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NOTE

From: CZ, DK, DE, EE, LT, LV, MT, NL, NO, SE and UK Delegations
To: Council

Subject: **Results of Frontrunners Projects to improve the Single Market**

Delegations will find attached a Note from the CZ, DK, DE, EE, LT, LV, MT, NL, NO, SE and UK delegations on the results of Frontrunners Projects to improve the Single Market.

Competitiveness Council, 2 March 2015
Results of Frontrunners Projects to improve the Single Market

CONTEXT

On 26 May 2014, the Frontrunners group presented their initiative in the Competitiveness Council. The aim of the initiative is to make the Single Market work better for business and consumers and to solve concrete problems faced by business and consumers within the Single Market. The Frontrunners approach can be seen as complementary to the traditional European legislative process in the area of the Single Market. It is an open initiative, based on a bottom-up approach with stakeholders where own responsibility for Member States is key. A variety of tools, such as “improved coordination”, exchange of best practices and peer pressure, are used to ensure that every effort is made to realise the economic potential of cross-border trade within the Single Market. As well as working together as Member States, we work closely with stakeholders to identify priority areas. This ensures that the results of the initiatives meet the demands of society at all relevant levels. The group presented its ideas to stakeholders in various meetings.¹ The ideas have been very well received by stakeholders so far.

The group finalised its work on the four projects it had identified in May 2014: the Single Market Centre, Points of Single Contact, the recognition of professional qualifications and barriers to cross-border e-commerce. The Frontrunners present a new form of cooperation. The projects have led to a better cooperation between systems and people. This improved interconnectedness will help consumers and businesses in the EU Single Market. Today, the results will be shared with all Member States through this note and the accompanying brochure.

¹ The Frontrunners project was explained during a meeting with EFTA, EuroCommerce, a stakeholder meeting organised by the Netherlands and Sweden on cross-border e-commerce, an EUGO meeting on the Points of Single Contact and a conference on the EU in a Digital Age organised by the UK and Denmark in February this year.

PROJECTS

1. Explaining the goal and aim of the projects

The Single Market had in 2008 resulted in an additional increase of 2,13% of EU27 GDP (or €33 billion euro) and an additional increase of 2.77 million jobs (increase of 1.32% of employment) since its creation in 1992. We believe that all four projects can contribute to achieving the potential of the Single Market even further. The goal of the four projects is to identify the most pressing problems within the Single Market where Member States can themselves have the ability to take national action to resolve these. Subsequently, solutions to these problems should be identified that can be shared with all Member States. In all four projects, the problems have been clearly identified and researched and subsequent recommendations/best practises have been formulated. It should be noted that each of the various projects was conducted with a different constellation of Member States.

2. Key findings and recommendations per project

A brief summary of the main key findings and recommendations is given for each project.

Cross-border e-commerce project - initiated by the United Kingdom and Sweden

The group consisted of Denmark, Germany, Lithuania, Malta, Netherlands, Sweden and UK. The first step of the project focused on country code top-level domains; research which was led by Sweden. The group worked to identify barriers related to the key function of setting up a web shop remotely in a different market than the home market. The project was reported through research on the ease of registering domain names under country code top level domains for businesses in Member States, including a 'mystery shopper' exercise. Despite some variations in process, it was concluded that it is possible to secure registration under country top-level domains for each participating MS remotely. As an extension to this initial project, the participating Member States have shared information on national requirements for setting up and operating an e-commerce business, such as VAT requirements, company establishment and consumer protection rules. The report sets out the findings a questionnaire, distributed to the participating Member States, which identifies both areas of best practice and other areas where divergent approaches may lead to barriers for cross-border e-commerce. The report suggests recommendations for consideration by Member States and the Commission which could provide the basis for key steps to effective cross-border e-commerce.

Single Market Centre – initiated by The Netherlands

The aim of this project is to give European entrepreneurs one single contact point within the administration to answer and solve all questions and problems they encounter within the Single Market. The group consisted of the following countries: Czech Republic, Denmark, Germany, Ireland, Latvia, Lithuania, Malta, the Netherlands, Poland, Sweden and the United Kingdom. In order to achieve this, a ‘manual’ has been developed to help Member States in the setting up of a Single Market Centre, taking into account the different tools and desks that a particular Member State offers to cross-border entrepreneurs, consumers and citizens, and provide suggestions on how to integrate and better streamline these tools and desks. A similar streamlining of the different portals at the European level would improve the user experience for business, consumers and citizens too.

Points of Single Contact (PSCs) – initiated by Denmark

The group consisted of the following countries: Czech Republic, Estonia, Germany, Finland, Ireland, Iceland, Latvia, Lithuania, Malta, Netherlands, Norway, Slovenia, Spain, Sweden, United Kingdom and Denmark. The group developed a best practice catalogue on PCSs that focuses on tips and tricks to enhance the usability of PSCs and provided strategies how to enhance stakeholder involvement in order to create added value for businesses in the EU. The catalogue contains a “Top 3” on best and most efficient strategies based on Member States’ experiences. PSCs were found to have limited knowledge of their users/stakeholders (i.e. foreign companies that wish to enter the national market). Experience suggests that the perspective and needs of businesses is important when further developing the Points of Single Contact. The best practice catalogue can be used actively amongst Member States to streamline the PSCs service across the Member States in order to enhance opportunities for businesses in the internal market.

Regulated professions – initiated by the United Kingdom

To complement the ongoing transparency process for regulated professions, this project has brought together research that has been conducted by participating Member States on regulated professions. The group consisted of the following countries: the United Kingdom, the Netherlands, Denmark, Lithuania, Portugal, Sweden and Norway. The group developed a methodology for considering regulation of professions, supported by case studies of different regulatory approaches taken by participating Member States. It is hoped that the toolkit that has been developed will help Member States consider alternatives to current regulation as part of their National Action Plans.

FOLLOW UP AND NEXT STEPS

Having completed these four projects, the Frontrunners group will further work towards full implementation of its findings and hopes that its results and outcomes will prove useful by other Member States and where appropriate will be used and adopted by other Member States to remove similar barriers within their own countries. Through these actions, we can all contribute to a more integrated European Single Market.

We also believe the insights and results of these projects can feed into the renewed strategy for the internal market and the digital single market, during which adequate contact with stakeholders is essential. We would like to feed into this debate by sharing our experiences and results of the Frontrunners initiative and hope that the input from stakeholders can be used in relevant Council debates. Finally, the group is currently investigating areas where further work could be beneficial. The desired long-term effect of the Frontrunners initiative is to facilitate access for business and consumers to new markets and products within the Single Market. The group truly invites more Member States to join and for all countries to use the outcomes and results of these projects.

The accompanying brochure contains contact details of colleagues that can be contacted for each particular project.