

ROADMAP			
TITLE OF THE INITIATIVE	Action Plan on the Reinforcement of SOLVIT		
LEAD DG – RESPONSIBLE UNIT – AP NUMBER	DG for Internal Market, Industry, Entrepreneurship and SMEs - Unit R4 -2016/GROW/096	DATE OF ROADMAP	20/12/2016
LIKELY TYPE OF INITIATIVE	Non legislative-EC Communication		
INDICATIVE PLANNING	1 <sup>st</sup> quarter 2017		
ADDITIONAL INFORMATION	<a href="http://ec.europa.eu/growth/single-market/index_en.htm">http://ec.europa.eu/growth/single-market/index_en.htm</a>		
<p><b>This Roadmap aims to inform stakeholders about the Commission's work in order to allow them to provide feedback and to participate effectively in future consultation activities. Stakeholders are in particular invited to provide views on the Commission's understanding of the problem and possible solutions and to make available any relevant information that they may have. The Roadmap is provided for information purposes only and its content may change. This Roadmap does not prejudice the final decision of the Commission on whether this initiative will be pursued or on its final content.</b></p>			

A. Context, Problem definition and Subsidiarity Check
<p><b>Context</b> [max 10 lines]</p> <p>The <a href="#">Single Market Strategy</a> stresses the importance of a culture of compliance and smart enforcement to be achieved inter alia through strengthening and streamlining the Single Market problem-solving tools, including the SOLVIT network and considering giving appropriate follow-up to recurrent or structural cases that could not be resolved through SOLVIT. Member States have requested and supported the further reinforcement of SOLVIT. For instance, the Portuguese delegation briefed the <a href="#">Competitiveness Council in November 2015</a> sharing a <a href="#">policy paper</a> on the future of SOLVIT. The <a href="#">Competitiveness Council Conclusions of February 2016</a> reiterated the importance of reinforcing SOLVIT's role and called on the Commission to take urgent action. Likewise, the European Parliament has repeatedly requested the further reinforcement of SOLVIT<sup>1</sup> over the past few years. This initiative closely relates to: 1) the Communication on the application of Union Law which would recognize the role of alternative problem solving mechanisms such as SOLVIT, in improving complaint and infringement handling; and 2) the 'Single Digital Gateway' (SDG) which will include SOLVIT. The <a href="#">Commission Work Programme for 2017</a> foresees the adoption of the SOLVIT Action Plan, together with the 'SDG', the Single Market Information Tool, and an initiative to empower national competition authorities to be more effective enforcers, as the "smart enforcement package" in the first quarter of 2017.</p>
<p><b>Problem the initiative aims to tackle</b> [max 25 lines]</p> <p>The <a href="#">2013 Commission Recommendation</a> to Member States on the principles governing SOLVIT confirmed that 'structural' problems related to breach of EU law by public authorities are included in its mandate and set out operational and quality criteria for its performance as a fast, effective and informal redress mechanism and as a tool to foster and promote better compliance with Union law. Although SOLVIT has been a great success so far, the political context and the increased scale of the service has amplified various challenges:</p> <p>As regards the operational objectives of SOLVIT, the degree of effectiveness varies across the network. The specific qualitative objectives that relate to three main areas: (i) the handling, follow-up and reporting of 'structural problems' linked to breach of EU law by the Member States, (ii) the quality of the service and (iii) the use of SOLVIT have not been fully met.</p> <p>The effectiveness of SOLVIT is limited by a number of factors, namely the lack of authority and legal expertise in combination with the issue of adequate staff numbers and limited awareness of SOLVIT and the services it offers, especially for businesses. In addition, although the use of IMI and the support by the European Commission improve the effectiveness of its functioning, nevertheless and in these areas there is scope for amelioration.</p>

<sup>1</sup> See the most recent European Parliament resolution of 27 February 2014 on SOLVIT (2013/2154(INI)) available at <http://www.europarl.europa.eu/sides/getDoc.do?pubRef=-//EP//TEXT+TA+P7-TA-2014-0164+0+DOC+XML+V0//EN>, the European Parliament report of 1 October 2015 on "Towards improved single market regulation" (2015/2089(INI)), rapporteur Anneleen Van Bossuyt and the European Parliament report of 3 May 2016 on "The Single Market Strategy" (2015/2354(INI), rapporteur Lara Comi.

Firstly, Member States as well as Iceland, Norway and Lichtenstein are concerned by the initiative as SOLVIT centres are part of their national public administrations and they have the primary responsibility for the correct transposition, application and implementation of EU law.<sup>2</sup> Secondly, citizens and businesses that either are already active cross-border or that are considering starting or expanding their activities within the EU are affected as they are experiencing EU [Single Market problems](#). Thirdly, the initiative relates to the Commission's enforcement policy as actions to reinforce SOLVIT will provide a more effective, informal redress mechanism for individual complaints and thus allow for a more targeted and strategic use of formal infringement proceedings. On the other hand, a more structured and systematic use of the available in SOLVIT data can provide evidence from the 'ground' on breaches ('structural and recurrent issues') and gaps of EU law which is not currently the case.

The adoption of a Commission Communication on an Action Plan reinforcing SOLVIT, being part of the proposed 'enforcement package' mentioned above is the appropriate policy option, in comparison to no action and pursuing individual, uncoordinated actions. If no coordinated action at EU level and at the appropriate political level is undertaken, the objective of SOLVIT to address fast and informally cross-border problems and barriers in the Single Market and linked to this, its quality and use, will not be fully met.

#### **Subsidiarity check [max 10 lines]**

Article 114(1) of the Treaty on the Functioning of the European Union (TFEU) is the legal basis for the Commission initiative whose main objective is to improve the functioning of the Single Market. According to the principle of subsidiarity, the EU should only act where it can provide better results than intervention at Member States' level. This is the case here, as individual actions by Member States cannot address the cross-border problems of citizens and businesses caused by a potential breach of EU law governing the Single Market by public authorities. It is difficult to estimate reliably the exact size of the cross border dispute resolution 'market'. Nevertheless, the cross-border mobility in the EU and the steadily increasing number of cases in SOLVIT demonstrate that action is necessary at EU level for the reinforcement of this informal problem solving tool.

Moreover, EU action is needed for strong enforcement of the application of EU law in the Member States. In this respect, the wide mandate of SOLVIT covering all EU law governing the Single Market justifies the necessity to undertake action at EU level for its reinforcement.

#### **B. What does the initiative aim to achieve and how [max 25 lines]**

Following the [2013 Recommendation](#), the initiative aims to reinforce SOLVIT's role as a 'smart enforcement' tool to address breaches of EU law governing the Single Market by a public authority in cross-border situations.

The general objective is to enhance the capacity, the visibility and the authority of SOLVIT as a problem-solving tool for businesses and citizens and as an instrument for feedback on how the Single Market is functioning in practice as envisioned in the 'practical delivery' action of the SMS. The following three areas for joint actions of the Commission and the Member States at all levels of administration are envisaged:

The first pillar involves the better articulation between the Commission complaint handling procedures and the SOLVIT network through i) actions to intensify their cooperation such as the improvement of the database facilities for the submission and provision of informal advice from Commission experts; ii) a range of actions that *inter alia* include quarterly and yearly reporting, organisation of Inter-Service and bilateral meetings within Commission services on structural and recurrent problems detected through SOLVIT and enhancing the commitment of the Member States to improve the cooperation between national SOLVIT centres and policy units with a view to addressing these problems; iii) actions to improve SOLVIT's connection and cooperation with EC formal complaint and enforcement procedures, such as the improvement of SOLVIT's connection and cooperation with Complaints Handling (CHAP) and EU Pilot and exploring the possibilities to ensure that individuals and businesses wishing to complain to the Commission following an unresolved SOLVIT case, do not have to re-submit information already available in SOLVIT. On the Member States side, close cooperation and exchange of information between the SOLVIT centres and the national EU Pilot and infringement coordinators is important.

The second pillar relates to the improvement of the quality of the information contained in the SOLVIT application, by ensuring that adequate resources and "authority" are made available to national SOLVIT centres by both the Commission and the Member States. This is envisaged to be achieved *inter alia* with the Commission's adequate legal support and trainings to the network and investigation on an ad hoc basis of the possibilities to enhance the administrative capacity of SOLVIT centres through existing programmes<sup>3</sup>. Action is

<sup>2</sup> Article 4(3) TEU, Articles 288(3) and Article 291(1) TFEU.

<sup>3</sup> Such as the Structural Reform Support Programme.

also required on the Member States' side to allocate adequate staff and ensure legal expertise to guarantee continuity of their SOLVIT centres. In addition, as the SOLVIT database is integrated in the [IMI system](#), its application is envisaged to be upgraded by the Commission and aligned with the policy actions to reinforce SOLVIT.

The third pillar would put forward actions to increase the use of SOLVIT by general promotion actions both at EU and national level and by actions to intensify cooperation with partner networks both at EU and national level.

### C. Better regulation

#### Consultation strategy [max 10 lines]

SOLVIT being an established network of national administrations coordinated by the Commission Services, it is important to thoroughly consult Member States and their SOLVIT centres ahead of the adoption of actions on its reinforcement.

Given the predominantly procedural content and the technical nature of the initiative an open online public consultation is not an appropriate consultation tool in this context. The envisaged consultation strategy would rely on targeted consultations in the form of meetings, workshops and conferences with Member States, SOLVIT centres, business stakeholders and inter-service consultations within the Commission Services.

#### Impact assessment [max 10 lines]

No impact assessment is being prepared to support this initiative as no significant impacts are expected. It aims to use existing resources in a more strategic and targeted manner:

- as regards human resources, the implementation of the actions will not require additional resources from the Commission Services but more intense coordination efforts to support legally the network. At national level, the resource implications will vary from one Member State to another, depending on the current staffing levels of each national SOLVIT centre. They would not entail an increase but an optimal allocation of resources within the national administrations as the service is provided by national civil servants;
- as regards EU financial resources, some database improvements will be required giving rise to development costs which shall be supported by the budget granted under the existing governance tools budget line during the period covered by the existing Multiannual Financial Framework. For the national SOLVIT centres, no financial implications are foreseen.

Savings are expected with the increase in the use and quality of SOLVIT-a fast, informal means of redress- in complaint handling and smart enforcement of EU law both at national and EU level in comparison to costly and lengthy court and formal infringement procedures.

#### Evaluations and fitness checks [max 5 lines]

The initiative is not part of the REFIT Agenda. Solvit was evaluated in [2011](#). Main conclusions on the staff and legal resources, scope, service delivery, communication, connection with CHAP and EU Pilot and network management were used to upgrade the system with the [2013 Recommendation](#). Since then, the operational performance of SOLVIT network is tracked yearly via the [Single Market Scoreboard](#). The performance of Solvit will be evaluated according to 5 evaluation criteria (effectiveness, efficiency, relevance, coherence and EU added value), building on available evidence and available inputs from stakeholders.