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SOLVIT 2005 REPORT

Development and Performance of the SOLVIT network in 2005

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1. INTRODUCTION

1.1. Background on SOLVIT¹

SOLVIT is an on-line network, created by the Commission and the Member States, with the aim to solve problems that arise for individual citizens and businesses from the misapplication of internal market law. All EU Member States as well as Norway, Iceland and Liechtenstein, have created a SOLVIT centre, in most cases within their ministry of foreign or economic affairs. These centres cooperate directly via an on-line database to solve problems submitted by citizens and businesses rapidly and pragmatically. The rules for cooperation within SOLVIT are included in a 2001 Commission recommendation² that was endorsed by Council conclusions. SOLVIT has been operational since July 2002. In addition to the recommendation, the SOLVIT centres have adopted a set of common quality and performance standards in December 2004 to ensure a high quality of service throughout the network.

1.2. Aim of the report

The aim of this report is to provide a clear picture of performance and development of SOLVIT in 2005. The recommendations at the end of the report indicate which actions are needed by the Commission and the Member States to ensure that good practices are continued and to address the problems that may hinder SOLVIT from developing its full potential.

Facts and figures in the report are based on case handling information from the SOLVIT database and on the replies to a questionnaire that was submitted to all 28 SOLVIT centres in December 2005.

1.3. Main developments in 2005

SOLVIT case flow continued to grow over the last year. In 2005 63% more cases were submitted to the SOLVIT database as compared with 2004. In the first full year after accession, the ten new Member States accounted for 27% of all cases submitted. Resolution rates have remained high at 77% and case handling time is stable at an average of 62 days for resolved cases and 72 days for all cases, including those closed as unresolved.

Unfortunately SOLVIT case growth has not everywhere been matched with additional resources. In 2005 11 out of the 28 national SOLVIT centres experienced staffing shortages or continuity problems. This has had a negative effect on quality and speed of case handling in some SOLVIT centres and is starting to become the main bottleneck for further growth of the system.

In spite of a higher workload and staff shortage, various SOLVIT centres have developed a practice of trying to solve the more structural problems that sometimes are at the origin of individual cases. In principle SOLVIT does not deal with problems caused by incorrect or incomplete transposition of EU law, since such problems cannot normally be solved within

¹ See Annex 1 for a summary of procedures and scope of SOLVIT and see www.europa.eu.int/solvit for more detailed information in all EU languages

² Commission Recommendation of 7 December 2001 on principles for using "SOLVIT" -- the Internal Market Problem Solving Network (Text with EEA relevance) (notified under document number C(2001)3901) OJ L 331 , 15/12/2001 P. 0079 - 0082

ten weeks. Nevertheless, several SOLVIT centres (Portugal, Spain, Poland, Netherlands, Czech Republic, Sweden, Ireland, Latvia, Lithuania and Cyprus) have taken the initiative to pursue such cases until national legislation was brought in line with EU rules. These so-called SOLVIT+ cases are a promising evolution within the system (see chapter 5.4 and Annex 5 for further detail).

1.4. SOLVIT in the wider picture

The application of many important EU Directives depends on a large number of decentralised bodies in the Member States, for instance regarding the issuing of driving licences and of residence permits, the recognition of professional qualifications, the registration of motor vehicles etc. While this approach is essential to bring public services closer to the citizens, it also makes it more complicated to ensure that EU rules are applied consistently across the EU. New legal principles established by ECJ case law are not always communicated to all relevant bodies within national administrations. The correct way of applying EU rules in certain unusual situations may not always be obvious to all parts of the administration. When citizens or businesses are confronted with problems as a result of this, SOLVIT offers them a good chance to find a solution. This type of cases does not normally warrant an infringement procedure unless such cases are recurrent, but for the individual concerned the price of not solving the problem may be very high.

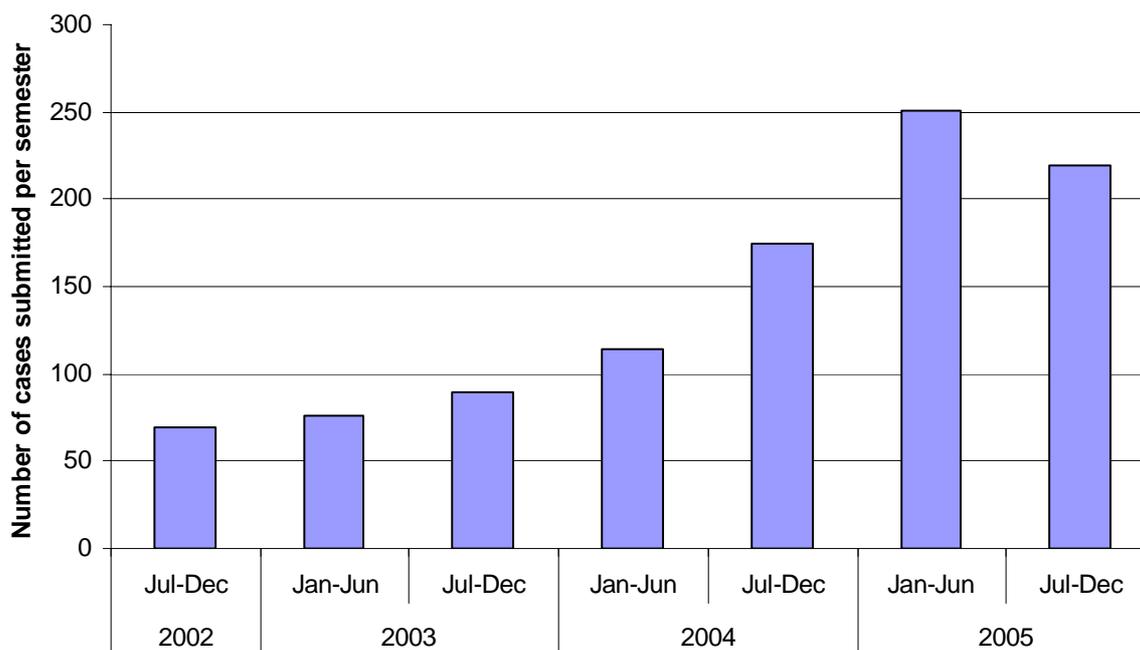
The EU has vowed to become more responsive to EU citizens and businesses. EU policies are more focussed on better enforcement of existing rules and less on developing new legislation. SOLVIT has an important role to play in this context. It clearly fulfils a need of citizens and businesses by offering a system that, unlike the formal procedures, can deliver fast solutions to the obstacles they encounter within the internal market. SOLVIT makes an effort to provide a user friendly service free of red tape and aimed at achieving concrete results that help the complainants to overcome their problem.

2. PERFORMANCE AND RESULTS

2.1. Overall SOLVIT case flow increased in 2005

Overall case flow of the SOLVIT network has increased by 61% from 289 cases in 2004 to 465 in 2005. This only covers cases which were accepted as suitable for treatment by SOLVIT, not the many more problems and queries that were received by the individual SOLVIT centres and handled outside the SOLVIT database because they did not fall within the scope of SOLVIT. However, for the first time since the establishment of SOLVIT in July 2002, there has been a decline in the number of cases submitted during the second semester of 2005. This drop can largely be explained by lack of staff in various SOLVIT centres. For instance, SOLVIT France submitted 32 cases during the first half of the year and only 8 from July until December 2005.

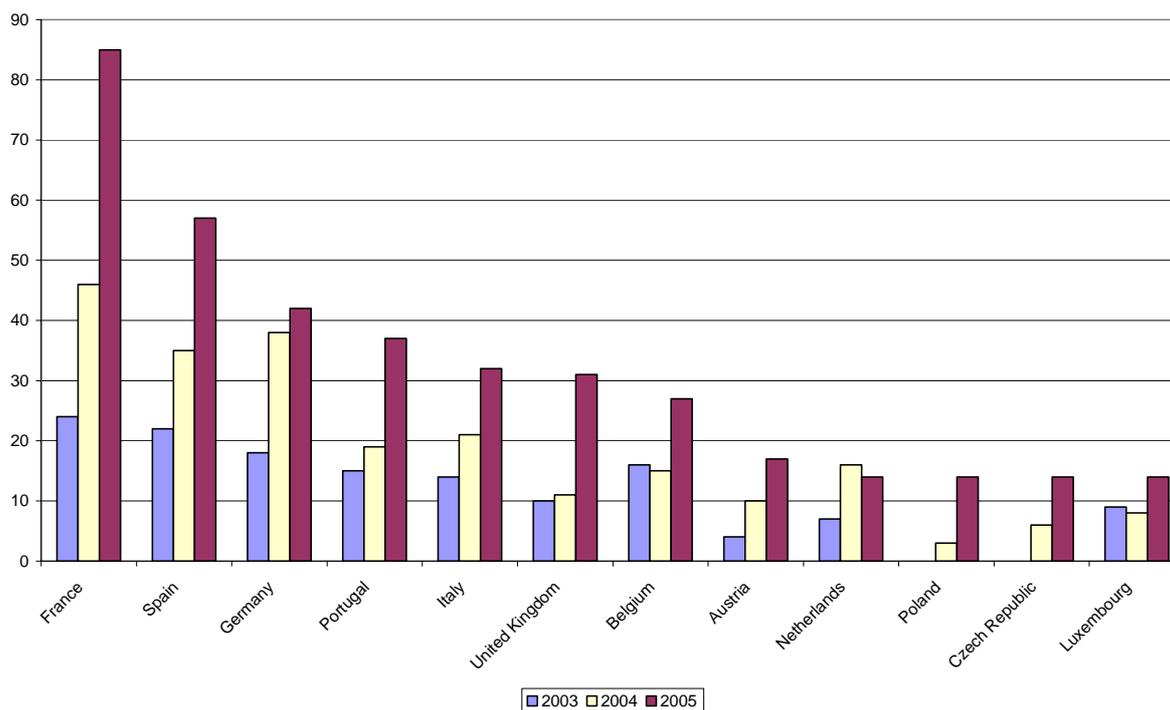
Figure 1 – Evolution of SOLVIT case flow 2002-2005



Nevertheless, on the basis of the full year, all SOLVIT centres, except Greece and Liechtenstein, have seen an overall increase of their case load. An overview of total number of cases received and submitted by all SOLVIT centres in 2005 is included in Annex 3.

France remains the largest SOLVIT centre in terms of cases received, followed at a distance by Spain, Germany and Portugal. Among the smaller EU Member States Luxembourg has a remarkably high case load. Many of these cases are submitted by Portugal on behalf of the Portuguese residents in Luxembourg. Belgium, with a high percentage of residents from other EU countries, also continues to attract a relatively high number of cases.

**Figure 2 – Volume of cases received as SOLVIT lead centre 2003 – 2005
(SOLVIT centres which received 10 cases or more)**



It should be noted that in the following chapters, statistics on deadlines, resolution rates and evolution in case flow, are only included for SOLVIT centres with 10 cases or more in the relevant category. For those with less than 10 cases, the basis is too narrow for a meaningful assessment. However, Annex 2 includes a full overview of performance of all SOLVIT centres.

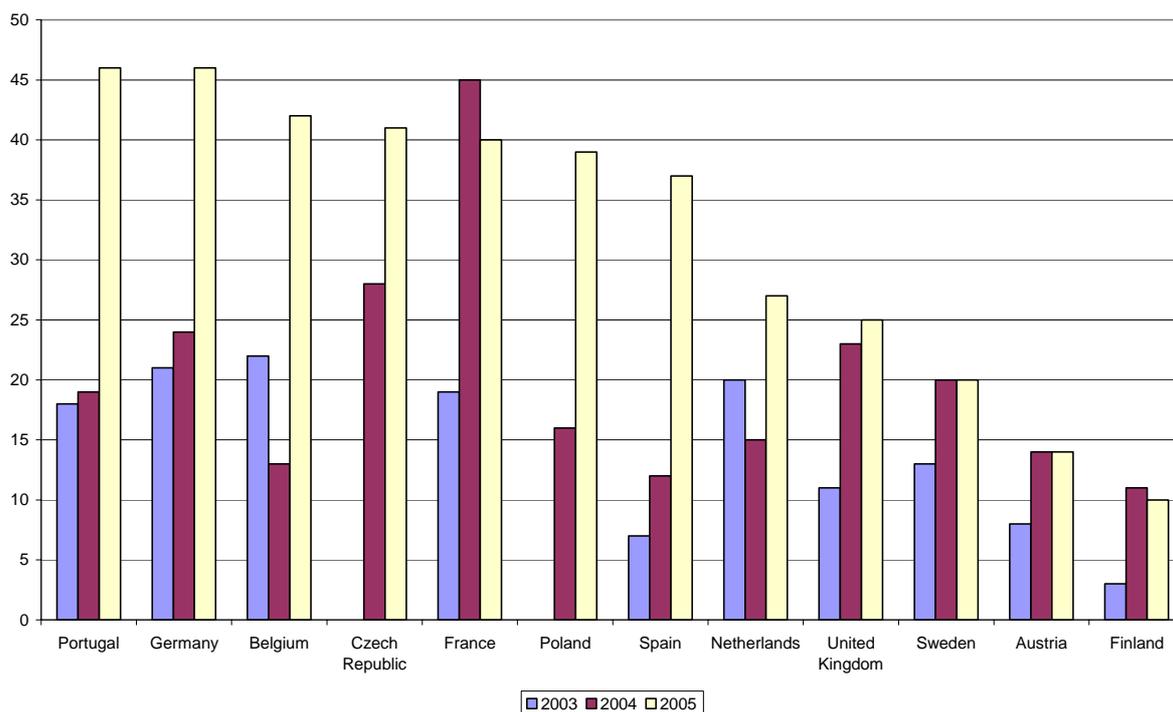
2.2. Various SOLVIT centres have more than doubled the volume of cases submitted

SOLVIT cases usually involve two SOLVIT centres. The SOLVIT centre introducing the case into the system on behalf of the complainant, is called the 'home centre'. The centre asked to find a solution is that based in the country where the problem has occurred and is called the 'lead centre'.

While SOLVIT centres have relatively little influence on the number of cases they handle as lead centre, they have more influence on the volume of cases they submit to the system acting as home centres on behalf of their own citizens and businesses (e.g. by undertaking awareness raising activities).

Portugal, Belgium, Poland and Spain have all more than doubled the number of cases submitted to the network as compared with 2004. Portugal has submitted the largest number of cases in 2005, this includes many cases submitted against itself, mostly on behalf of other EU nationals living in Portugal. After a remarkable performance in 2004, case input by SOLVIT France has dropped in 2005 due to lack of staff and continuity problems.

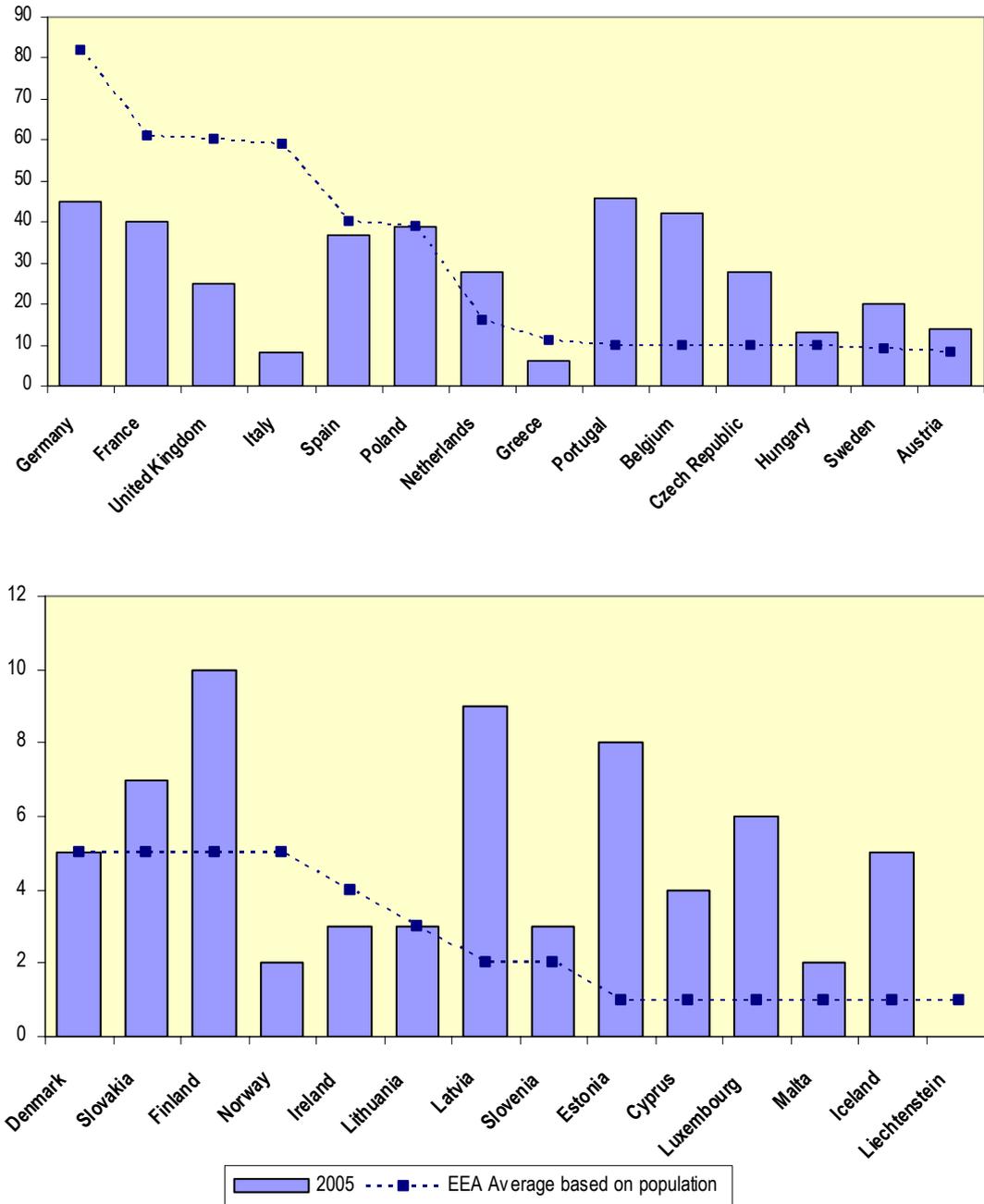
**Figure 3 – Evolution of cases submitted as SOLVIT home centre 2003-2005
(SOLVIT centres which submitted 10 cases or more)**



Other good performers as home centre were Germany, the Czech Republic and the Netherlands, all three substantially increasing the volume of cases submitted.

Nevertheless, the four biggest EU countries, Germany, the UK, France and Italy still do not submit as many cases as could be expected on the basis of their population figures. Especially Italy has remained far below the EEA average. Of the smaller countries, Greece, Norway and Ireland have submitted a number of cases less than average. This may be due to a lack of awareness about SOLVIT in the country concerned or a policy of the SOLVIT centre not to submit complaints against their own administration in the database (as many other SOLVIT centres do).

Figure 4 – Volume of cases submitted as SOLVIT home centre compared with EEA average
(based on a total of 465 cases for 464 million inhabitants, the EEA average is around 1 case per million inhabitants)

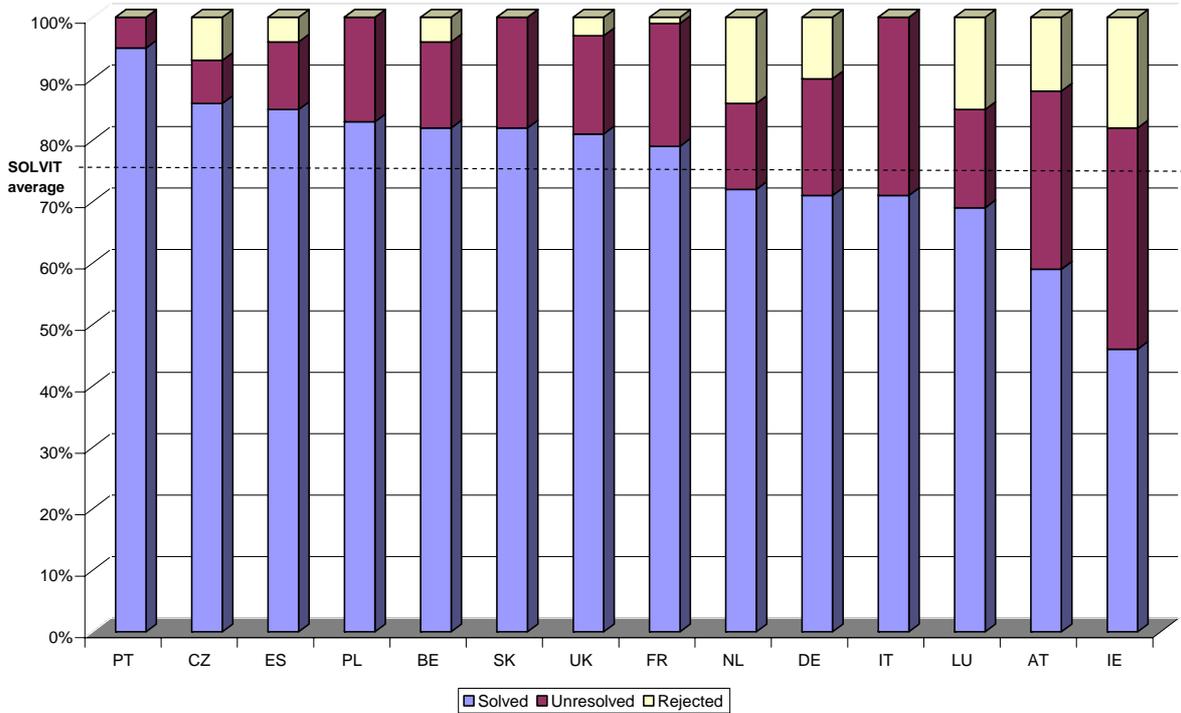


2.3. Resolution rates remain high in spite of higher case load

When a case is submitted to the SOLVIT database by a SOLVIT centre acting as home centre, the SOLVIT lead centre can still reject it. This may happen, for instance, because the case is already before a court, or because the problem is due to incorrect transposition of EU rules in national law which cannot be solved within ten weeks, or because the lead centre thinks that the case does not meet SOLVIT criteria for other reasons. Resolution rates are calculated on the basis of all cases submitted to a SOLVIT centre, including the cases that are rejected.

The SOLVIT average resolution rate for 2005 was 77%. SOLVIT lead centres rejected 6 % of cases submitted by home centres and another 17% remained unresolved. Variation in resolution rates is limited among the larger SOLVIT centres. They all work close to the SOLVIT average with the exception of Portugal on the one hand which solved more than 90% of cases submitted to them in 2005, and Austria and Ireland on the other hand, who solved less than 60%.

**Figure 5 – Case resolution rates of SOLVIT lead centres 2005
(SOLVIT centres which received 10 cases or more)**



2.4. Delays in case handling in six SOLVIT centre due to lack of staff

The agreed deadline for accepting or rejecting a case is one week, the deadline for solving (closing) cases is ten weeks, counting from the date of acceptance of a case by the SOLVIT lead centre. 63% of all resolved cases are solved within the deadline of ten weeks, in 37% of resolved cases the deadline was not met. Average case handling time (including both resolved and unresolved cases) over 2005 was 72 days.

Figure 6 – Evolution of average case resolution time 2003 - 2005

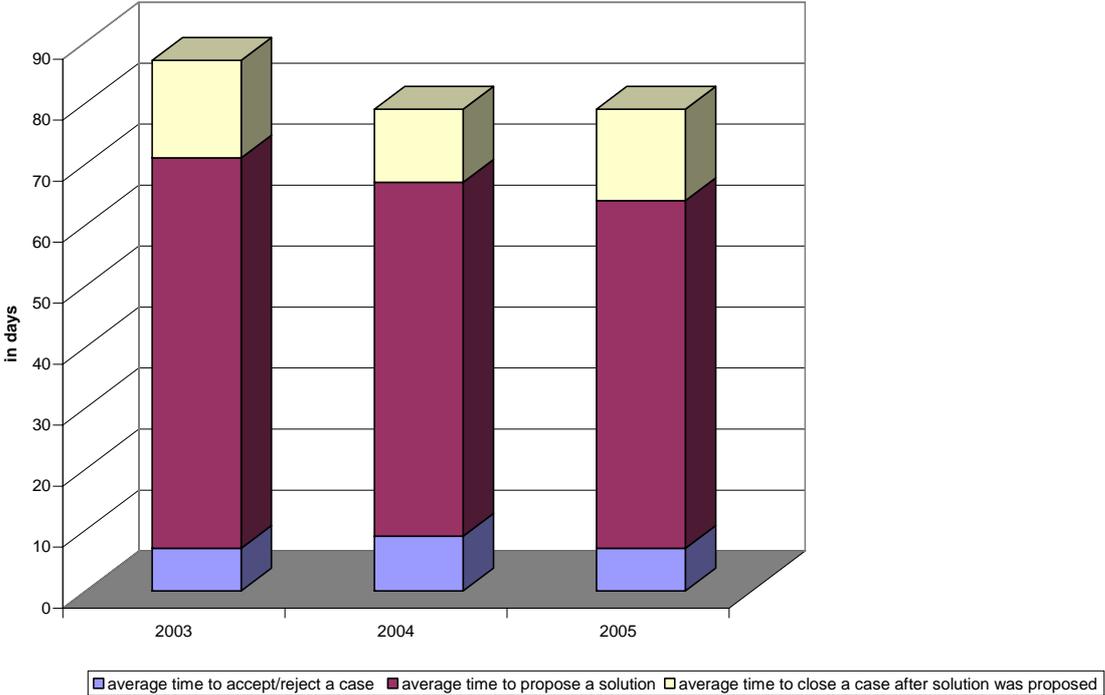


Figure 6 shows that the SOLVIT network as a whole has maintained case handling speed over 2005. However, time needed to handle a case varies considerably between the SOLVIT centres, from less than 40 days for SOLVIT Czech Republic to 90 days or more for SOLVIT Germany, France, Austria and Italy. In 2004 only four SOLVIT centres had an average case handling time exceeding the ten weeks SOLVIT deadline. In 2005 six centres did not manage, on average, to meet the set deadline.

**Figure 7 - Average time taken by SOLVIT lead centres to accept/reject and handle cases
(SOLVIT centres that received 10 cases or more)**

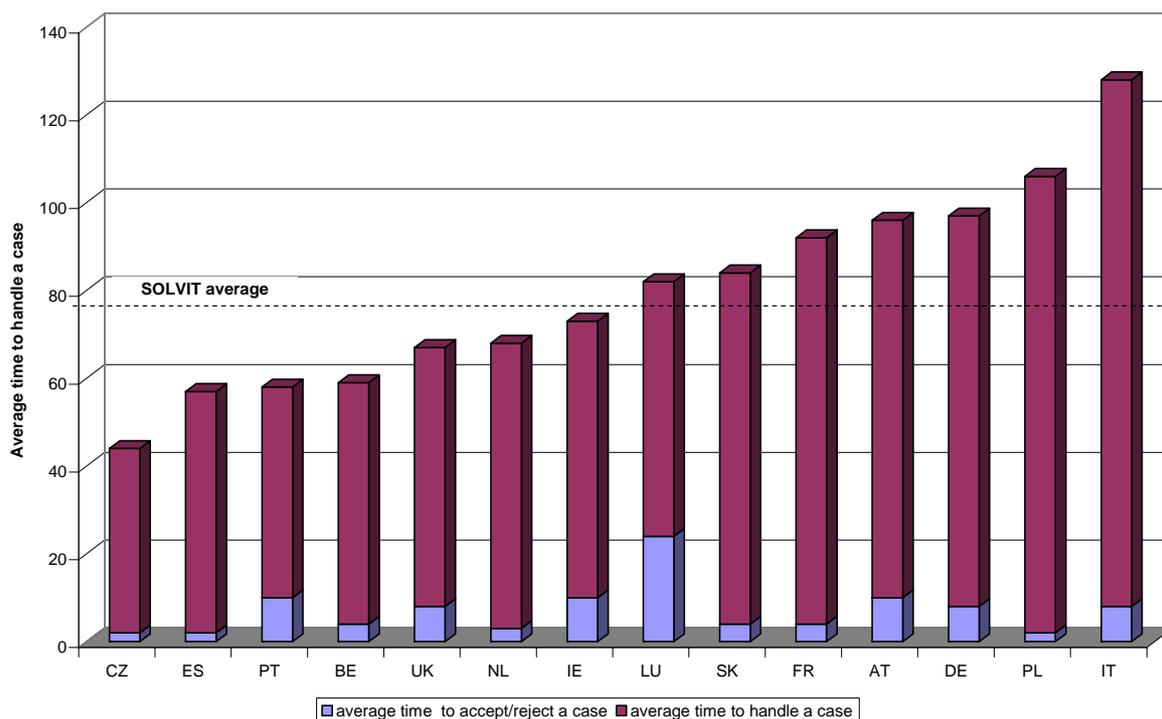
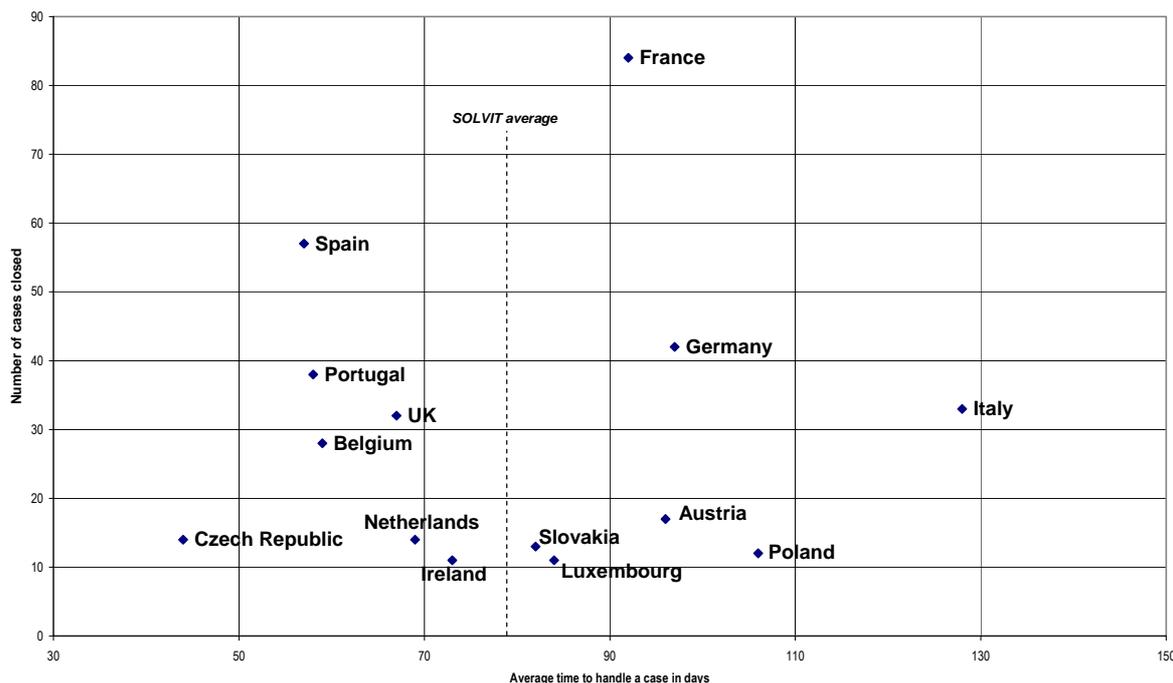


Figure 8 shows that there is no direct correlation between number of cases handled and average case handling time. For instance, Spain received 58 cases to handle as lead centre and managed to close them on average within 55 days; Germany received 42 cases and handled them on average within 97 days. The difference between the two centres is that SOLVIT Spain is adequately staffed with three persons while SOLVIT Germany has had to do the job with less than one person. SOLVIT Italy needs around twice as long to handle cases as the UK, Belgium and Portugal with a similar case load. This is not due to lack of staff in the Italian SOLVIT centre, but mostly to very long delays in response from authorities complained about in Italy.

**Figure 8 – Work load versus case handling time – SOLVIT lead centres
(SOLVIT centres that received 10 cases or more)**



2.5. Cost savings doubled

Addressing problems through SOLVIT is a cost saving approach since it avoids expensive and labour intensive formal procedures. While these effects are difficult to quantify, the SOLVIT database allows SOLVIT centres to include an estimate of the costs the complainant would incur over the next twelve months if the problem was not solved. The figures are based on assessments by the complainant. For cases solved in 2005 where a cost estimate has been included in the database (around 28% of all cases), the total amount of costs saved is €13 million, an increase of 100% as compared with last year's €6.5 million.

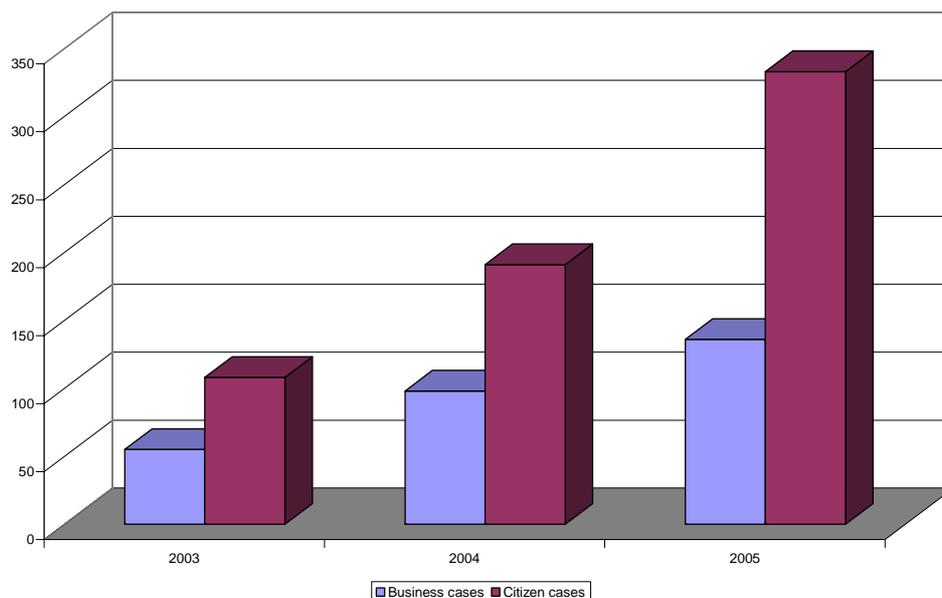
3. PROBLEM AREAS AND SOURCES OF CASES

3.1. Citizens submit more cases to SOLVIT than businesses

In 2005 71% of all cases were submitted by citizens and 29% by business. In 2004 these figures were respectively 66% and 34%. The resolution rate for the two different categories varies slightly namely 72% for business cases and 80% for citizens' cases.

It is not clear why the citizens segment is growing faster than the business segment within the SOLVIT case load. It may be that business users have other established channels through which they address problems caused by incorrect application of EU law. Other suggestions are that when larger sums of money are involved, businesses prefer to seek paid legal aid or work around the problem (e.g. by accepting to submit a product to further national tests even though this is not in line with EU law) rather than complain to a governmental body.

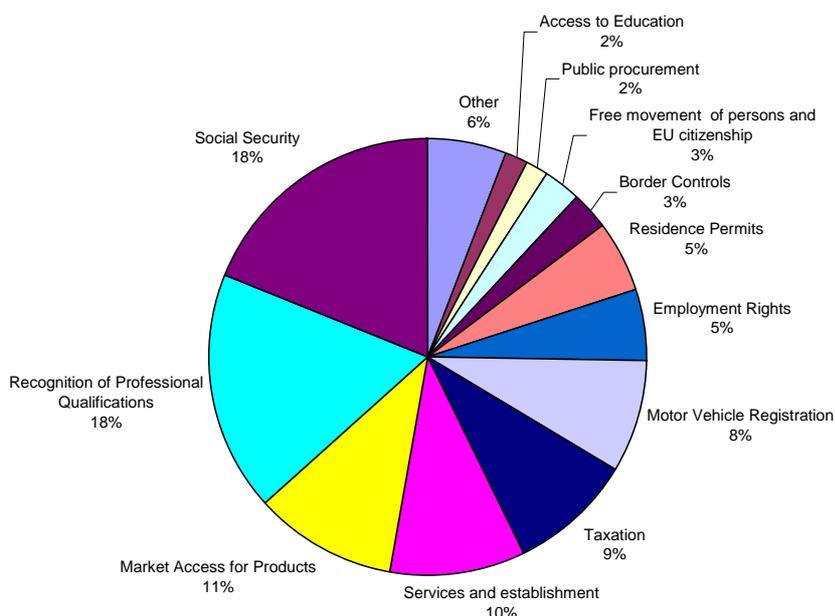
Figure 9 – Cases submitted by citizens and businesses



3.2. Social security and professional qualifications biggest problem areas

Most problems submitted to SOLVIT concern citizens and the main areas in which problems occur, are social security and professional qualifications. These two domains together accounted for over one third of all SOLVIT cases in 2005. A large proportion of problems in these areas is submitted by workers from the new Member States who have difficulties in getting their qualifications recognized or in obtaining the benefits to which they are entitled under EU rules.

Figure 10 – Cases handled in 2005 according to problem areas



4. OBSTACLES ENCOUNTERED

4.1. Main obstacles

In view of the remarkable results achieved by the SOLVIT centres, it is important to realise that the work they are required to do is quite demanding. The cases that are presented to them by citizens and business are often incomplete and need additional investigation to establish the merits of the case and to produce a presentable file. The legal analysis of the problem can be complicated especially for SOLVIT centres which do not have access to a wide range of legal experts to assist them. Finally, SOLVIT centres have to take on the difficult job of convincing another administrative authority that it has made a mistake and that it should correct this mistake. All these tasks have to be brought to a positive conclusion within a deadline of ten weeks. This is quite a challenge even in optimal work circumstances.

However, there are certain bottlenecks which make the task of a large number of SOLVIT centres even more difficult. In reply to a questionnaire from the Commission, the SOLVIT centres indicated which obstacles they had encountered in 2005, as summarised in the table below.

Table 1 - Number of SOLVIT centres that reported the following bottlenecks

Too many non-SOLVIT cases	17
Lack of continuity of staff	8
Not enough cases to develop a routine	6
Lack of support within organisation	5
Too many cases, not enough staff	5

4.2. Dealing with non-SOLVIT cases

The results of the questionnaire show that the obstacle most widely shared among SOLVIT centres is that of having to deal with non-SOLVIT cases. A wide majority spends a lot of time on dealing with queries and problems that do not fall within the remit of SOLVIT, at the expense of the time they can devote to solving real SOLVIT cases. As brand recognition of SOLVIT grows, many citizens and businesses turn to SOLVIT with requests for information about EU rules, with consumer-to-business and business-to-business problems but also with matters that only after in-depth examination turn out to be outside the remit of SOLVIT.

Most SOLVIT centres (though not all) find it frustrating to handle an ever increasing number of problems and queries that are not for SOLVIT because having to cover too many areas of expertise greatly reduces efficiency. Moreover, the work done on non-SOLVIT cases is invisible in the statistics and is generally not (sufficiently) appreciated within the administrative base of the SOLVIT centre.

This problem needs to be addressed at various levels. Firstly, the signposting of citizens and businesses, on national and EU websites, requires urgent improvement so that they do not get lost in the labyrinth of information, advice and problem solving instances, but are guided to the right address immediately. This should help to reduce the number of non-SOLVIT queries. Secondly, it should be made easier for SOLVIT centres to refer non-SOLVIT queries to more appropriate instances such as “Europe direct”, “Citizens Signpost Service” and to national information and advice services. Finally, since some work on non-SOLVIT cases will remain unavoidable, a facility should be created to make this more visible, for instance as a separate register in the SOLVIT database.

4.3. Lack of staff or continuity is a bottleneck in eleven SOLVIT centres

On average each of the SOLVIT centres has spent 15 man months on SOLVIT tasks in 2005, but this average is based on staffing levels diverging between 52 and 0.5 man months. For SOLVIT centres in very small countries, case flow is very limited and unlikely to become big enough to justify a SOLVIT centre with full time staff. However, each SOLVIT centre, regardless of country size and case flow, should at least make three man months per year available for SOLVIT tasks including awareness raising and network activities such as attending workshops. Additional resources are needed in proportion to the volume of cases received and submitted.

All SOLVIT centres were asked to indicate how many human resources had been available for SOLVIT tasks in 2005, whether this had been sufficient to cope with the workload and /or provide a good service and, if the answer was negative, how many more staff they would need. On the basis of these indications and looking at results in terms of cases submitted to the system, overall case load and case handling speed, it can be concluded that eleven out of 28 SOLVIT centres were understaffed in 2005. (Luxembourg and the Netherlands have allocated more staff since early 2006)

Table 2 - Staffing levels in SOLVIT centres during 2005

<i>Adequate</i>		<i>Low</i>	
UK	Slovakia	Germany	Iceland
Spain	Finland	France	Liechtenstein
Poland	Norway	Italy	
Greece	Ireland	Netherlands*	
Portugal	Latvia	Belgium	
Czech Republic	Estonia	Austria	
Hungary	Cyprus	Lithuania	
Sweden	Malta	Slovenia	
Denmark		Luxembourg*	

Staffing of SOLVIT centres is rapidly becoming a bottleneck for further expansion of the system. Lack of staff and continuity problems have put significant strain on volume, quality and speed of case handling in some of the larger Member States during 2005.

4.4. Specific problems of the smallest SOLVIT centres

With a current average case flow of 1 case per million inhabitants, eight of the SOLVIT centres have had less than 10 cases to handle (both cases submitted and received) during 2005. For some this has caused a double problem. First of all it is difficult to develop a case handling routine with only a few cases per year to handle. Secondly, within the ministries in which the smaller SOLVIT centres are based, it is not easy to plead for maintenance of resources for SOLVIT which such a low case flow.

Nevertheless, the strength of SOLVIT as a cooperative network, depends greatly on having an operational SOLVIT centre in all Member States. It would not be acceptable to refuse a complaint because the problem has occurred in a country that is too small to have a SOLVIT

* More staff has been allocated for 2006

centre. Moreover, some of the smaller countries such as Latvia and Luxembourg are already generating a substantial case flow. It is therefore important also for the smaller Member States to give sufficient priority to SOLVIT work in order to keep the SOLVIT centre fully operational and to encourage awareness raising activities.

5. FURTHER DEVELOPMENT OF SOLVIT

5.1. Promotion of SOLVIT

Both at national and at EU level further efforts were made to raise awareness about SOLVIT. The SOLVIT centres concentrated on presentations within their national administration and for external organisations. They also encouraged the inclusion of web links to SOLVIT on relevant governmental and non-governmental websites.

The SOLVIT team at the Commission has started work on various new promotional instruments (newsletter, specialised webpages for different SOLVIT user groups, visuals to illustrate SOLVIT success stories) and the revision of existing material (website, poster, brochure). All these projects will be finalised in 2006 and will be made available to the SOLVIT centres. Furthermore, the Commission has financed a small scale awareness raising campaign via an external company, targeting the relevant media in a number of Member States. This campaign will be extended in 2006.

5.2. Strengthening cooperation with other networks

The SOLVIT network is committed to provide a first class service to all EU citizens and businesses with 'SOLVITable' problems. To help them in finding their way to SOLVIT it is important to ensure that other networks that provide information, advice and assistance are aware of SOLVIT and know how and when to signpost their customers to SOLVIT.

For instance the Citizens Signpost Service that delivers tailor made legal advice to citizens about their rights within the EU, already suggests its customers to turn to SOLVIT when it finds that citizens are denied their EU rights. However, until now this means that citizens will have to explain their problem again when submitting the case to SOLVIT. This implies double work and citizens can easily become discouraged by such procedures. The Commission is therefore developing a direct link between Citizens Signpost Service and SOLVIT so that suitable cases can easily be transferred from one system to the other.

For other networks such as those of the Euro Info centres and the national Citizens Advice Bureaus, a special website will be launched by the end of 2006 explaining how to submit cases directly to SOLVIT via an on-line complaint form.

A similar website will be made available to members of the European Parliament and their assistants to facilitate direct submission to SOLVIT of complaints they receive from their constituents.

5.3. Streamlining complaint procedures at EU and national level

Within the EU and national administrations considerable work remains to be done to ensure that complaints received from citizens and business are treated with the most appropriate procedure. Within the areas also covered by SOLVIT (see chapter 3.2) the Commission registered 729 formal complaints in 2005 (55% more than SOLVIT). The average time to

decide to either close these complaints or to pursue them with an infringement procedure is one year. Obviously, in those cases where an infringement procedure is inevitable because the Member State concerned does not agree with the Commission that national law needs to be changed, SOLVIT cannot help. But in the remaining cases it would make sense to try and establish via SOLVIT first whether the problem cannot be solved informally. With an average case handling time of 65 days, SOLVIT will at least be able to provide the citizen or business with a faster response than the formal complaint procedure. In 2005, 17 cases were submitted to SOLVIT by European Commission case handlers which is a slight increase as compared with 2004, but there is scope for improvement in this area.

Citizens and businesses can also turn to the petitions procedure of the European Parliament with their complaints. This procedure is also relatively cumbersome with an average response time of around a year. Some of the complaints would be suitable for treatment by SOLVIT so that problems could be solved faster. There have been contacts between the services of the Commission and the European Parliament to examine how SOLVIT could help but no cases have been transferred yet, so more needs to be done to establish closer cooperation.

Finally, SOLVIT has reached out to national embassies of EEA Member States in EEA capitals since they also receive a fair number of complaints from citizens and businesses with a cross border problem and could benefit from assistance via SOLVIT. At the two workshops held outside Brussels every year, embassies have been invited to familiarise themselves with the work of the SOLVIT network and to allow them to establish direct contacts with the SOLVIT centres of their own country. Moreover, various SOLVIT centres have presented SOLVIT at annual conferences organised in their capital for officials working at the embassies in EU countries. This has resulted in closer cooperation between some of the SOLVIT centres and their embassies.

5.4. Resolution of structural problems

The agreed rules only require SOLVIT centres to solve problems resulting from incorrect application of EU rules due to bad administrative practice. Problems that are caused by incorrect transposition of EU rules or lack of transposition in national law are in principle not within the remit of SOLVIT because they cannot be solved within ten weeks. Nevertheless, an increasing number of SOLVIT centres is willing to pursue such cases until national law is changed to comply with EU rules. Within the network these cases are known as SOLVIT+ cases (see Annex 5 for examples of such cases). SOLVIT centres of Portugal, Spain, Poland, Netherlands, Czech Republic, Sweden, Ireland, Latvia, Lithuania and Cyprus have all engaged in SOLVIT+ efforts in 2005.

In two other countries, Poland and Luxembourg, SOLVIT centres have pushed for a more systematic examination of all unsolved cases in SOLVIT. Within their national administration procedures are developed to make sure that if a case remains unresolved via SOLVIT the legislation causing the problem is examined with a view to propose the necessary changes to comply with EU rules.

Clearly these developments show that SOLVIT is not only a powerful instrument to deliver fast and pragmatic solutions to citizens and businesses, but also helps to bring about an administrative culture change by making administrations more responsive to real problems encountered by those who want to benefit from the internal market.

6. PERSPECTIVES AND RECOMMENDATIONS

6.1. Perspectives

In 2005 SOLVIT stopped short of handling 500 cases. It is difficult to assess how many problems arise every year for citizens and businesses throughout the EU, that could be solved through SOLVIT. A conservative estimate could be based on the volume of cases currently submitted to the system by the four most active SOLVIT centres in this respect (Portugal, Belgium, Czech Republic and Sweden), namely 3.5 per million inhabitants. On a total EEA population of 464 million, this would amount to 1624 per year, around 250% more than the current overall case volume. This estimate is based on the assumption that in the four countries with the highest level of case submission, a maximum level of awareness about SOLVIT has been achieved and that they have enough staff to handle all potential cases. Since neither of these two conditions is fulfilled, the real potential is likely to be even higher.

In any case, with the current allocation of human resources for SOLVIT tasks, the network will be incapable to deal with such increases in case volume. Already now lack of resources leads to delays in case handling in a number of SOLVIT centres, in particular the bigger countries Germany, France and Italy. Furthermore, Italy and Germany are submitting a relatively low number of cases to the network. The number of cases submitted by France has even decreased since last year. SOLVIT centres that are not adequately staffed cannot afford to invest in awareness raising activities and some are even actively discouraged from promoting SOLVIT to avoid an increase in work load.

If nothing is done about the resources situation in eleven of the SOLVIT centres, especially in the six centres with an average or high case load, it is likely that either the total case volume will remain stable at around 500 cases per year, or that increasing delays in case handling will start to undermine the ten weeks deadline and the potential to deliver real solutions, in other words the two essential elements of the SOLVIT service.

6.2. Recommendations

The commitment to the SOLVIT approach at operational level is almost invariably strong. SOLVIT centres take pride in the positive results the network delivers. Within their hierarchies and at political level however, real support beyond lip service is still patchy and SOLVIT tasks are often considered as less important than policy support tasks (e.g. writing briefings and speeches). More political support translated in operational measures is therefore crucial to sustain further development of the SOLVIT approach. Measures should be focussed on the following objectives:

- Member States should ensure that SOLVIT centres can work in optimal conditions to maintain a high level of service.
- Member States should increase (permanent) staff in those SOLVIT centres where lack of human resources and continuity of staff have become a bottleneck to further development of the SOLVIT network.
- Both the Commission and the Member States should address the problem of an increasing volume of non-SOLVIT cases by improving signposting on EU and national websites to make it easier for citizens and businesses to find the right address for their queries; by improving the possibilities for SOLVIT centres to transfer queries outside the scope of

SOLVIT to other networks and instances and by making work on non-SOLVIT cases more visible.

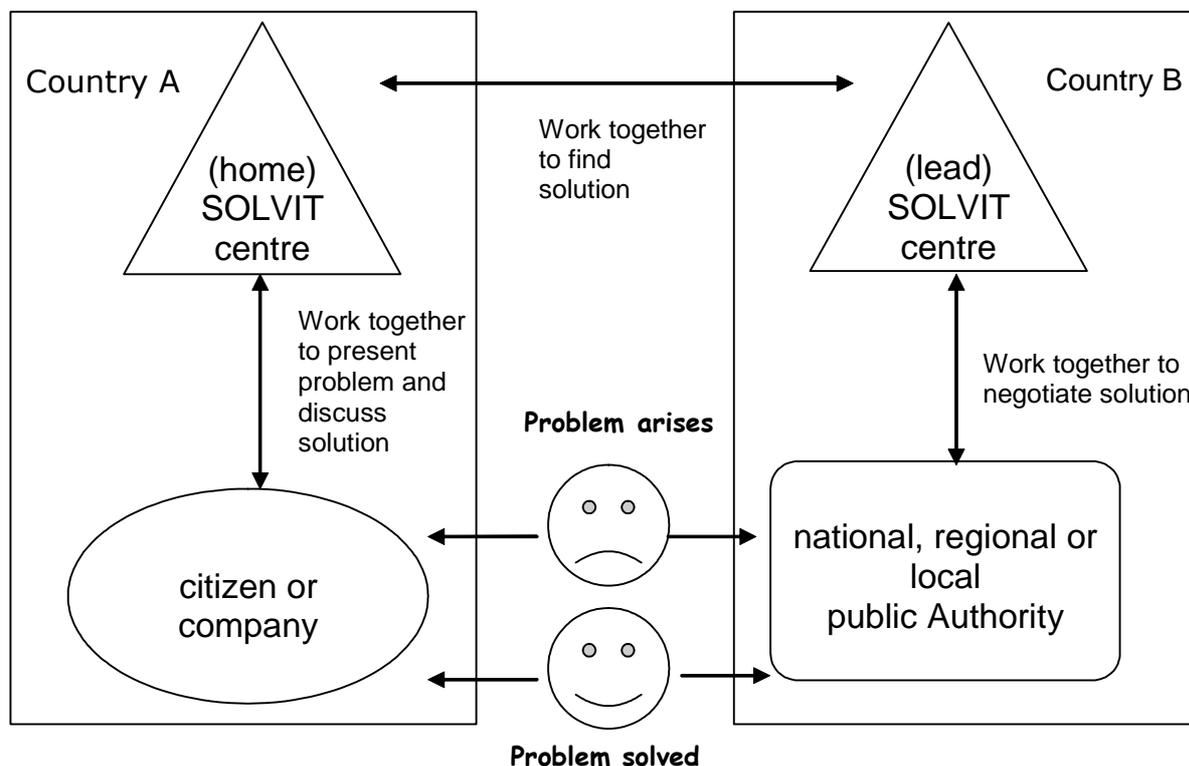
- To ensure that all citizens and businesses with SOLVIT-able problems find their way to the network, further awareness raising is needed at EU and national level and cooperation with other networks should be intensified.
- The use of SOLVIT as a complementary instrument to handle complaints that are submitted to the formal Commission complaint procedure and to the European Parliaments' petitions procedure should be further encouraged and facilitated.
- Using SOLVIT to pursue solutions for more structural problems is a development that should be encouraged and supported both at national and EU level.

ANNEX 1 – PROCEDURE AND SCOPE OF SOLVIT

A. HOW SOLVIT WORKS

When a citizen or business submits a case to SOLVIT, the local SOLVIT centre (known as the SOLVIT "home" centre) will first check the details of the application to make sure that it does indeed concern the misapplication of Internal Market rules and that all the necessary information has been made available. It will then enter the case into an on-line database system, and it will be forwarded automatically to the SOLVIT centre in the other Member State where the problem has occurred (known as the SOLVIT "lead" centre).

The SOLVIT lead centre should confirm within a week whether or not it will take on the case. This will largely depend on whether it considers that the case is well-founded and whether there is a good chance that it can be resolved pragmatically. In some cases, not only its application, but the rule itself may be the problem. If the solution to a problem requires the repeal of a particular rule, this may take many months, if not longer – and may well require formal legal action. In such cases, there is little SOLVIT can do, although a Member State which has agreed that it will change a contested rule may well decide to waive its application.



The target deadline for finding a solution to the problem is 10 weeks. The two SOLVIT centres will work together to try to solve the problem and the complainant will be kept informed of progress and the proposed solution by the SOLVIT home centre. Nevertheless, if a problem goes unresolved, or the complainant considers that the proposed solution is unacceptable, he/she can still pursue legal action through a national court or lodge a formal complaint with the European Commission.

B. WHERE SOLVIT CAN HELP

SOLVIT deals, in principle, with any cross-border problem between a business or a citizen on the one hand and a national public authority on the other and which concerns the possible misapplication of EU law.

The policy areas SOLVIT has mostly dealt with so far are: recognition of professional qualifications and diploma's, access to education, residence permits, voting rights, social security, employment rights, driving licences, motor vehicle registration, border controls, market access for products, market access for services, establishment as self-employed, public procurement, taxation, free movement of capital or payments. This is not an exhaustive list. SOLVIT will consider any case that meets the criteria above.

However, since SOLVIT is an informal approach to problem solving it should not be used in situations where legal proceedings are already underway. Moreover, SOLVIT does not deal with business-to-business and consumer-to-business problems.

ANNEX 2 – OVERVIEW OF SOLVIT CENTRES’ OVERALL PERFORMANCE IN 2005

	Cases submitted to the system compared with country size (1)	Overall case load (submitted and received) (2)	Case handling speed (3)	Resolution rates (4)	Staffing level (5)
Austria	high	average	low	low	low
Belgium	high	high	high	average	low
Cyprus	high	low	-	-	adequate
Czech Republic	high	average	high	average	adequate
Denmark	average	low	-	-	adequate
Estonia	high	low	-	-	adequate
Finland	high	low	-	-	adequate
France	low	high	low	average	low
Germany	low	high	low	average	low
Greece	low	low	-	-	adequate
Hungary	high	low	-	-	adequate
Iceland	high	low	-	-	low
Ireland	low	average	average	low	adequate
Italy	low	high	low	average	low
Latvia	high	average	-	-	adequate
Liechtenstein	low	low	-	-	low
Lithuania	low	low	-	-	low
Luxembourg	high	average	average	average	low [#]
Malta	average	low	-	-	adequate
Netherlands	high	average	high	average	low [#]

[#] More staff has been allocated for 2006

	Cases submitted to the system compared with country size (1)	Overall case load (submitted and received) (2)	Case handling speed (3)	Resolution rates (4)	Staffing level (5)
Norway	average	low	-	-	adequate
Poland	high	average	low	average	adequate
Portugal	high	high	high	high	adequate
Slovakia	high	average	average	average	adequate
Slovenia	low	low	-	-	low
Spain	average	high	high	average	adequate
Sweden	high	average	-	-	adequate
United Kingdom	low	high	high	average	adequate

1. The average number of cases submitted to SOLVIT during 2005 was +/- 1 per million inhabitants. 25% less than average compared with country size is marked 'low', 25% more than average is marked as 'high'. Where a SOLVIT centre has submitted only 2 cases or less in 2005, this is considered 'low' regardless of the country size.
2. On average a case handled as lead centre takes twice as much time as a case submitted as home centre to another centre. Cases received have therefore been counted double in the assessment of the overall case load for each of the SOLVIT centres. A case load between 25 and 70 (including double counting) is considered as average.
3. Average time to accept/reject a case was 7 days, average time handle a case as from acceptance, including both resolved and unresolved cases, was 72 days. Average total case handling speed is 79 days. Average case handling speed of less than 69 days is considered high, an average speed of more than 89 days is considered low. For centres with less than 10 cases received as lead centre no case handling speed indication can be given.
4. Average resolution rate is 77%. Less than 67% is considered low, more than 87% is considered high. No indications for centres with less than 10 cases as lead centre.
5. Experience shows that each SOLVIT centre should at least have 3 man months available, regardless of the size of the country. The bigger countries need at least 24 months at current levels of case load. The intermediate countries need at least 18 man months, or more if their case load is higher than average. Indications are based on time spent on SOLVIT tasks in 2005 as reported by the SOLVIT centres.

ANNEX 3 – STATISTICS ON CASE FLOW OF ALL SOLVIT CENTRES

Figure 11 – Cases submitted and received in 2005 – SOLVIT centres who have submitted and/or received more than 12 cases

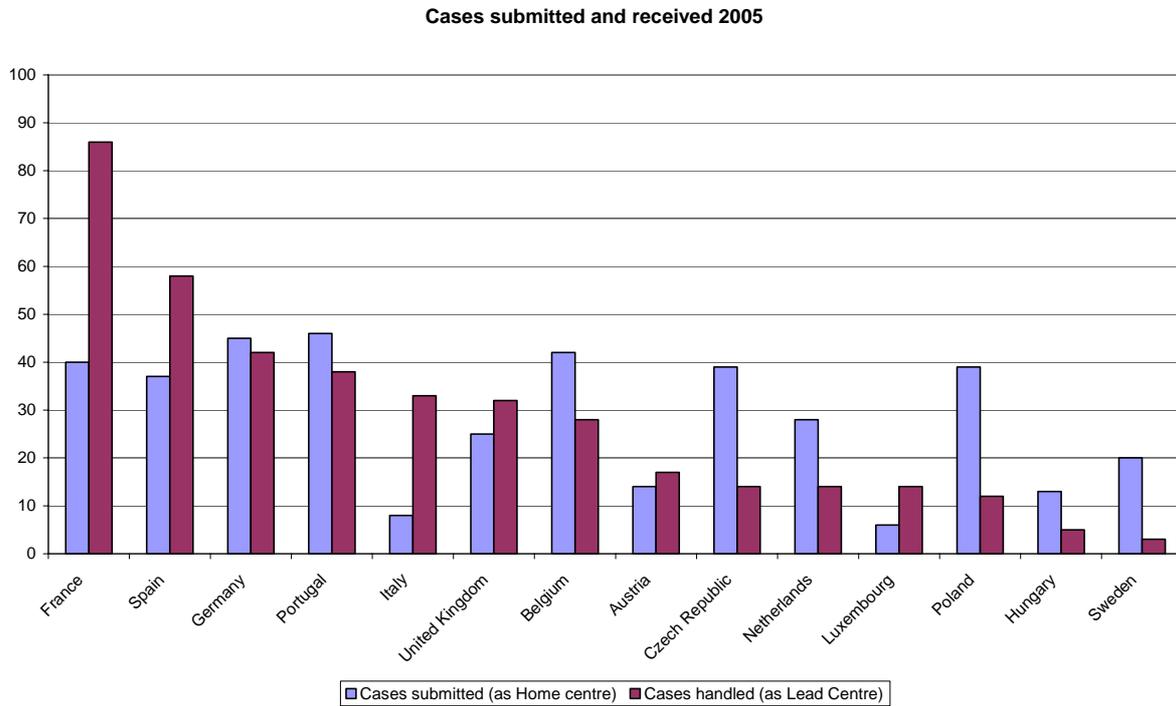
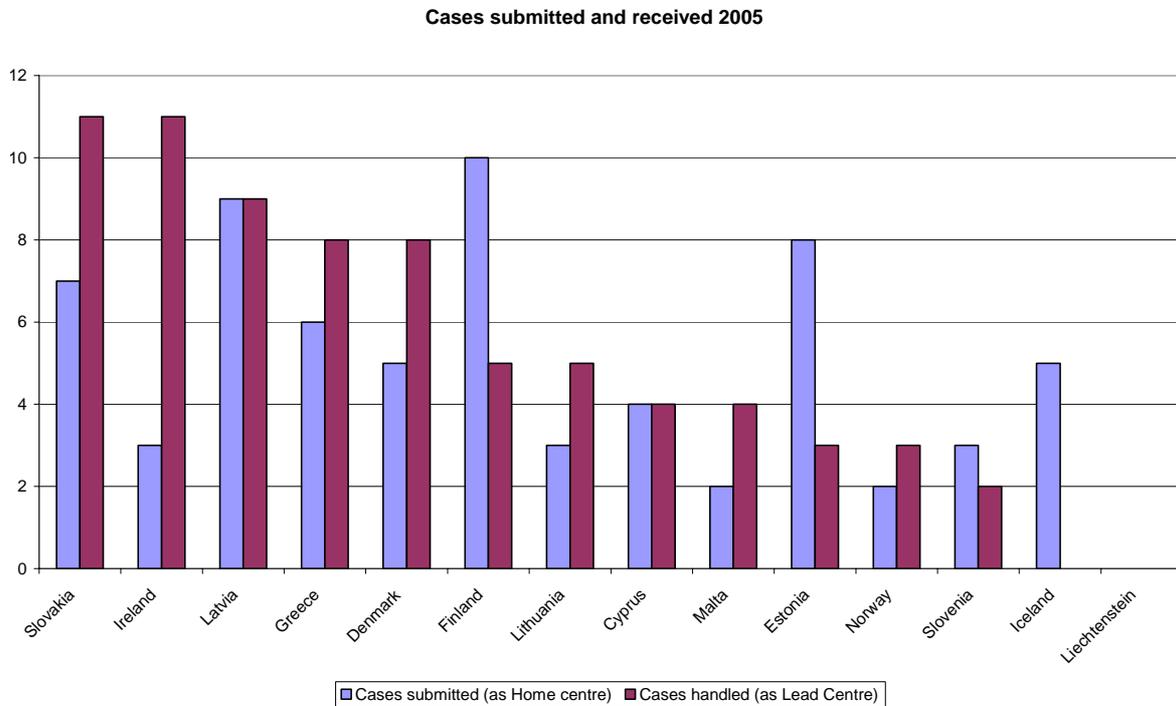


Figure 12 - Cases submitted and received in 2005 – SOLVIT centres who have submitted and received less than 12 cases



ANNEX 4 - SOLVIT SUCCESS STORIES 2005

1. SOLVIT Netherlands clarifies residence rights for spouse of Italian citizen

An Italian citizen moved to the Netherlands with her Brazilian spouse. The Brazilian received a formal letter from the Dutch authorities requiring him to participate in an obligatory full-time course to get acquainted with the Dutch language and culture. As the couple were both working full time, following the course was not an option. Moreover, imposing such conditions on EU citizens and their family members is not in line with EU law. SOLVIT Netherlands made a phone call to the relevant authorities to clarify that the Brazilian spouse should not be asked to follow the course. The mistake was then corrected. **Solved within 5 weeks** (case no. 20181/05/IT).

2. SOLVIT UK helps to reverse deportation order for French citizen's husband

The husband of a French citizen had worked in the UK since 2001 with a residence permit as a family member of an EEA national, valid until 2007. He applied for a permanent residence permit but received a refusal and a deportation order in reply on the argument that his French wife had not been working during the past four years. However, under EU rules EU nationals and their family members have a right to reside in an EU Member State provided that they have sufficient resources and are covered by medical insurance. SOLVIT UK asked the authorities to reconsider the case. They admitted that an error had been made and reversed their decision. **Solved within 2 weeks** (case no. 19062/05/FR).

3. Self-employed Polish businesswoman gets residence permit in Spain

A Polish national working in her own business in Spain had been refused a residence permit in 2005 on the grounds that Polish nationals did not have the right to a residence permit until May 2006. Instead, Spain informed her that she required a visa and a work permit. SOLVIT pointed out that this was against EU rules and the Spanish authorities duly provided the applicant with the residence permit. **Solution found within 2 weeks** (case no. 19041/05/PL).

4. Portuguese fishing boat captain can now work in Spain

A Portuguese fisherman, living near the border with Spain, held a certificate allowing him to pilot certain types of fishing boats. However in order to work for a Spanish fishing company, the fisherman needed to have his certificate recognised by the Spanish. Some 6 months after having asked for the recognition of this certificate, the fisherman still had no response - and had had to refuse various job offers in Spain. SOLVIT sorted out the problem and the captain can now take up work on Spanish fishing boats. **Solution found within 9 weeks.** (Case 18501/05/PT)

5. SOLVIT solves administrative gridlock in Luxembourg

The Israeli wife of a Hungarian national, was obliged to apply for a work permit prior to taking up a position as a non-remunerated trainee at a Luxembourg hospital. Moreover, the authorities took an excessive amount of time to deliver this permit. SOLVIT considered that since the complainant was married to an EU citizen, the requirement of a work permit was contrary to EU law and took up the issue with the Luxembourg hospital and with the competent Luxembourg authorities: a work permit was issued without further delay. **Solved within 3 days** (case no. 18281/05/LU).

6. Obstacles to importation of Danish fishmeal to Czech Republic overcome

A Czech company that imports fishmeal from Denmark was asked by the Czech administration to produce the documentation that is required when importing fishmeal from a

non-EU Member State. SOLVIT CZ was of the opinion that this was an unjustified obstacle to the free movement of goods within the EU and contacted the Ministry of Agriculture. The Ministry agreed that such a requirement was contrary to EC law. As a result, this documentation was not longer required and the Czech company did not encounter this problem again. **Solved within 5 weeks** (case no. 17381/05/CZ).

7. Polish market traders can operate freely in Slovakia

A Polish trader sold sweets and cookies from a mobile market stand throughout Poland. He wanted to sell his goods at a weekly market in Slovakia; however the Slovak authorities refused to allow him to do this, saying that the selling of foodstuffs from a vehicle by service providers from other Member States is prohibited. SOLVIT Slovakia contacted the competent national authorities and they confirmed that this practice is discriminatory to foreign traders. Consequently, the competent national authorities instructed all the regional health authorities to lift this barrier so that traders from other Member States would be treated similarly to Slovak traders. **Solution found within 6 weeks** (case no. 16621/05/PL).

8. SOLVIT Poland smoothes the way for a German businessman to get a residence permit

A German citizen set up a company in Poland of which he was the only member of the management board. He applied to the Polish authorities for a residence permit but they asked for a valid work permit before they could issue the residence permit. It appeared that under Polish law, a foreign national who is a member of the management board is treated as a worker whereas Polish citizens in the same situation are not treated as workers. SOLVIT Poland clarified with the authorities that this was contrary to EU law and the applicant received his residence permit without the need to have a work permit. Moreover the competent Polish authorities have agreed to fully examine the relevant Polish law with a view to ensuring that it is fully compliant with EU rules. **Solution found within 3 weeks** (case no. 16681/05/PL).

9. Spanish driving instructor gets permission to work in the UK

A Spanish driving instructor wanted to work in the UK. However the registrar for approved driving instructors did not approve his Spanish driving instructor license, as the Spanish and UK expiring dates of the driving instructor licenses differs. After the intervention of SOLVIT the registrar reconsidered the application and the Spanish driving instructor was allowed to join the British register of approved driving instructors. **Solution within 6 weeks** (case no. 16061/05/ES).

10. Icelandic citizen residing in Austria can still use his driving license

An Icelandic citizen residing in Austria had a valid Icelandic driving licence. However the Austrian authorities informed him, that as he had been residing in Austria for more than six months, his Icelandic driving licence had automatically expired and he consequently had to request a new Austrian driving licence. This rule only applies to non EU-nationals residing in Austria. SOLVIT Austria clarified, that the EU rules on the mutual recognition of driving licences had been incorporated into the EEA agreement. Therefore the Icelandic driving licence should be automatically recognized by authorities in another EU Member State. **Solution found within 5 weeks** (case no. 15582/05/IS).

11. SOLVIT Netherlands resurfaces successfully from a difficult dive

A Belgian doctor specialised in the medical examination of divers, complained that the medical certificates he issued were not accepted in the Netherlands. The Dutch authorities required all divers not holding a Dutch certificate to be re-examined by a Dutch divers' doctor

as a condition for working in the Netherlands. SOLVIT Netherlands held intensive negotiations with the Dutch Ministry of Employment and Social affairs and eventually persuaded them that the Dutch rules were not in line with EU law and had to be amended. The case was successfully concluded by a formal letter of the Director of the department for working conditions in which he promised to revise the rules in line with EU requirements and, as an interim solution, to issue guidelines to the relevant instances so that they could adapt their practices immediately based on direct application of EU treaty provisions. **Solved within 14 weeks** (case no. 13061/05/BE).

12. Czech SOLVIT helps German citizen to obtain driving licence

The driving licence of a German citizen residing in the Czech Republic was stolen. In accordance with EU law the Czech authorities should issue a new driving licence on the basis of a declaration provided by the German authorities to testify that the original driving licence had been issued there. However, the Czech municipality where the German citizen lived, refused to provide a new driving licence. Czech SOLVIT examined the case and discovered that Czech law transposing EU rules had omitted the possibility to issue a driving licence in these circumstances. The Czech Ministry of Transport accepted to inform the municipality concerned that they could provide the driving licence on the basis of the German declaration. **Solved within 5 five weeks** (case no. 14661/05/CZ)

13. SOLVIT Lithuania convinces Vilnius University to apply non-discriminatory fees for visitors

All visitors except Lithuanians had to pay an entrance fee for the architectural exhibition of the Vilnius University. Following the intervention of the SOLVIT Lithuania, the University set the uniform fees for all EU citizens without discrimination on grounds on nationality. **Solved within 8 weeks** (case no. 13762/05/FR).

14. SOLVIT France intervenes to clear up unjustified accusations against UK company

A UK company had been trading in France for several years and was overdue a tax refund from the French Tax Authority. However, the authority had decided that the company was acting fraudulently and acquired a Court order to freeze the assets of the company, thus preventing the company from conducting its business. Following an intervention from SOLVIT France and after due examination, the authority admitted that no fraud had been committed and promised to reimburse the VAT. **Solved within 3 weeks** (case no. 13821/05/UK)

15. Latvian enterprise experienced difficulties in importing of new equipment for petrol stations

A Latvian enterprise imported new petrol station equipment accompanied by a valid manufacturer's certificate under Directive 94/9/EC. However, the Latvian authorities objected to the installation of the equipment since it did not comply with the national regulations on fire prevention. SOLVIT Latvia convinced the responsible authorities that the national rules were not in line with EU law and that the authorities should allow the installation of the equipment with a valid certificate proving its conformity with the harmonised standard. **Solved within a week** (case no. 14781/05/LV)

ANNEX 5 – SOLVIT+ CASES 2005

May 2005 - No more discrimination on fares in the Azores Archipelago (Case 14241/05/FR)

A French pensioner visited the Azores Archipelago during his holidays. While travelling by boat between the islands, he noticed that the leaflet of the ferry company offered a special fixed fare of 11 Euro for Portuguese persons over the age of 65. Fares for other passengers were as high as 62 Euro.

The ferry company involved is the most important in the Archipelago; the only one ensuring regular liaisons between all 9 islands. SOLVIT France claimed that this procedure regarded a clear discrimination on the grounds of nationality (Art 12).

SOLVIT Portugal convinced the Autonomous Region of the Azores of subsequently announced the signature of a new Protocol between the boating company and the Secretary General for Social Affairs allowing all disabled or over 65 year old EU citizens to benefit from the special travelling fixed fare of 11 Euros.

July 2005 – SOLVIT Cyprus obtains a victory for free movement of pets (Case 16161/05/CY)

A Cypriot citizen and her dog were travelling back to Cyprus after a short trip to Greece. The woman was stopped by Cypriot Customs Authorities and although she had all of the necessary documentation for her dog (as required by Regulation 998/2003), she had to wait for hours for a vet to inspect the documents and was also required to pay 35 Euro to 'import' her dog.

SOLVIT Cyprus pointed out to its Ministry of Agriculture that if pets comply with Regulation 998/2003, they can move freely within the EU. The Ministry accepted the analysis and subsequently published new rules in the Cypriot 'Official Journal', setting out that pets should be able to move freely within the EU and that fees were no longer applicable.

July 2005 - Portugal score a goal for cross-border footballers (Case 16221/05/NL)

A Dutch citizen had been living in the Portuguese Algarve since he was 5 years old. He played amateur football at junior level for several years, but when he turned senior, the Algarve Football Association confronted him with a Portuguese Football Federation rule that stated that only one non-national player is allowed on each amateur team. As a result he was unable to register for his preferred team because they already had one non-national registered. Several other clubs turned him down for the same reason. In the end he had to stop playing competitive level football for some 3 years until he heard about SOLVIT.

The Portuguese SOLVIT centre contacted both the Algarve Football Association and the Portuguese Football Federation alerting them to this discrimination against non-Portuguese EU citizens and pointing out to them that they must respect EU rules on free movement of persons.

Subsequently SOLVIT Portugal received a copy of an official communication, dated 4 July 2005, by the Portuguese Football Federation to all Portuguese amateur associations and clubs stating that there should be no restrictions regarding the number of amateur EU national football players. The rules now only restrict the number of non-EU nationals allowed to play.

August 2005 - Lithuanian legislation on driving licences amended thanks to SOLVIT Lithuania (Case 16602/05/NO)

A Norwegian citizen, living and working in Lithuania on a permanent basis, was told by his lawyer to change his driver's licence. According to Lithuanian legislation only the EU nationals have right to keep and use their driver's licence, if they live in the country more than 185 days per year.

However, citizens of Norway, Iceland and Liechtenstein were treated as third country nationals, who were obliged to change their driver's licence. SOLVIT Lithuania got in touch with the authorities and pointed out the loophole, made in the legislation. The legislation was amended within 6 weeks..

(Legal reference: Order Republic of Lithuania Minister of the Interior No. IV-195 dated 22 June 2005, Amending Minister of the Interior Order No. 588 On Approval of Rules of Issuance and Exchange of Driving Licences (dated 19 December 2002).

October 2005 - SOLVIT Latvia obtains change in labelling legislation (Case 18801/05/LV)

A Latvian seller of foodstuffs and veterinary supplies ran into difficulties because labels on the products he sold only mentioned his name and address, not that of the original manufacturer, packager or importer as required under Latvian rules. SOLVIT Latvia compared the national rules with the relevant EU Directive and found that the latter also allowed the name and address of the seller as sufficient information. They convinced the Ministry concerned to apply the Directive with direct effect so that the seller could market his products immediately. Moreover, SOLVIT Latvia made sure that the Latvian rules were amended to comply with the EU Directive.

Reference to the new Latvian legislation: Ministru kabineta noteikumi Nr.730, Riga 27 September 2005 (Regulations No 730 of the Cabinet of Ministers of Latvia of 27.09.2005. "Amendments in the "Regulations on Labelling of Foodstuffs")