

## ROADMAP

Title of the initiative: **Communication on the relaunch of the single market**

Type of initiative (CWP/Catalogue/Comitology): **CWP (Strategic)**

Lead DG/contact person/details: **DG MARKT**

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Date of modification:

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### Initial IA screening & planning of further work

#### A. Context and problem definition

**(i) What is the political context of the initiative? (ii) How does this initiative relate to past and possible future initiatives, and to other EU policies?**

This initiative follows the announcement in the President Barroso's September 2009 Political Guidelines of a major analysis of the "missing links" in the internal market, and a plan to bring forward a major package of measures to relaunch the single market in time for the 20<sup>th</sup> anniversary of the 1992 project.

In making this assessment, the initiative will draw on the identification of the bottlenecks to the single market and the report being prepared by Mario Monti (and expected by the end of April) – which will contain options and recommendations on how remaining obstacles to the single market can be removed and how the single market process can be reinvigorated generally.

This initiative is a key part of the Commission's follow-up to the Europe 2020 strategy, as considered at the Spring European Council on 25-26 March 2010, which underlines the single market as one of three main instruments to deliver its vision of a knowledge-based, green and inclusive EU economy (together with budgetary means and external economic policy).

It will also build on the comprehensive work already carried out in the context of the November 2007 Single Market Review and the backing given to this work by the European Parliament, and by the Competitiveness Council.

#### **What are the main problems identified?**

Although the single market framework has been in place for some time,

- part of it is still not complete (e.g. in the area of services, the lack of European patent, etc.);
- it needs to be better implemented in practice (more timely and correct transposition; more efficient application and enforcement); and
- it needs to be re launched to better respond to the current circumstances, and to provide an efficient means to support the development of green, innovative and inclusive economy.

In this context, it is necessary to provide a diagnosis of all the barriers to the single market and decide and set out which need to be dealt with most urgently.

#### **Who is affected?**

All EU citizens and businesses that should get better access to the rights and opportunities offered by the single market – when they make use of the freedoms and move to other countries to study, work or receive medical treatment, but also when they stay at home (e.g. by greater choice of products, greater consumer protection, etc.). Any changes to the single market legal framework will also impact on national, regional and local administrations responsible for applying and enforcing the rules.

**(i) Is EU action justified on grounds of subsidiarity? (ii) Why can the objectives of the proposed action not be achieved sufficiently by Member States (necessity test)? (iii) As a result of this, can objectives be better achieved by action by the Community (test of EU Value Added)?**

(i) EU action is justified on grounds of subsidiarity following the legal basis for work in the area of the single market provided in Article 114 TFEU (old Art 95 TEC).

(ii) The core of the work in the area of the single market addresses insufficient integration of European markets and fragmentation between the national systems, and therefore needs to be carried out at EU level, in close cooperation with Member States. The identification of bottlenecks to the single market requires an all-encompassing approach and cannot be carried out solely at national level.

(iii) The EU level action will allow for a comprehensive and broad diagnosis of the "missing links" and for efficient setting out of the main future policy directions – based on the EU-wide perspective (rather than one restricted to specific national markets).

## **B. Objectives of EU initiative**

**What are the main policy objectives?**

This initiative will provide a diagnosis of barriers, bottlenecks, brakes and gaps ("missing links") in the single market, i.e. of different types of factors that block or limit the integration of the single market and prevent its full functioning.

Building on the Mario Monti report, it will set direction for a relaunch of the single market – i.e. lay the groundwork to develop a major package of measures to relaunch the single market in time for the 20<sup>th</sup> anniversary of the 1992 project.

**Do the objectives imply developing EU policy in new areas or in areas of strategic importance?**

This initiative is a fundamental enabler for delivering the Europe 2020 strategy, in particular contributing to creating the new sources of growth necessary to make the Europe 2020 strategy a success.

## **C. Options**

**(i) What are the policy options? (ii) What legislative or 'soft law' instruments could be considered?**

**(iii) Would any legislative initiatives go beyond routine up-date of existing legislation?**

(i) The following policy options were considered:

1. Business as usual (i.e. focus on review and implementation of the sectoral initiatives without an overall framework for the single market, or a specific follow-up by the Commission to the Mario Monti report).

2. A Commission contribution to the June 2010 European Council on the identification of the bottlenecks to the single market and following-up on the report prepared by Mario Monti.

(ii) and (iii) This initiative will not contain legislative proposals.

**Does the action proposed in the options cut across several policy areas or impact on action taken/planned by other Commission departments?**

Given a wide variety of sectors related to the single market, this initiative would involve the DGs most concerned with single market policy.

**Explain how the options respect the proportionality principle.**

The well-functioning single market is of crucial importance for EU economy, leading to increased growth and employment, and having played an important role in the economy's recovery from the recent crisis.

This initiative will not go beyond what is necessary, as it will focus on providing the diagnostic of various bottlenecks in the single market and will set out the main policy lines for the future. It will not propose specific legislative actions. These will be contained in the subsequent major package of measures to relaunch the single market and will themselves be accompanied by relevant assessments of impacts.

**D. Initial assessment of impacts**

**What are the significant impacts likely to result from each policy option (cf. list of impacts in the Impact Assessment Guidelines pages 32-37), even if these impacts would materialise only after subsequent Commission initiatives?**

1. The "business as usual" option would mean that there is no overall framework for the single market or a specific follow-up by the Commission to the Mario Monti report.
2. A Commission contribution to the June 2010 European Council on the identification of the bottlenecks to the single market and following-up on the report prepared by Mario Monti would be a fundamental enabler for delivering the Europe 2020 strategy, and would in particular contribute to creating the new sources of growth necessary to make the Europe 2020 strategy a success.

**Could the options have impacts on the EU-Budget (above 5 Mio €) and/or should the IA also serve as the ex-ante evaluation, required by the Financial Regulation?**

Not applicable.

**Could the options have significant impacts on (i) simplification, (ii) administrative burden or on (iii) relations with third countries?**

(i) and (ii) This initiative is likely to consider bottlenecks in the single market existing due to administrative burden imposed on the EU enterprises, and therefore might be relevant for Commission policy regarding simplification and reduction of administrative burden.

(iii) Similarly, it is likely to look at bottlenecks caused by inefficient action or lack of action as far as external dimension of the single market is concerned, and therefore might be relevant for Commission policy regarding relations with third countries.

**E. Planning of further impact assessment work**

**When will the impact assessment work start?**

This initiative will present an analysis of bottlenecks and set out broad policy lines to be developed and explored in a major package of measures to relaunch the single market in time for the 20<sup>th</sup> anniversary of the 1992 project. Given the preparatory and analytical nature of this Communication, an overall impact assessment at this stage would be premature and disproportionate.

Systematic impact assessments will be produced for specific measures.

**(i) What information and data are already available? (ii) Will this impact assessment build on already existing impact assessment work or evaluations carried out? (iii) What further information needs to be gathered? (iv) How will this be done (e.g. internally or by an**

**external contractor) and by when? (v) What type and level of analysis will be carried out (cf. principle of proportionate analysis)?**

This initiative will draw on the information available from a number of already existing sources, e.g. sectoral studies carried out so far; Commission information and assistance services such as Citizens' Signpost Service or SOLVIT; enforcement related data, for instance from the Internal Market Scoreboard.

**Which stakeholders & experts have been/will be consulted, how and at what stage?**

This initiative is based on the information received from stakeholders and national experts so far (e.g. through Commission information and assistance services such as Citizens' Signpost Service, SOLVIT; from a recent 2009 Eurobarometer studies on citizens' perceptions about the single market; discussions with Member States within the Internal Market Advisory Committee; and materials gathered during the preparation for the 2007 Single Market Review).

This initiative will be followed by public consultations later on in 2010 to collect the views of all concerned stakeholders about the analysed bottlenecks in the single market and the suggested main policy lines.