk/?eID=dam_frontend_push&docID=6539&filename=CPR_Version_3_Final_Text.pdf.

¹⁸⁰ At the bottom of this page: http://ec.europa.eu/growth/single-market/goods/free-movement-sectors/mutual-recognition/index_en.htm.

3.3. Policy execution in different areas of the Single Market

In this section we provide examples of policy execution issues in four areas of the Single Market.

3.3.1. Single Market for services

The Services Directive was adopted in 2006 and was supposed to be fully implemented by the end of 2009¹⁸¹. It concerns a range of service-based economic activities in the EU, about 40% of total EU GDP¹⁸².

According to the latest available information note of the European Commission to the Competitiveness Council on the 'State of implementation of the Services Directive' (December 2010), more than a thousand measures have been taken by Member States to implement the provisions of the Directive¹⁸³. As of 2011, 23 Member States had adopted a horizontal law to transpose the directive, with implementation in Austria and Luxembourg lacking behind and France and Germany having adopted several acts instead of one horizontal law. In addition, 19 Member States had adapted sector-specific legislation¹⁸⁴

An economic impact assessment of the effect of the Services Directive carried out by EC DG ECFIN in 2012¹⁸⁵ indicated that the level of barriers as well as the heterogeneity in barriers across Member States and sectors had considerably declined after the adoption of the Services Directive. The largest abolishment of existing barriers took place in the sectors of travel agencies and tourist guides, hotels, construction and real estate agents (between 2006 and 2009, relative to starting point).

At the same time, the report noted that the principles of the Directive had not yet been fully implemented and that a large degree of heterogeneity remained between Member States and sectors. According to EC DG ECFIN, this was mainly because Member States were given some discretion regarding the decision on which existing national regulations were incompatible with the provisions of the Services Directive. The highest number of barriers remains in the sector of legal services.

It was estimated that even with those remaining barriers, the EU had registered a 3.8% increases of additional FDI, 7.2% more trade and 4.7% more productivity in the service sectors covered by the analysis. The assessment further analysed the expected changes in economic impacts if every Member State was to achieve a barrier level corresponding to the mean of the five lowest-barrier countries in that sector. It found that the gains in trade would be twice as much, productivity almost three times and FDI more than three times as much¹⁸⁶.

With regards to the Points of Single Contact established in the Services Directive, several studies suggested that there was considerable room for improvement of the PSCs' visibility and quality of services offered (see also Chapter 3). The setting up of PSCs was also named as the top priority in the latest available information note of the European Commission¹⁸⁷.

¹⁸¹ Monteagudo et al. (2012).

¹⁸² http://ec.europa.eu/growth/single-market/services/services-directive/implementation/index_en.htm

¹⁸³ European Commission (2010).

¹⁸⁴ Business Europe (2011).

¹⁸⁵ Monteagudo et al. (2012).

¹⁸⁶ Monteagudo et al. (2012).

¹⁸⁷ European Commission (2010).

3.3.2. Professional Qualifications Directive

The Professional Qualifications Directive (Directive 2005/36/EC) was adopted in 2005 and came into force in 2007. The Directive represented a consolidation of 15 previous Directives, and affects more than 800 different professions regulated by Member States across the EU. In response to requests from the European Parliaments' Internal Market Committee (IMCO), the modernized Directive 2013/55/EU was published in 2013.

The latest available scoreboard on the Professional Qualifications Directive dates back to April 2010 and only provides information on the transposition efforts undertaken by the Member States.

3.3.3. Digital Single Market

The completion of the Digital Single Market (DSM) is a key priority for the European Commission, the European Council and the European Parliament. The Commission defined the DSM as a market in which 'the free movement of goods, persons, services and capital is ensured and where individuals and businesses can seamlessly access and exercise online activities under conditions of fair competition, and a high level of consumer and personal data protection, irrespective of their nationality or place of residence'¹⁸⁸. The DSM seeks to better exploit the potential of Information and Communication Technologies (ICTs) in order to foster innovation, economic growth and progress¹⁸⁹.

On 6 May 2015, the Commission published an encompassing Digital Single Market Strategy for Europe¹⁹⁰, focusing on three distinct pillars of the Digital Single Market:

- Better access for consumers and businesses to digital goods and services across Europe (making sure the Internal Market is ready for the digital age with rapid actions, and helping to ensure a "single" digital market by removing barriers that hold back cross-border e-commerce);
- Creating the right conditions, level playing field and environment for digital networks and content services to flourish (actions to create the right conditions for infrastructure investment, ensuring a level playing field between market players and improving the European basis for the digital economy);
- Maximising the growth potential of the digital economy (actions with far-reaching effects on European industrial competitiveness, investment in ICT infrastructures and technologies such as Cloud computing and Big Data, research and innovation as well as inclusiveness and skills).

The Digital Single Market Strategy outlines 16 initiatives to be delivered by the end of 2016 to overcome remaining barriers in the Digital Single Market, such as:

- Unharmonised national consumer protection and contract laws, discouraging companies from cross-border sales
- High prices and inefficiency of cross-border parcel delivery as well as lack of price transparency and regulatory oversight. 62% of surveyed companies that are not currently selling online but are trying to do so responded that high delivery costs would constitute a problem.
- Unjustified geo-blocking

¹⁸⁸ http://ec.europa.eu/priorities/digital-single-market/docs/dsm-communication_en.pdf.

¹⁸⁹ Digital Agenda for Europe website : <http://ec.europa.eu/digital-agenda/en/digital-agenda-europe> [accessed 28 April 2015].

¹⁹⁰ http://ec.europa.eu/priorities/digital-single-market/docs/dsm-communication_en.pdf.

- Barriers to cross-border access to copyright-protected content services and their portability
 - Less than 4% of all video on demand content in the EU is accessible cross-border
 - 45% of companies considering selling digital services online to individuals stated that copyright restrictions preventing them from selling abroad are a problem
- VAT related burdens and obstacles when selling across borders
- Un-harmonised rules for net neutrality and roaming surcharges
- absence of consistent EU-wide objectives and criteria for spectrum assignment at national level
- Security issues, i.e. cyber threats
 - Only 22% of Europeans have full trust in companies such as search engines, social networking sites and e-mail services.
- Privacy and personal data
 - 72% of Internet users worry that they are being asked for too much personal data online.
- Fragmented implementation of copyright rules and lack of clarity over rights to use data
- Restrictions, such as those related to data location (i.e. Member States requirements to keep data inside their territory)

According to a study conducted by the European Parliament Research Service, removing the remaining barriers in the Digital Single Market could contribute €415 billion to European GDP¹⁹¹.

Similarly, the European Commission's Action Dashboard on the Implementation of the Digital Agenda for Europe (DAE) shows which of the actions under the responsibility of the Member States have not yet been carried out. As of 22 June 2015, the European Dashboard maintains that too many barriers remain that hinder the free flow of online services and entertainment across national borders¹⁹².

The two actions directly related to the Digital Single Market, 'Action 10: Member States to implement laws to support the Digital Single Market' and 'Action 11: Member States to transpose the VAT Directive' are both rated as delayed in the EC DAE Dashboard. Action 10 (deadline 2011) has not been implemented by one Member State (Poland), and Action 11 (deadline 2013) has not been implemented by 11 Member States (Austria, Cyprus, Greece, Spain, France, Hungary, Ireland, Italy, Luxembourg, Malta, UK).

As of 22 June 2015, all except one of the 21 other DAE Actions, that is actions in the areas of interoperability and standards, trust and security, very fast internet, research and innovation, enhancing e-skills and ICT for societal challenges, were rated as delayed or at risk of delay.

¹⁹¹ European Parliamentary Research Service (2014a)

¹⁹² European Commission Implementation of the Digital Agenda for Europe: http://daeimplementation.eu/dae_actions.php [accessed 29 April 2015].

Figure 25: Implementation of the Digital Agenda for Europe

Legend: Red: delayed; orange; at risk of delay; blue: completed; green: on track; grey: no data available.

	Deadline	EU	AT	BE	BG	CY	CZ	DE	DK	EE	EL	ES	FI	FR	HU	IE	IT	LT	LU	LV	MT	NL	PL	PT	RO	SE	SI	SK	UK	
Digital Single Market																														
Action 10	2011	Red	Blue	Blue	Blue	Blue	Blue	Blue	Blue	Blue	Blue	Blue	Blue	Blue	Blue	Blue	Blue	Blue	Blue	Blue	Blue	Blue	Blue	Blue	Blue	Blue	Blue	Blue	Blue	Blue
Action 11	2013	Red	Blue	Blue	Blue	Blue	Blue	Blue	Blue	Blue	Blue	Blue	Blue	Blue	Blue	Blue	Blue	Blue	Blue	Blue	Blue	Blue	Blue	Blue	Blue	Blue	Blue	Blue	Blue	Blue
Interoperability and Standards																														
Action 26	2013	Red	Blue	Blue	Blue	Blue	Blue	Blue	Blue	Blue	Blue	Blue	Blue	Blue	Blue	Blue	Blue	Blue	Blue	Blue	Blue	Blue	Blue	Blue	Blue	Blue	Blue	Blue	Blue	Blue
Action 27	2013	Red	Blue	Blue	Blue	Blue	Blue	Blue	Blue	Blue	Blue	Blue	Blue	Blue	Blue	Blue	Blue	Blue	Blue	Blue	Blue	Blue	Blue	Blue	Blue	Blue	Blue	Blue	Blue	Blue
Trust and Security																														
Action 38	2012	Red	Blue	Blue	Blue	Blue	Blue	Blue	Blue	Blue	Blue	Blue	Blue	Blue	Blue	Blue	Blue	Blue	Blue	Blue	Blue	Blue	Blue	Blue	Blue	Blue	Blue	Blue	Blue	Blue
Action 39	2020	Yellow	Blue	Blue	Blue	Blue	Blue	Blue	Blue	Blue	Blue	Blue	Blue	Blue	Blue	Blue	Blue	Blue	Blue	Blue	Blue	Blue	Blue	Blue	Blue	Blue	Blue	Blue	Blue	Blue
Action 40	2013	Red	Blue	Blue	Blue	Blue	Blue	Blue	Blue	Blue	Blue	Blue	Blue	Blue	Blue	Blue	Blue	Blue	Blue	Blue	Blue	Blue	Blue	Blue	Blue	Blue	Blue	Blue	Blue	Blue
Action 41	2012	Red	Blue	Blue	Blue	Blue	Blue	Blue	Blue	Blue	Blue	Blue	Blue	Blue	Blue	Blue	Blue	Blue	Blue	Blue	Blue	Blue	Blue	Blue	Blue	Blue	Blue	Blue	Blue	Blue
Very Fast Internet																														
Action 46	2012	Red	Blue	Blue	Blue	Blue	Blue	Blue	Blue	Blue	Blue	Blue	Blue	Blue	Blue	Blue	Blue	Blue	Blue	Blue	Blue	Blue	Blue	Blue	Blue	Blue	Blue	Blue	Blue	Blue
Action 47	2020	Yellow	Blue	Blue	Blue	Blue	Blue	Blue	Blue	Blue	Blue	Blue	Blue	Blue	Blue	Blue	Blue	Blue	Blue	Blue	Blue	Blue	Blue	Blue	Blue	Blue	Blue	Blue	Blue	Blue
Action 48	2020	Yellow	Blue	Blue	Blue	Blue	Blue	Blue	Blue	Blue	Blue	Blue	Blue	Blue	Blue	Blue	Blue	Blue	Blue	Blue	Blue	Blue	Blue	Blue	Blue	Blue	Blue	Blue	Blue	Blue
Action 49	2020	Yellow	Blue	Blue	Blue	Blue	Blue	Blue	Blue	Blue	Blue	Blue	Blue	Blue	Blue	Blue	Blue	Blue	Blue	Blue	Blue	Blue	Blue	Blue	Blue	Blue	Blue	Blue	Blue	Blue
Research and Innovation																														
Action 55	2020	Yellow	Blue	Blue	Blue	Blue	Blue	Blue	Blue	Blue	Blue	Blue	Blue	Blue	Blue	Blue	Blue	Blue	Blue	Blue	Blue	Blue	Blue	Blue	Blue	Blue	Blue	Blue	Blue	Blue
Action 56	2020	Yellow	Blue	Blue	Blue	Blue	Blue	Blue	Blue	Blue	Blue	Blue	Blue	Blue	Blue	Blue	Blue	Blue	Blue	Blue	Blue	Blue	Blue	Blue	Blue	Blue	Blue	Blue	Blue	Blue
Enhancing e-Skills																														
Action 66	2011	Red	Blue	Blue	Blue	Blue	Blue	Blue	Blue	Blue	Blue	Blue	Blue	Blue	Blue	Blue	Blue	Blue	Blue	Blue	Blue	Blue	Blue	Blue	Blue	Blue	Blue	Blue	Blue	Blue
Action 67	2011	Red	Blue	Blue	Blue	Blue	Blue	Blue	Blue	Blue	Blue	Blue	Blue	Blue	Blue	Blue	Blue	Blue	Blue	Blue	Blue	Blue	Blue	Blue	Blue	Blue	Blue	Blue	Blue	Blue
Action 68	2020	Green	Blue	Blue	Blue	Blue	Blue	Blue	Blue	Blue	Blue	Blue	Blue	Blue	Blue	Blue	Blue	Blue	Blue	Blue	Blue	Blue	Blue	Blue	Blue	Blue	Blue	Blue	Blue	Blue
ICT for Social Challenges																														
Action 73	2011	Red	Blue	Blue	Blue	Blue	Blue	Blue	Blue	Blue	Blue	Blue	Blue	Blue	Blue	Blue	Blue	Blue	Blue	Blue	Blue	Blue	Blue	Blue	Blue	Blue	Blue	Blue	Blue	Blue
Action 74	2012	Red	Blue	Blue	Blue	Blue	Blue	Blue	Blue	Blue	Blue	Blue	Blue	Blue	Blue	Blue	Blue	Blue	Blue	Blue	Blue	Blue	Blue	Blue	Blue	Blue	Blue	Blue	Blue	Blue
Action 89	2020	Yellow	Blue	Blue	Blue	Blue	Blue	Blue	Blue	Blue	Blue	Blue	Blue	Blue	Blue	Blue	Blue	Blue	Blue	Blue	Blue	Blue	Blue	Blue	Blue	Blue	Blue	Blue	Blue	Blue
Action 90	2020	Yellow	Blue	Blue	Blue	Blue	Blue	Blue	Blue	Blue	Blue	Blue	Blue	Blue	Blue	Blue	Blue	Blue	Blue	Blue	Blue	Blue	Blue	Blue	Blue	Blue	Blue	Blue	Blue	Blue
Action 91	2011	Red	Blue	Blue	Blue	Blue	Blue	Blue	Blue	Blue	Blue	Blue	Blue	Blue	Blue	Blue	Blue	Blue	Blue	Blue	Blue	Blue	Blue	Blue	Blue	Blue	Blue	Blue	Blue	Blue
Action 96	2015	Yellow	Blue	Blue	Blue	Blue	Blue	Blue	Blue	Blue	Blue	Blue	Blue	Blue	Blue	Blue	Blue	Blue	Blue	Blue	Blue	Blue	Blue	Blue	Blue	Blue	Blue	Blue	Blue	Blue

Note:

Action 10: Member States to implement laws to support the digital single market

Action 11: Member States to transpose the VAT Directive

Action 26: Member States to implement European Interoperability Framework

Action 27: Member States to implement Malmö and Granada declarations

Action 38: Member States to establish pan-European Computer Emergency Response Teams

Action 39: Member States to carry out cyber attack simulations

Action 40: Member States to implement harmful content alert hotlines

Action 41: Member States to set up national alert platforms

Action 46: Member States to develop national broadband plans

Action 47: Member States to facilitate broadband investment

Action 48: Use structural funds to finance the roll-out of high-speed networks

Action 49: Member States to implement European Spectrum Policy Programme (ESPP)

Action 55: Member States to double annual public spending on ICT R&D

Action 56: Member States to engage in large-scale pilots financed by the Competitiveness and Innovation Programme

Action 66: Member States to promote long-term e-skills and digital literacy policies

Action 67: Member states to implement provisions on disability in Telecoms Framework & AVMS

Action 68: Member States to mainstream eLearning in national policies

Action 73: Member States to agree on common additional functionalities for smart meters

Action 74: Member States to include specifications for total lifetime costs for public lighting in public procurement

Action 89: Member States to make eGovernment services fully interoperable

Action 90: Member States to ensure that PSC function as fully fledged eGovernment centres

Action 91: Member States to agree a common list of key cross-border public services

Action 96: Member States to fulfil obligations under European Rail Traffic Management System

Source: European Commission's website on the Implementation of the Digital Agenda for Europe: Action Dashboard <http://daeimplementation.eu/dashboard2.php>.

The state of the implementation of the market for e-communications was further discussed in a 2011 study commissioned by EC DG Information Society and Media¹⁹³. Based on interviews and an online survey carried out among operators, vendors, over-the-top service providers, and business end-users in the e-communications market, the report concluded that barriers stemming from regulatory uncertainty, government discretion, the heterogeneity in the implementation of regulation, and the lack of standards remained.

3.3.4. Public procurement

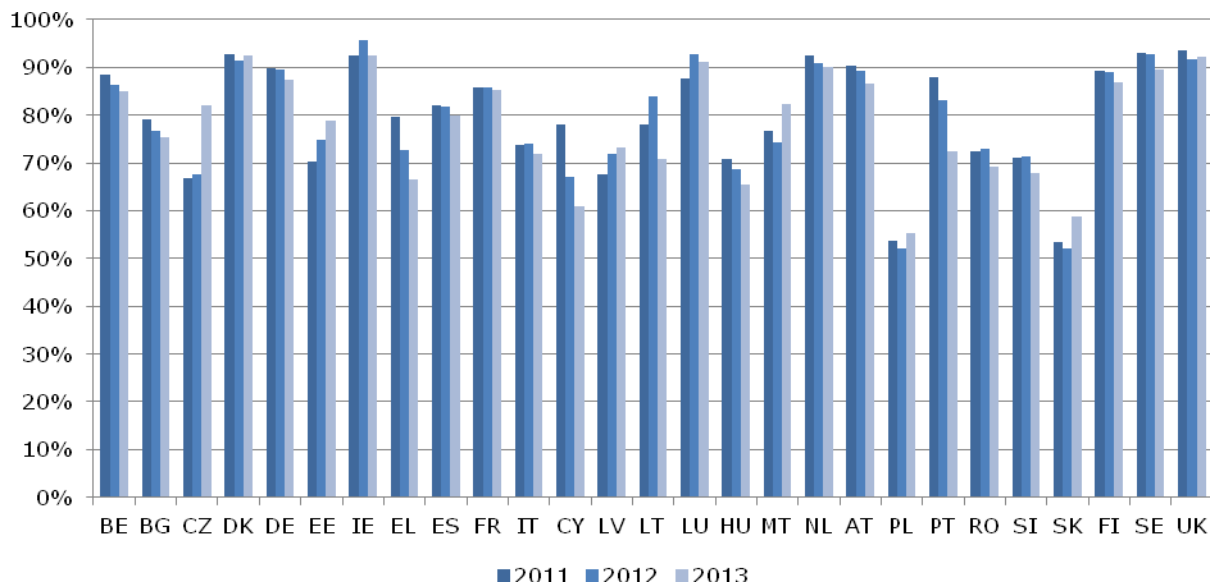
The EU directives on public procurement seek to achieve transparency, open competition and sound procedural management¹⁹⁴. The European Commission Single Market Scoreboard seeks to assess in how far Member States have implemented those principles of public procurement by referring to three indicators: bidder participation, accessibility and efficiency. It has to be noted that those indicators do not capture several key aspects of public procurement processes in Member States, such as corruption, administrative burden placed on bidders, availability of online bidding processes (e-procurement) and openness to bidders from other countries, and therefore only provide an incomplete picture of the implementation of the EU legislation on public procurement in the individual Member States. In addition, procurement processes depend on various country-specific factors, so direct comparisons between the indicator-based performances of different countries should only be drawn carefully.

Figure 26 reports the proportion of contract award notices that involved more than one bidder¹⁹⁵. This indicator relates to the open competition aspect fostered by EU legislation. However, other factors are influencing bidder participation as well. For example, the existence of extensive bureaucratic hurdles is expected to reduce bidder participation. While the majority of contract awards involve competition between several bidders, there remains some heterogeneity between Member States, and 11 Member States registered a bidder participation rate of less than 75% (red status).

¹⁹³ Ecorys (2011).

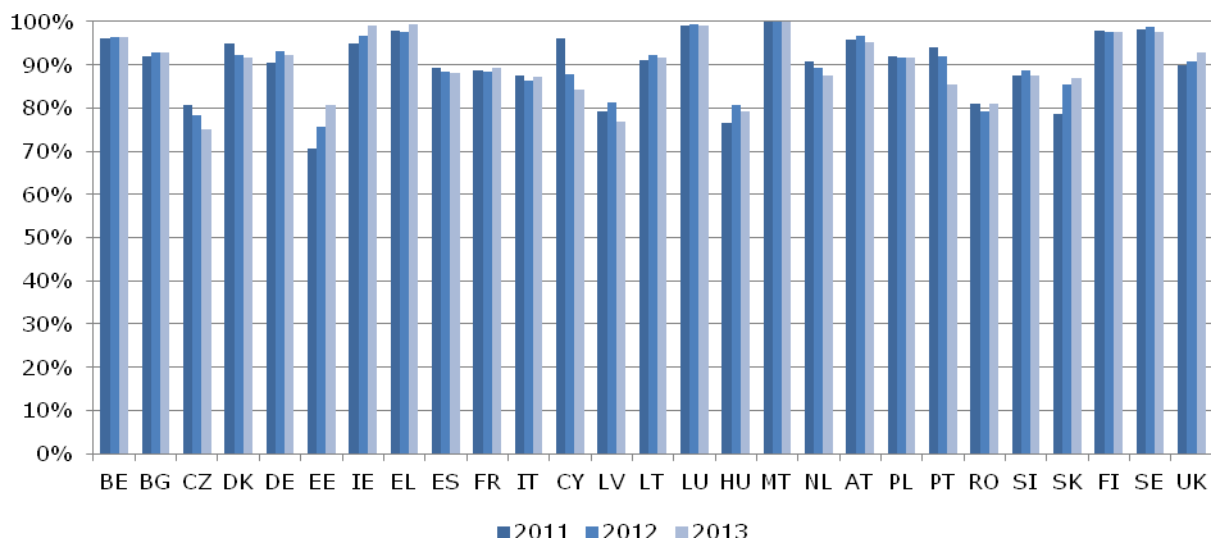
¹⁹⁴ European Commission Single Market Scoreboard: http://ec.europa.eu/internal_market/scoreboard/performance_per_policy_area/public_procurement/index_en.htm [accessed 28 April 2015].

¹⁹⁵ Excluded are framework agreements which are subject to different reporting patterns.

Figure 26: Bidder participation by Member State

Source: European Commission Single Market Scoreboard.

Figure 27 turns to the accessibility of public procurements in Member States, which again serves as a proxy for the degree of competition. In particular, it reports the proportion of all tenders that take place via procurement procedures defined in the EU Directives on public procurement¹⁹⁶.

Figure 27: Accessibility by Member State

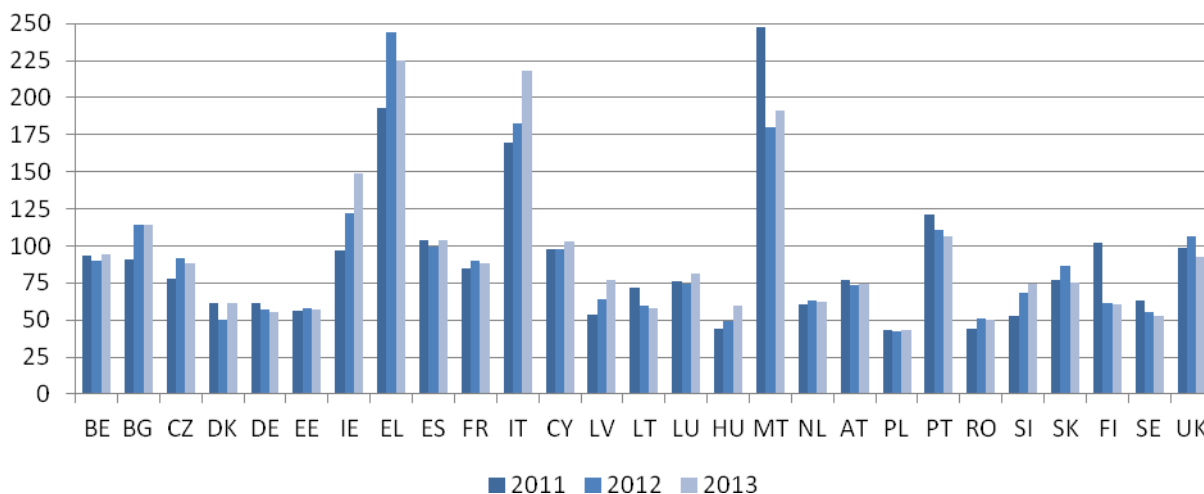
Source: European Commission Single Market Scoreboard.

Figure 28 reports the mean length of the decision period, that is the period between the deadline for receipt of tenders and the award of the contract, thus measuring the speed of the procurement process (for open procedure contracts only). It shows that there remains a large variation between different Member States, and that procedural efficiency is very

¹⁹⁶ Open procedure, restricted procedure, competitive dialogue procedure, negotiated procedure with a call for competition.

low (more than 100 days passed before award of contract) in nine countries. This indicates that the principle of sound procedural management established in the Public Procurement Directives has not yet been fully implemented in all countries.

Figure 28: Procedural efficiency by Member State

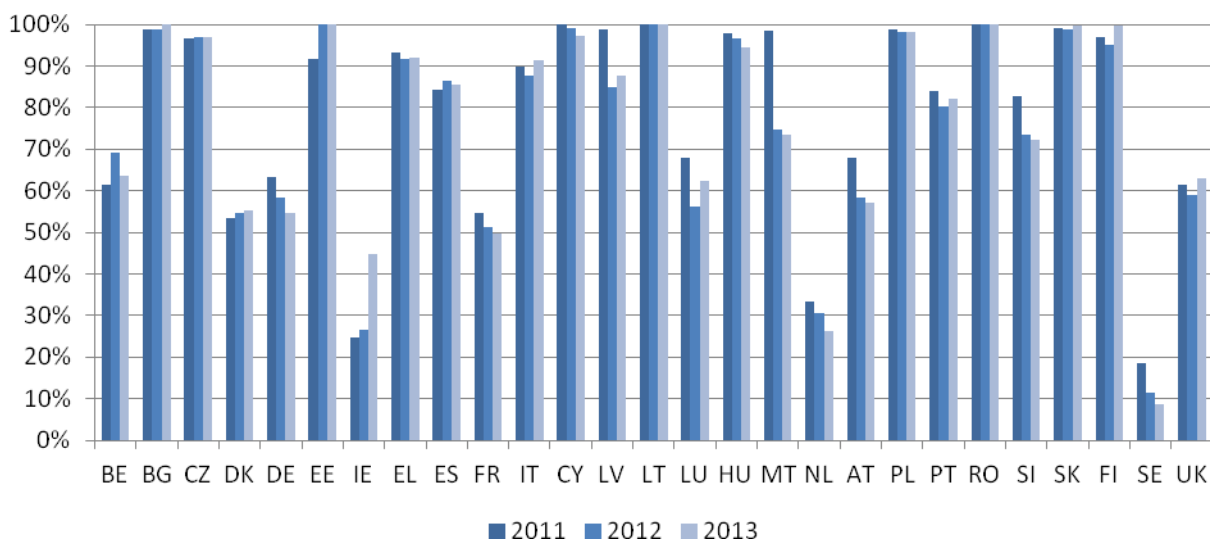


Note: Reports mean length of the decision period (in days), i.e. the period between the deadline for receipt of tenders and the award of the contract.

Source: European Commission Single Market Scoreboard.

The last Figure shows the quality of the content of award contract notices and serves as an indicator of the implementation of the transparency principle. Note that the European Commission measures reporting quality as the proportion of notices that contain any information on the value of the contracts, arguing that information on the contract value can be used as an indicator of overall content of the notices. As is evident from Figure 29, the requirements relating to the transparency of the public procurement process have not yet been implemented in all Member States.

Figure 29: Reporting quality



Source: European Commission Single Market Scoreboard.

4. A CONSOLIDATED SMART SINGLE MARKET REGULATION SYSTEM

KEY FINDINGS

1. Many of the elements of a performance-based policy cycle are already in place in Single Market regulation and the 'Better Regulation Package' of 19 May 2015 introduced changes that should improve performance.
2. Nevertheless there is a potential for further improvements. This potential lies a number of areas: improving awareness of the assistance tools; improving the performance of individual tools; introducing a strategic programming phase into the policy cycle; improving information flows; and strengthening the role of the Single Market in the European Semester process.
3. New ICT developments such as cloud computing, business analytics and 'big data' provide new opportunities for collating and analysing the large scale data that exists about the performance of strategic programmes and individual Single Market policies.
4. The previous London Economics report on the performance-based policy cycle made a number of recommendations related to improving the quality of the analysis that underpins impact assessments. In order to assist in achieving these aims we propose that further measures are taken in order to improve the dissemination of know-how about data collection, monitoring, ex ante impact assessment and ex post evaluation.
5. For developing strategic programmes and making policy decisions, evidence about what works, both in terms of processes and in terms of outcomes for consumers and businesses, is the most useful analytical input. By their nature, these types of analytical outcomes from large numbers of ex post assessments and impact assessments can be more difficult to access than information provided through indicators and scoreboards.
6. In order to address this 'What Works' question, we propose that an approach is developed that draws on experiences of the 'What Works Network' in the UK and experience of the use of systematic evidence reviews in policy development elsewhere.
7. Ongoing work by the European Parliament's European Added Value Unit suggests that the 'costs of non-Europe' are of the order of just under €1 trillion. This suggests that a higher profile and more detailed focus on remaining barriers to the Single Market is required as a part of the European Semester, with a clear role for the European Parliament.

In Chapter 2, we set out the requirements for an enhanced performance-based policy cycle and in Chapter 3 we assessed the tools that are available for smart Single Market regulation. In this Chapter we propose a consolidated system for smart Single Market regulation that combines a framework based on the enhanced performance-based policy cycle with improvements to the smart regulation toolbox. First, we assess the extent to which the new Better Regulation Package of the European Commission conforms to the requirements for an enhanced performance-based policy cycle.

4.1. The Better Regulation Package from the perspective of a performance-based policy cycle

On 19 May 2015, the European Commission published the 'Better Regulation Package'¹⁹⁷, setting out the EU Agenda on Better Regulation for the coming years and providing guidelines on how to deliver better results for citizens and businesses through better EU rules (see also Section 3.1.1). The Better Regulation Guidelines apply to all of the Commission's work from the day of their publication, and are thus essential for current and future Single Market governance. This section seeks to assess the extent to which the Better Regulation Package is consistent with the enhanced performance-based policy cycle introduced in Chapter 2.

The Communication from the Commission to the European Parliament, the Council, the European Economic and Social Committee and the Committee of the Regions accompanying the Better Regulation Package clearly states the Commission's intent to adhere to performance- and evidence based principles throughout the policy-making process. For example, the Communication assures that 'applying the principles of better regulation will ensure that measures are evidence-based, well designed and deliver tangible and sustainable benefits for citizens, business and society as a whole' and states that the guidelines seek to re-commit the Commission to 'use the best available evidence and science and reinforce the commitment to put in place clear monitoring and implementation plans before measures are adopted'.

The Better Regulation Package covers what the Commission refers to as 'the whole policy cycle – policy design and preparation, adoption; implementation (transposition, complementary non-regulatory actions), application (including enforcement), evaluation and revision'. For each of these stages, the Package introduces a number of Better Regulation guidelines:

- Guidelines on planning
- Guidelines on impact assessment
- Guidelines on preparing proposals, implementation and transposition
- Guidelines on monitoring
- Guidelines on evaluation and fitness checks
- Guidelines on stakeholder consultation

In addition, the Better Regulation 'Toolbox' presents a comprehensive array of additional guidance to assist practitioners in the application of Better Regulation¹⁹⁸. These additional tools are not binding unless expressly stated to be so¹⁹⁹.

4.1.1. Strategic programming

The Better Regulation guidelines on planning recognize that 'effective and quality EU action starts with good and timely planning'. However, the guidelines are only partially adhering to the principles of performance-based strategic programming.

The guidelines acknowledge that 'the identification and delivery of the political priorities of the Commission are carried out [...] on the basis of the political priorities of the Commission President and the Commission Work Programme (CWP)'. The principles established in the planning guidelines apply to initiatives included in the CWP, REFIT items, new legislative

¹⁹⁷ http://ec.europa.eu/smart-regulation/index_en.htm.

¹⁹⁸ http://ec.europa.eu/smart-regulation/guidelines/docs/br_toolbox_en.pdf.

¹⁹⁹ European Commission (2015b).

proposals, recommendations for the negotiation of international agreements and proposals for their conclusion, policy communications, delegated and implementing acts having significant impacts, financing decisions having significant impacts, other Commission initiatives that are sensitive or important, evaluations and fitness checks. However, they do not apply to many of the strategic programmes discussed in Chapter 3.3.2. For example, the political priorities of the President of the European Commission and the political agenda setting activities of the Council do not have to comply with the planning guidelines.

Furthermore, the guidelines mainly refer to the requirement of political validation of initiatives, and clearly establish that policy planning is steered by the political level²⁰⁰. Still, to obtain this validation, an Agenda Planning entry, and if applicable, an accompanying roadmap/inception Impact Assessment is required. Roadmaps for new major initiatives describe the problem to be tackled and the objectives to be achieved, explain why EU action is needed and its added value and outline alternative policy options. If an impact assessment is planned, the roadmap is replaced by an Inception Impact Assessment, which sets out in greater detail the description of the problem, issues related to subsidiarity, the policy objectives and options as well as the likely impacts of each option. While the planning guidelines thus include provisions for more goal-based policy-making, no explicit requirement of substantiating roadmaps and inception impact assessments with quantified evidence is specified in the planning guidelines. In particular, no provisions foresee the consideration of what the evidence suggests about which types of policies may be successful in addressing the issues at hand and whether existing strategic programmes can be amended to address these issues, or whether new strategies need to be developed. Moreover, neither roadmaps nor inception IAs are required for delegated and implementing acts of less importance and Commission reports (except for Evaluations or Fitness Checks).

Finally, no clear consideration is given to the identification of interactions between policies within a strategic programme and between strategic programmes, which is an important aspect of performance-based strategic programming. Coherence of a policy with other EU policy interventions is only evaluated in fitness checks in the assessment phase of the policy cycle.

4.1.2. Policy identification and choice

The Better Regulation Package foresees that a more comprehensive explanatory memorandum accompanies each legislative proposal and delegated act of the Commission to explain the purpose of the proposed measure, why the initiative is needed, why it is the best tool for the EU to use, what stakeholders think and what the likely environmental, social and economic impacts are, particularly those on competitiveness and small and medium-sized enterprises (SMEs).

According to the Better Regulation guidelines on Impact Assessments, an Impact assessment is required for all Commission initiatives that are likely to have significant economic, environmental or social impacts. The guidelines clearly specify what questions an IA should answer:

1. What is the problem and why is it a problem?
2. Why should the EU act?
3. What should be achieved?
4. What are the various options to achieve the objectives?

²⁰⁰ http://ec.europa.eu/smart-regulation/guidelines/uq_chap2_en.htm.

5. What are their economic, social and environmental impacts and who will be affected?
6. How do the different options compare in terms of their effectiveness and efficiency (benefits and costs)?
7. How will monitoring and subsequent retrospective evaluation (ex post assessments) be organised?

The guidelines further state that 'throughout the IA Report, conclusions should be substantiated with evidence (e.g. data, estimations, scientific findings) together with appropriate citations and, if this is not possible, it should be explained why' and that 'all relevant impacts should be assessed quantitatively, if possible, as well as qualitatively. Similarly, impacts should be monetized whenever possible'. More detailed guidance is also available in a separate "tool box" accompanying the guideline.

In addition, the Better Regulation Package strengthens the Commission's commitment to stakeholder consultations at every stage of the policy process '- from the first idea, to when the Commission makes a proposal, through to the adoption of legislation and its evaluation'. 'First, stakeholders will be able to express their views over the entire lifecycle of a policy. "Roadmaps" and "inception impact assessments" will give stakeholders the chance to provide feedback and prompt them for relevant information, right from the very start of work on a new initiative'. Alongside the new website "Lighten the Load - Have Your Say" detailed above, the Commission is establishing a new "REFIT Platform" and will soon give people the chance to have their voice heard and provide a basis for inclusive work on a common agenda.

4.1.3. Legislation, implementation and enforcement

Guidelines on preparing proposals, implementation, and transposition as well as guidelines on monitoring seek to reinforce effective implementation, application and enforcement of EU law. The former foresee that potential problems related to implementation and application are anticipated and taken into account during the preparation of a policy, that legal texts are well-drafted and easy to understand and that the Commission obtains consistent information on implementation in the Member States. The Better Regulation package also emphasizes the Commission's commitment to more systematic monitoring of the implementation of directives and offers guidance on what evidence needs to be collected, when and how evidence should be collected and who will collect the evidence from whom. The guidelines further emphasize the importance of choosing output, outcome and impact indicators.

4.1.4. Assessment and adjustment

The guidelines on evaluation and Fitness Checks reinforce the principles of comprehensive, proportionate, independent and objective, transparent and evidence-based ex post assessments. A new regulatory scrutiny board with a strengthened role will replace the existing Impact Assessment Board to ensure the quality of also major evaluations and fitness checks in addition to the quality of the Commission's Impact Assessments. The guidelines on evaluations and fitness checks also establish that a 12-week internet-based public consultation, covering all of the main elements of the evaluation, should generally be conducted. This is consistent with the principles of performance-based ex post assessments as discussed in Chapter 2. As prescribed by the adjustment phase of the performance-based policy cycle, the guidelines further establish that evaluations will contribute to 'timely and relevant advice to decision-making and input to political priority-setting: Evaluation supports decision-making, contributing to strategic planning and to the design of future

interventions. The Commission applies the "Evaluate First" principle to make sure any policy decisions take into due account the lessons from past EU Action'.

Overall, the Better Regulation Package introduces many changes that should improve adherence to performance-based principles at all stages of the policy process, although it is too early to gauge whether the new legislation offers sufficient guidance on how to implement these performance-based principles in practice. However, there remain areas for improvement in particular in the areas of strategic planning.

4.1.5. Institutional perspective

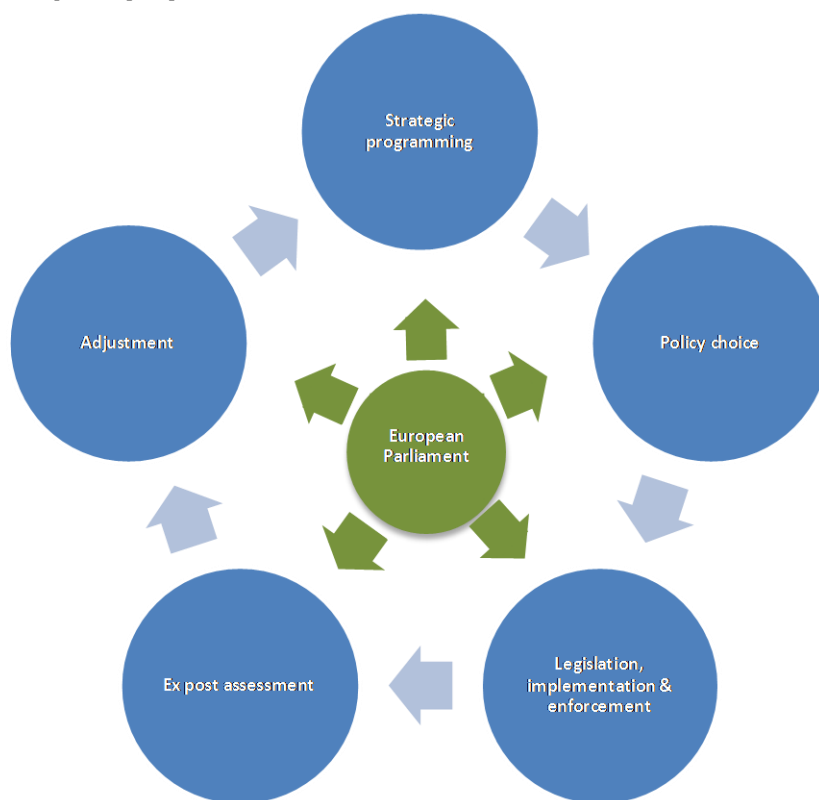
All the EU institutions, in particular the **European Parliament**, the **Council** and the **European Commission**, have an important contribution to make to policy development. The 'Better Regulation Package' includes a proposal for a new Interinstitutional agreement on Better Regulation.²⁰¹ This makes a number of proposals for involving the European Parliament and the Council in regulatory decision-making. The Box below sets out an edited extract of those proposals in relation to the European Commission's impact assessments.

Box 2: Involving the European Parliament and the Council in Impact Assessment

1. The final results of the European Commission's impact assessments will be made available to the European Parliament, the Council and national Parliaments and will be made public along with the opinion(s) of the Regulatory Scrutiny Board at the time of adoption of the Commission proposal.
2. The European Parliament and the Council will start their consideration of Commission proposals by examining the Commission's impact assessment.
3. As a general rule, the Commission's impact assessment will be the starting point for any additional impact assessment work undertaken by the European Parliament or the Council.
4. The Commission may, on its own initiative or at the invitation of the European Parliament or the Council, assist the European Parliament and the Council in their impact assessment work by explaining its assessment and sharing the data used, or in duly justified cases by complementing its original impact assessment.
5. Each of the three institutions is responsible for determining how to organise its impact assessment work, including internal organisational resources and quality control. The aim of impact assessments is to inform the decision-making of each institution, in full respect of each institution's roles and responsibilities.

As a **representative of EU citizens**, the European Parliament has a key role as a stakeholder in the policy development process and it has also developed its own expertise in policy development and assessment. The Council, as a **representative of the member states**, similarly has a key role to play. We see the European Parliament's role, in particular, to be central to the enhanced performance-based policy cycle, with involvement in all phases of the cycle, as illustrated in the Figure below. In particular, as outlined above, the European Parliament has a key role to play in the strategic programming phase.

²⁰¹ European Commission (2015).

Figure 30: The European Parliament and the enhanced performance-based policy cycle

4.1.6. Delegated and implementing acts

The principles of performance-based policy making should be applied during the preparation, execution and evaluation of all types of policy activities, in particular both legislative and non-legislative acts. In the European Union, non-legislative acts related to the implementation of EU law can be categorized into two types of Commission acts: delegated and implementing acts.

Article 290 of the Lisbon Treaty defines **delegated acts** as non-legislative acts of general application to supplement or amend certain non-essential elements of a legislative act. Delegated acts grant the Commission power to act on a certain issue, thus legislating upon the 'what' of EU legislation. The objectives, content, scope and duration of a delegation of power to the Commission must be set out in the original legislative act. Both the European Parliament and the European Council have the power to either make an objection to a particular delegated act, which will prevent it from coming into force, or to revoke the delegation of power altogether, preventing future delegated acts in an area²⁰².

Implementing acts, which are dealt with in Article 291 of the Lisbon treaty, are to be used where uniform conditions for implementing legally binding Union acts are required. They are more strictly procedural in nature, legislating upon 'how' the implementation of EU legislation should take place. Rules for how implementing acts are to be adopted are set out in Regulation 182/2011. In essence, committees of representatives from each Member State such as civil servants and experts from the relevant government departments vote on whether to adopt a positive opinion on a procedural measure suggested by the Commission, which is binding (examination procedure) for some policy areas and non-binding (advisory procedure) for other areas. The European Parliament and Council have a

²⁰² ClientEarth (2014); European Parliament (2015b).

limited right of scrutiny, allowing either of them to indicate to the Commission its belief that in respect of a draft implementing act, the Commission has exceeded the power granted to it in the basic legislative act. The Commission must then review the draft act and inform the Parliament/Council whether it intends to maintain, amend or withdraw it²⁰³.

The 'Better Regulation Guidelines' state that **"An IA is required for Commission initiatives that are likely to have significant economic, environmental or social impacts."** The Guidelines also elaborate further in relation to non-legislative acts as follows: "Provided that the above conditions are fulfilled, impact assessments should be carried out for both legislative and non-legislative initiatives as well as delegated acts and implementing measures, taking into account the principle of proportionate analysis".

4.2. A consolidated smart regulation system

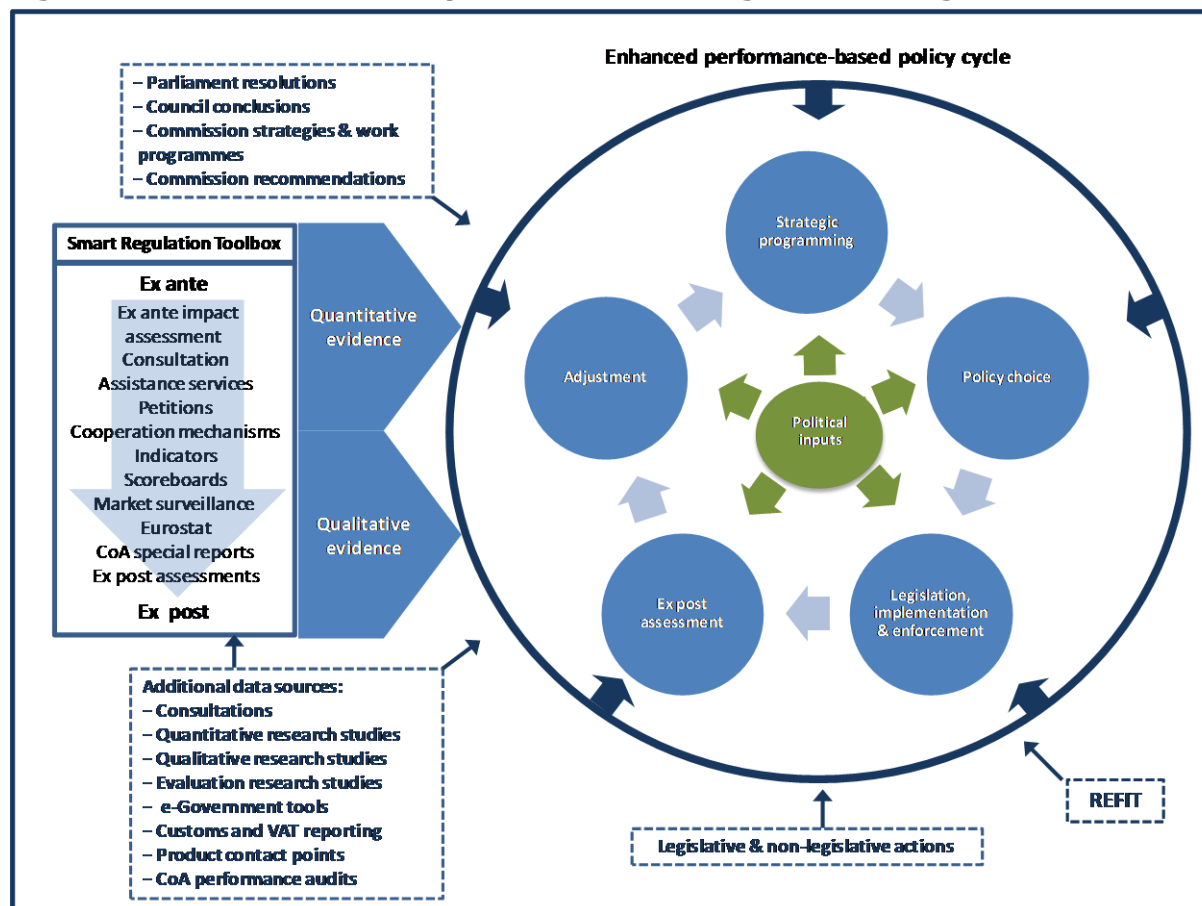
Many of the elements of a performance-based policy cycle are already in place in Single Market regulation and, as noted above, the 'Better Regulation Package' of 19 May 2015 introduced changes that should improve performance. Nevertheless there is a potential for further improvements. This potential lies mainly in:

- improving awareness of the assistance tools;
- improving the performance and coordination of the cooperation mechanisms and assistance services;
- introduction of a strategic programming phase to the policy cycle;
- improving ex ante and ex post assessments;
- improving information flows – to policy-makers and between governance tools;
- strengthening the role of the Single Market in the European Semester process.

The Figure overleaf introduces the consolidated smart regulation system and the subsequent text expands on each of the above points.

²⁰³ ClientEarth (2014); European Parliament (2015b).

Figure 31: A consolidated system for smart Single Market regulation



Source: London Economics.

4.3. Improving awareness of the governance tools

The tools can only contribute to effective Single Market governance when they are used by those consumers, citizens, and national authorities who would benefit from services that fall under the respective tools' mandate.

However, the summary of existing survey results (from Eurobarometer surveys as well as surveys conducted by London Economics and the Centre for Strategy and Evaluation Services) summarized in the Section 3.2.3 made evident that awareness of the various Single Market tools and understanding of their scope and functions is very limited among both European citizens and businesses. Indeed, users have been found to rely on national sources or sources directly related to the issue rather than on the European online services²⁰⁴. These results were further confirmed by stakeholder interviews carried out by London Economics in June 2015 to support the present study, with the interviewed consumer and business representatives being unaware of many of the existing tools themselves (see Annex I).

Given that earlier surveys found that **internet searches** as well as **media and advertising** are among the most common ways in which consumers and businesses become aware of European Single Market governance tools²⁰⁵, we recommend increased promotion of the Single Market tools through these channels. In parallel, we suggest the

²⁰⁴ London Economics (2013a).

²⁰⁵ London Economics (2013a).

strengthening of relations between the European-level tools and **national consumer and business support** organisations. National consumer and business organisations could prove to be an important source of knowledge about European-level governance tools²⁰⁶, and according to the stakeholder interviews conducted by London Economics in June 2015, a majority of consumer and/or business organisations we spoke to would be willing to advertise the tools on their respective websites.

In addition to increasing awareness of the existence of the Single Market tools on a general level, it is important to more clearly **define the responsibilities of different tools**. A 2013 study conducted by London Economics found that the lack of clear and transparent explanations of the complementariness and differences of different online assistance services contributed to the difficulty for users to identify the most appropriate service for a specific problem²⁰⁷. The fact that awareness levels are higher for the more targeted networks, such as the European Consumer Centre network and the Enterprise Europe Network, further supports this view. For example, fewer respondents had knowledge of SOLVIT or Your Europe Advice, both of which address consumers and businesses alike²⁰⁸.

In this context, London Economics (2013b) suggested the introduction of a **Single Point of contact**, i.e. a single entry point or common platform for consumers and businesses, to improve awareness of governance tools and more generally citizen's understanding and knowledge of the Single Market (London Economics, 2013a).

The proposals for a '**Single Digital Gateway**' - set out in the Commission's Digital Market Strategy - would involve extending and integrating existing European Portals (including Your Europe and Single Points of Contact) and may assist in achieving the increase in consumer and business awareness that is required. Little detail on these proposals is currently available and they will be presented in more detail in the forthcoming e-Government Action Plan 2016-2020.

4.4. Improving performance of the cooperation mechanisms and assistance services

4.4.1. Enhance effectiveness

A long case handling time and limited expertise were the two main reasons leading to dissatisfaction with the services provided by the different tools. In order to improve the functioning of the Single Market, it is important that the focus is on these tools being useful and effective for consumers and businesses rather than on administrative convenience.

To address the timeliness aspects of these complaints, staffing levels for the different services will need to be re-evaluated and processes streamlined. A clearer separation of responsibilities as well as enhanced coordination between the different tools will moreover limit the number of cases that are wrongfully submitted to one assistance service instead of another and thus lead to time efficiencies. Finally, given the overlaps between some of the services, the consolidation of some of the services might increase efficiency.

In order to increase the knowledge and expertise of the staff of the different assistance services, enhanced cooperation between the tools and legal experts at both the EU and

²⁰⁶ See for example the 2011 CSES study and the 2013 DG Health and Consumers survey.

²⁰⁷ London Economics (2013a). Note that the study refers to all four EU online portals related to EU law, that is the European e-Justice portal and e-CODEX in addition to SOLVIT and YEA.

²⁰⁸ Note that the 2011 survey conducted by the European Business Test Panel reached a different conclusion: 50% of the businesses in the survey did know of SOLVIT.

national level is required. Coordination between the different Single Market tools can be important in this regard too.

To enhance the effectiveness of market surveillance tools, i.e. the existing information exchange platforms such as ICSMS and RAPEX, we suggest that further user and quality control guidance as well as targeted training and coaching to public authorities be provided by the Commission. In addition, enhanced quantification and data provision on products would be desirable. Methods for improving the consistency with which raw data are provided to public authorities are currently being investigated by the Commission²⁰⁹.

4.4.2. Better coordination between Single Market tools

The various Single Market governance tools adept to facilitate smart Single Market regulation (see Chapter 3) are not harmonised and information flows between the tools only poorly institutionalised. The tools exhibit an overlap in their functions and/or target audience. Apart from a clearer definition of responsibilities and communication/promotion of the functions of the respective governance tools, coordination between the different tools is therefore crucial for efficient Single Market regulation.

First, better sign-posting between the different portals is required. It has been found that cross-references between the different online portals are rather limited in some areas²¹⁰. This does not hold true for all organisations, though. Your Europe Advice and SOLVIT, both of which deal with general legal issues and target both citizens and businesses, work in close collaboration. In 2011, roughly 30% of all enquiries submitted to Your Europe Advice were signposted to SOLVIT. Conversely, SOLVIT redirects information and advice cases to Your Europe Advice²¹¹. Your Europe Advice signposts users to Your Europe, advising them to look for relevant information on the latter's website first.

Misallocations from one tool to another also have to be avoided. This particularly relates to the continuous submission of cases to SOLVIT that do not fall under the network's mandate (see section 3.2.9). While the introduction of a Common Intake Form has led to some reduction in misallocations from Your Europe Advice to SOLVIT and helped direct questions to the most appropriate service²¹², there remains room for enhanced cooperation and communication.

The lack of expertise of some networks can also be addressed through enhanced cooperation between the tools. For example, SOLVIT centres can request legal advice from lawyers working for the 'Your Europe' initiative.

There is also room for consolidation of the services provided by the tools. For example, a 2012 CEPS study suggested that the ECC-Net's effectiveness in supporting consumers in the resolution of complaints is limited since ADR systems across Europe work efficiently with or without the network²¹³. With the introduction of the enhanced ADR/ODR framework this year, which will address all business-to-consumer disputes falling under the mandate of ECC-Net as well, this assessment might be reinforced.

²⁰⁹ European Commission (2014). 'Session on ICSMS of the expert group on the internal market for products, Brussels 2nd June 2014 – Minutes'. Available at : http://ec.europa.eu/enterprise/policies/single-market-goods/internal-market-for-products/icsms/index_en.htm [accessed 31 July 2015].

²¹⁰ London Economics (2013a).

²¹¹ Pelkmans & Correia de Brito (2012), p. 25.

²¹² CSES (2011), p. 11, see also London Economics (2013a) EC 2012 Making the Single Market deliver.

²¹³ Pelkmans & Correia de Brito (2012), p. 48.

As with other Single Market tools, there also remains room for enhancing coordination and information flows between different tools, both within the realm of market surveillance and between market surveillance and other Single Market tools. In particular, several Member States have expressed the view that centralisation of information on market surveillance actions and non-conform products within one single online platform would be desirable²¹⁴.

As noted above, the proposals for a 'Single Digital Gateway' - set out in the Commission's Digital Market Strategy - would involve extending and integrating existing European Portals (including Your Europe and Single Points of Contact). Little detail on these proposals is currently available and they will be presented in more detail in the forthcoming e-Government Action Plan 2016-2020.

4.4.3. Better coordination between Single Market tools and EU and national authorities

The effectiveness of some of the assistance services discussed in previous sections could be further enhanced by strengthening cooperation and coordination between the EU-level networks and national authorities. This holds true for both the governance tools that have been found to lack knowledge and expertise in the areas of EU and national law (SOLVIT, EURES) and the tools that have been found to lack enforcement powers (ECC-Network).

For example, SOLVIT has been found to possess only limited expertise in the area of social security²¹⁵. Enhanced cooperation and an increase of synergies between SOLVIT and the Administrative Commission for the Coordination of the Social Security Schemes were therefore suggested.

As another example, it has been suggested that the ECC-Net should seek to strengthen enforcement of consumer protection law through enhanced cooperation with enforcement bodies via formal procedures and improved data sharing and coordination²¹⁶.

4.4.4. Improving Single Market governance through better consideration of the needs of SMEs

SMEs employ about two thirds of the workforce in the EU and contribute significantly to innovation and growth. Given that administrative hurdles and red tape affect SMEs disproportionately, taking account of the needs of SMEs when enforcing Single Market legislation should remain high on the EU political agenda.

In a consultation among approximately 1000 SMEs carried out by the Commission between October and December 2012, SMEs were asked to identify the most burdensome EU laws.

The top 10 most burdensome EU laws identified in the process are presented in the Box overleaf.

²¹⁴ European Commission (2014).

²¹⁵ Pelkmans & Correia de Brito (2012).

²¹⁶ Consumer Policy Evaluation Consortium (2011); European Commission (2012).

Box 3: Top 10 most burdensome EU laws

1. REACH (Registration, Evaluation, Authorisation and Restriction of Chemicals)
2. VAT - Value added tax legislation
3. General Product Safety and market surveillance package
4. Recognition of professional qualifications
5. Shipments of waste - Waste framework legislation - List of waste and hazardous waste
6. Labour market-related legislation
7. Data protection
8. Working time
9. Recording equipment in road transport (for driving and rest periods)
10. Procedures for the award of public contracts (public works, supply and service contracts)

Source: European Commission, C(2015) 3262 final, Strasbourg, 19.5.2015.

The Regulatory Fitness and Performance Programme (REFIT) launched in December 2012 is tasked with addressing these issues as part of an overall screening of EU legislation for burdens, gaps and inefficiencies. In addition, the Commission introduced an annual scoreboard which contains regulatory initiatives that are expected to have a significant impact on SMEs.

According to a 2014 publication by Business Europe, however, progress in addressing these issues is still too slow despite many simplification measures that have been identified already.

Smart regulation in the Single Market area could contribute to **simplification of regulation** and **lowering compliance costs for SMEs**. The Single Points of Contact discussed in Chapter 3 could contribute to these efforts by providing SMEs with the opportunity to complete administrative procedures required for taking up business in an EU country online through one single portal. In addition, the information gathered by the PSCs is likely to provide valuable information about remaining hurdles and success and failure factors of simplification efforts.

The Better Regulation Package further seeks to reduce burdens for SMEs:

- **Public procurement:** The Commission will propose a standard data form to address the difficulties experienced by SMEs faced with the repeated need to fill in lengthy and complex public procurement documentation.
- **Business statistics:** The Commission will measure and deliver cost-savings for business under a Framework Regulation Integrating Business Statistics (FRIBS) and Single Market Statistics (SIMSTAT).
- **Chemicals Legislation:** EU chemicals legislation has brought considerable cost savings to businesses operating in the Single Market. However, small companies find it difficult and costly to comply with the associated administrative requirements. The Commission aims to tackle these concerns by simplifying the rules for substances used in small quantities and by delivering an action plan to help SMEs to meet the 1 June 2018 registration deadline for these quantities. Proposals to simplify the authorisation procedure, reduce the amount of information required and increase the predictability of the process will be made in 2015.

Elsewhere in this report we suggest that greater use could be made of **Market surveillance** tools to provide information about the functioning of the Single Market. Given the prominence of the 'General product safety and market surveillance' package in the list of top 10 most burdensome laws for SMEs, however, care needs to be taken not to use these tools in such a way as to increase this burden. Nevertheless the data generated from these tools could provide useful indications of where the Single Market is not functioning so well and of how improvements could be made.

4.5. Introducing strategic programming into the policy cycle

The EU's high-level policy agenda is set by the European Council and the European Commission.

The European Council, while not itself a legislating body, defines the EU's overall political direction and priorities. Traditionally, the Council has been doing this by adopting 'conclusions' during European Council meetings, which identify specific issues of concern for the EU and outline particular actions to take or goals to reach²¹⁷. More recently, the European Council adopted a 'strategic agenda' of priority areas for longer-term EU action and focus²¹⁸.

The European Commission plans and reports on its work following an annual cycle, which it refers to as the "strategic planning and programming" cycle²¹⁹. The identification of the Commission's political priorities within the annual cycle is being carried out on the basis of the political priorities of the Commission President and the Commission Work Programme (CWP). In addition, the Commission regularly publishes long-term strategy documents such as the Better Regulation Package adopted by the Commission in May 2015 (discussed in Chapter 4.2), the Digital Single Market Strategy or Europe 2020.

In addition, the European Parliament indicates directions for programming and policy choice through resolutions. The contribution of the EP to EU policy agenda-setting has been reinforced by Article 17 of the Treaty on European Union (TEU) which entrusts the Commission with a new responsibility to 'initiate the Union's annual and multiannual programming with a view to achieving **inter-institutional agreement**', hence involving the European Parliament in the process by definition²²⁰. In addition, Article 225 of the Treaty on the Functioning of the European Union (TFEU) now enables the Parliament, acting by an absolute majority of its Members, to request the Commission to submit legislative proposals 'on matters on which it considers that a Union act is required for the purpose of implementing the Treaties. If the Commission does not submit a proposal, it shall inform the European Parliament of the reasons'²²¹.

The enhanced performance-based policy cycle introduced in Chapter 2 foresees that the areas that should be subject of most policy attention are identified at a strategic level, after consultation of the available evidence-base on the usefulness of different policy options and under consideration of interactions within and across policy programmes.

From a performance-based policy perspective, it is therefore crucial that strategic planning and programming efforts at the EU-level are based on a number of factors, such as:

²¹⁷ <http://www.consilium.europa.eu/en/european-council/role-setting-eu-political-agenda/>.

²¹⁸ <http://www.consilium.europa.eu/en/european-council/>.

²¹⁹ Note that the Commission's annual planning and programming cycle and the strategic programming stage of the performance-based policy cycle introduced in the previous Chapter are two distinct concepts in the sense that strategic programming in the context of the performance-based policy-cycle refers to an evidence-based setting of high-level strategies and policy priorities.

²²⁰ European Parliamentary Research Service (2014b).

²²¹ European Parliamentary Research Service (2014b).

- i. evidence on the nature and extent of problems that need addressing;
- ii. evidence on where the powers and ability to address those problems lie;
- iii. evidence on whether available policy instruments are likely to address those problems; and
- iv. identification of interactions between policies within a strategic programme and between strategic programmes.

4.5.1. The European Council's input to strategic programming

The conclusions adopted during the European Council meetings as well as the 'strategic agenda' cover all areas of European policy and only at times refer to Single Market regulation. Given the current format of the Council's agenda-setting publications as 'conclusions' of what had been discussed during the meetings, it is not surprising that only few performance-based elements are reflected in the Council final publications. That is to say, it is not transparent from the Council conclusions whether any kind of quantified evidence or thorough research was used to inform the agenda-setting discussion²²². In particular, neither the conclusions nor the strategic agenda refer to specific evidence on the nature and extent of the problems that need addressing nor the potential of the policy strategies suggested in response. Moreover, since the Council's conclusions cover a wide array of different and often not directly related policy areas, synergies and complementarities of the programmes are not directly addressed in the Council's programmes.

4.5.2. The European Parliament's input to strategic programming

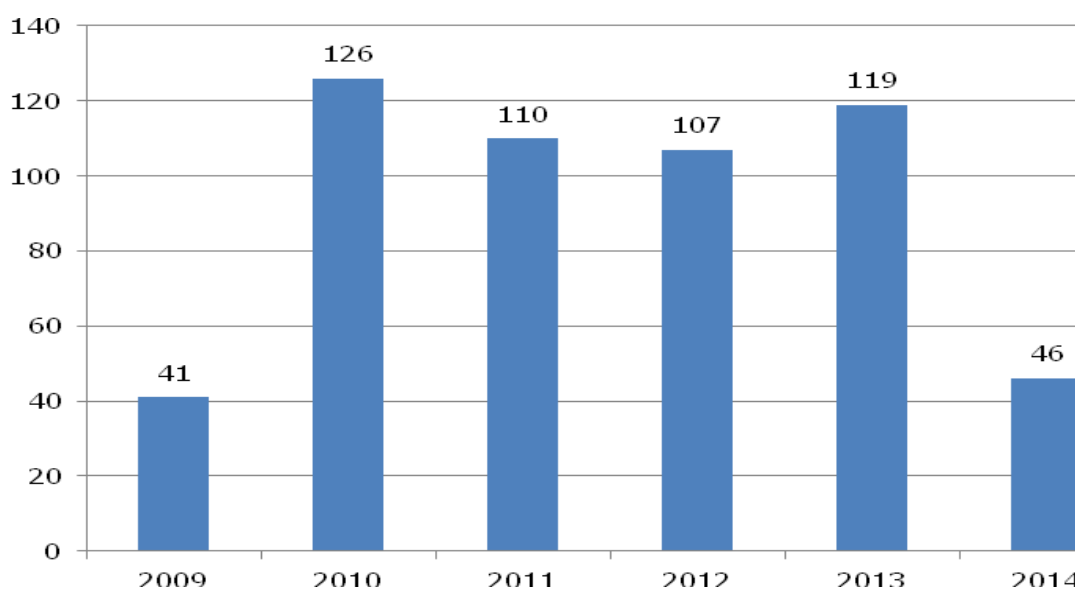
While the Commission generally has the legislative initiative at the EU level, the European parliament contributes to strategic programming efforts through its own-initiative reports and resolutions.

The Treaty of Maastricht, enhanced by the Lisbon Treaty, equips the European Parliament with a right of legislative initiative that allows it to ask the Commission to submit a proposal. In particular, the European Parliament may request the Commission, pursuant to Article 225 of the TFEU, to submit to it any appropriate proposal for the adoption of a new act or the amendment of an existing act, by adopting a resolution on the basis of a (legislative) own-initiative report drawn up by the committee responsible. These **resolutions**, which suggest a political desire to act in a given area, shall be adopted by a majority of the component Members of Parliament in the final vote. Parliament may, at the same time, set a deadline to the Commission for the submission of such a proposal. Legislative initiative reports contain a detailed draft of the text expected from the Commission²²³.

The Figure below shows the number of resolutions voted in plenary during the seventh legislative term (2009-2014).

²²² Note, however, that goal- and performance-based elements may have been considered during the meetings.

²²³ European Parliament (2015c).

Figure 32: Number of resolutions voted in plenary during the seventh legislative term (2009-2014)

Own-initiative reports are an important working tool and political instrument for the European Parliament, often paving the way for new legislative proposals, exploring diverse topics of interest to Members, responding to Commission communications, and expressing Parliament's position on different aspects of European integration²²⁴. Note that the *legislative* own-initiative reports, which have to form the basis of the resolutions passed under Article 225 of the TFEU discussed above, are one of several types of own-initiative reports. Parliament can also influence the legislative agenda through its *non-legislative* initiative reports issued to put political pressure on the Commission and by introducing items to the budget²²⁵.

Under the EP-Commission Framework Agreement (point 16) the Commission has committed itself to report on the concrete follow-up to any EP legislative initiative report within 3 months following its adoption in plenary and come forward with a legislative proposal at the latest after one year or include the proposal in its next Work Programme. If the Commission does not submit a proposal, it shall give Parliament detailed explanations of the reasons. The delivery of actual legislative proposals by the Commission has regrettably been inadequate. In various cases the Commission has abstained from presenting a relevant legislative proposal, whereas in other instances where it has been submitted, not all the recommendations of Parliament have been implemented.

During the seventh parliamentary term, the EP moreover adopted 17 legislative initiative reports setting out specific proposals for new legislation. Indeed, the political guidelines of the Juncker Commission have been found to 'correspond to a significant degree to policy priorities established by the Members of the European Parliament during the seventh parliamentary term through a large number of reports and resolutions'²²⁶.

The European Parliament is further involved in advancing evidence-based policy planning through its research efforts in the areas of the Single Market and on better policy-making

²²⁴ Legislative own-initiative reports are one of several types of own-initiative reports. The procedure for authorising Committees to draft own-initiative reports are set out in a [Decision](#) of the Conference of Presidents of 12 December 2002.

²²⁵ Poptcheva (2013a).

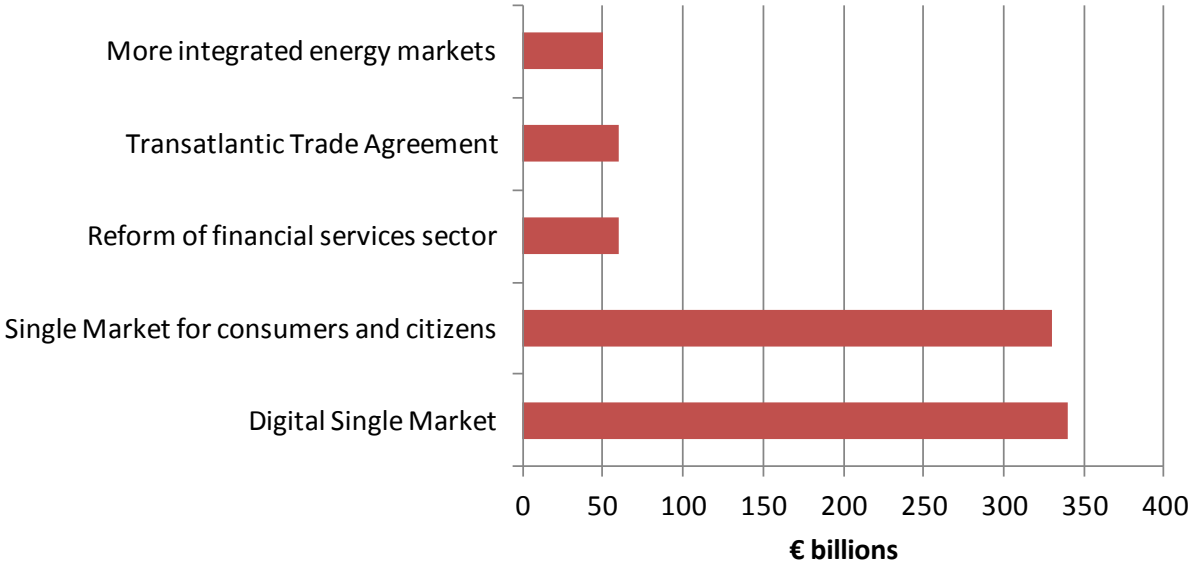
²²⁶ European Parliamentary Research Service (2014c).

more generally. These research studies are produced by the respective policy departments, the Economic Governance Support Unit, the Directorate for Impact Assessment and European Added Value as well as independent external experts. For example, a report published by the IMCO Committee on the 'Contribution of the Internal Market and Consumer Protection to Growth'²²⁷ provided quantitative evidence on the impacts of the Europe 2020 flagship initiatives relevant for the Single Market and Consumer Protection on economic growth. Another study commissioned by the IMCO Committee in 2013 presented a best practice performance-based policy-cycle model 'building on an analysis of the importance, limits and scope (actual and desired) of policy planning'²²⁸.

Since July 2012, the legislative initiative reports of the European parliament are accompanied by 'European Added Value Assessments', which seek to provide an evidence base and justification for the proposed initiatives. These assessments form part of a wider body of work of the European Parliament on the 'cost of non-Europe', commissioned from the Parliament's secretariat by parliamentary committees since 2012²²⁹ in response to a wider discussion about the way in which the European Union's policy priorities are set and communicated.

A 2014 report of the EP European Value Added Unit²³⁰ presents an overview of the work in progress on this in the long-term and identifies and analyses the 'cost of non-Europe' in different policy fields through quantification of potential efficiency losses and insufficient provision of public goods in sectors that might result from the absence of common action at European level. A recent analysis estimates that the cumulative potential efficiency gain from a series of policy actions at European level, when fully realised, could amount to 990 billion euro. The areas with the biggest potential efficiency gains are shown in the Figure below.

Figure 33: Potential cumulative efficiency gains from relevant policy actions



Source: 'cost of non-Europe' European Parliament, European Added Value Unit.

²²⁷ Civic Consulting (2014).
²²⁸ London Economics (2013b).
²²⁹ European Parliamentary Research Service (2014b).
²³⁰ European Parliamentary Research Service (2014a).

These benefits are measured in terms of additional gross domestic product (GDP) generated or in savings in (current or potential) public expenditure or other expenditure, through a more efficient allocation of resources in the economy as a whole.

The parliamentary assessments of the potential economic benefits of new European-level action when defining strategic long-term priority areas for policy making provide a good example of strategic programming efforts that are consistent with the performance-based principles introduced in Chapter 2. Whilst there are uncertainties around the estimates derived in the parliamentary reports, there is a clear implication that actions to develop the Single Market in some policy areas – especially the Digital Single Market and the Single Market for consumers and citizens – are likely to lead to disproportionately high gains at the EU level compared to actions in other policy areas. This provides a clear illustration of the potential value of using a quantified evidence base in order to make strategic programming decisions.

4.5.3. The European Commission's input to strategic programming

The current Commission President Jean-Claude Juncker's Political Guidelines for the next European Commission²³¹ and the Commission's Work Programme for 2015²³² provide a list of ten policy priority areas to be tackled by the Juncker Commission:

Box 4: Commission President Jean-Claude Juncker's Political Guidelines for the next European Commission (2014)

1. A new boost for jobs, growth and investment
2. A connected digital Single Market
3. A resilient Energy Union with a forward-looking climate change policy
4. A deeper and fairer internal market with a strengthened industrial base
5. A deeper and fairer Economic and Monetary Union (EMU)
6. A reasonable and balanced free trade agreement with the United States
7. An area of Justice and Fundamental Rights based on mutual trust
8. Towards a new policy on migration
9. Europe as a stronger global actor
10. A Union of democratic change.

The Guidelines clearly justify the areas selected by identifying the underlying problems that need addressing. In some instances, estimates of the benefits of action at the European level are included; however, it is not always transparent where this evidence comes from and how the estimates were derived²³³. Moreover, the policy priorities remain rather wide-ranging.

²³¹ Juncker, J.-C. (2014). 'A New Start for Europe: My Agenda for Jobs, Growth, Fairness and Democratic Change', Political Guidelines for the next European Commission, Opening Statement in the European Parliament Plenary Session, Strasbourg, 15 July 2014. Available at: http://ec.europa.eu/priorities/docs/pg_en.pdf.

²³² European Commission (2014a).

²³³ For example, the guidelines state that 'by creating a connected digital Single Market, we can generate up to €250 billion of additional growth in Europe in the course of the mandate of the next Commission', without any further indication on how this estimate was derived.

Furthermore, while the guidelines clearly outline the broad legislative steps that the Commission plans to undertake in order to address the problems, no evidence on the potential of success and usefulness of the policy instruments available in addressing those problems is specified. In other words, it is not always transparently shown where the powers and ability to address those problems lie.

To provide an example, policy area 2, concerned with the Digital Single Market, clearly states the needs that need addressing in this area: ensure European citizens can use their phones without paying roaming charges and access services, music, movies and sports events on their electronic devices across Europe; and guarantee that all companies providing digital services within Europe are subject to the same data protection and consumer rules. This shall be achieved by broadly outlined legislative steps, i.e. by concluding negotiations on common European data protection rules; by adding more ambition to the ongoing reform of our telecoms rules; by modernise copyright rules in the light of the digital revolution and changed consumer behaviour; and by modernising and simplifying consumer rules for online and digital purchases. However, no evidence on the extent of the problem at hand is presented, and it is not transparently shown how the suggested legislative steps can generate the stated amount of up to € 250 billion of additional growth in Europe. Similarly for the other policy area directly concerning the area of the Single Market, policy area 4 regarding a deeper and fairer internal market with a strengthened industrial base, it is not explicitly explained why the industry weight in the EU should be brought back to 20% by 2020, and what the policy options are that can stimulate investment in new technologies or improve the business environment to achieve this.

A good example of how the ten policy priority areas could have been supported and justified by relying on more scientific analysis and quantified evidence is provided in a report of the European Parliament titled the 'Economic potential of the ten-point Juncker Plan for growth without debt'²³⁴. However, it would have been desirable if the evaluation of the political guidelines would have been carried out by the European Commission and before the adoption of the principles.

The Commission's work programme and the Commission President's address are not the only strategic programmes established by the European Commission. Europe 2020 or the Digital Single Market Strategy are other examples of such strategic programming undertakings of the Commission.

The Communication from the Commission on 'Europe 2020: A strategy for smart, sustainable and inclusive growth' contains only few elements of performance-based strategic programming. While problems and issues are adequately described, limited evidence on the underlying mechanisms is presented. The Europe 2020 headline targets offer clear policy goals, however it is not transparently shown how the specific target values were derived. Synergies between the different targets are mentioned, but only insufficiently characterised.

In contrast, the Commission Staff Working Document that accompanies the Digital Single Market Strategy for Europe provides background information and evidence on what underpins the Strategy and incorporates most elements of performance-based strategic programming. Plenty of evidence is presented on the nature and extent of the problems that need addressing and policy steps that have been taken so far are clearly outlined. Synergies and complementarities between the instruments and the Funds available to finance required investment in ICT and Broadband is also presented.

²³⁴ European Parliamentary Research Service (2014c).

Overall, the Commission's strategic programmes thus contain some important elements of performance-based policy-making, particularly in more recent programmes adopted under the Juncker Commission. However, there remain areas for improvement in strategic programming. Most importantly, more consideration should be given to what the evidence suggests about which types of policies may be successful in addressing the problems identified by the Commission, and the question of whether existing strategic programmes can be amended to address these issues, or whether new strategies need to be developed, should be more explicitly addressed.

4.6. Reducing the compliance deficit

The compliance deficit is a measure of the extent to which EU legislation has been correctly transposed into Member State legislation and is generally measured as the ratio of the number of transposed directives with ongoing infringement proceedings for non-conformity and the number of transposed²³⁵ Single Market measures. As noted in Chapter 3, the average **compliance deficit** across the EU is stable at 0.7% and 11 countries have a compliance deficit of 0.5% or less and so meet the target suggested in the 2011 Single Market Act²³⁶. Poland, Italy, Bulgaria, Spain, Slovakia and the UK still have compliance deficits of 1% or above and so there is still room for improvement from these Member States before the 0.5% target is met.

Previous studies have examined a number of approaches to reducing the compliance deficit. Ballesteros et al. (2013) examined a number of compliance-promoting tools and assessed their effectiveness based on opinions expressed in a survey of Commission officials and relevant officials in seven Member States. A summary of their results are provided in the table below.

Table 10: Assessment of compliance-promoting tools

Name of tool	Description	Effectiveness score
Networks and committees	Networks are informal bodies composed of representatives of Member States in charge of the implementation of specific EU laws chaired or facilitated by the Commission. The general aim of these Networks is to enhance cooperation and promote the correct implementation of the specific Directives. Committees are a more formal equivalent that often advise on implementing measures and delegated acts.	2.69
Package meetings	Meetings between the Commission and a Member State to identify ways to solve actual or potential compliance problems prior to or during the infringement phase.	2.59
Guidelines	Non-legally binding documents usually adopted as Commission Communications. In general, they aim at ensuring a harmonised approach and at clarifying the Commission position on the interpretation and implementation of specific Directives' provisions.	2.52

²³⁵ 'transposed' or 'not requiring any further implementation measures'.

²³⁶ http://ec.europa.eu/internal_market/scoreboard/performance_by_governance_tool/transposition/index_en.htm.

Name of tool	Description	Effectiveness score
Implementation plans	Documents produced by Member States or the Commission that set out the appropriate measures that need to be put in place at Member State level to ensure achievement of the objectives of a Directive. Known as ' Transposition & Implementation Plans ' when produced by Commission.	2.50
Inspections	Requirement in EU law for Member States to monitor the implementation of legislation through inspections.	2.50
Correlation tables	Tables submitted to Commission by Member States showing correlation between national transposition measures and relevant EU legislation.	2.49
Conformity checking	Horizontal study across Member States that is usually commissioned by the Commission and that checks compliance of transposition measures with EU law. Can highlight possible inconsistencies in the way Member States have transposed EU law.	2.40
Barometers and scoreboards	Tool that provides simple comparative information that makes it possible to see at a glance whether a Member State complies with an obligation.	2.37
Legal reviews	Tools that set a deadline by which a specific legislative act will be reviewed or amended. Usually linked to reporting obligations which provide information on barriers to good implementation.	2.33
Reporting obligations	Specific provisions of EU legislative acts that require the Commission to submit to the EP and the Council a report on the implementation of a Directive. The Commission in most cases will be entitled to accompany the report with appropriate proposals for amendments or new pieces of legislation.	2.28
Fitness checks	Assessment of whether the regulatory framework for a policy sector is fit for purpose. Identify excessive administrative burdens, gaps, obsolete measures etc which may have appeared over time.	2.13

Note: Respondents were asked to rate each tool on a scale from 1 to 3 (1 = not useful/effective; 2 = somewhat useful/effective; 3 = very useful/effective). Average effectiveness score across all compliance-promoting tools is 2.44.

Source: Ballesteros et al. (2013)

In this research, Networks and Committees were viewed as the most effective compliance-promoting tool overall, though Member State officials gave their highest score to Package Meetings (2.67), with Networks and Committees second (2.55). In general across the tools, the scores provided by Member State officials were lower than the scores provided by EU officials.

Pelkmans & Brito (2012) also examined tools for improving compliance. They noted that a preventative approach is less costly, faster and probably more effective than resorting to infringement procedures and that this type of approach relies on cooperation between Member States and the European Commission. Referring to previous studies, Pelkmans &

Brito (2012) emphasised the importance of consultations between Commission officials who draft legislation and officials who will have the responsibility for implementing the legislation at a national level.

The importance of discussions between EU institutions and Member States as legislation is being developed and drafted that is highlighted by both Ballesteros et al (2013) and Pelkmans & Brito (2012) is also supported by other measures to improve the clarity of legislation. These include the **Institutional Agreement of 16 December 2003 on better lawmaking**²³⁷ and a guidance document on the drafting of EU legislation from the EU institutions.²³⁸ This Joint Practical Guide emphasises the need for legal drafting to be clear, simple and precise and provides drafting guidelines for achieving that aim.

A potential avenue for further research in the Single Market context is to understand the extent to which these compliance-promoting tools, especially those viewed as being more effective, are used in the development of Single Market regulation; and also to assess whether it is possible to use quantitative techniques to assess whether the use of these tools actually does have an impact on the extent of non-compliance. This type of research could then give a firm basis for requiring effective compliance-promoting tools to be used where they are currently underused.

4.7. Improving ex ante and ex post assessments

4.7.1. Improving ex ante assessments

Chapters 3.2.1 and 4.1.2 have highlighted that despite efforts made by the Commission to make use of robust ex ante impact assessments in the policy-making process, there remain important problems in this area that need addressing.

A number of observers have suggested that there should be a greater degree of independence in the process of scrutinising draft impact assessments. The **European Parliament** called for more independence in the scrutiny process in a Resolution on guaranteeing independent impact assessments in June 2011. Similarly, Professor Anne Glover, the former Chief Science Advisor to the European Commission President, highlighted that it was often difficult to 'disentangle the Commission's evidence gathering processes from [...] the political imperative that's behind them'²³⁹. Others have also noted the need for more capacity at the Impact Assessment Board, noting that members also had full time duties as Commission officials in their DGs and that, as Commission officials, they might have limited incentives to block initiatives that had been given a high political priority²⁴⁰.

Arrangements for the new Regulatory Scrutiny Board (see Box 6) seem designed to meet these concerns. Although the capacity of the Board has increased²⁴¹, with six full time members, including three independent members, it remains to be seen whether previous concerns about the previous Impact Assessment Board's capacity and independence will be allayed.

²³⁷ Available at: [http://eur-lex.europa.eu/LexUriServ/LexUriServ.do?uri=CELEX:32003Q1231\(01\):EN:HTML](http://eur-lex.europa.eu/LexUriServ/LexUriServ.do?uri=CELEX:32003Q1231(01):EN:HTML)

²³⁸ Joint Practical Guide of the European Parliament, the Council and the Commission for persons involved in the drafting of European Union legislation (2013).

²³⁹ EurActiv (2014).

²⁴⁰ See Renda (2015b).

²⁴¹ Compared to the previous Impact Assessment Board.

Box 5: Independence of the Regulatory Scrutiny Board

1. The Board will comprise a Chair and six members. Three members will be Commission officials working full time for the Board.
2. Three members will be **recruited from outside the Commission** on the basis of their **proven academic expertise** in impact assessment, ex post assessment and regulatory policy generally.
3. Members shall **act independently and autonomously** in preparing opinions. They shall not seek or take instructions from any other institution, body, office or agency.
4. Members must disclose any potential conflict of interest to the Chairperson and can be requested not to participate in the scrutiny of any impact assessments or ex post assessments or fitness checks where such potential conflict of interest arises.
5. Any initiative with an impact assessment must be accompanied by a **positive Board opinion** on its draft impact assessment for the proposal to be launched into Inter-Service Consultation.

Source: European Commission, C(2015) 3262 final, Strasbourg, 19.5.2015.

While the transformation of the existing Impact Assessment Board into a Regulatory Scrutiny Board with a strengthened role, wider scope and members exclusively working for the Regulatory Scrutiny Board may help in enhancing the objectivity of the Commission's IAs, the primary responsibility for impact assessments still lies with the responsible policy units. In this context, it has been suggested that independent experts scrutinize the Impact Assessment process from early on, and not limit their scrutiny/oversight to the final Impact Assessment report to provide additional external oversight over the selection of policy options to be assessed²⁴². In the UK, for example, the Regulatory Policy Committee interacts with departments during the production phase and suggests modifications or types of analysis, instead of only publishing opinions retrospectively on completed IAs²⁴³. Similar independent advisory boards also exist in the Netherlands²⁴⁴, Germany²⁴⁵, Sweden²⁴⁶ and the Czech Republic²⁴⁷. In the EU context, early involvement of an independent opinion could be achieved through the involvement of a member of the Regulatory Scrutiny Board, or an independent expert, on the Commission interservice group (ISG) that steers the IA process and collectively prepares the IA report from an early stage for each initiative.

A further concern with the Commission's Impact Assessments in their current form is the timing of the Impact Assessments. Stakeholders have expressed concern that even if impact assessments allow for a thorough assessment of the impact of potential legislation before a proposal is put forward by the Commission, there is still no robust impact assessment process covering the effects of new laws after they have been transformed in the negotiating process between MEPs and member states²⁴⁸. While some quantitative evidence on the impact of these amendments might be available from the initial IA, which will have assessed the costs and benefits of different policy options, there might often not

²⁴² RAND Europe (2015).

²⁴³ Fritsch et al. (2012).

²⁴⁴ Advisory Board on Regulatory Burden (ACTAL): <http://www.actal.nl/>.

²⁴⁵ Nationaler Normenkontrollrat (NKR): <http://www.normenkontrollrat.bund.de/>.

²⁴⁶ Swedish Better Regulation Council (Regelradet): <http://www.regelradet.se/>

²⁴⁷ Regulatory Impact Assessment Board (Komise RIA): <http://www.mvcr.cz/mvcren/article/regulatory-impact-assessment-in-the-czech-republic.aspx>.

²⁴⁸ Politico (2014).

be the time to offer a full quantitative assessment of the impact of compromises reached in negotiations. One way to address this may be to introduce a '**stand-still-period**' between the time a definite agreement has been reached and the implementation/adoption of those amended proposals. This could allow an opportunity for stakeholders to express their views on the effects of the amendments so that the impacts can be at least assessed at a qualitative level.

4.7.2. Improving ex post assessments

Ex post assessments are carried out in order to verify whether and to what extent EU initiatives and policies have met the set objectives. They are normally carried out by the European Commission Directorate General that has overall responsibility. Given that the DGs have an incentive to give a positive impression of the impact of their initiatives this suggests that there is some risk associated with the ex post assessments not being fully objective²⁴⁹.

While the European Court of Auditors (ECA) also carries out ex post assessments, it does so mostly in relation to verifications of whether EU funds have been properly used or, to a lesser extent, to assess the performance of EU programmes. However, the ECA rarely evaluates the performance of EU legislation.

The Commission evaluates individual activities on a regular basis, but also carries out assessments of the 'regulatory framework for a whole policy sector in so-called 'fitness checks'.²⁵⁰ Evaluations planned for the coming years are set out in the multi-annual evaluation programme.

Ex post assessments are usually carried out between 3-5 years after a Directive or Regulation came into force,²⁵¹ which seems reasonable given that the impacts of EU legislations can take some time to materialise. Since the time lag with which effects set in might vary from case to case, the evaluation timeframe is normally set in the Directive or Regulation itself. However, it has been found that this timeframe is rarely discussed or justified in the legislation, which would be desirable.

In addition, while the final impact of a policy might well take 3-5 years to fully set in, earlier evaluations of the progress of implementation efforts undertaken by the Member States could be carried out. More generally, the importance of monitoring and evaluation throughout the cycle needs to be recognised.

Results from ex post assessments have to be widely shared and fed back into the policy making process for the process to be fruitful and for the governance cycle to come full circle. The incorporation of lessons from previous ex post assessments into ex ante Impact Assessments is essential for performance-based policy-making, and marks the transition from the end of the governance cycle for one policy to the beginning of another governance cycle. Insights about the causes of successes and failures of previous policy initiatives should be considered in the policy-making process. This is particularly relevant for ex ante assessments of legislation revisions. In 2013, one out of six IAs for new policies of the Commission involved the analysis of ex post assessments, a noteworthy improvement from the ratio of 1 to ten achieved in 2010²⁵². However, there is still considerable room for improvement.

²⁴⁹ London Economics (2013b).

²⁵⁰ http://ec.europa.eu/internal_market/scoreboard/governance_cycle/evaluate/index_en.htm.

²⁵¹ London Economics (2013b).

²⁵² http://ec.europa.eu/smart-regulation/impact/key_docs/docs/iab_report_2013_en.pdf.

In a 2013 study, London Economics explored how to ensure that the relevant policy lessons from ex post policy assessments can be 'drawn and built on in the policy process' in the context of the Digital Single Market. The study recommended:

- the creation of a central repository within the EC containing all the IAs undertaken by the different DGs;
- the compulsory inclusion by the Commission of a special section on the results from related ex post assessments in every IA accompanying new initiatives; and
- the preparation by the EP of regular summaries of the findings of ex post assessments for the relevant EP committees.

These insights should be applied across all areas of the Single Market.

4.8. Improving information flows across the policy cycle

4.8.1. Data, indicators and analytical evidence

A key feature of the performance-based policy cycle is the flow of information between phases of the policy cycle (vertical flows) and from one policy to another (horizontal flows). Much could be done to improve these information flows for Single Market regulation in order to take maximum advantage of the evidence that is available to improve policy-making.

Data (e.g. from general statistical sources), indicators and scoreboards can act as a useful signal to policy-makers about where problems may lay and about where regulatory change is necessary. This is conditional on this information being relevant and also on it being collated and presented in an accessible way. However, a more in-depth understanding than can be provided directly by data, indicators and scoreboards is needed in order to provide evidence for better decision-making. This can come from analysis of the data and is currently provided through some of the other Single Market governance instruments including, in particular, impact assessments, REFIT analyses and stakeholder feedback.

These more in-depth approaches rely on strong quantitative and qualitative data as a basis for their analysis. As highlighted in the London Economics report on performance-based policy, evidence-based policy-making requires good data in order to properly apply the ideas underlying the performance-based policy cycle including, in particular, the robust ex ante assessment of policy options and effective ex post assessment of policy performance. Sufficient data for robust policy analysis are not always available and that situation can lead to poor policy development. Therefore, it is important to articulate and implement a robust data collection plan ex ante, during the policy identification and choice phase, that can be implemented at the same time as the policy is implemented²⁵³. Adding data collection plans to all new legislative proposal will, over the years, result in a more comprehensive dataset available for robust policy analysis.

4.8.2. Taking advantage of ICT developments: 'digital by design'

New ICT developments such as **cloud computing**, **data analytics** and **'big data'** provide new opportunities for collating and analysing the large scale data that exists about the performance of strategic programmes and individual Single Market policies.

The concepts of 'data analytics' and 'big data', through which businesses make use of the large amounts of data that they collect in order to improve their understanding of their

²⁵³ London Economics (2013b).

customers, competitors and their own internal operations has developed rapidly in recent years. The related concept of 'policy analytics' has also been used in the policy literature.

Tsoukias et al (2013) anticipate two key roles for policy analytics, namely the **exploration of existing datasets** and the **creation of new datasets**, both for the purposes of analysing issues of relevance to policy-makers.²⁵⁴ The range of types of evidence that could be relevant to policy making is large, including qualitative evidence, statistical data, indicators and quantitative analysis; and the range of potential sources for this evidence is vast and includes local and regional authorities, national authorities, existing Single Market indicators and scoreboards, Eurostat and academic and other research. In this context, it is essential to consider how better use could be made of the vast amount of data already collected by various government departments and agencies through traditional data collection methods (i.e., mandatory tax and statistical reporting mechanisms) so as to be able to improve the policy-making process²⁵⁵. At the same time, there is also wider recognition that greater use of big data by policy-makers, i.e. market-based methods of data collection, can lead both to better decision-making and to cost savings²⁵⁶. Cloud computing can be a tool for better access and use of this 'big data'²⁵⁷.

In addition to the general benefits of these new approaches for improving the evidence base for ex ante and ex post policy assessment, this concept can help guide efforts to both improve the data that is collected through the Single Market governance tools and to make better use of that data.

We see '**digital**' as being at the core of smart regulation. The evaluation of current governance tools and assessment of their integration into the performance-based policy cycle has highlighted the following priorities:

- The need for enhanced flows of information, data sharing and coordination
 - between the existing governance tools;
 - between the governance tools and national and EU-level authorities; and
 - between the governance tools and policy-makers.

Better coordination should enable a high-level of expertise of the staff of different networks and streamline sign-posting between different services. From the perspective of the performance-based policy cycle, enhanced cooperation should moreover enable feedback mechanisms between the policy execution and the policy-making and assessment phases, respectively.

- The requirement to incorporate ICT developments and make more use of quantitative and big data
- The potential for consolidating certain overlapping services
- The desire to reduce response times and case handling periods of individual tools
- Increased visibility, transparency and accessibility of different online-platforms
- Integration of knowledge from different areas of the Single Market

Taking account of the substantial progress achieved by existing governance tools and being aware of the fact that the priority areas highlighted above refer to an optimisation of

²⁵⁴ Tsoukias et al. (2013), p124 and London Economics (2013b), p31.

²⁵⁵ London Economics (2013b).

²⁵⁶ See, for example, McKinsey Global Institute (2011).

²⁵⁷ See Maciejewski et al (2014).

coordination processes rather than the requirement for radically new services and procedures, the authors propose to integrate existing efforts via a common information exchange platform – an **ICT hub** - for the Single Market governance tools. This would enable both the points on enhanced coordination and information sharing and the requirement to make more use of big data to be addressed.

One potential approach could be to use the existing IMI platform to coordinate individual Single Market governance efforts. In this case, consideration should also be given to its potential to develop into a **central ICT hub** with a '**once only**' access point, in line with other **e-government** initiatives (see below). The ability of the IMI to provide services across the various areas of the Single Market and the repeatedly successful integration of new policy areas would accommodate the requirement of a performance-based policy cycle to share information and policy execution lessons across various policy areas. In addition, the fact that the IMI already supports the SOLVIT network in handling its cases²⁵⁸ indicates that an extension to other governance tools might be possible.

However, integrating the different tools via a central information hub also bears certain risks. Issues of **data security** (e.g. back-up solutions in the case of system failure, hacking defences), **technical capacity** (e.g. data storage capacity), and **confidentiality** (e.g. whether anonymous information on unresolved SOLVIT or ECC-Net cases can be stored on a platform accessed by different EU institutions and networks) would have to be explicitly addressed to ensure that a more efficient coordination of existing tools does not come at the price of reduced data protection. Some of the additional issues associated with encouraging greater development of pan-European e-government solutions that provide access from anywhere at any time ('**ubiquitous solutions**') are discussed in van Veenstra et al. (2013). Issues may include the **interoperability** of systems, though the use of an existing tool like IMI as the basis for an ICT hub may reduce the extent of this problem.

We refer above to a '**once only**' access point for Single Market information in line with other e-government initiatives. This is the concept whereby consumers or businesses with a single market issue that they are seeking to resolve are able to access assistance via one online portal and then they are only required to provide information about their problem once, with the system finding a way to help them with their problem without the need for them to provide the same information again. This might be, for example, because the central ICT hub that is referenced above has enabled the information to be passed to the relevant authority for a response.

In the e-government element of the **Digital Single Market Strategy**, the Commission make a number of commitments including, as part of the forthcoming 'e-Government Action Plan 2016-2020':

- Launching in 2016 an initiative with the Member States to **pilot the 'once only' principle**; and
- Extending and integrating European and national portals (such as Your Europe, Single Points of Contact, Product Contact Points, Contact Points for Construction Products) to work towards a '**Single Digital Gateway**' to create a user friendly information system for citizens and businesses.

This type of '**digital by design**' approach to Single Market governance can also be supported by initiatives to improve the nature and presentation of online services for EU citizens. The UK government, for example, operates a '**digital by default**' service standard

²⁵⁸ European Commission Single Market Scoreboard:
http://ec.europa.eu/internal_market/scoreboard/performance_by_governance_tool/internal_market_information_system/index_en.htm [accessed 15 April 2015].

which applies to all new or redesigned high volume transactional online services provided by central government. The aim of this service standard is to enable service providers to meet **user expectations** of what makes a good digital service and developers are encouraged to constantly test the service as it develops, against the views of users. The eighteen criteria which form the 'digital by default' service standard are set out below.

Box 6: UK Government criteria for the 'Digital by Default' Service Standard

- 1) Understand user needs. Research to develop a deep knowledge of who the service users are and what that means for the design of the service.
- 2) Put a plan in place for ongoing user research and usability testing to continuously seek feedback from users to improve the service.
- 3) Put in place a sustainable multidisciplinary team that can design, build and operate the service, led by a suitably skilled and senior service manager with decision-making responsibility.
- 4) Build the service using the agile, iterative and user-centred methods set out in the manual.
- 5) Build a service that can be iterated and improved on a frequent basis and make sure that you have the capacity, resources and technical flexibility to do so.
- 6) Evaluate what tools and systems will be used to build, host, operate and measure the service, and how to procure them.
- 7) Evaluate what user data and information the digital service will be providing or storing, and address the security level, legal responsibilities, privacy issues and risks associated with the service (consulting with experts where appropriate).
- 8) Make all new source code open and reusable, and publish it under appropriate licences (or provide a convincing explanation as to why this cannot be done for specific subsets of the source code).
- 9) Use open standards and common government platforms where available.
- 10) Be able to test the end-to-end service in an environment identical to that of the live version, including on all common browsers and devices, and using dummy accounts and a representative sample of users.
- 11) Make a plan for the event of the digital service being taken temporarily offline.
- 12) Create a service that is simple and intuitive enough that users succeed first time.
- 13) Build a service consistent with the user experience of the rest of GOV.UK including using the design patterns and style guide.
- 14) Encourage all users to use the digital service (with assisted digital support if required), alongside an appropriate plan to phase out non-digital channels/services.
- 15) Use tools for analysis that collect performance data. Use this data to analyse the success of the service and to translate this into features and tasks for the next phase of development.
- 16) Identify performance indicators for the service, including the 4 mandatory key performance indicators (KPIs) defined in the manual. Establish a benchmark for each metric and make a plan to enable improvements.
- 17) Report performance data on the Performance Platform.
- 18) Test the service from beginning to end with the minister responsible for it.

Source: UK Government²⁵⁹.

²⁵⁹ Available from: <https://www.gov.uk/service-manual/digital-by-default> [Accessed 24 July 2015].

As a part of the forthcoming **e-Government Action Plan 2016-2020**, we suggest that the Commission introduce a set of '**digital by design**' criteria for online services such as the proposed '**Single Digital Gateway**' and that these criteria draw on the experiences of applying the 'Digital by Default Service Standard' in the UK.

4.8.3. Improving the analytical evidence

The previous London Economics report on the performance-based policy cycle made a number of recommendations related to improving the quality of the analysis that underpins impact assessments. In particular, that analysis noted the limited quantitative evidence that was available in the context of the Digital Single Market and recommended better data collection, including ex ante data collection plans and accessing the benefits of 'big data'; as well as more comprehensive and exhaustive studies on the potential gains from completion of the Single Market. The study also recommended more systematic use of logic models. In order to assist in achieving these aims we proposed that further measures are taken in order to disseminate the understanding and know-how about data collection, monitoring, ex ante impact assessment and ex post impact assessment that is required within the EU institutions in order for these aims to be achieved.

These recommendations are still relevant across the Single Market (beyond the Digital Single Market alone). A recent publication of the Policy Network recommended that guidance on the ex ante assessment of certain policy options and on the essential governance and regulatory process requirements be enhanced so as to enable more efficient and effective reliance on self- and co-regulatory schemes within the Commission²⁶⁰.

Similarly, the importance of the dissemination of guidelines on ex post assessment and the measurement of cumulative impacts of EU policies were highlighted, and it was recommended to target efforts at evaluating the effectiveness of policy measures, i.e. assessing whether the intended objectives of the policy measure at hand have been achieved²⁶¹.

Ex post impact assessments can be undertaken by independent contractors and since they are likely to be undertaking many ex post IAs, unlike most officials of the EU institutions, they will often be a valuable source of know-how and expertise. Nevertheless it is important that EU officials understand the nature, role and practice of impact assessment for a number of reasons, including:

- it will assist them in preparing strong and realistic tender specifications for high quality IAs, where they are tendered;
- it will assist them in appropriately interpreting the results of any IAs; and
- it will assist them in preparing for ex post IA at the policy choice phase of the policy cycle.

We see this last benefit as the most important one. The more that the data needs of an ex post assessment can be anticipated and planned for at the policy development stage, the higher the quality of the ex post assessment that can be achieved. This point is relevant to all types of ex post assessment, but is best illustrated by **experimental approaches to evaluation**, such as randomised control trials, which are generally considered to be the most robust types of evaluation. These approaches compare outcomes for a treatment group (which is subject to the policy being evaluated) and a control group (which does not

²⁶⁰ Renda, A. (2015).

²⁶¹ Renda, A. (2015), as above.

receive the policy being evaluated). The key to the robustness of this approach is that participants are randomly allocated to the treatment and control groups before the policy is implemented in order to avoid systematic biases in outcomes between the two groups. This means that the ex post assessment has to be planned together with the policy development.

There are a number of models for dissemination of IA know-how: illustrated and described below.

Figure 34: Dissemination of Impact Assessment know-how



Source: London Economics.

- **Written guidance.** Guidelines provide a useful framework of rules to ensure consistency of practice. They can also provide answers to some analytical problems, but their generic nature means that they cannot provide answers for all of the analytical problems that are likely to be experienced in practice. The European Commission publishes 'Better Regulation Guidelines', with the latest version updated in May 2015. In addition, those Guidelines are accompanied by a toolbox of more specific guidelines on methods and techniques. These are all useful and provide a strong basis for other complementary dissemination approaches.
- **Training.** Training of officials in the use of IA is an important supplement to Guidelines. It ensures that they understand the guidelines and are equipped to implement them correctly.
- **Expert networks.** Expert networks with regular interactions can be a useful way of disseminating knowledge widely and effectively. Examples from cohesion and research and innovation policy and are:

- the EC DG Regio '**Evaluation Network**' which comprises representatives of Member States who are responsible for evaluation of cohesion policy. It meets two or three times each year and is chaired by the Evaluation Unit of DG Regional Policy.²⁶²
- **IQ-Net** is a network of partners across the EU, which seeks to improve the quality of Structural Funds programme management through the exchange of experiences. The network is managed by the European Policies Research Centre (EPRC) at the University of Strathclyde in Glasgow.²⁶³
- The **European RTD Evaluation Network** (EUevalnet) is a platform for sharing information and best practice on issues related to evaluation methodology, use of research indicators and measurement of research impact.²⁶⁴
- **Conferences and seminars.** A further complementary approach to dissemination which has close links with expert networks, is the use of regular conferences to discuss IA experiences. The forthcoming conference in May 2016 on the effectiveness of cohesion policy is an example of this approach.²⁶⁵

4.8.4. Making better use of analytical evidence

For developing strategic programmes and making policy decisions, evidence about what works and what does not work, both in terms of processes and in terms of outcomes for consumers and businesses, is the most useful analytical input. By their nature, these types of analytical outcomes from large numbers of ex post assessments and impact assessments can be more difficult to access than information provided through indicators and scoreboards.

The European Institutions have developed '**policy databases**' in some areas but their contribution appears limited. For example:

- the European Commission's regional policy website includes a web-based searchable policy database which it describes as having been "developed primarily for project promoters, policy makers and other practitioners to promote policy learning, and contains case studies, ex post assessment reports and other project summaries";²⁶⁶
- the Single Market scoreboard website includes a 'best practice' section which provides case studies of best practice in relation to the Single Market governance tools.²⁶⁷

Whilst both these sources provide information that is potentially useful for policy development, the material does not appear to be accessible and robust enough to be a really useful and much used tool.

²⁶² See http://ec.europa.eu/regional_policy/en/policy/evaluations/network/ [accessed 4 June 2015].

²⁶³ See <http://www.eprc.strath.ac.uk/ignet/default.php> [accessed 4 June 2015].

²⁶⁴ See http://ec.europa.eu/research/evaluations/index_en.cfm?pg=network [accessed 17 June 2015].

²⁶⁵ See http://ec.europa.eu/regional_policy/en/policy/evaluations/conferences/evaluating-effects/ [accessed 4 June 2015].

²⁶⁶ See http://ec.europa.eu/regional_policy/en/projects/best-practices/ [accessed 4 June 2015].

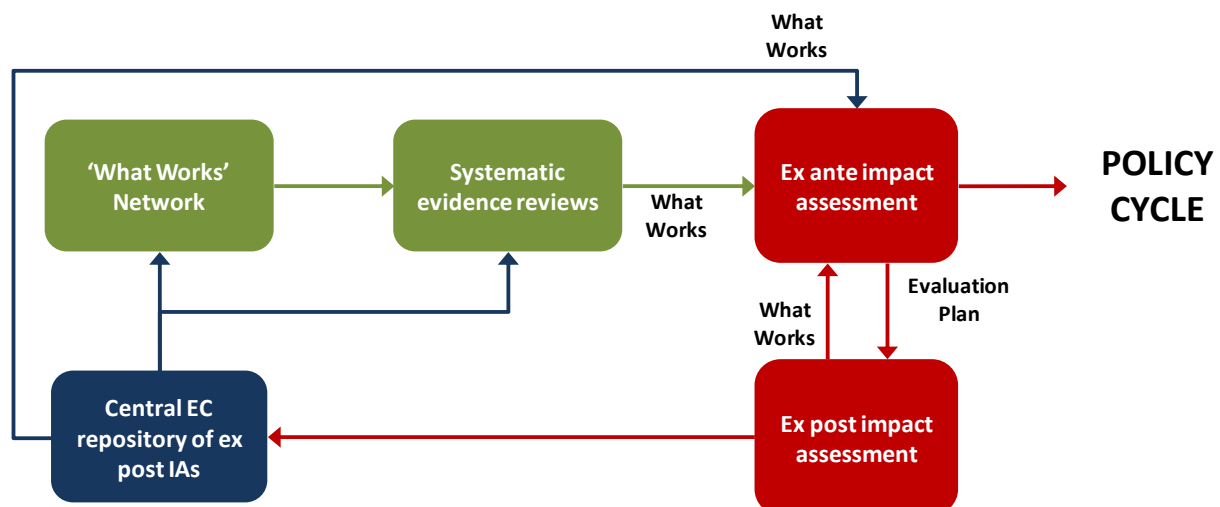
²⁶⁷ See http://ec.europa.eu/internal_market/scoreboard/feedback/best_practices/index_en.htm#maincontentSec5 [accessed 4 June 2015].

The previous London Economics report on the performance-based policy cycle recommended that there should be more systematic dissemination of lessons learned from ex post policy performance assessments, suggesting in particular that:

- a central repository be created at the EC which contains all the ex post assessments undertaken by the various DGs along the lines of the repository of the IAs;
- every IA from the EC accompanying a policy proposal contain an obligatory special section presenting the findings of all relevant ex post assessments (ex post assessments by DGs and ex post performance assessments undertaken by the ECA); and,
- the IA unit of the EP prepare for the relevant EP committees on a regular basis (quarterly or semi-annually) summaries of the key findings and lessons of all ex post assessments published during the EC and the ECA during the preceding period.

We also propose the use of additional approaches used elsewhere. These are illustrated in the Figure and discussed below.

Figure 35: Making better use of analytical evidence



Source: London Economics.

Systematic reviews of evidence use structured approaches for reviewing the evidence on a particular issue and present it in a way that also analyses the robustness of the evidence, based on the data and the analytical techniques used. These approaches have been championed by organisations such as the Cochrane Collaboration, which focuses mainly on healthcare policy.²⁶⁸ The reviews are disseminated via a searchable database on the **Cochrane library** website, but also through other means such as social media and blogs.

Other organisations have built on this approach in other policy areas. One important example is the '**What Works Network**' in the United Kingdom. This is a network of research centres which aim to make the best evidence of 'what works' across public

²⁶⁸ <http://www.cochrane.org/> [accessed 4 June 2015].

services, in policy areas such as: crime; education, local economic growth, health and social care.²⁶⁹ In particular, the centres

- collect existing evidence on the effectiveness of effective policy programmes and practices;
- produce high quality synthesis reports and systematic reviews in areas where they do not currently exist;
- assess how effective policies and practices are against an agreed set of outcomes
- share findings in an accessible way; and
- encourage practitioners, commissioners and policy-makers to use these findings to inform their decisions²⁷⁰.

The What Works Centres have already become a powerful brand in the UK²⁷¹, with the network covering policy areas with public spending of over £200 billion²⁷². However, the What Works Centres still face challenges in ensuring evidence-based policy-making²⁷³. One of these challenges lies in the generation of good quality evidence on the cost effectiveness of different interventions. While some of the centres have the resources to generate new evidence through trials and evaluations²⁷⁴, the centres' primary function lies in assessing and synthesising existing evidence and disseminating lessons learned from ex post policy performance assessments. The network therefore requires policy-makers to robustly evaluate the impact of their policies²⁷⁵. In addition, the Institute for Government found that the network is not yet generating enough interest from government ministers, and suggested to incentivise demand for the evidence offered by the centres by having scrutiny and audit bodies hold policy-makers to account²⁷⁶.

Barriers hindering a more systematic use of evidence and evaluation originate on both the supply and demand side. On the supply side, research is often not able to provide answers to relevant policy questions within the timeframe required because of a 'mismatch between political timetables and the timelines of evidence producers'. In addition, good usable data is often lacking and policies are often not designed in a way that allows for proper evaluation. On the demand side, there remain reservations about experimentation among policy-makers and sometimes a 'lack of culture and skills for using rigorous evidence'²⁷⁷.

4.9. Improving information flows – some lessons from the governance tools

4.9.1. Information flows from the tools to strategic programming and policy choice

One characteristic feature of the performance-based policy cycle introduced in Chapter 2 is the existence of a feedback mechanism from the assessment phase back to the strategic

²⁶⁹ See <https://www.gov.uk/government/publications/what-works-evidence-for-decision-makers> [accessed 4 June 2015].

²⁷⁰ Cabinet Office (2013).

²⁷¹ Gold (2014).

²⁷² What Works Network (2014).

²⁷³ Gold, J. (2014).

²⁷⁴ What Works Network (2014).

²⁷⁵ What Works Network (2014).

²⁷⁶ Gold (2014).

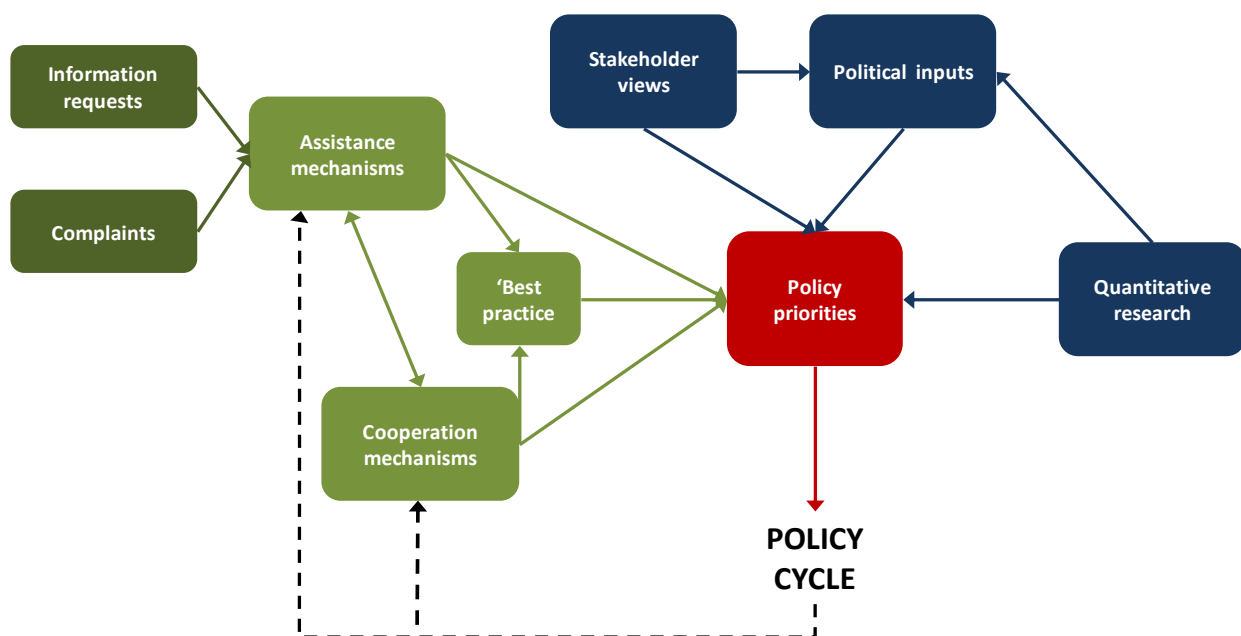
²⁷⁷ Institute for Government. 'Evidence and evaluation in policy making. A problem of supply or demand?'. Available at: http://www.instituteforgovernment.org.uk/sites/default/files/publications/evidence%20and%20evaluation%20in%20template_final_0.pdf.

programming, policy making and policy execution phases, so that lessons learned in the later phases of the policy cycle inform the policy-making process. Those feedback mechanisms should be available across policy areas, so that lessons learned from the policy execution of a policy not only feed back into the adjustment of that same policy, but also influence the policy identification and decision stages in other areas²⁷⁸.

The Single Market instruments discussed in Chapter 3 potentially offer valuable information about the issues hindering a successful implementation of the different Single Market areas. This information that could be used to inform the formulation of new policy priorities and the adjustments of existing programmes, as illustrated in the Figure below.

First, the information requests received by the advisory tools reveal what areas of Single Market legislation are most relevant to consumers and businesses, and also hint at potential ambiguities or regulatory uncertainties/loopholes. Complaints submitted to or via the different problem-solving networks or mechanisms reveal in what areas or sectors of the Single Market consumers and businesses face the most problems. Moreover, given that the different tools applying at the solving-stage of the governance cycle address both issues arising from the misapplication of EU law by public authorities and disputes between consumers and traders, the combined information collected by the tools reveals the origin of recurring problems.

Figure 36: Using information from the governance tools



Source: London Economics.

Secondly, the procedures introduced by the PSCs and the solutions to the complaints found by SOLVIT and other tools can lead to best practices which should further inform the policy-making process. A report on enforcement in the EU Single Market published in 2012 by the Centre for European Policy Studies (CEPS), for example, indicated that the cases resolved by SOLVIT often result in changes in work practices, or even legal rules at the national level, for a large number of people who might at some point have encountered the same problem²⁷⁹. Sharing this information on national adaptation strategies and strategies

²⁷⁸ London Economics (2013b).

²⁷⁹ Pelkmans & Correia de Brito(2012).

mitigating administrative burdens at the EU level could facilitate the cross-border application of 'best practices' and reduce heterogeneity in the interpretation and application of Single Market legislation. The current Section on Best Practices on the European Commission Single Market Scoreboard website only reveals a very limited amount of information on national best practices²⁸⁰.

Further, unresolved information requests or disputes may be used as an indicator for where there are policy execution problems that need addressing by new policies in order to improve the functioning of the Single Market²⁸¹ and can inform the adjustment process of existing policies.

Finally, the IT-based tools that are already connecting national public authorities across borders (the IMI and CPC-Network), thereby facilitating the flow of information between Member States, could potentially be extended to direct this information flow directly to EU policy-makers.

4.9.2. Information flows from the tools to policy execution and enforcement

A better flow of information between the different tools within the policy execution and enforcement phase could further contribute to the better enforcement of existing EU legislation.

The complaints submitted to the various dispute-settling networks reveal in which areas existing EU law is incorrectly applied by public authorities (SOLVIT) or where authorities are insufficiently monitoring whether third actors, for example traders, are acting in accordance with EU law (ECC-Net, CPC Network, ADR/ODR).

The 2012 CEPS study refers to the examples of unsolved SOLVIT cases related to VAT reimbursement in Luxembourg and the recognition of the professional qualifications of Romanian nurses in Spain. In both instances, the flow of information on unresolved cases from SOLVIT to the national ministers led to the subsequent addressing of those problems at ministerial level.

A closer cooperation between the governance tools receiving consumer complaints about the breach of EU legislation by a trader and national enforcement bodies via formal procedures and improved data sharing could moreover help ensure that EU law is respected by those individuals and businesses that are subject to EU law²⁸².

4.9.3. Information flows from the tools to assessment and adjustment

The other important element of the performance-based policy cycle is the implementation of independent ex post assessments of the performance of a strategic programme or policy initiative relative to expected benefits.

The governance tools discussed in previous chapters are likely to possess valuable information on the success and failure factors of a policy. Given the direct interaction of many of the tools with a specific target group, for example the SPC's and EEN's involvement with SME concerns and the ECC and CPC networks' focus on pan-European consumer concerns, the tools might be able to shed light on specific administrative hurdles and ambiguities leading to the failure of a policy.

²⁸⁰ European Commission Single Market Scoreboard:
http://ec.europa.eu/internal_market/scoreboard/feedback/best_practices/index_en.htm.

²⁸¹ Pelkmans & Correia de Brito(2012).

²⁸² See also Consumer Policy Evaluation Consortium (2011); European Commission (2012).

A more direct inclusion of the information gathered by the governance tools further allows for more real-time observations of the results of policies and hence for a quicker adaptation to a changing environment. This contemporaneous evaluation of ongoing policy efforts, and the development of appropriate performance measures in the process, is preferable to purely indicator-based, post-factum assessments.

Results from ex post assessments have to be widely shared and fed back into the policy making process for the process to be fruitful and for the governance cycle to come full circle. The incorporation of lessons from previous ex post assessments into ex ante Impact Assessments is essential for performance-based policy-making, and marks the transition from the end of the governance cycle for one policy to the beginning of another governance cycle.

4.10. The Single Market in the European Semester

4.10.1. The European Semester process

The 'European Semester' is the annual cycle of economic policy guidance and surveillance through which the EU's economic and budgetary policies are coordinated²⁸³. Each Semester, the European Commission analyses the fiscal and structural reform policies of every Member State, provides recommendations, and monitors their implementation, while the Member States implement the commonly agreed policies.

The Semester starts with the publication of the Annual Growth Survey and Alert Mechanism Report in November (see also Box 7). In April, the Member States submit their plans for sound public finances (Stability and Convergence Programmes (SCPs)) and for reforms and measures to make progress towards smart, sustainable and inclusive growth (National Reform Programmes (NRPs)). This joint submission allows account to be taken of complementarities and spillover effects between fiscal and structural policies²⁸⁴.

In May the Commission assesses the NRPs and SCPs as well as the progress made in the Member States towards the targets defined in the Europe 2020 strategy and the correction of macroeconomic imbalances. On the basis of those assessments, the Commission proposes country-specific recommendations (CSRs), which are then discussed by different formations of the Council. In June/July the European Council endorses the CSRs, which are officially adopted by the Council in July. The Semester finishes in October with the European Parliament's debate and resolution on the Country Specific Recommendations for budgetary, economic and social policies (Figure 37).

The European Semester process seeks to ensure that Member States keep their budgetary and economic policies consistent with a range of EU commitments in these areas, including:

- debt and deficit commitments under the Stability and Growth Pact;
- economic reform plans provided in the previous year's country-specific recommendations; and
- the long-term growth and jobs targets in the Europe 2020 strategy.

²⁸³ For further details see: http://ec.europa.eu/economy_finance/economic_governance/the_european_semester/index_en.htm [accessed 29 April 2015].

²⁸⁴ European Parliament (2015a).

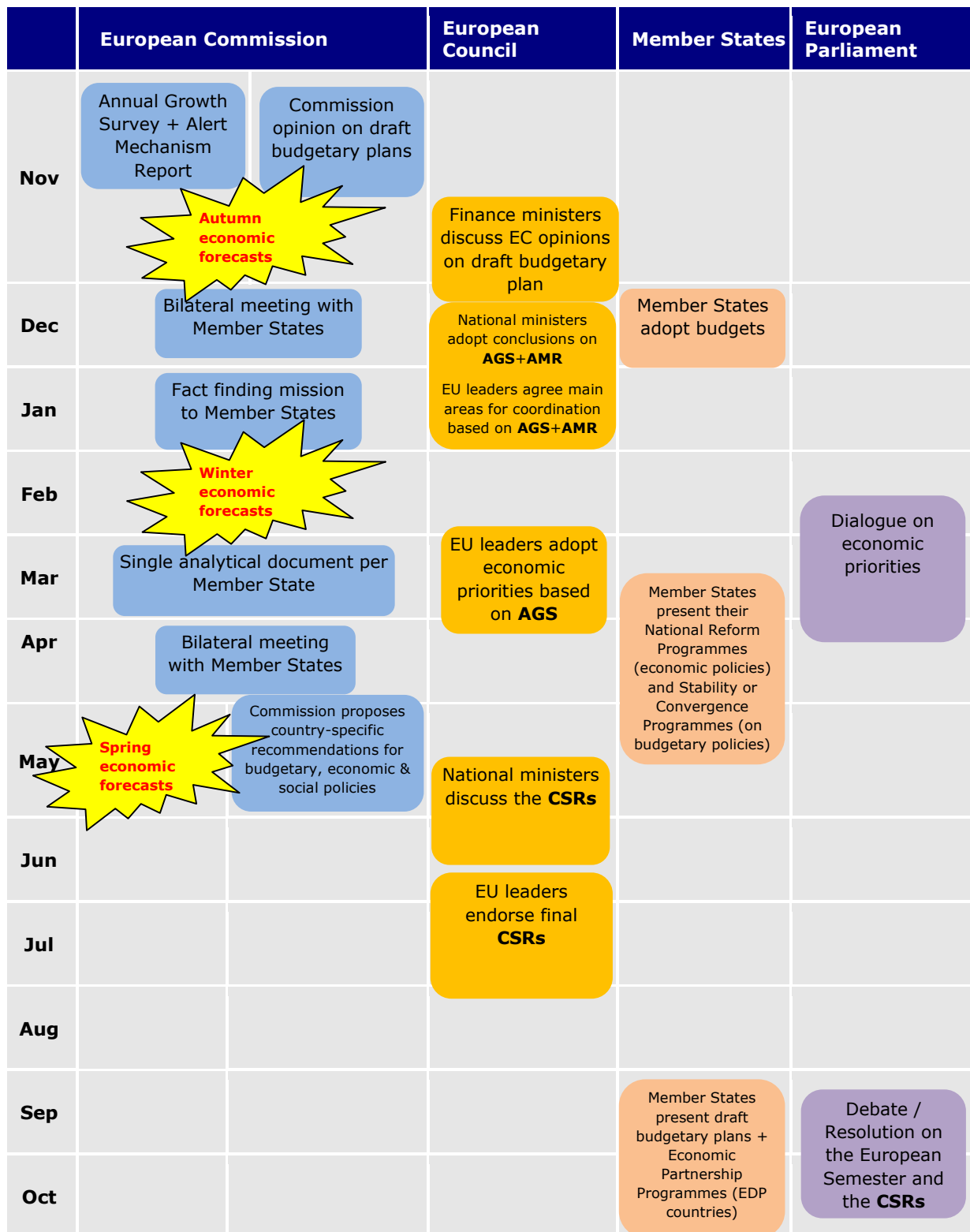
Box 7: Key economic reports that commence the European Semester²⁸⁵

The **Annual Growth Survey** analyses the progress that the EU has made towards its long-term, strategic priorities. It sets out general economic priorities for the EU and provides Member States with policy guidance for the following year. The Annual Growth Survey is the first step in the European Semester and leads to country-specific policy recommendations made by the EU to governments.

The **Alert Mechanism Report** is an early warning report to detect and addresses economic trends or imbalances that could prove harmful to Member States or Europe's Economic & Monetary Union and underpins the Macroeconomic Imbalances Procedure.

²⁸⁵ http://ec.europa.eu/economy_finance/economic_governance/the_european_semester/index_en.htm [accessed 24 July 2015].

Figure 37: The European Semester process



Notes: **AGS** = Annual Growth Survey; **AMR** = Alert Mechanism Report; **CSR** = Country Specific Recommendations; **EDP** = Excessive Deficit Procedure.

Source: European Commission (2014).

4.10.2. Role of the Single Market

Although the European Commission describes the European Semester as 'the EU's annual cycle of economic policy guidance and surveillance',²⁸⁶ the European Semester appears to be very much focussed **on the macroeconomic and fiscal aspects** of economic policy and European Union governance, with the Single Market playing a subsidiary role despite its significance for the European economy.

Nevertheless, the development of the Single Market is included as a part of the process, with references to improving the Single Market in the Annual Growth Survey and in Country Specific Recommendations. The Annual Growth Survey was supplemented by the **annual Single Market Integration report** in previous years. This provided high level general recommendations on Single Market priorities for Member States. However this Single Market integration report was not included as a supplement to the Annual Growth Survey for 2015. As in previous years, some recommendations on Single Market matters are included in the Country Specific Recommendations but the material included is limited in scope with little in the way of detailed and specific recommendations. Moreover, Alcidi et al. (2014) found that only 28% of the country-specific recommendations issued in the domain of internal market policy are actually implemented by Member States²⁸⁷.

The prioritization of macroeconomic and fiscal policies over Single Market policies within the European Semester is at odds with the wider EU policy framework. Given the legal foundation of the Single Market as a core policy in the founding treaties of the European Union²⁸⁸ - vis-à-vis the recommendation-based approach to economic policy coordination established in Article 121 of the TFEU- it can be argued that the Single Market should constitute the backbone of the European Semester. This would help reinforce the role of the Single Market in economic decision-making processes by signalling its very real importance for the European economy. The significance of the Single Market for the European economy is illustrated by the research showing that 'costs of non-Europe' in the area of the Single Market are very high²⁸⁹.

Both external experts and the European Parliament have advocated a greater role for the Internal Market within the European Semester.

For example, Renda (2014) recommended that the European Commission drafts its Annual Growth Survey with specific reference to progress achieved and further progress needed on the way towards the Europe 2020 objectives and goals, and that the latter objectives should include initiatives on the internal market. Ongoing work by the European Parliament's European Added Value Unit suggests that the 'costs of non-Europe' are very high – estimates suggest that they are of the order of just under €1 trillion.²⁹⁰ This suggests that a higher profile and more detailed focus on remaining barriers to the Single Market is required as a part of the European Semester. These factors led the European Parliament to make a recommendation in 2013 that the Single Market should be included as a separate pillar of the European Semester²⁹¹. This would help reinforce the role of the

²⁸⁶ http://ec.europa.eu/economy_finance/economic_governance/the_european_semester/index_en.htm [accessed 24 July 2015].

²⁸⁷ Alcidi et al. (2014).

²⁸⁸ See the Treaty on European Union (article 3, paragraph 3) and the Treaty on the Functioning of the European Union (articles 21, title I, 26, 28, 29, title IV, title V, articles 114, 115).

²⁸⁹ European Parliamentary Research Service (2014).

Single Market in economic decision-making processes by signalling its very real importance for the European economy.²⁹²

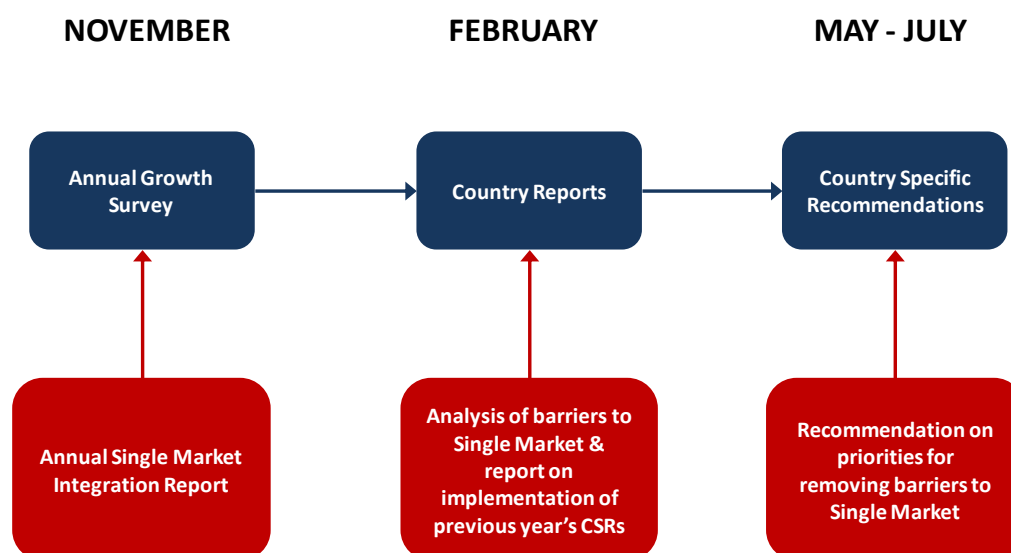
In line with that, an own-initiative report on Governance of the Single Market within the European Semester was prepared by the IMCO Committee in 2014, which made a number of suggestions with regard to the key sectors with the highest growth potential (services, financial services, energy, transport, and digital markets). On 22 January 2015, the IMCO Committee adopted a new report on Single Market governance within the European Semester 2015, providing recommendations on how to improve the governance of the Single Market and on the key sectors that must be strengthened²⁹³.

In order to strengthen the role of the Single Market in the European Semester process, we suggest that:

1. the **annual Single Market Integration report** is reintroduced and produced every year as an input to the Annual Growth Survey;
2. **country reports** include a specific section showing barriers and progress towards the Single Market, including a report on the implementation of the previous year's country-specific recommendations on the Single Market; and
3. **country-specific recommendations** include a specific section making recommendations on what priorities the Member State needs to set for removing barriers to the Single Market.

These suggestions, together with our suggestions for the role for the European Parliament in the European Semester (discussed below) are illustrated in the Figure below.

Figure 38: Proposed changes to the European Semester process (in red)



Source: London Economics.

²⁹² European Parliament (2013), Recommendation 7.

²⁹³ <http://www.europarl.europa.eu/committees/en/imco/subject-files.html?id=20140604CDT85003>.

4.10.3. Role of the European Parliament

As illustrated in Figure 37, the role of the European Parliament in the European Semester process is much more limited than the roles of the Commission and the Council. In particular, the European Parliament:

- takes part in a dialogue on economic priorities in the same month as European leaders adopt economic priorities based on the Annual Growth Survey;
- debates and makes a resolution on the European Semester and the Country Specific Recommendations at the end of the process two or three months after EU leaders have endorsed the final Country-Specific Recommendations.

We believe that the influence of the European Parliament on the Single Market aspects of the European Semester could be improved through slightly earlier and more specific involvement in the process. The European Commission publishes its Country Reports in February (not shown in Figure 37). These reports analyse the economic policies of each Member State and provide the background for the Country-Specific Recommendations.

We suggest above that these Country Reports also report on the implementation of the previous year's country-specific recommendations on the Single Market. When these reports are published, Member States who have not implemented the country-specific recommendations relating to the Single Market should, on request, explain the reasons for this to the European Parliament's IMCO committee.²⁹⁴ The Parliament could then use this as a basis for providing inputs to the Commission on the development of the new Country-Specific Recommendations in time for their publication by the Commission in May.

²⁹⁴ This is similar to the European Parliament's invitation to Member States "to explain the reasons for significant variations regarding the CSRs to the competent committee of Parliament" (A.17, European Parliament resolution of 11 March 2015 on Single Market governance within the European Semester 2015).

5. CONCLUSIONS AND RECOMMENDATIONS

5.1. Performance-based policy cycle is relevant to all aspects of the Single Market

An outcomes- or performance-based approach to public policy making and public management increases the accountability of governments and makes it easier to assess whether the public sector and government departments, programs, laws and regulations are performing well and achieving their objectives.

Building on a previous IMCO Committee study, we propose an enhanced performance-based policy cycle which extends the approach to the strategic programming phase of policy development and which emphasises the importance of information flows and evidence that is quantified where possible. High-level strategies ('strategic programmes') are an important part of the policy development process. They set the context in which many individual policy choices are made. Since their influence on policy choices is strong, it is important that the concepts of performance-based policy-making are also applied at this level of the policy cycle.

In other words smart Single Market governance requires that the identification of policy priorities in high-level strategies and work programmes of the European Commission, the European Council and the European Parliament be evidence-based, that is based on a thorough assessment of the potential costs and benefits of European-level action in different policy areas.

This enhanced performance-based policy cycle should be applied to all areas of Single Market governance in order to assist with the robust development of Single Market policy.

5.2. Important role of the Single Market tools in improving governance

Smart Single Market regulation relies on a variety of governance tools that are applied at all stages of the performance-based policy cycle. These include the REFIT programme, impact assessments, indicators and scoreboards, and the Court of Auditors' special reports.

On 19 May 2015, the European Commission published the 'Better Regulation Package', setting out the EU Agenda on Better Regulation for the coming years and providing guidelines on how to deliver better results for citizens and businesses through better EU rules. Within the European Commission's Regulatory Fitness and Performance programme introduced in December 2012, the Commission is screening the entire stock of EU legislation on an ongoing and systematic basis to identify burdens, inconsistencies and ineffective measures and identified corrective actions.

Impact assessments play a crucial role in improving EU regulation and governance. In response to remaining concerns regarding the quality and objectivity of the IAs carried out by the European Commission, the Commission has announced that the Impact Assessment Board will be transformed into an independent Regulatory Scrutiny Board to strengthen the existing system of quality control. In addition, the Commission called on the European Parliament and the European Council to start carrying out impact assessments on any substantial amendments the institutions propose during the legislative process.

Robust and consistent policy execution is crucial for ensuring a level playing field across the Single Market. A variety of cooperation mechanisms connecting Member States and the Commission and national authorities as well as assistance services for citizens and businesses are available to facilitate this, but a range of problems remain with both implementation and enforcement.

The incorporation of lessons from previous ex post assessments into ex ante Impact Assessments is essential for performance-based policy-making. Insights about the causes of successes and failures of previous policy initiatives should be considered in the policy-making process. In 2013, only one out of six IAs for new policies of the Commission involved the analysis of ex post assessments.

5.3. Performance of the assistance services

The level of awareness of the various assistance services and the understanding of the tools' scope and functions is very limited among both European citizens and businesses. None of the tools was known by more than 25% of surveyed European citizens, and the lowest awareness levels amounted to just 1% of survey respondents. Users often don't understand the complementarities and differences between the different tools. When they are used, most of these tools are considered to provide useful information. The Your Europe Advice and IMI tools have particularly high levels of performance across a number of criteria. Demand for the services provided by the Single Market governance tools has been continuously rising in the last decade. However, there is room for improvement.

There is room for improvement with regards to the effectiveness of the governance tools. In particular, long case handling periods (e.g. SOLVIT, ECC-Net) and limited expertise of network staff (e.g. EEN, EURES) lead to dissatisfaction with the services provided by the tools. In addition, Member States do not always contribute as positively to the performance of the tools as they should do. For example, some Member States have had very limited engagement with the coordination mechanisms for Your Europe.

In order to use existing tools more effectively at the policy execution stage, coordination efforts and information flows between the different tools as well as between the tools and national authorities have to be enhanced. This should facilitate higher staff expertise, increased case handling speed, streamlined sign-posting and better enforcement of EU rights.

5.4. Improving the performance of smart Single Market regulation

Many of the elements of a performance-based policy cycle are already in place in Single Market regulation and the 'Better Regulation Package' of 19 May 2015 introduced changes that should improve performance. Nevertheless there is a potential for further improvements.

New ICT developments such as cloud computing, business analytics and 'big data' provide new opportunities for collating and analysing the large scale data that exists about the performance of strategic programmes and individual Single Market policies.

The previous London Economics report on the performance-based policy cycle made a number of recommendations related to improving the quality of the analysis that underpins impact assessments. In order to assist in achieving these aims we propose that further measures are taken in order to improve the dissemination of know-how about data collection, monitoring, ex ante impact assessment and ex post assessment.

For developing strategic programmes and making policy decisions, evidence about what works, both in terms of processes and in terms of outcomes for consumers and businesses, is the most useful analytical input. By their nature, these types of analytical outcomes from large numbers of ex post assessments and impact assessments can be more difficult to access than information provided through indicators and scoreboards. In order to address this 'What Works' question, we propose that an approach is developed that draws on experiences of the 'What Works Network' in the UK and experience of the use of systematic evidence reviews in policy development elsewhere.

Ongoing work by the European Parliament's European Added Value Unit suggests that the 'costs of non-Europe' are of the order of just under €1 trillion. This suggests that a higher profile and more detailed focus on remaining barriers to the Single Market is required as a part of the European Semester, with a clear role for the European Parliament.

5.5. Recommendations

5.5.1. Recommendation 1: Apply the enhanced performance-based policy cycle

The enhanced performance-based policy cycle, which includes a strategic programming phase and which emphasises the importance of information flows and evidence that is quantified where possible, should be applied to all areas of Single Market governance in order to assist with the robust development of Single Market policy.

Actions:

- Introduce a **distinct strategic programming phase** into the Better Regulation Guidelines, applicable to European Parliament resolutions, European Council conclusions, European Commission strategies and workplans, and European Commission recommendations (as a part of economic governance process). The European Parliament should have an overview of this process as the institution contributing legitimacy and democratic representativeness.
- Provide more complete and transparent **quantification** of anticipated impacts alongside strategic plans such as the Commission Work Programme.

5.5.2. Recommendation 2: Improve information flows in Single Market regulation

Strong information flows, both between governance tools and from governance tools to policy-makers, are an integral part of the enhanced performance-based policy cycle and are also a key area that needs further improvement.

Actions:

- Assess the scope for using **cloud computing, business analytics and big data techniques** to extract useful information from the myriad of potential sources at the regional, national and EU levels.
- Explore the scope for integrating the different Single Market governance tools via a **central information hub**, either using the existing IMI platform as a basis for that hub, or through other means.
- As a part of the forthcoming **e-Government Action Plan 2016-2020**, we suggest that the Commission introduce a set of '**digital by design**' criteria for online services such as the proposed '**Single Digital Gateway**' and that these criteria draw on the experiences of applying the 'Digital by Default Service Standard' in the UK.
- **Every legislative proposal** should indicate: which ICT measures will accompany the proposal in order to assure its '**digital by design**' dimension; and how they will be integrated into European e-government services. Such measures could be further developed through implementing or delegated acts under the European Parliament's scrutiny.
- Implement the recommendations of the London Economics (2013) report on **improving the quality of the analysis that underpins impact assessments** across the Single Market.
- Explore alternative methods for **disseminating information and best practice** about impact assessment, such as expert networks and conferences. This should seek to confirm whether or not Single Market regulation could benefit from

improved dissemination practices and, if so, which dissemination practices would be most beneficial.

- **Develop a 'What Works' approach** to Single Market regulation, drawing on experiences of the UK 'What Works Network' the use of **systematic evidence reviews** in policy development elsewhere.

5.5.3. Recommendation 3: Raise the level of awareness of the assistance services for consumers and businesses

The Single Market governance tools can only contribute to effective Single Market governance when they are used by those consumers, businesses, and national authorities who would benefit from services that fall under the respective tools' mandate. The tools can only be used if potential users are aware of the tools. Levels of awareness are very low amongst consumers and businesses. They also appear to be low amongst consumer and business representative organisations. Raising awareness is vital if the governance tools are to perform more effectively for consumers and businesses.

Actions:

- Increase the **promotion** of Single Market tools through media and advertising channels and ensure a high profile in internet searches.
- Strengthen relations between the EU level tools and national consumer and business support organisations, as the latter are potentially a good source of information on Single Market tools. In particular, explore the scope for **capacity building**, such as EC workshops on assistance services, in order to raise awareness of the assistance services amongst national and EU level consumer and business representative organisations.
- Assess the scope for **additional signposting** between national and EU assistance services and including the possibility of a **single portal** for access to all assistance services, drawing on previous evaluations of these services.

5.5.4. Recommendation 4: Improve the performance of cooperation mechanisms and assistance services

Whilst many of the governance tools work well, there is room for improvement with regards to the effectiveness of the governance tools. In particular, long case handling periods (e.g. SOLVIT, ECC-Net) and limited expertise of network staff (e.g. EEN, EURES) lead to dissatisfaction with the services provided by the tools. In addition, Member States do not always contribute as positively to the performance of the tools as they should do. For example, some Member States have had very limited engagement with the coordination mechanisms for Your Europe. In order to use existing tools more effectively at the policy execution stage, coordination efforts and information flows between the different tools as well as between the tools and national authorities have to be enhanced. This should facilitate higher staff expertise, increased case handling speed, streamlined sign-posting and better enforcement of EU rights.

Actions:

- European Commission to report to the IMCO Committee on current implementation status of recommendations of **previous evaluations of assistance services**.
- Develop proposals for **strengthening coordination** between the EU-level networks and national authorities, particularly for SOLVIT and EURES, as part of the development of the 'Single Digital Gateway' for the e-Government Action Plan 2016-2020.
- Reassess the **role of ECC-Net** in the light of the introduction of the enhanced ADR/ODR framework.

5.5.5. Recommendation 5: Make better use of ex post impact assessments

Robust ex post impact assessments provide very useful information for improving future policy development and execution and can be a very valuable input to ex ante impact assessments. Nevertheless, in 2013 only one out of six IAs for new policies of the Commission involved the analysis of ex post assessments. In order to produce robust ex post impact assessments it is important to prepare a plan for data collection and ex post impact assessment at the time that the policy is developed.

Actions:

- Ensure that the **data needs** of an ex post assessment are **anticipated** and planned for at the policy development stage in order to achieve **higher quality** ex post assessments. Introduce this requirement into the Better Regulation Guidelines.
- Every legislative proposal should include a **data collection plan** showing how it will be integrated into European data collection activities. Such a plan could be further developed through implementing or delegated acts under the European Parliament's scrutiny.
- Use the information from relevant ex post assessments in **all ex ante impact assessments** and implement the recommendations on this point of London Economics (2013).

5.5.6. Recommendation 6: Strengthen the role of the Single Market in the European Semester process

A higher profile and stronger focus on remaining barriers to the Single Market is required as a part of the European Semester. This would reinforce the role of the Single Market in economic decision-making processes by signalling its real importance for the EU economy.

Actions:

- Introduce the Single Market as a **separate pillar** of the European Semester process. In particular, we suggest that:
 - the **annual Single Market Integration report** is reintroduced and produced every year as an input to the Annual Growth Survey;
 - **country reports** include a specific section showing barriers and progress towards the Single Market, including a report on the implementation of the previous year's country-specific recommendations on the Single Market; and
 - **country-specific recommendations** include a specific section making recommendations on what priorities the Member State needs to set for removing barriers to the Single Market.
- Ensure **European Parliament** has an active role in this process and scrutinises it. In particular:
 - Member States who have **not implemented** the country-specific recommendations relating to the Single Market should, on request, **explain the reasons** for this to the European Parliament's IMCO committee.
 - The Parliament could then use this as a basis for providing inputs to the Commission on the **development of the new Country-Specific Recommendations** in time for their publication by the Commission in May.

The recommendations and actions set out above are summarised in the Action Plan below.

5.6. Action plan for smart Single Market regulation

Recommendation	Actions
<p>1. The enhanced performance-based policy cycle should be applied to Single Market regulation.</p>	<p>1.1 Introduce a distinct strategic programming phase into the Better Regulation Guidelines, applicable to European Parliament resolutions, European Council conclusions, European Commission strategies and workplans, and European Commission recommendations (as a part of economic governance process). The European Parliament should have an overview of this process as the institution contributing legitimacy and democratic representativeness.</p> <p>1.2 Provide more complete and transparent quantification of anticipated impacts alongside strategic plans such as the Commission Work Programme.</p>
<p>2. Information flows to policymakers and between Single Market instruments should be improved.</p>	<p>2.1 Assess the scope for using cloud computing, business analytics and big data techniques to extract useful information from the myriad of potential sources at the regional, national and EU levels.</p> <p>2.2 Explore the scope for integrating the different Single Market governance tools via a central information hub, either using the existing IMI platform as a basis for that hub, or through other means.</p> <p>2.3 As a part of the forthcoming e-Government Action Plan 2016-2020, we suggest that the Commission introduce a set of 'digital by design' criteria for online services such as the proposed 'Single Digital Gateway' and that these criteria draw on the experiences of applying the 'Digital by Default Service Standard' in the UK.</p> <p>2.4 Every legislative proposal should indicate: which ICT measures will accompany the proposal in order to assure its 'digital by design' dimension; and how they will be integrated into European e-government services. Such measures could be further developed through implementing or delegated acts under the European Parliament's scrutiny.</p> <p>2.5 Implement the recommendations of the London Economics (2013) report on improving the quality of the analysis that underpins impact assessments across the Single Market.</p> <p>2.6 Explore alternative methods for disseminating information and best practice about impact assessment, such as expert networks and conferences. This should seek to confirm whether or not Single Market regulation could benefit from improved dissemination practices and, if so, which dissemination practices would be most beneficial.</p> <p>2.7 Develop a 'What Works' approach to Single Market regulation, drawing on experiences of the UK 'What Works Network' the use of systematic evidence reviews in</p>

Recommendation	Actions
	policy development elsewhere.
<p>3. Awareness of the assistance services for consumers and businesses needs to be improved.</p>	<p>3.1 Increase the promotion of Single Market tools through media and advertising channels and ensure a high profile in internet searches.</p> <p>3.2 Strengthen relations between the EU level tools and national consumer and business support organisations, as the latter are potentially a good source of information on Single Market tools. In particular, explore the scope for capacity building, such as EC workshops on assistance services, in order to raise awareness of the assistance services amongst national and EU level consumer and business representative organisations.</p> <p>3.3 Assess the scope for additional signposting between national and EU assistance services and including the possibility of a single portal for access to all assistance services, drawing on previous evaluations of these services.</p>
<p>4. Improve the performance of cooperation mechanisms and assistance services.</p>	<p>4.1 European Commission to report to the IMCO Committee on current implementation status of recommendations of previous evaluations of assistance services.</p> <p>4.2 Develop proposals for strengthening coordination between the EU-level networks and national authorities, particularly for SOLVIT and EURES, as part of the development of the 'Single Digital Gateway' for the e-Government Action Plan 2016-2020.</p> <p>4.3 Reassess the role of ECC-Net in the light of the introduction of the enhanced ADR/ODR framework.</p>
<p>5. Make better use of ex post impact assessments.</p>	<p>5.1 Ensure that the data needs of an ex post assessment are anticipated and planned for at the policy development stage in order to achieve higher quality ex post assessments. Introduce this requirement into the Better Regulation Guidelines.</p> <p>5.2 Every legislative proposal should include a data collection plan showing how it will be integrated into European data collection activities. Such a plan could be further developed through implementing or delegated acts under the European Parliament's scrutiny.</p> <p>5.3 Use the information from relevant ex post assessments in all ex ante impact assessments and implement the recommendations on this point of London Economics (2013).</p>
<p>6. Strengthen the role of the Single Market in the European Semester process.</p>	<p>6.1 Introduce the Single Market as a separate pillar of the European Semester process. In particular, we suggest that:</p> <ul style="list-style-type: none"> ○ the annual Single Market Integration report is reintroduced and produced every year as an input to

Recommendation	Actions
	<p>the Annual Growth Survey;</p> <ul style="list-style-type: none"> ○ country reports include a specific section showing barriers and progress towards the Single Market, including a report on the implementation of the previous year’s country-specific recommendations on the Single Market; and ○ country-specific recommendations include a specific section making recommendations on what priorities the Member State needs to set for removing barriers to the Single Market. <p>6.2 Ensure European Parliament has an active role in this process and scrutinises it. In particular:</p> <ul style="list-style-type: none"> ○ Member States who have not implemented the country-specific recommendations relating to the Single Market should, on request, explain the reasons for this to the European Parliament’s IMCO committee. ○ The Parliament could then use this as a basis for providing inputs to the Commission on the development of the new Country-Specific Recommendations in time for their publication by the Commission in May.

Source: London Economics.

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ANNEX I: STAKEHOLDER INTERVIEWS

In order to gain a better understanding of the problems European consumers and businesses face in the Single Market, and to further investigate how Single Market governance could be improved, London Economics conducted a small number of interviews with representatives from EU and national consumer and business associations. This Annex summarises the views expressed in those interviews.

I.I Consumer representatives

On the consumer side, the interviews highlighted that i) there remain important gaps in Single Market governance from the viewpoints of consumers; ii) the nature and extent of problems faced by consumers are not the same in all Member States because of diverging levels of enforcement; iii) awareness of existing Single Market governance tools, including pan-European assistance services for consumers, is very low; iv) the effectiveness of existing assistance services is hindered by their underutilisation, their limited enforcement powers and lack of coordination; v) a Single Point of Contact, directing consumers to the appropriate service, would greatly enhance the use of existing tools.

Problem areas in the Single Market

London Economics interviewed employees of consumer organisations from different departments, and it seems that the identification of the top 5 problem areas for consumers in the EU Single Market by the interviewees was to some extent driven by the interviewee's own role within the organisation. For example, interviewees working in departments related to financial services would put more emphasis on the lack of a Single Market for financial products/services. Nevertheless, several areas of the Single Market have been highlighted as particularly problematic from the viewpoint of consumers by a majority of the interviewees:

- Lack of consumer trust in cross-border online purchasing
- Consumer confusion about existing rules and need for simplification/less fragmentation
- Lack of transparency regarding more pre-sales information such as prices and terms and conditions
- No Single Market for financial products
- Lack of enforcement of consumer protection legislation and fear of a levelling down to weaker standards if rules are harmonised

Other areas highlighted by individual consumer organisations were a lack of harmonisation of cross-border digital transactions, issues of copyright and unharmonised rules on product guarantees.

Diverging levels of enforcement across Europe

Interviewing consumer organisations affiliated with different Member States revealed that consumers might face different problems with Single Market governance depending on the Member State they reside in. In this context, several of the interviewees emphasized that the main problems of Single Market governance lie in enforcing EU law uniformly across all Member States. Many of the consumer organisations interviewed by London Economics feel that a lot of existing EU legislation is not being enforced in some Member States, and that efforts in the area of Single Market governance should therefore primarily focus on increased supervision in the enforcement stage of the policy-cycle. We were also made aware of the fact that at the recent European Consumer Summit in Brussels (1st – 2nd June 2015), all the workshops revolved around the issue of improving enforcement.

Awareness of Single Market governance tools

The stakeholder interviews confirmed that consumer knowledge of existing Single Market governance tools remains very limited, with the interviewed consumer representatives being unaware of existing tools themselves. In fact, none of the six consumer organisation representatives interviewed by London Economics knew of Your Europe Advice, EURES, SOLVIT, or the IMI. Only one consumer representative had heard of each of the Consumer Protection Network and Your Europe. Two out of six consumer organisations indicated that they would redirect cases to the European Consumer Centre Network (ECC-Net) when appropriate, and two interviewees said they would refer pan-European consumer issues to BEUC the umbrella consumer group bringing together around 40 European consumer organisations, instead.

The main exception is the ADR/ODR mechanism, which seems to be rather well-known among consumers (with four out of six consumer organisations interviewed by London Economics indicating consumers are familiar with the mechanism). Moreover, consumer organisations seem to have a good understanding of the ADR/ODR mechanisms.

The consumer representatives suggested a wide array of methods for increasing the visibility of existing governance tools, and most of the interviewees spontaneously indicated that their organisation could publicise the tools on their website.

Quality and usefulness of Single Market tools

Given the low level of awareness of Single Market governance tools among European consumers, it seems clear that the effectiveness of many of the tools is rather limited. Regarding the quality of the services provided by the more well-known tools, the consumer stakeholders offered mixed replies. The ECC Network was considered to be too passive. ADR/ODR mechanisms were thought to be effective in theory but distrusted by consumers. Moreover, it was indicated that limited enforcement powers of the ADR/ODR bodies in place would hinder efficiency. One organisation suggested that the ODR platform could be improved by giving consumers the option of being represented by a consumer organisation, to increase consumer trust.

Cooperation and flows of information

Many of the consumer organisations interviewed by London Economics indicated that the different Single Market tools and public authorities would benefit from better coordination at the national and pan-European level. Several organisations mentioned a lack of communication and information exchange between the tools and national authorities. Many of the consumer organisations criticized the fact that they would generally be kept out of the governance loop, that national authorities would not respond to their requests, and that more collaboration between official national or European-level consumer bodies/tools and consumer organisations was required. In this regard, it was also mentioned that it is currently difficult for consumer organisations to get access to data generated through Single Market tools.

A Single Point of Contact

The general notion among consumer organisations was that there were too many Single Market assistance services and that consumers would not have the time to do a lot of research on the complex services to find out the most appropriate tools for their needs. A majority of the interviewees suggested that a better approach would be to have one single point of contact for consumers which would then direct the consumer to other tools as appropriate.

The interviews thus confirmed the survey results presented by London Economics in a 2013 report for the IMCO Committee, which found similarly low levels of awareness of European online services among European consumers and concluded that a Single Point of Contact, i.e. a single entry point or common platform for consumer, would improve awareness of existing online services, access to information, advice and assistance, access to services and would result in an improved understanding and knowledge of the Single Market (London Economics, 2013a).

I.II Business representatives

On the business side, the interviews²⁹⁵ highlighted that i) European businesses are still facing important barriers to cross-border trading, ii) the barriers reflect a problem of enforcement as well as a lack of standardisation, iii) SMEs are particularly affected by remaining barriers since they do not have the time or financial resources to deal with the complexities of different legal compliance regimes across the EU, and iv) awareness levels of EU-level assistance services for businesses are very low.

Remaining barriers to cross-border trading

Our interviews with representatives from European business organisations revealed that the main difficulties businesses face in the European Single Market are (1) complex cross-border legal requirements and tax issues, which result in entrepreneurs not being fully aware of their EU rights; (2) barriers erected by Member States; and (3) lack of translation of national essential documents. Specific barriers mentioned in the business stakeholder interviews included:

- Unharmonised VAT regimes
- Re-testing and re-labelling requirements for products which have already met testing and labelling standards in their country of origin
- Barriers aimed at protecting national consumers
- Differences in product requirements across the EU
- Differences in product guarantees across the EU
- Difficulty of cross-border recovery of debts
- Barriers to participation in public procurement
- Protection of intellectual property.

Main areas for improvement

The business stakeholders contacted by London Economics emphasized the need for more standardisation and streamlining of rules to provide one single regulation on mandatory compliance requirements across the EU. Given the perception that many of the barriers hindering businesses from engaging in cross-border trade are erected by Member States, one interviewee further suggested that the most important improvement that could be made in Single Market governance is ensuring enforcement. From a procedural perspective, it was suggested that data from business stakeholder interviews should be used more transparently in the policy-making process and that businesses should be given greater access to political debate and redress.

The special needs of SMEs

Remaining barriers affect SMEs disproportionately since they do not have the time or financial resources to deal with the complexities of different legal compliance regimes across the EU. Language issues can be a major barrier for SME's since national translations

²⁹⁵ Note that the following arguments are based on an interview with one trade organisation and the written response of a second trade organisation.

of essential documents, are often poor. Business organisations suggested that the EC needs to develop a test for new laws to ensure they are understandable to SMEs.

Awareness of Single Market governance tools

The business stakeholder consultations revealed that existing tools are not well known among businesses. Moreover, our interviewee suggested that the tools would lack transparency. Among existing assistance services for businesses, the Points of Single Contact seem to be the most well-known and most effective. In analogy to the results from the consumer stakeholder interviews, interviewees stressed the need for a single portal through which all the other tools could be accessed, including those of national authorities.

ANNEX II: SELECTED SINGLE MARKET GOVERNANCE TOOLS

Your Europe

The Your Europe online portal acts as a single gateway to information and advice on both consumer and business rights within the EU²⁹⁶. Information is provided at both the EU and national level²⁹⁷. The website is structured into two sections. 'Your Europe – Citizens' contains a variety of information for consumers on issues related to travel, work rights, education, licences, insurance, family matters, consumer rights, vehicle registration. 'Your Europe – Business' offers information on a range of issues, for example Single Market research and innovation, business start-up, management and expansion, finance, and business social responsibility.

The information content is provided by the European Commission and the Member States. The Editorial Board of the Your Europe portal sends information requests to the Member States directly, and the Member States are required to participate in a biannual meeting between all Member States and the Editorial board.

Your Europe signposts users to relevant national and EU-level organisations and Member States are expected to direct traffic from their government pages to Your Europe.

Citizens and businesses who have a request contact Europe direct, the contact centre associated with the Your Europe portal, which disposes of a network of information centres covering all Member States.

Your Europe Advice

Your Europe Advice provides free advice on EU rights to nationals of the EU, Norway, Iceland and Liechtenstein, EU residents and businesses with seat in the EU²⁹⁸. The advice service is provided by a network of legal experts, contracted by the European Commission, who are familiar with both EU law and national legislation and can provide advice in all official languages of the EU. The Your Europe Advice landing page signposts to Your Europe, advising users to search for relevant information and advice on the Your Europe website first²⁹⁹.

The European Employment Service

Launched in 1994, the European Employment Service (EURES) is a cooperation network between the European Commission and the Public Employment Services of the Member States of the European Economic Area (EEA)³⁰⁰. Switzerland and other partner organisations also take part in the cooperation. EURES disposes of a human network of around 900 EURES advisers.

The network's main goal is to match labour demand and supply more closely in the EU in order to allow employers and employees to fully harness the benefits of free movement of

²⁹⁶ European Commission Single Market Scoreboard: http://ec.europa.eu/internal_market/scoreboard/performance_by_governance_tool/youreurope/index_en.htm [accessed 15 April 2015].

²⁹⁷ London Economics (2013a).

²⁹⁸ European Commission Single Market Scoreboard: http://ec.europa.eu/internal_market/scoreboard/performance_by_governance_tool/youreurope_advice/index_en.htm [accessed 15 April 2015].

²⁹⁹ London Economics (2013a).

³⁰⁰ European Commission Single Market Scoreboard: http://ec.europa.eu/internal_market/scoreboard/performance_by_governance_tool/eures/index_en.htm [accessed 15 April 2015].

labour³⁰¹. EURES seeks to achieve this through the provision of both advisory and intermediation services.

EURES is Europe's Job Mobility Portal and provides information and expert advice on jobs and learning opportunities within the EU. The network provides direct information on regional labour markets for every EU country. Moreover, EURES acts as an expert adviser on issues related to cross-border commuting to commuters themselves as well as employers, unions and local authorities.

The network further performs functions for students, providing information on study opportunities and an advanced search function that allows students to search for courses by level, duration, subject, language and target group.

In addition, EURES has an active intermediary role, providing recruitment and placement services via an online database in which workers can list CVs and employers can list vacancies. Over 30'000 companies are registered with this online service. All Member States have to share job vacancies listed in their National Public Employment Service with the EURES portal.

European Consumer Centres Network

The overarching goal of the European Consumer Centre Network (ECC-Net) is to enhance consumer confidence across the EU³⁰².

The network consists of 30 centres located within the national consumer protection authorities or in consumer associations in the EU, Iceland and Norway. The centres operate under the supervision of the Directorate-General for Health and Consumers and the Executive Agency for Health and Consumers is responsible for the financial management³⁰³.

ECC-Net focuses on EU consumer rights related to the cross-border purchases of goods and services. The centres provide information and expert advice to consumers on their rights and support them in resolving individual cross-border complaints. Moreover, the ECC assist consumers in reaching agreements via appropriate alternative dispute resolution (ADR) mechanisms if complaints are not solved amicably and lead consumers to other networks such as SOLVIT, FIN-NET and the European Judicial Network-EJN³⁰⁴. However, the centres do not have any enforcement powers.

The main ECC-Net website is available in 10 languages, and the individual centres have websites in own language and English.

Enterprise Europe Network

The Enterprise Europe Network (EEN) is a support network for small and medium sized businesses (SMEs) that seeks to help companies seize business opportunities in the Single Market³⁰⁵.

The EEN is comprised of about 600 business support organisations from more than 50 countries, with members including chambers of commerce, universities, technology agencies and development agencies. All Member States have several members in the network, often from various cities.

³⁰¹ London Economics (2013a).

³⁰² European Commission Single Market Scoreboard:
http://ec.europa.eu/internal_market/scoreboard/performance_by_governance_tool/european_consumer_centre_network/index_en.htm [accessed 15 April 2015]; see also Pelkmans & Correia de Brito (2012)

³⁰³ Pelkmans & Correia de Brito (2012).

³⁰⁴ Pelkmans & Correia de Brito (2012); see also London Economics (2013a).

³⁰⁵ London Economics (2013a).

The networks areas of expertise are Business, Innovation, Finance, Technology, Law, and Networking, and it offers a variety of services. The EEN advises cross-border businesses with advice on EU Single Market legislation and consumer rights³⁰⁶ and provides targeted advice on those areas of EU legislation that affects SMEs. The ENN also works as an intermediary between SMEs and EU institutions. For example, the network assists SMEs in gaining EU research funding and works with the commission on the aspects of EU law relevant to SMEs. In addition, the EEN helps SMEs find partners internationally and provides access to finance.

The EEN website, hosted by the European Commission, is available in English, Dutch, Spanish, French, Italian and Polish.

EUGO Points of Single Contact

The Services Directive required all Member States to set up a Point of Single Contact (PSC) for companies working in the service sector within the EEA by the end of 2009³⁰⁷.

PSCs provide information on procedures that have to be completed by service companies in order to provide services in any EU or EEA country, ranging from company registration procedures to the required business licences and recognition of professional qualifications. In addition, some PSCs offer additional services not required by the Services Directive, such as the opportunity to complete tax and social security procedures.

The PSCs should allow service companies to obtain all required information and deal with all formalities via one single contact point. Moreover, PSCs seek to enable users to complete administrative procedures for both national and cross-border situations remotely, via an online procedure.

The PSCs are connected through the EUGO Network. EUGO has a European-level website, available in all official EU languages, which links to all national PSCs.

Internal Market Information System

The Internal Market Information (IMI) system is a software application accessible via internet³⁰⁸ that connects national, regional and local authorities across borders, facilitating communication between authorities³⁰⁹. As of December 2014, 7112 authorities were registered in the network³¹⁰.

The IT-based information network provides a multilingual search function that helps authorities find their counterparts in other Member States. Moreover, the IMI system offers pre-translated questions and answers for cases that are likely to require cross-border information exchanges, and a tracking mechanism for users to follow the progress of their requests.

The IMI became operational in 2008 and is currently being used for administrative cooperation under the Services Directive, the Directive on Recognition of Professional

³⁰⁶ Civic Consulting (2014).

³⁰⁷ London Economics (2013a); European Commission Single Market Scoreboard: http://ec.europa.eu/internal_market/scoreboard/performance_by_governance_tool/points_of_single_contact/index_en.htm [accessed 15 April 2015].

³⁰⁸ Commission Implementing Decision of 14 February 2014 (2014/89/EU) : <http://eur-lex.europa.eu/LexUriServ/LexUriServ.do?uri=OJ:L:2014:045:0036:0039:EN:PDF>

³⁰⁹ European Commission Single Market Scoreboard: http://ec.europa.eu/internal_market/scoreboard/performance_by_governance_tool/internal_market_information_system/index_en.htm [accessed 15 April 2015].

³¹⁰ European Commission IMI Homepage: http://ec.europa.eu/internal_market/imi-net/statistics/index_en.htm [accessed 15 April 2015].

Qualifications³¹¹, the Posting of Workers Directive, the Regulation on Euro-cash transportation, the Directive on train driver certification, the Patient's Rights Directive, and on a pilot basis, the E-Commerce Directive³¹². The regulation No. 1024/2012, adopted on 25 October 2012, provides a detailed legal framework for the operation of IMI³¹³.

In 2013, the IMI system was moreover extended to support the SOLVIT network in handling its cases. The IMI might soon be tested in other areas of administrative cooperation, for example in the areas of public procurement and the return of cultural objects³¹⁴.

Consumer Protection Cooperation (CPC) Network

The Consumer Protection Cooperation (CPC) Network connects those public authorities in EU and EEA countries who are responsible for enforcing EU consumer protection laws³¹⁵.

Established through adoption of the Consumer Protection Cooperation Regulation in 2004³¹⁶, the CPC Network helps Member States establish procedures for exchanging information and enforcing requests across borders, and it allows for coordinated action³¹⁷.

The mutual assistance obligation set out in the Regulation foresees three cooperation mechanisms: information requests, requests for enforcement measures and alerts.

Information requests relate to a situation where an authority is required to provide information in order to establish whether an infringement of consumer rights has happened.

Via information requests a national authority can directly contact its counterpart and request that it takes all necessary enforcement measures to end an infringement of consumer laws in a timely manner.

Alerts are issued when authority learns about an incurring infringement or suspects malpractices might spread and informs the competent authorities in the other Member States and the European Commission in the absence of a direct request.

The national authorities exchange information through a common IT-tool, an electronic database maintained by the European Commission which aims at providing a secure system for the exchange of information between the competent authorities.

SOLVIT

SOLVIT is an online problem solving network between Member States which addresses cross-border Internal Market issues. It was created by the European Commission Communication on Effective Problem Solving in the Internal Market in 2002³¹⁸, and is

³¹¹ Pelkmans & Correia de Brito (2012), p. 106

³¹² European Commission IMI Homepage : http://ec.europa.eu/internal_market/imi-net/about/index_en.htm [accessed 15 April 2015].

³¹³ EU Regulation No 1024/2012: <http://eur-lex.europa.eu/legal-content/EN/TXT/HTML/?uri=CELEX:32012R1024&from=EN> [accessed 15 April 2015].

³¹⁴ European Commission IMI Homepage : http://ec.europa.eu/internal_market/imi-net/library/index_en.htm#maincontentSec3 [accessed 15 April 2015].

³¹⁵ European Commission Single Market Scoreboard: http://ec.europa.eu/internal_market/scoreboard/performance_by_governance_tool/consumer_protection_cooperation_network/index_en.htm [accessed 15 April 2015].

³¹⁶ Regulation (EC) No 2006/2004 on cooperation between national authorities responsible for the enforcement of consumer protection laws: <http://eur-lex.europa.eu/LexUriServ/LexUriServ.do?uri=OJ:L:2004:364:0001:0011:EN:PDF> [accessed 15 April 2015].

³¹⁷ European Commission (2014).

³¹⁸ Pelkmans & Correia de Brito (2012).

coordinated by EC DG Internal Market and Services³¹⁹. However, the Commission does normally not participate in the dispute settlement³²⁰.

The network's goal is to solve any problems encountered by citizens or businesses that result from a breach or misapplication of EU law by public authorities. The scope of SOLVIT is thus rather broad, and examples of past cases include voting rights, access to education or public procurement.

SOLVIT provides an informal alternative to legalistic approaches such as national court procedures or formal complaints to the European Commission. The network is based on mutual cooperation between the different centres, between the centres and the respective national administration and between the centres and the European Commission.

All Member States as well as Norway, Iceland and Liechtenstein have a SOLVIT Centre, located within the respective public administration. Since 2013, the centres communicate with each other via the IMI system³²¹.

Citizens and businesses are to submit complaints about another Member State's misapplication of EU law in their own country, to the so-called 'home centre'³²². The home centre verifies whether the case falls under the mandate of the network. In particular, the home centre assesses whether the problem is cross-border in nature, whether it relates to the application of internal market rules and whether it is related to a problem between a citizen/business and a national public administration. If all criteria are fulfilled, the home centre forwards the case to the 'lead centre', the centre in the country where the public authority allegedly breached EU law. The lead centre either accepts or dismisses the case within a week. If the case is accepted, the home and lead centres aim at solving the problem together within 10 weeks, by seeking the required evidence and legal advice and negotiating with the concerned public authority. The proposed solution is neither binding for the authority nor the complainant.

Alternative and Online Dispute Resolution

The term Alternative Dispute Resolution (ADR) refers to a settling of problems between two parties by non-judicial means³²³. In the context of the EU Single Market legislation, ADR relates to the settling of disputes between consumers and businesses through an out-of-court procedure means, such as conciliation, mediation, arbitration or complaint boards.

Online Dispute Resolution (ODR) schemes are ADR schemes that solve problems via an online procedure. They are particularly relevant in the context of disputes resulting from online transactions, with buyer and seller being far away from each other.

Unlike the other assistance services described in this report, ADR/ODR refers to a problem solving mechanism or procedure, and not a specific network or institution. As of 2011, there existed more than 750 ADR schemes in the EU, which varied in competence level, scope, name, and financing. Arbitration or mediation institutions, ombudsmen, or complaint boards which meet the commissions eligibility criteria are all subsumed under the term alternative dispute resolution.

New ADR/ODR legislation has been published on 18 June 2013, which shall be implemented by the Member States by July 2015.

³¹⁹ See for example London Economics (2013a).

³²⁰ Pelkmans & Correia de Brito (2012).

³²¹ European Commission IMI Homepage: http://ec.europa.eu/internal_market/imi-net/about/index_en.htm [accessed 15 April 2015].

³²² Pelkmans & Correia de Brito (2012).

³²³ European Commission (2011).

The new ADR Directive seeks to ensure that consumers and traders can solve all kind of disputes via ADR or ODR mechanisms, regardless of the goods/services purchased, the business sector, the channel of purchase (online or offline) or the country where the good or service was purchased from.

In addition, a new ODR Regulation was published, which foresees the creation of an EU-wide platform handling disputes arising from online transactions. The online platform will be operating in all official EU languages and will link all existing national alternative dispute resolution entities. The platform shall become operational in January 2016.

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