

## INCEPTION IMPACT ASSESSMENT

<b>TITLE OF THE INITIATIVE</b>	Single Digital Gateway		
<b>LEAD DG – RESPONSIBLE UNIT – AP NUMBER</b>	GROW.E3 AND R4	<b>DATE OF ROADMAP</b>	5 July 2016
<b>LIKELY TYPE OF INITIATIVE</b>	Legislative/non-legislative (tbd)		
<b>INDICATIVE PLANNING</b>	<a href="http://ec.europa.eu/atwork/key-documents/index_en.htm">http://ec.europa.eu/atwork/key-documents/index_en.htm</a>		
<b>ADDITIONAL INFORMATION</b>	<a href="http://ec.europa.eu/priorities/digital-single-market/">http://ec.europa.eu/priorities/digital-single-market/</a>		

This Inception Impact Assessment is provided for information purposes only and can be subject to change. It does not prejudice the final decision of the Commission on whether this initiative will be pursued or on its final content and structure.

### A. Context, Subsidiarity Check and Objectives

#### Context

Creating a connected digital Single Market is one of the ten priorities of the current Commission. This also includes further development of e-government, contributing to better functioning public services for the benefit of citizens and businesses.

Various portals and contact points exist at European and national level<sup>1</sup> to provide information, assistance services and to allow the completion of online procedures for the users of the Single Market. However, the 2014 Report of the High Level Group on Business Services, European Parliament resolutions and various Commission communications<sup>2</sup> have all called for a more comprehensive, more user friendly package of information and assistance to help businesses navigate the Single Market. They have suggested improved versions of existing platforms and contact points, or proposed more radical mergers of all of these into a single one-stop shop<sup>3</sup>. The 2015 public consultation on EU citizenship has shown the need for better and more user friendly information and assistance for citizens provided through one-stop-shop web portals.<sup>4</sup>

The Competitiveness Council conclusions on Single Market Policy of 29 February 2016 welcomed *"the concept of a Single Digital Gateway, which would in particular address the needs of start-ups by making it comprehensive, accessible and user-friendly, and recalls the importance of strengthening and streamlining existing Single Market tools for SMEs, in order to simplify and facilitate their cross-border activities and expansion"*. In this context, it also emphasised *"the urgent need for improvement of EU-related business contact points, including the Points of Single Contact (PSCs), in line with the PSC Charter"*<sup>5</sup>. Its previous conclusions of March 2015 called for political commitment *"to strengthen and streamline Single Market tools, such as Points of Single Contact (PSC), Product Contact Points (PCPs), the SOLVIT system, the IMI (Internal Market Information System) and Your Europe, in order to better meet the needs of businesses and citizens in their cross-border activities"*<sup>6</sup>.

The Single Digital Gateway (SDG) was originally announced in the Commission Communications on 'A Digital Single Market Strategy for Europe'<sup>7</sup> of May 2015 and 'EU eGovernment Action Plan 2016-2020 - Accelerating the

<sup>1</sup> They are based on different instruments: legislative, i.a. the Services Directive 2006/123/EC (Points of Single Contact), Regulation (EC) 764/2008 (Product Contact Points), or non-binding, e.g. Recommendation 2013/461/EU (SOLVIT) or Memorandum of Understanding of 2001 (FIN-NET).

<sup>2</sup> E.g. European Commission, 'Better governance for the Single Market', COM(2012) 259 final, 2012

<sup>3</sup> One-stop shop means a single channel (office or a webpage) that offers multiple services to citizens or businesses from a single place.

<sup>4</sup> 2015 public consultation "EU Citizenship: Share your opinion on our common values, rights and democratic participation".

<sup>5</sup> Competitiveness Council, 29 February 2016, Council Conclusions on "The Single Market Strategy for services and goods", 6622/16.

<sup>6</sup> Competitiveness Council, 2 March 2015, Council Conclusions on Single Market Policy, 6197/15, point 16; <http://www.consilium.europa.eu/en/meetings/compet/2015/03/02-03/>

<sup>7</sup> Communication from the Commission to the European Parliament, the Council, the European Economic and Social Committee and the Committee of the Regions, A Digital Single Market Strategy for Europe, COM(2015) 192 final

digital transformation of government<sup>8</sup> of April 2016. It is also mentioned in the Single Market Strategy<sup>9</sup> of October 2015 as a means of addressing the specific requirements of start-ups. Furthermore, this initiative will contribute to two Single Market Commission initiatives which will be conducted in parallel: "*Internal Market for Goods – Enforcement and Compliance*" (relating to harmonised products and also aiming at helping businesses to comply with EU legislation) as well as "*Achieving more and better mutual recognition for the single market for goods*" (relating to non-harmonised products and addressing inter alia the lack of awareness and insufficient communication between PCPs and businesses).

The initiative builds on and aims to complement a number of existing legal and non-legal initiatives, on which evaluations and various studies have been carried out. This concerns in particular the Services Directive 2006/123/EC (for the Points of Single Contact), an evaluation of the principle of mutual recognition including the functioning of the Product Contact Points established by Regulation (EC) 764/2008, Regulation 305/2011 (for the Product Contact Points for Construction - PCPCs), and non-legislative initiatives, e.g. Recommendation 2013/461/EU (SOLVIT), the Your Europe portal and the Your Europe Advice service (Europe Action Plan COM (2013) 636 final), the Enterprise Europe Network and the Business Application of the General Product Safety Directive (GPSD)<sup>10</sup> which aims at facilitating economic operators' notification requirements in the single market.

The Commission is also promoting and piloting with some Member States the "once only principle"<sup>11</sup>, aimed at avoiding that citizens or companies have to submit the same information to public authorities over and over again. The EU eGovernment Action Plan 2016 – 2020 includes actions piloting the once-only principle.

Another related Commission initiative concerns the making available of digital solutions throughout a company's lifecycle, as announced by the Single Market Strategy and the eGovernment Action Plan 2016-2020. The rules for online registration specifically for private limited companies with one shareholder were put forward in the Commission proposal of 2014 on single-member private limited liability companies (SUP).

## Issue

Currently it is difficult for users, be it citizens or businesses, to find the right information and assistance needed to make use of the opportunities of the Single Market. Citizens who want to buy, work, study, travel or and/reside in another Member State, or businesses wishing to market their products or provide services on a cross border basis, need to find out first about the relevant national rules, requirements and administrative procedures, be it in the home or in the host Member State, and comply with them. The internet has become the default tool when looking for information<sup>12</sup>, but in practice the online offer is often incomplete or not focussed enough on user needs, difficult to access for users from other Member States (access in other EU official languages is an issue), or difficult to find in the first place. According to a recent *Eurochambres* survey amongst EU entrepreneurs, the main Internal Market barriers which they are facing are "*complex administrative procedures*", "*inaccessibility of information on rules and requirements*", and "*different national product and service rules*" came out top. Other relevant EU level business associations come to the same conclusion<sup>13 14</sup>, as well as the High-level group on Business Services.

<sup>8</sup> Communication from the Commission to the European Parliament, the Council, the European Economic and Social Committee and the Committee of the Regions 'EU eGovernment Action Plan 2016-2020', COM(2016) 179 final

<sup>9</sup> Communication from the Commission to the European Parliament, the Council, the European Economic and Social Committee and the Committee of the Regions, Upgrading the Single Market: more opportunities for people and business, COM (2015) 550 final

<sup>10</sup> <https://webgate.ec.europa.eu/gpsd-ba/index.do> The Business Application has been created in order to simplify the practical aspects of the obligation of producers and distributors under Article 5(3) of the General Product Safety Directive (2001/95/EC, GPSD) to notify the competent national authorities of the Member States if they know or ought to know, on the basis of the information in their possession and as professionals, that a product they have placed on the market is dangerous.

<sup>11</sup> The once-only principle in the context of public sector means that citizens and businesses should supply information only once to a public administration. This can be achieved by enabling public administration offices to take action to internally share this data, respecting data protection provisions, or by enabling citizens and businesses to control access to the data, so that no additional burden falls on citizens and businesses.

<sup>12</sup> See EP Study "A European Single Point of Contact", 2013, pp. 98-99

<sup>13</sup> Eurocommerce Position Paper of 3/7/2015 "Contribution to the forthcoming Commission Single Market strategy 2015": "Lack of awareness and understanding about legal requirements in other countries means that retailers and wholesalers often do not have the confidence to trade across borders" ([http://www.eurocommerce.eu/media/120927/eurocommerce\\_-\\_contribution\\_commission\\_single\\_market\\_strategy\\_-\\_final.pdf](http://www.eurocommerce.eu/media/120927/eurocommerce_-_contribution_commission_single_market_strategy_-_final.pdf)). This is especially the case for SMEs. The information is often already there, but not searchable, understandable or complete."

<sup>14</sup> Business Europe Position Paper of 28/9/2015 "Building a true single market for Europe – business priorities": "The struggle to get a clear picture about single market rights and obligations, especially among start-ups and SMEs, creates uncertainty and discourages cross-border operations." ([https://www.busseurope.eu/sites/buseur/files/media/position\\_papers/internal\\_market/2015-09-28\\_contribution\\_to\\_internal\\_market\\_strategy\\_for\\_europe.pdf](https://www.busseurope.eu/sites/buseur/files/media/position_papers/internal_market/2015-09-28_contribution_to_internal_market_strategy_for_europe.pdf)).

Citizens are using the internet when planning to move or when already residing in another Member State. 36% of the respondents to the 2015 public consultation on EU citizenship who had lived or were living in another EU country indicated that they had experienced difficulties in the exercise of their rights as EU citizens after having moved. Among the most frequent difficulties reported were lengthy or unclear administrative procedures (69%) and not finding enough information or not being sufficiently aware of their rights as EU citizens (51%)<sup>15</sup>.

Moreover, according to the flash Eurobarometer 413, "*not knowing the rules which have to be followed*" constitutes a problem for 63% of companies that did not sell any of their products and/or services online in another EU country in 2014 but are trying or considering to do it. The smaller the company, the more likely that not knowing the rules to be followed would be considered a problem, and the less likely it is to sell abroad. As a result, businesses, and in particular SMEs, miss out on cross-border opportunities (and the EU economy on jobs, growth and innovation), or have to factor in high information-gathering costs (often in the form of paid-for legal advice) in order to find and understand relevant information. According to the 2014 Commission evaluation of the Internal Market Legislation for Industrial Products<sup>16</sup>, most businesses commonly spend 15-20% of total human resources on familiarisation with relevant internal market legislation and keeping track of changes, with large firms often employing 2-4 staff specialising in regulatory compliance. These are "sunk costs" which are fixed (irrespective of firm size), and constitute an important barrier especially for SMEs and start-ups.

### ***Businesses and citizens are faced with the following problems:***

**1. Lack of online information:** unavailability of online information, in particular at Member States' level, about rules and requirements for the cross-border provision of services and sale of goods as well as rules and procedures for citizens wanting to buy, work, study, travel or reside in another Member State<sup>17</sup>.

Citizens generally do not feel well informed about their EU rights. According to the Flash Eurobarometer 365 on European Citizenship, 43% feel that they are not very well informed whilst one in five (20%) say that they do not feel informed at all. About 15% of all national content that should be provided by Member States on the *Your Europe citizens'* portal is still missing, which gives another broad indication of the problem for citizens.

As for businesses this problem arises for the services sector among others because of the limited scope of the Services Directive. It does not cover *all* sectors and *all* services-related and other useful information of relevance to businesses. Moreover, Member States' implementation of the related provisions of the Services Directive has been patchy. Some PSCs are highly developed e-government portals that offer extensive information in an understandable format and in more than the national language(s) across all service sectors. With others only general information on business procedures is available online but not in-depth information on specific procedures. Often, the information is scattered between different portals, the same public services are described differently on different portals and there is a lack of structured information which can be used for extensive searching.

In the area of goods, the situation should be clear for products covered by EU harmonised legislation, where information is already available at EU level and where most Member States publish information on products explaining companies what they need to do to comply. However, when a product is subject to several Directives or Regulations, which is often the case, the information applying to one product is often spread over several websites of ministries and national agencies, and is thereby difficult to find and to link to one product. It is thus "non-available" to users *in practice*, even though it is published somewhere online. The problem in the strict sense of the word of "information unavailability" mostly arises in the non-harmonised sector or when a product is subject to both EU harmonised rules and national legislation. In any case, it is difficult to expect law-abiding businesses to know what type of rules apply to their products, if this information is not made available to them online in one place. The system of national Product Contact Points and Product Contact Points for Construction foresees that information on national product rules (only non-harmonised sector for PCPs) is provided to economic operators upon request. Only very few national Product Contact Points have acted upon the encouragement (Reg. 764/2008, recital 30) to make the information available through a website. In addition, goods and services form increasingly part of the same value chain (e.g. a product which also covers a service), and businesses need to know the rules for all aspects of their activities.

<sup>15</sup> See Report on 2015 public consultation on EU Citizenship (available at [http://ec.europa.eu/justice/citizen/document/files/2015\\_public\\_consultation\\_booklet\\_en.pdf](http://ec.europa.eu/justice/citizen/document/files/2015_public_consultation_booklet_en.pdf)), pages 31-32.

<sup>16</sup> SWD(2014)23 final of 22/1/2014

<sup>17</sup> Asked about which measures would help them to prepare to move to another EU country 82% of respondents to the 2015 public consultation on EU Citizenship chose "*online information on practical issues*". With respect to cross-border shopping 79% of EU citizens do not know where to get information and advice (Evaluation of the European Consumer Centres Network, 2011).

**2. Lack of e-procedures with high online maturity.** As the scope of the Services Directive is limited, certain important procedures (e.g. relating to social security, VAT and taxation) are not mandatory elements of the Points of Single Contact. In particular, procedures falling into the sectors not covered by the Services Directive are often not provided on the PSCs. For citizens, key procedures are for life events like losing and finding a job, moving, starting a small claims procedure, owning a car or studying. There are still substantial shortcomings with respect to their online availability, user centricity and ease and speed of use.<sup>18</sup>

The other problem is insufficient online maturity of procedures. Online procedures are of limited use when offline channels remain necessary. A 2015 study on the PSCs concludes that the digital transactionality of government procedures is falling short<sup>19</sup>. Full digital transactionality means that a procedure can be fully completed on-line, not requiring any intermediate steps such as visiting a physical office, printing and/or sending forms by mail. According to the study, the EU 28+ scores for the availability and sophistication of procedures, availability of e-payment tools, and track and trace systems (providing end-users with the possibility to follow the status of an application online) are only moderate and there are large country variations. So called key enablers such as electronic identification and electronic signatures are often not in place for cross-border users. The 2014 and 2015 European Commission e-government benchmark reports also point out that the range of services available online to users from other Member States is much more limited than for domestic users and more limited for citizens than for businesses<sup>20</sup>.

**3. Insufficient quality of information and assistance services.** The benefit of information, even when it is available online, is very much reduced when it is inaccurate, outdated, not drawn up with the specific user in mind and not responsive to user feedback, only available in the national language(s) or not suitable for all devices (e.g. mobile) people commonly use. The above mentioned study from 2015 on "The Performance of the Points of Single Contact" (PSCs) concludes that on almost half of the PSCs, information is still structured according to the logic of the administration and not according to the logic of the business user. Users experience difficulties in finding the right information: content is insufficiently up-to-date, navigation tools do not always lead to the information needed, legal and administrative jargon is used instead of a more business oriented vocabulary or plain language that citizens can understand. Overall there is a tendency to prioritize quantity (i.e. availability) over the quality of e-government services. Also there tend to be more and better services for national than for cross-border users and for businesses rather than for citizens<sup>21</sup>.

For instance before deciding whether to move to another Member State, approximately three out of four citizens (73%) search for information on websites of authorities in the destination country. One out of four citizens looking up information before deciding to move to another Member State is dissatisfied with the sources of information used because of the general character of the information provided or the lack of user friendly information<sup>22</sup>.

There is also scope for improvement as far as online assistance, advice and problem-solving services are concerned. Assistance services are interactive on only half of the PSCs, and are rated 15 percentage points lower by foreign users than by national users<sup>23</sup>. The Analysis of implementation of the Construction Products Regulation<sup>24</sup> lists slow response to requests for information, poor quality of replies (provided in legal language difficult to comprehend, queries not fully answered) and the language barrier as the major deficiencies of the PCPCs. Most often they forward a request by an economic operator to the responsible authority which then replies

<sup>18</sup> See Capgemini, IDC, Sogeti, and Politecnico di Milano, 'Future-proofing eGovernment for the Digital Single Market – An assessment of digital public service delivery in Europe', 2015 eGovernment Benchmark report as well as Cap Gemini, Rand Europe, Sogeti, IDC and Danish Technological Institute, "Public Services Online 'Digital by Default or by Detour?', Assessing User Centric e-Government performance in Europe – eGovernment Benchmark 2012".

<sup>19</sup> "The Performance of the Points of Single Contact, An Assessment against the PSC Charter", study for the European Commission by Capgemini Consulting and Eurochambres, 2015

<sup>20</sup> Capgemini, IDC, Sogeti and Politecnico di Milano, "Future-proofing eGovernment for the Digital Single Market – An assessment of digital public service delivery in Europe", Background Report prepared for the Directorate General for Communications Networks, Content and Technology, 2015. It found out that e.g. only 57% of all assessed services are available to cross-border businesses.

<sup>21</sup> See e.g. indicators on speed and ease of use in the 2015 eGovernment benchmark report. This finding is in line with results of the public consultation on EU citizenship: 73% of respondents said that e-services on administrative formalities (e.g. filling out administrative forms online) would be most useful for preparing a move.

<sup>22</sup> See Report on 2015 public consultation on EU Citizenship (available at [http://ec.europa.eu/justice/citizen/document/files/2015\\_public\\_consultation\\_booklet\\_en.pdf](http://ec.europa.eu/justice/citizen/document/files/2015_public_consultation_booklet_en.pdf)), pages 31.

<sup>23</sup> "The Performance of the Points of Single Contact, An Assessment against the PSC Charter", study for the European Commission by Capgemini Consulting and Eurochambres, 2015.

<sup>24</sup> Analysis of implementation of the Construction Products Regulation, report prepared for DG GROW by RPA, 31 July 2015.

directly to the company, without providing the Product Contact Point with any information on the outcome of the query<sup>25</sup>. Quality monitoring and tracking of follow-up are thus not possible.

**4. Lack of awareness and online findability.** Services available online are not useful when they cannot be found easily. This stems from a lack of people's awareness, fragmented promotion efforts or even confusion caused by a multitude of different tools, where none is well-known and there is very limited sign-posting. Language issues play a crucial role as well: information and online services will not or hardly be found by non-national users through a general online search engine search when they only exist in national languages. Half of EU citizens feel not very well informed about what they can do when their rights as an EU citizen are not respected (51%) and 23% say they are 'not informed at all' about what to do in such a situation<sup>26</sup>.

The 2013 European Parliament study "A European Single Point of Contact" notes that the large number of European-level online services, combined with an extensive range of services at national level, generates complexity in the identification of the most appropriate services, and understanding their different competences. This leads to low levels of awareness, with 91.6% of consumers and businesses unaware of any online services at European level that they could turn to in case of problems. 90% of respondents to a Special Eurobarometer on Patients' rights in the EU<sup>27</sup> had ever heard of the national Contact Points that provide information about EU cross-border healthcare. The awareness of both businesses and the general public of the Points of Single Contact (PSCs) portals is low, possibly related to the fact that none of the PSCs included in the study ran awareness campaigns when the portals were launched, nor did they create direct links to other Member State portals. Search engine ranking of the PSCs was poor in over half of the countries<sup>28</sup>. Different ways of describing the same public services contribute to poor on-line findability across borders.

The Mutual Recognition Regulation (764/2008) encourages Member States to entrust the role of Product Contact Points to existing contact points. This has hardly been followed up by Member States. The Construction Products Regulation encourages setting up Construction Product Points (PCPCs) by building on an existing Product Contact Point. However, less than half of all Member States followed this recommendation, and of those only 8 allow for online access. According to a 2015 "Analysis on the implementation of the Construction Products Regulation", the awareness amongst companies regarding the existence of the PCPCs is low, in particular as far as PCPCs in other EU countries are concerned.

#### ***The initiative could also be used to tackle a 5th problem:***

#### **5. Need to further improve knowledge and collection of data among policy-makers about the state of the Single Market and obstacles as experienced by businesses and citizens**

The opportunity of the digital approach of the gateway could be used to gather (non-personal) data via the on-line services offered at EU and national level, including direct feedback from users on problems encountered in cross-border activities. There are services in place where citizens and businesses can signal and complain about such problems, e.g. SOLVIT, the Enterprise Europe Network, the European Ombudsman and others. However, the data collected through these feedback mechanisms are not brought together in a single database, and not analysed in a global way. A further limitation is that they mostly require some effort by the user to describe and document his problem or even start a complaint procedure. As a result of this 'transaction cost' many day-to-day obstacles are not signalled but citizens and businesses work around them or give up their cross-border plans. In addition to the mentioned existing services, EU policy-makers often depend on costly, ad-hoc studies to inform their decisions. There is no framework for more systematic gathering and analysis of data providing a real insight in the occurrence and gravity of obstacles within the Single Market.

The **main affected stakeholders** are citizens and businesses that either are already active cross-border or that consider starting or expanding their cross-border (private or business) activities in the EU. For them, engaging in such activities is currently unnecessarily cumbersome.

Second, public administrations are affected as providers of Single Market-related information, advice and administrative procedures and policy-makers.

<sup>25</sup> Evaluation of the Application of the mutual recognition principle in the field of goods, prepared by technopolis, EY, VVA consulting and the Danish Technological Institute for the European Commission, June 2015.

<sup>26</sup> Flash Eurobarometer 365 on European Citizenship

<sup>27</sup> Special Eurobarometer 425, "Patients' Rights in Cross-border healthcare in the European Union", published May 2015

<sup>28</sup> "The functioning and usability of the Points of Single Contact under the Services Directive – State of Play and Way forward", Deloitte, 2012 (commissioned by the European Commission).

## Subsidiarity check

Article 114(1) of the Treaty on the Functioning of the European Union (TFEU) is the legal base for a Commission initiative because its 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 have most often focused on their specific national context, and facilitating market entry by nationals of other Member States has not been a priority. For instance, when administrative procedures do not exist online, or are online but not fully transactional (i.e. still requiring offline action, such as an office visit), this may appear acceptable in a national context. However, it puts a disproportionately high burden on businesses or citizens from other Member States, because additional costs fall upon them which are not incurred by domestic ones. The same is true of information which is only published in the national language(s), or which is made accessible to domestic companies via national industry associations which they adhered to. Here, EU action will be most effective in reducing the costs that EU enterprises currently need to incur when they (prepare to) engage in cross-border activities, and which act as significant market entry obstacles.

Similarly, EU action is needed for possible stronger enforcement, and for streamlining of contact points at national level that are established through EU legislation, such as Points of Single Contact (Services Directive), the Product Contact Points (Mutual Recognition Regulation) and the Construction Product Contact Points (Construction Products Regulation).

## Main policy objectives

The main goal is to further improve the functioning of the Single Market by using the potential arising from digital technologies.

The **general objective** is to further facilitate and increase the potential for citizens as well as businesses, and in particular SMEs and start-ups, to benefit from the Single Market, thereby boosting competition, jobs and growth. Another general objective is to further boost administrative efficiency in general by using the potential arising from digital technologies.

The **specific objective** is to reduce the transaction costs incurred by businesses and citizens resulting from searches for information and fulfilling administrative procedures when engaging in cross-border activities.

## B. Option Mapping

The following options are structured according to the issues identified above. Based on the assessment of the cost-benefit ratio of these options, a package of at least five of them addressing all problems will need to be formed. Moreover, the various options as set out below are not exclusive per objective, but can be combined.

### I. Issue of lack of information provided online

#### Option 1: Baseline

Under the 'business as usual' scenario, information would be put online with varying degrees of coverage and detail across Member States and policy areas. In particular, information about national rules applying to a product would in many cases continue to be only available upon request. As regards information on services, Member States have indeed followed up (to varying degrees, but overall positively) to the criteria of the 'Charter for the Electronic Points of Single Contact under the Services Directive'<sup>29</sup>. Moreover, information in some fields has already been or is planned to be made available via EU-level online portals (e.g. EURES, European Job Mobility Portal, etc.) in the area of employment and the e-Justice portal in the area of justice<sup>30</sup>. However, progress overall has been limited.

#### Option 2: Minimum information coverage plus individual assistance to businesses and citizens

A legal obligation on Member States to provide an agreed minimum range of information for citizens and businesses on-line, possibly following a coherent description of public services, to be complemented with high quality (see below under III) individual assistance via an upgraded version of the existing contact points. These assistance services would be the second-line/fall-back solution for all areas not covered by the agreed minimum set of information or whenever information provided online turns out not to be sufficiently clear. Both information and assistance would have to be provided in one online place and linked to the Your Europe portal.

#### Option 3: Full and evolving information coverage

A legal obligation on Member States to cover all information that businesses and citizens need regarding applicable rules and on any procedures to comply with these rules, including national product rules, services related and any other information which is not already covered by the Services Directive, to complement the existing online information already offered through national portals for citizens and businesses, including the PSCs (to be defined but including for instance information on tax rules, VAT, social security, consumer protection legislation and employment rules, transport sector) and Your Europe. The description of public services could follow common principles. On the basis of user input the information required by citizens and businesses would be adapted as needs evolve. It would be made available in the most user-friendly way, e.g. via the Your Europe Portal inter-linked with national business or administrations' portals and other online information sources.

#### Option 4: Centralised EU level database

Based on either option 2 or 3, but in agreed areas information on national rules would be collected in a centralised database instead of on national websites, to be made available through the Your Europe portal.

### II. Issue of lack of e-procedures with full cross-border on-line transactionality

#### Option 1: Baseline

Under the baseline some progress would continue to be made, both in terms of availability of e-procedures as well as their degree of transactionality. Member States have indeed followed up (to varying degrees, but overall positively) to the criteria of the 'Charter for the Electronic Points of Single Contact under the Services Directive'. However, progress overall has been limited and generally slower for cross-border users.

In line with the eIDAS regulation<sup>31</sup> the mutual recognition of national systems for electronic identification and electronic signatures should progress until it becomes mandatory in 2018. According to the regulation, the first milestone will be reached on 1 July 2016, when Member States shall recognise advanced electronic signatures, advanced electronic signatures based on a qualified certificate for electronic signatures, and qualified electronic signatures. Actions financed by the Connecting Europe Facility in the area of e-government and the Interoperability Solutions for Public Administrations (ISA) programme would continue. The use of CEF building blocks is voluntary.

<sup>29</sup> As endorsed by the High level Group of the Competitiveness Council on 3/6/2013 and welcomed by the Competitiveness Council on 2/12/2013.

<sup>30</sup> Some actions are also foreseen in the EU above mentioned eGovernment Action Plan 2016-2020.

<sup>31</sup> Regulation (EU) No 910/2014 of the European Parliament and of the Council of 23/7/2014 on electronic identification and trust services for electronic transactions in the internal market and repealing directive 1999/93/EC.



Depending on the uptake of the first EU-wide fully online procedure for the recognition of qualifications, the European Professional Card<sup>32</sup>, its scope might be extended to other mobile professions that meet the criteria set out in the Professional Qualifications Directive<sup>33</sup>.

As announced in its eGovernment Action Plan 2016 – 2020 the Commission will launch initiatives with some Member States to pilot the 'Once-Only' principle for business and will assess the possibility of applying it for citizens in a cross-border context..

#### **Option 2: Progressive voluntary roll out**

This option would set up a governance structure, possibly building on existing expert groups, between the Commission and Member States in order to roll out e-procedures on national portals gradually via annual work programmes, to be agreed voluntarily between the Member States and the Commission and specifying procedures per Member State. The Commission would monitor and report on the implementation.

#### **Option 3: Mandatory full transactionability for most important e-procedures, combined with progressive voluntary roll-out**

In addition to Option 2 and complementary to the mentioned on-going EU initiatives a legal obligation on Member States would be established to complement existing e-procedures offered through national portals including the PSCs and other national portals with any other procedures which are most relevant to operate cross-border as a business or individual in the Single Market, including basic criteria ensuring full cross-border on-line transactionality. These procedures would be identified based on various data, such as their frequency of (and possibly latent) use and stakeholder consultation.

#### **Option 4: Digital-by-default principle for future legislation**

This option would establish, in combination with the options above, a general "digital-by-default" provision to ensure that all national procedures resulting from future EU legislation creating rights and obligations for businesses or citizens operating within the Single Market, should have full cross-border on-line transactionality.

### **III. Issue of insufficient quality of online information and services**

#### **Option 1: Baseline**

Quality improvements of online information and services would continue to depend largely on national agendas and priorities, though EU-level action plays a role as well (e.g. CEF and annual eGovernment Benchmarking reports). They are therefore likely to be uneven and neglect the specific needs of cross-border users, and give priority to the needs of businesses over those of citizens<sup>34</sup>. In the services field, Member States have indeed followed up (to varying degrees, but overall positively) to the quality criteria of the 'Charter for the Electronic Points of Single Contact under the Services Directive'. However, progress overall has been limited.

#### **Option 2: Better integrate and improve existing contact points and ensure better coordination with information portals**

With a view to improving overall quality as well as findability (see below under IV.) the PSCs, PCPs and PCPCs as well as national citizens' portals and related services would be more integrated, either through a merger or linkage of front office services, including to the Your Europe portal. The resulting economies of scale would create a better basis for quality improvement. As part of the general improvement of the contact points, a solution to the language problem would need to be foreseen.

<sup>32</sup> The EPC is an electronic certificate issued via the first EU-wide fully online procedure for the recognition of qualifications (under Directive 2005/36/EC on the recognition of professional qualifications). Since 18th January 2016 the EPC is available for nurses responsible for general care, pharmacists, physiotherapists, real estate agents and mountain guides.

<sup>33</sup> Possible future expansion would only take place after practical experience of the functioning of the procedure has been gained and consultations have been carried out with stakeholders. Therefore, a date for such extension has not yet been set.

<sup>34</sup> This is a recurrent finding of the eGovernment benchmark reports, see e.g. Future-proofing eGovernment for a Digital Single Market, Final Insight Report, p.7.



### **Option 3: Establish a common online enquiry form**

Under this option a common online enquiry form (in all languages the recipient service can handle) would be established for queries from users who approach the individual assistance services to be covered by the SDG, to ask additional information or any other guidance to comply with applicable rules. The form could be based on an agreed description of public services under its scope. This approach would allow the mapping and tracking of both problems of quality of online information and of obstacles created by the substance of the underlying rules. The organisation of all back-office structures receiving these queries and of their procedures would remain under the full control of Member States.

### **Option 4: Establish quality criteria through hard and soft law**

The option would entail a legal obligation to ensure that all information, assistance, problem-solving services and e-procedures offered within the remit of the SDG comply with agreed, basic quality criteria, including on language policies. These criteria would be further elaborated in a more adaptable complementary instrument to allow flexibility and adaptability to changing needs and new technologies. In addition, all services should include user friendly mechanisms to collect direct user feedback for improvement of the service.

## **IV. Issue of lack of 'findability' and awareness**

### **Option 1 : Baseline**

As currently promotion efforts for the existing portals and contact points would continue to be done in a largely uncoordinated and separate way (instrument per instrument).

### **Option 2: Better integration of existing contact points**

= Option III.2 above, which would also improve findability and awareness

### **Option 3: Coordinated promotion between the Commission and Member States**

Under this option the Commission and Member States would agree that all potential promotion efforts of services within the remit of the SDG will always include a reference to the SDG as a whole.

### **Option 4: Joint promotion**

This option would ensure that all promotion actions are coordinated and in principle based on promotion of the joint single brand name, financed through the EU budget. Full search engine findability of the portal and all its interlinked services should also be included.

## **V. Issue relating to the need to further improve knowledge and collection of data among policy-makers about the state of the Single Market and obstacles as experienced by businesses and citizens**

### **Option 1: Baseline**

Under the baseline the assessment of the state of play of the Single Market and existing obstacles to cross-border business activities and citizens' mobility would continue to be based on ad hoc studies and surveys commissioned by European Institutions or business stakeholders, implying a number of limitations in terms of scope, timing, and results. The Commission would better exploit the feedback from Commission-supported services such as the Enterprise Europe Network, Your Europe Advice and SOLVIT cases.

### **Option 2: Develop a 'fix my Single Market app'**

The application would be targeted at users which are or want to get active cross-border and allow them to signal in an easy way and in all EU languages their problems with rules and public authorities. It would comprise closed questions based on currently known problematic areas (e.g. 'national VAT rules and procedures', 'national social security provisions', 'mutual recognition principle') and an open section allowing the signalling of other topics. Comments in this open section would serve to continuously update the closed questions. The app would not be a complaint handling mechanism and explicitly not offer a response or follow-up to individual inputs. The received input would help to work towards an interactive map of the state of the Single Market as perceived by users, identifying hot spots for possible future actions to improve its functioning.

### **Option 3: Systematic reporting mechanism**

A legal obligation on Member States to systematically collect data about the use of the different services within the SDG and to make them available to the Commission for analysis, regular reporting and policy-making.

<b>Baseline scenario – no EU policy change</b>
The baseline option has been included under each objective.
<b>Options of improving implementation and enforcement of existing legislation or doing less/simplifying existing legislation</b>
<p>This option would comprise the following actions:</p> <p>a) full implementation of the Points of Single Contact under the Services Directive which requires that formalities linked to service provision can be fulfilled electronically. As mentioned above a recent study<sup>35</sup> has shown that many of them are not fully performing. Many procedures are still not available online. In addition, the extent to which the procedures can be fully completed online varies significantly between the Member States. Following up to these findings the Commission has sent 'EU pilot' letters to 10 Member States enquiring how these intend to bring their PSCs up to full compliance. Infringement proceedings could follow if explanations or resulting actions are not satisfactory. Furthermore, Member States would continue to be encouraged to implement the provisions of the Charter for the Electronic Points of Single Contact under the Services Directive.</p> <p>b) encourage Member States to follow up on the (largely voluntary) quality provisions of Regulations 764/2008 and 305/2011 applying to PCPs and PCPCs. Only few Member States have implemented the 'best practice' recommendation of entrusting the role of Product Contact Point to existing contact points established under other EU instruments, and to make information available through a website and in other EU languages – with negative consequences for the business user in terms of online availability, quality and 'findability'. Further soft law guidance in this area will be considered as part of the impact assessment.</p>
<b>Alternative policy approaches</b>
The options outlined above contain different approaches to different problems.
<b>Alternative policy instruments</b>
The options foresee the possibility of non-regulatory measures. This will be assessed as part of the impact assessment.
<b>Alternative/differentiated scope</b>
The options foreseen under objectives I and II allow for a differentiated scope. The initiative is targeted at both citizens and businesses (among them in particular SMEs and start-ups). Given that all the policy options aim at burden reduction for them, there is no need to exclude certain companies or company sizes from their scope.
<b>Options that take account of new technological developments</b>
All of the options outlined above are by definition digital and 'internet ready' as their prime objective is to promote high quality online information and e-government solutions.
<b>Preliminary proportionality check</b>
The options proposed above range from soft to more ambitious actions and leave different degrees of discretion to Member States.
<b>C. Data Collection and Better Regulation Instruments</b>
<b>Data collection</b>
<p>The <u>existing evidence</u> includes a number of studies and evaluations of existing instruments of relevance to the initiative. In particular:</p> <ul style="list-style-type: none"> <li>• Capgemini, IDC, Sogeti, and Politecnico di Milano, 'Future-proofing eGovernment for the Digital Single Market – An assessment of digital public service delivery in Europe', 2015 eGovernment Benchmark report</li> <li>• Capgemini et al. 'Delivering on the European Advantage? – How European governments can and should benefit from innovative public services', eGovernment Benchmark, 2014</li> </ul>

<sup>35</sup> Capgemini Consulting and Eurochambres, 'Performance of the Points of Single Contact – an assessment against the PSC Charter', prepared for DG Internal Market, Industry, Entrepreneurship and SMEs, 2015

- Study on "The Performance of the Points of Single Contact. An Assessment against the PSC Charter"; Capgemini and Eurochambres, June 2015
- Study "The functioning and usability of the Points of Single Contact under the Services Directive – State of Play and Way Forward", Deloitte, 2012
- Evaluation of the Application of the mutual recognition principle in the field of goods (ENTR/172/PP/2012/FC-Lot 4), 2015; which includes an analysis of the performance of the Product Contact Points
- Commission Staff Working Document Part 1: Evaluation of the Internal Market Legislation for Industrial Products Accompanying the document the Communication from the Commission to the European Parliament, the Council and the European Economic and Social Committee 'A vision for the internal market for products', SWD(2014) 23 final  
Communication from the Commission to the EP and the Council "First Report on the application of Regulation (EC) No 764/2008 of the European Parliament and of the Council of 9 July 2008 laying down procedures relating to the application of certain national technical rules to products lawfully marketed in another Member State and repealing Decision No 3052/95/EC", COM(2012) 292 final
- Analysis of implementation of the Construction Products Regulation", by RPA; 2015; including a preliminary analysis of the Construction Product Contact Points (two years after entry into force)
- 2015 public consultation "EU Citizenship: Share your opinion on our common values, rights and democratic participation"
- Evaluation of the Your Europe Advice service for the years 2011-2014
- Evaluation of the SOLVIT System (based on Recommendation 2013/461/EU) from 2011
- Evaluation of the Enterprise Europe Network, 2015
- Evaluation of the European Consumer Centres Network, CPEC, 2011
- ISA study on Core Public Service Vocabulary Application Profile (CPVS-AP), 2015
- ISA study on Definition of Key generic business events, 2015
- London Economics, "Smart Single Market Regulation", prepared for the European Parliament's Committee on Internal Market and Consumer Protection, 2015.

Other relevant studies and surveys:

- Study on eGovernment and reducing administrative burden, prepared for the European Commission, DG Connect, 2014
- Study for the European Commission on "Analysis of the Needs for Cross-Border Services and Assessment of the Organisational, Legal, Technical and Semantic Barriers", 2013
- European Parliament study, 'A European Single Point of Contact', IP/A/IMCO/ST/2012-17 PE 507.453, 2013
- Flash Eurobarometer 417, 'European businesses and public administration'
- Flash Eurobarometer 413 "Companies engaged in online activities"
- Flash Eurobarometer 365 on European Citizenship, February 2013

Several business representatives have published position papers in favour of the initiative.

Additional data:

An impact assessment study will be launched in Q2 2016 to fill evidence gaps, in particular to confirm the scope of the initiative, magnitude of the problem, to estimate costs on public administrations and to estimate benefits for citizens and businesses resulting from the options. Those additional data and the existing evidence listed above will also feed into the evaluation annex to the Impact Assessment aiming at providing a critical assessment of the functioning of the existing framework in relation with the provision of information, online procedures, quality issues and awareness and findability.

**Consultation approach**

Three main groups of stakeholders will be targeted: citizens, businesses and Member States.

The general approach of the Single Digital Gateway has so far been discussed at several occasions during autumn 2015, among others at the 2015 Annual SME Assembly in Luxembourg and at a Stakeholder Workshop on 15 March 2016.

Further planned activities

- Online public consultation via the 'Your Voice in Europe' website, launch Q3 2016
- SME - start-ups targeted consultation, Q2 2016

The Commission will also consult various expert groups established for the different existing networks and portals, such as the Expert Group on the Internal Market for Products, the Mutual Recognition Committee, the EUGO network and the Your Europe Editorial Board. Additional data will be gathered through bilateral ad hoc contacts with key stakeholders and representative business organisations.

**Will an Implementation plan be established?**

**Yes** (tbc)       **No**

## D. Information on the Impact Assessment Process

An impact assessment will be carried out in 2016, with work starting in May.

An Inter-Service Steering Group was set up in February 2016 and is chaired by the Secretariat-General of the Commission. It will meet at least three times. Its members include representatives of the Legal Service and of the Directorates-General for Communications Networks, Content and Technology; Communication, Employment, Social Affairs and Inclusion; Informatics; Justice and Consumers; Trade; Taxation and Customs Union; Environment; Research and Innovation; Energy; Mobility and Transport.

## E. Preliminary Assessment of Expected Impacts

### Likely economic impacts

The project is expected to considerably reduce transaction costs for businesses and citizens when engaging in cross-border activities. Less time spent on searching for relevant and understandable information about applicable rights and obligations and about identifying competent administrations in another Member State translates into cost savings and will lower the threshold for expanding activities to other Member States. Users of public services will be able to carry out more and more procedures online for preparing and executing cross-border actions instead of doing them fully or partly on paper and by mail or having to appear in person; this will save additional costs. Higher awareness about existing rights and opportunities and higher quality online services may also contribute to more companies and citizens actually making use of them; for instance the principle of mutual recognition for intra-EU trade in goods is not known among many businesses. As for citizens, the options should contribute to a higher level of free movement of persons, particularly workers and students, thereby contributing to a more efficient allocation of labour across the EU.

Similar impacts are expected to apply to businesses within Member States for their domestic activities.

### Likely social impacts

By facilitating the cross-border service provision by companies, the initiative has the potential to enhance labour mobility and facilitate citizens' fundamental right to free movement in the EU. Indirectly, the initiative may benefit consumers whose choice is likely to increase by the introduction of new products into different national markets.

### Likely environmental impacts

Some positive impacts can be expected in the form of reduced paper use from more digitalised procedures and less travelling currently sometimes required for procedures.

### Likely impacts on simplification and/or administrative burden

The initiative has potential to achieve significant administrative simplification for companies who wish to offer their services in or sell goods in other Member States and citizens who wish to buy, work, study, travel or reside in another EU country. The exact impact would depend on the policy option chosen. In particular, the following features are relevant:

- improved access to information on applicable requirements, advice, assistance and problem-solving services
- more efficient administrative procedures (speed, cost, accessibility) through digitalisation.

In the medium-term, the initiative will also lead to cost reductions for public administrations.

### Likely impacts on SMEs

According to the available statistics, the SME participation in the Internal Market is low. "Understanding and complying with regulatory requirements" constitutes one of the main barriers to them. The initiative aims to change this by significantly reducing the transaction costs faced by SMEs who wish to offer their services or sell goods in other Member States. Since administrative burden is consistently reported by SMEs as a key obstacle to offering services cross-border, the reduction of red tape should contribute to greater cross-border activity and SME growth. The reduction of administrative burden would lead to savings in time and costs, including man hours spent on fulfilling administrative formalities and/or costs of external legal support to ensure compliance.

The initiative would also benefit SMEs which are only active on their domestic market.

### Likely impacts on competitiveness and innovation

The lower the entry barrier to doing business in another Member State, the more companies are able to provide their goods and services in other countries, which in turn should increase the volume of trade and competition in the Internal Market. According to the Commission study "Final Report on the Opportunities for the Internationalisation of

European SMEs" (2011), cross-border active companies introduce products and services and process innovations more often than non-internationally active companies.

Better access to the internal market will lead to greater economies of scale and scope and thus enhanced firm-level competitiveness and cost-efficiencies.

#### **Likely impacts on public administrations**

Public administrations' efficiency and image as modern, transparent and user-friendly administrations will be increased through the initiative.

The costs that public administrations at national and EU level will incur through this initiative will depend on the option chosen as well as Member States' degree of already meeting the new obligations. In any case, costs can be expected to be outweighed by efficiencies stemming from digitalising information and procedures (as costlier alternatives such as call centres or physical counters can be reduced) and more efficient governance.

#### **Likely impacts on third countries, international trade or investment**

Businesses from third countries looking for online information on EU Member States' rules and requirements will benefit from increased online provision of information to the same degree as EU businesses. This may contribute to an increase in exports (of products compliant with EU and national rules) to the EU market as well as more investment.