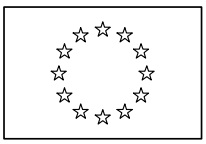

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COMMISSION STAFF WORKING PAPER

Internal Market Scoreboard n° 16

TABLE OF CONTENTS

EDITORIAL

The Internal Market is a joint effort between the EU and Member States, whose job it is to translate agreed Internal Market rules into national law. The Internal Market Scoreboard records twice a year whether Member States have done this on time.

This edition of the Scoreboard shows that the gap between the number of Internal Market laws adopted at EU level and those in force in the Member States – known as the 'transposition deficit' – has risen to 1.6%. At first glance, this is disappointing news. It means that Member States are relaxing their efforts again, having posted their best-ever result of 1.2% only six months ago.

Nevertheless, I see reasons to be optimistic about the future. Member States will have fewer directives to implement than over the last six months, while nine Member States have already reached the new target deficit of 1% decided recently by the European Council. On the whole there are signs that Member States will be back on track in six months' time, when we publish the next Scoreboard.

However, in far too many cases Member States continue to apply Internal Market rules incorrectly, meaning in practice that citizens and businesses are being denied the very benefits to which their governments have themselves agreed.

Infringement proceedings are costly and time-consuming, so wherever possible we try to avoid making use of them. For example, the EU's SOLVIT network, set up in partnership with Member States, offers a quick and effective means of redress to citizens and businesses affected by the misapplication of Internal Market rules. However, some national SOLVIT centres are currently very understaffed, and I urge Member States to address this specific problem.

Overall I strongly encourage Member States to take advantage of the lighter transposition workload over the next six months to reduce their existing backlog of directives and to focus on improving how Internal Market rules are applied in practice. This will reduce red tape across the EU, improve the opportunities available to citizens and make for an even stronger Internal Market.

Charlie McCreevy
Member of the European Commission
responsible for the Internal Market

EXECUTIVE SUMMARY

Transposition

After the best result ever recorded of 1.2%, the average transposition deficit has increased by 0.4 percent over the past half year and now stands at 1.6%. This means that the 1.5% target set by the European Council in 2001 is narrowly missed.

If one includes the figures for Romania and Bulgaria, the average transposition deficit would be 1.8%, even further off the European Council target. However, given that these Member States have had to absorb the entire Community rulebook in a short period of time and given that the national transposing measures notified by these Member States to the Commission are still under investigation, this Scoreboard does not take into account the deficit figures of these Member States.

The trend outlined above should be reversed and lead to a sustainable level below the threshold: the number of directives to be transposed has surged in the past 6 months, explaining the increase in the average transposition deficit. The task ahead seems relatively easier with only 29 directives awaiting transposition. We believe therefore that there are grounds for optimism as to the outcome in 6 months' time.

There is serious cause for concern as regards Portugal: it has added to its backlog which seems likely to grow even further in the next half year.

Given the Czech Republic's relatively recent membership of the European Union, it is worrying to see that it has already accumulated a 2.3% transposition deficit and that it is likely to increase this deficit further in the next 6 months. 6 Internal Market directives that should have been transposed 2 or more years ago have still not been transposed into Czech legislation.

In addition, Luxembourg, Italy and Greece also seem unlikely to reach the 1.5% target by December 2007.

Infringements

Most Member States are doing well when it comes to transposing EU Internal Market directives on time. However, Member States appear to pay much less attention to transposing and then applying those directives correctly: the number of infringement proceedings for incorrect transposition or incorrect application of directives or violation of Treaty rules has increased year after year and continues to rise. In the few instances where Member States have managed to reduce the number of infringement cases, those efforts, although welcome, are marginal since the Member States in question continue to have significant numbers of infringement proceedings (with the possible exception of the Netherlands).

Member States which fall into the above group include Italy, Portugal and Greece, Spain and Poland. Even some of the Member States that have recently focused successfully on transposing Internal Market directives on time such as France,

Germany and Belgium continue to accumulate a large number of infringement proceedings.

At a time when climate change is a major concern for European institutions and EU citizens, the environment remains the sector where Member States show least respect for Internal Market rules. Other sectors are Taxation and Customs Union and Energy and Transport.

The good news is that the average time needed to either resolve infringement proceedings or to bring them before the European Court of Justice has not increased for the EU15, although it has, by one month, for the EU10.

Complementary problem solving

Package meetings have been and continue to be an efficient means of resolving infringement cases at an early stage. 16 such meetings took place between July 2005 and July 2006. In more than 50% of cases, progress was made: within the 6 months following package meetings 43% of infringement proceedings were solved and a decisive step forward was taken in a further 10% of cases.

8 transposition meetings to assist Member States with the transposition of directives were also held. 3 of those were exclusively devoted to public procurement.

SOLVIT, the problem solving network for complaints about the incorrect application of EU rules by public authorities which now celebrates its fifth anniversary, saw a sharp increase in the number of cases submitted to it in the first half of 2007. The number of cases rose from between 200 and 250 per semester to more than 350 in the first semester of 2007. This sudden increase can at least partly be explained by a new citizens' and business' online complaint form that feeds directly into the SOLVIT database. However, the chronic understaffing of SOLVIT centres in almost half of the Member States is an ever increasing problem. Moreover, in many cases, Member States do not attribute the necessary priority to the SOLVIT work and staff members at these centres are asked to work on very different matters. These factors seriously hamper the potential of the SOLVIT network.

In terms of the nature of the cases submitted to SOLVIT, the major obstacles to the correct functioning of the Internal Market are invariably Member States' incorrect application of the rules in social security, taxation issues and recognition of professional qualifications.

INTRODUCTION

The adoption of Internal Market directives does not automatically produce benefits. Once adopted, directives must be transposed into national law and enforced and business and citizens need to seize the opportunities they offer. Therefore, when problems with Internal Market legislation arise, these need to be resolved quickly to ensure that citizens and businesses can exercise their rights.

Member States have the **primary responsibility for these tasks**. The Internal Market belongs to Member States and they have a common interest in ensuring that it functions properly for the benefit of their businesses and citizens. If these tasks are not carried out effectively, the Internal Market's contribution to Europe's growth and competitiveness suffers. The economic interests of all Member States and their businesses and citizens will suffer if some Member States do not deliver on their commitments.

The Scoreboard examines whether the basic framework and conditions are in place for the Internal Market to function well. It does so by first examining how quickly and how well each of the Member States **transposes Internal Market directives into national law**. These directives and the deadlines for their transposition are agreed by Member States at the European level. Member States that do not transpose directives properly, or on time, fail to deliver on the commitment they give to their peers.

The Scoreboard also highlights the **number of infringement proceedings** initiated by the Commission against each Member State. Infringement cases point to a problem for a business or citizen and should be taken seriously by Member States. However, most Member States have not been able to reduce the number of infringement cases.

Given the often long periods needed to resolve infringement cases, the Commission also holds individual '**package' meetings** with Member States to encourage and facilitate early resolution of cases. It also organises **transposition meetings** to assist Member States in correctly transposing Internal Market rules. Finally, the Commission also promotes swift resolution of problems through the **SOLVIT network,** which relies on administrative cooperation between Member States.

1. TRANSPOSING AND APPLYING INTERNAL MARKET RULES

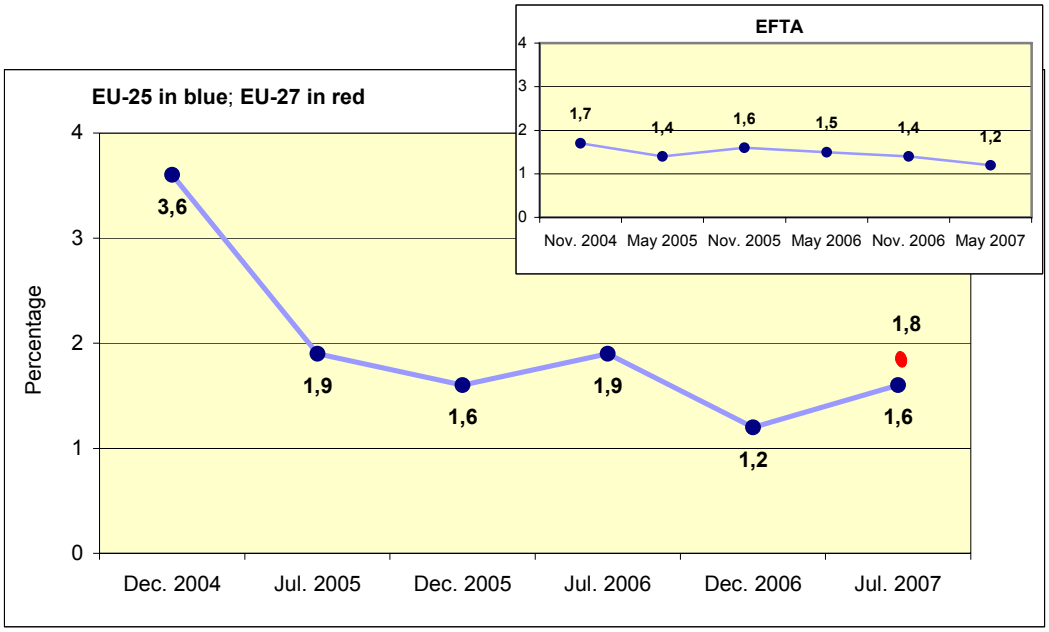
A. STATE OF TRANSPOSITION OF INTERNAL MARKET LEGISLATION INTO NATIONAL LAW

In 2001, the EU Heads of State and Government agreed that as a first step, Member States should reduce their transposition deficit to a maximum of 1.5%[1]. This objective was reached at the end of 2006. The average transposition deficit was then 1.2%.

Because of that, the European Heads of State and Government decided in March 2007 that the transposition deficit should be below 1% by 2009 at the latest[2].

Average transposition deficit in July 2007

Figure 1: Are Member States relaxing their efforts?



The transposition deficit shows the percentage of Internal Market directives not yet communicated as having been transposed, in relation to the total number of Internal Market directives which should have been transposed. As of 30 April 2007, 1628 directives and 679 regulations make up the Internal Market acquis as defined in the EC Treaty.

Unfortunately, after a better than ever average transposition figure of 1.2% in the December Scoreboard 2006, the July 2007 trend is heading in the wrong direction: the average transposition deficit for the EU of 25 Member States is up 0.4 percent and stands at 1.6%.

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1 Conclusions of the European Council summit of Stockholm on 23/24 March 2001 and reiterated at the European Council summits of Barcelona on 15/16 March 2002 and of Brussels on 20/21 March 2003 and on 25-26 March 2004

2 Conclusions of the European Council summit of Brussels on 8/9 March 2007

If one also takes into account the 2 newest Member States, Bulgaria and Romania, the average would be higher at 1.8%. It is not surprising that the transposition deficit of these two Member States is much higher (5.2%) given the enormous task that they faced in transposing the whole Community acquis in time for accession on 1 January 2007. It will undoubtedly require important additional efforts from the two new Member States to absorb the backlog of directives and they are invited to give this task the utmost priority. As Romania and Bulgaria are very new members of the EU, their transposition record has not been integrated into this Scoreboard's figures.

19 Internal Market directives containing mostly technical amendments were adopted in late 2006 to take account of the accession of Bulgaria and Romania to the EU. The deadline for their transposition, 1 January 2007, was therefore very short. If these directives are disregarded, the average transposition deficit would be below the target at 1.4%. Both the Netherlands and Ireland would have also reached the target, bringing the total of Member States below or on target to 18 out of 25.

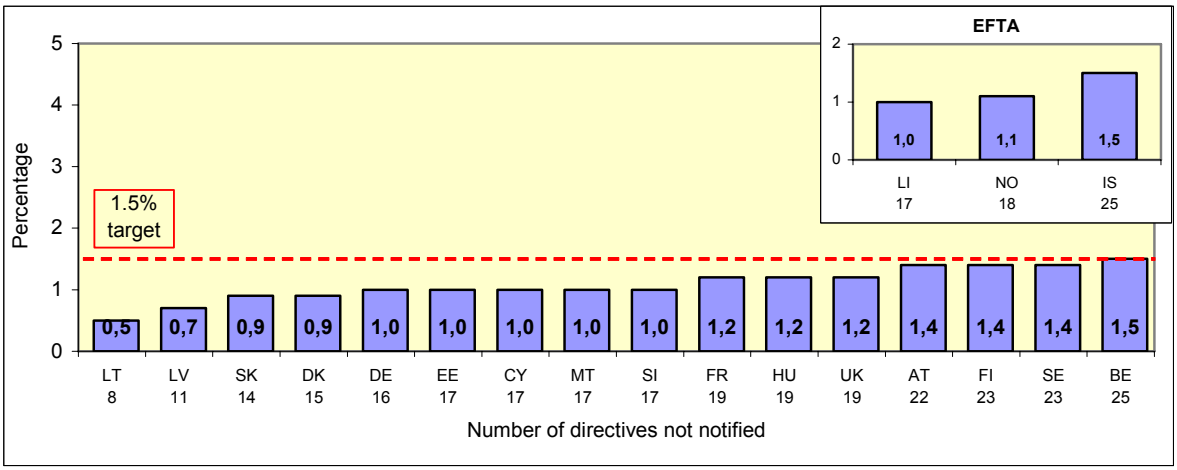
The overall figure mirrors developments last year: after having hit the (then) record low of 1.6% in December 2005, the transposition deficit increased in July 2006 to 1.9%. The reasons for the rise in deficit now are the same as last year: the number of directives to be transposed surged in the December to July period from around 40 to over 50 directives[3], which is an increase in the Member States' transposition workload of 25%.

For this reason as well as the fact that only 29 directives will need to be transposed in the next half year, the objective should clearly be further to reduce the average transposition deficit significantly over the next 6 months. We therefore urge Member States to capitalise on this development and to seize the opportunity to reduce their backlog and to achieve the 1% deficit target set by the European Council.

Performance as against the 1.5% transposition deficit interim ceiling

[3] In the chapter 'Looking ahead' in the Scoreboard 15bis it is mentioned that 44 directives were to be transposed in the 6 months to come. Since then a further 7 Internal Market directives with a transposition deadline of only a few months have been adopted, meaning that the total of directives to be transposed over the last 6 months was of 51 directives instead of 44 directives.

Figure 2: 16 Member States reach the 1.5% target compared to 21 a half a year ago



Transposition deficit, by Member State, as at 10 May 2007.

- Only 16 out of 25 Member States have remained below the ceiling of a 1.5% transposition deficit compared to 21 in December 2006; 9 Member States have already reached the new 1% interim target;

- Estonia and France have achieved their best result ever;

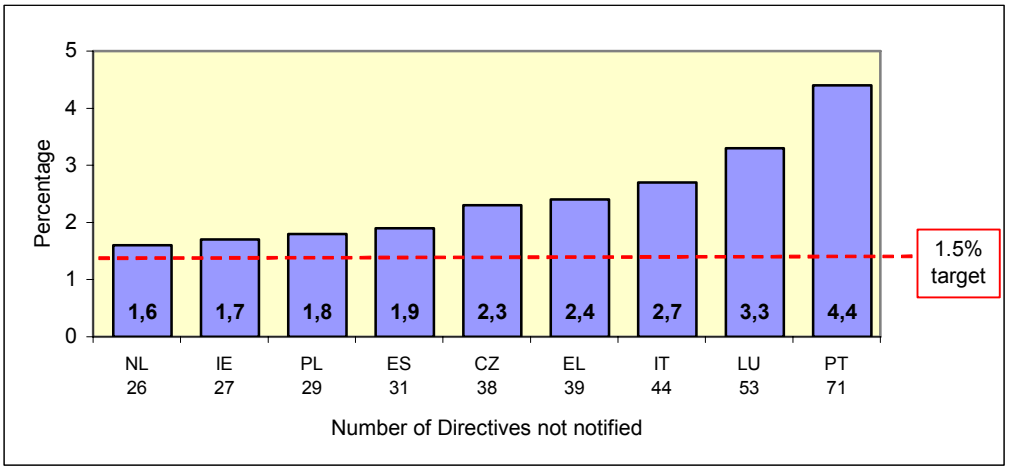
- Belgium has reached the 1.5% target and thereby equals its May 2002 best performance; with a 1% deficit, Germany and Malta have equalled their best results from 6 months ago;

- Denmark, although still close to the top position, has lost some ground - its performance slipped by 0.6 percent in the past half year, contrary to previous occasions when the Danish performance was typically exemplary;

- Lithuania is firmly in first position, followed by Latvia;

- All other Member States that have remained below the 1.5% ceiling seem to have adopted a more relaxed attitude. Their performance has slipped. It should be recalled that the 1.5% transposition deficit is an interim ceiling and that the current target is 1% to be reached by the beginning of 2009.

Figure 3: In the past half year, Poland doubled its deficit whereas Portugal further increased its backlog



Transposition deficit, by Member State, as at 10 May 2007.

- 4 Member States that reached the 1.5% target in December 2006 have failed to do so this time around. These are the Netherlands and Ireland (admittedly by a small margin) and Poland and Spain;

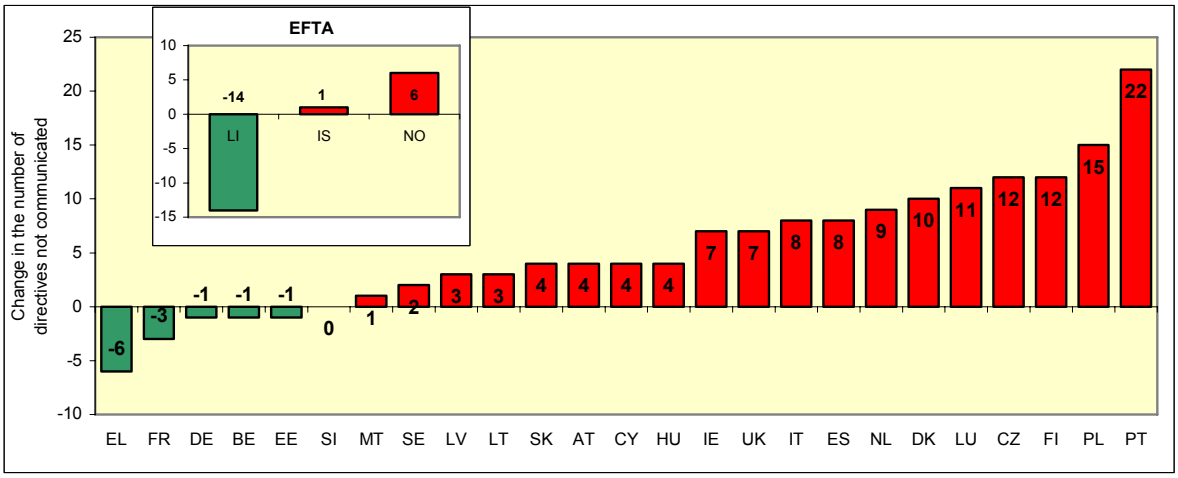
- Portugal remains the worst performer, and it has increased its deficit further by a worrying 1.4 percent. It is clear that the time has come for action to be taken, at the highest political level, to reverse this trend;

- Luxembourg and Italy have not managed to hold on to progress made half a year ago: both have slipped 0.5 percent or more, but there are indications that this slippage will be temporary for Luxembourg (see 'Looking ahead');

- Poland doubled its deficit in just six months and the Czech Republic added 0.7 percent. The latter also seems ill-prepared to meet the targets 6 months from now. The Netherlands, on the other hand, although increasing their deficit by 0.6 percent, would seem to be well on track to improve on this performance six months down the line (see 'Looking ahead');

- Although Greece remains at the wrong end of the graph with an above target deficit, it realises its best performance ever, which is encouraging.

Figure 4: Greece's performance deserves highlighting

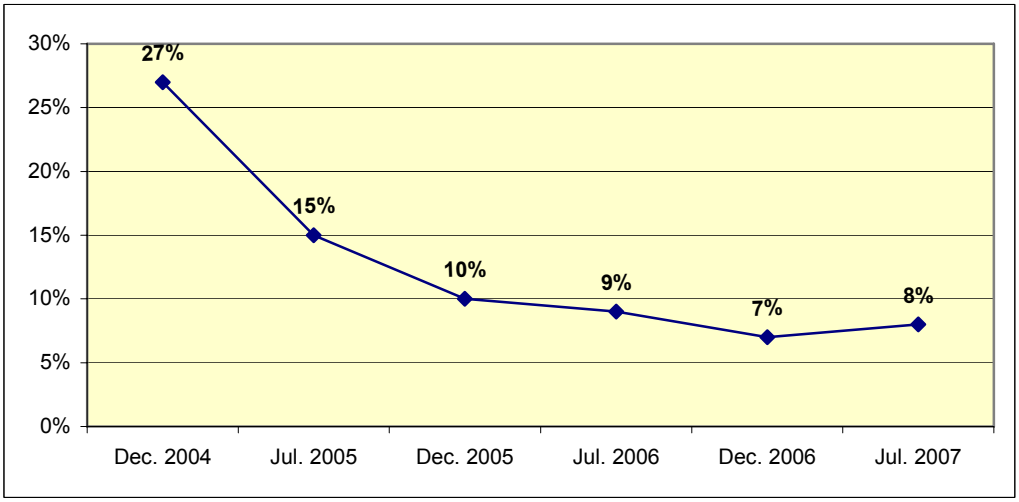


Change in the number of outstanding directives since Scoreboard 15bis (December 2006)

- 19 Member States have added to their existing backlogs;
- Greece and France post the greatest improvement whereas Portugal and Poland have weakened further;
- Given the poor performance of the Czech Republic on transposition, the very serious increase in the backlog over the past 6 months is striking; the same is true for Luxembourg;
- One is accustomed to finding Denmark and also Finland in the top positions in most categories. The weakening of their respective positions is therefore striking.

Fragmentation Factor

Figure 5: Slightly higher fragmentation factor in line with higher transposition deficit



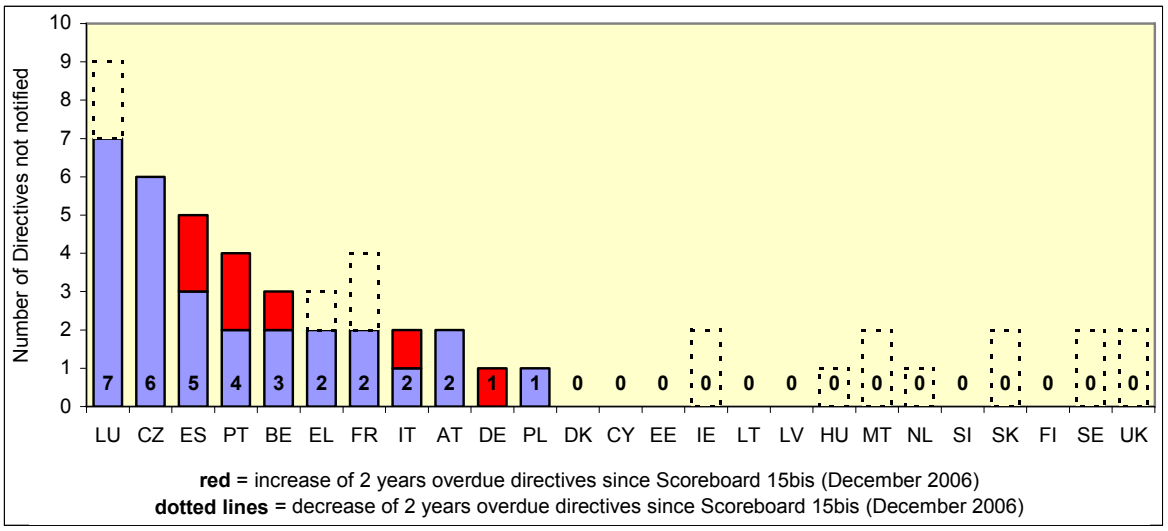
The so-called 'fragmentation factor' records the percentage of the overall outstanding directives that have not been transposed in at least one Member State. For sectors covered by these directives, the Internal Market is not yet a reality.

The fragmentation factor is up 1 percent again from an all-time low in December 2006 which coincided with a better than ever transposition deficit figure of 1.2%. The fragmentation factor has gone up in line with the increase in the average transposition deficit.

A fragmentation factor of 8% means that nearly one in twelve directives is not transposed in all Member States. This means that the same percentage of Internal Market directives do not achieve their full effect. In absolute terms, 129 Internal Market directives have not been transposed on time in at least one Member State.

Long overdue directives

Figure 6: Progress on long overdue directives



Number of overdue directives with a deadline for transposition into national law before 30 April 2005 which have not been transposed by 10 May 2007.

The European Council Barcelona Summit of March 2002 decided on a "zero tolerance" approach for directives whose transposition deadline is overdue by 2 or more years.

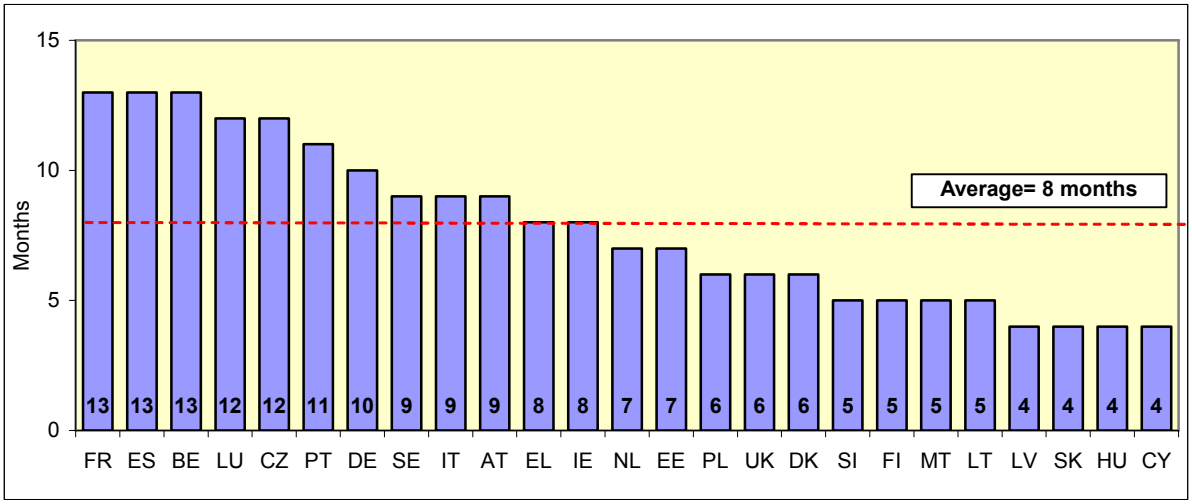
- Although more remains to be done, the situation has improved over the past 6 months: 10 Member States – Luxembourg, Greece, France, Ireland, Hungary, Malta, the Netherlands, the Slovak Republic, Sweden and the UK- have all reduced the number of long overdue directives compared to December 2006;

- Spain and Portugal have added two such directives while Belgium, Italy and Germany have all added one such directive. This is discouraging in view of the intention to reduce this figure to zero;

- It is striking that the Czech Republic which became an EU Member State on 1 May 2004 has no less than 6 directives that are overdue by 2 or more years;

Average transposition delay in months per Member State

Figure 7: Average transposition delay remains unchanged at 8 months compared to a year ago

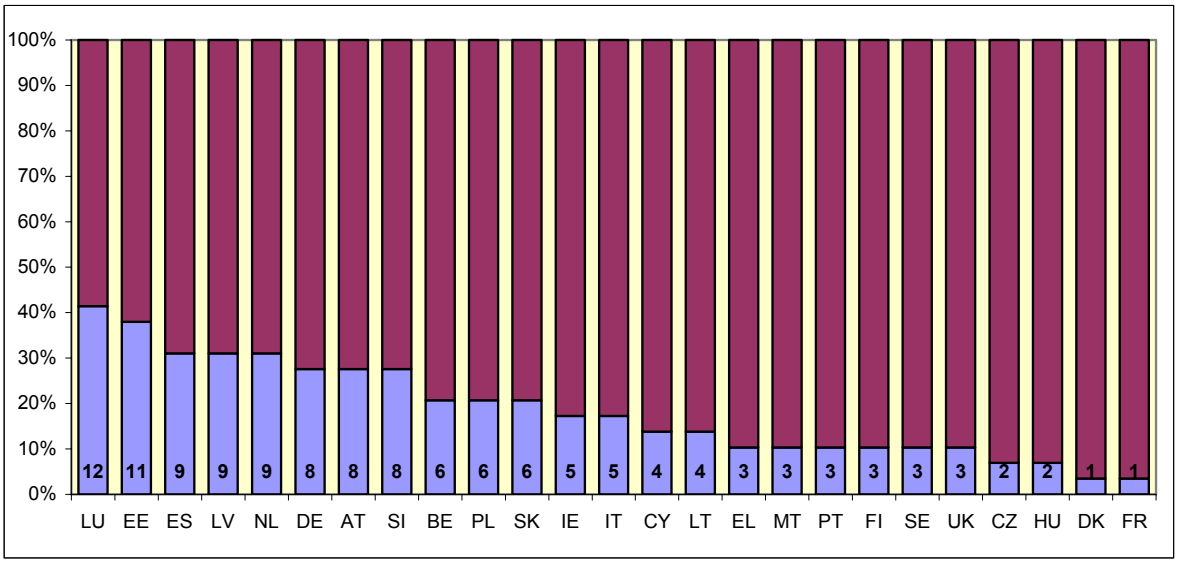


Apart from the number of Internal Market directives that have not been transposed, it is also interesting to note the extent to which the transposition of those directives is overdue. On average, directives that are not transposed on time are overdue by 8 months. The average transposition delay has not gone down compared to a year ago.

Looking ahead

It is useful to look briefly at what the future may bring in terms of transposition. The table below looks at the 29 directives which need to be transposed between 1 May 2007 and 31 October 2007. The figure below shows the number of these directives already transposed in each Member State, which, in turn, provides a picture of the work that still lies ahead.

Figure 8: Luxembourg, Estonia, Spain, Latvia and the Netherlands are best prepared for the next Scoreboard



Percentage and number of Directives that need to be transposed between 1 May 2007 and 31 October 2007 (totalling 29) and that have already been notified

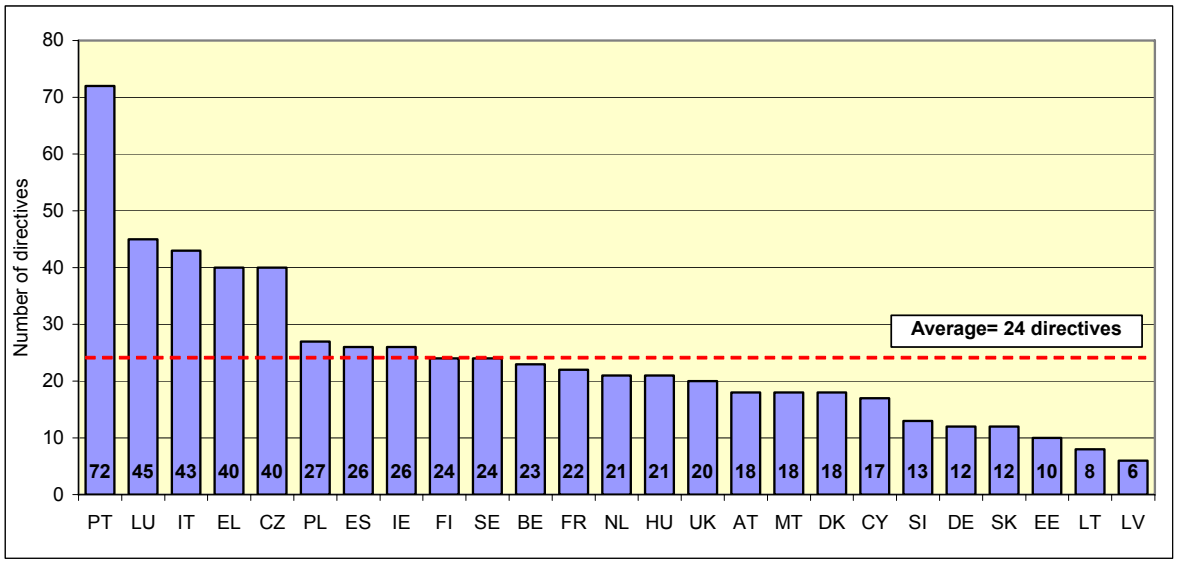
- Luxembourg has already implemented 12 out of the 29 directives to be transposed before 31 October 2007, Estonia 11, Spain, Latvia and the Netherlands 9;

- This gives reason to believe that the Netherlands and Spain will be able to reach the 1.5% target in half a year; Luxembourg is also likely to make progress towards reaching this goal;

- It is also striking that Denmark, which has accumulated a backlog of 10 directives over the past half year, also seems to be ill-prepared for the near future;

- Given their particularly poor transposition record, it is most worrying that the Czech Republic, Portugal, Greece and Italy are not better prepared.

Figure 9: Portugal, Luxembourg, Italy, Greece and the Czech Republic are unlikely to reach the 1.5% target in 6 months



This figure sets out the number of directives that each Member State needs to transpose by 10 November 2007 to reach the target of 1.5% transposition deficit by the next Scoreboard.

Six months ago, the average number of directives Member States had to transpose in the coming half-year to reach the 1.5% target was 30. This time the number is 24 directives. The transposition workload for Member States is therefore decreasing and provides a perfect opportunity for Member States to tackle their backlog.

- Unfortunately, the list of Member States that are highly unlikely to reach the 1.5% transposition deficit target this year remains identical to 6 months ago with Portugal topping the list, followed by Luxembourg, Italy and Greece and the Czech Republic, a newcomer;

- Whilst the EU average number of directives to be transposed (in order to meet the 1.5% target) has substantially decreased from 30 to 24 directives, Portugal has added 4 directives to its backlog. It needs now to transpose three times the average number of directives that the other EU Member States must transpose in the next 6 months to reach the 1.5% target;

- The Czech Republic (with an additional 8 directives), Luxemburg and Cyprus (each with 2 directives) also increased their backlog amidst a general tendency towards a significant decrease.

B. INFRINGEMENTS

When directives are not applied correctly by Member States, EU citizens and businesses are deprived of their rights. This self-inflicted damage causes harm to the European economy and undermines the confidence of citizens and businesses in the Internal Market and the EU in general.

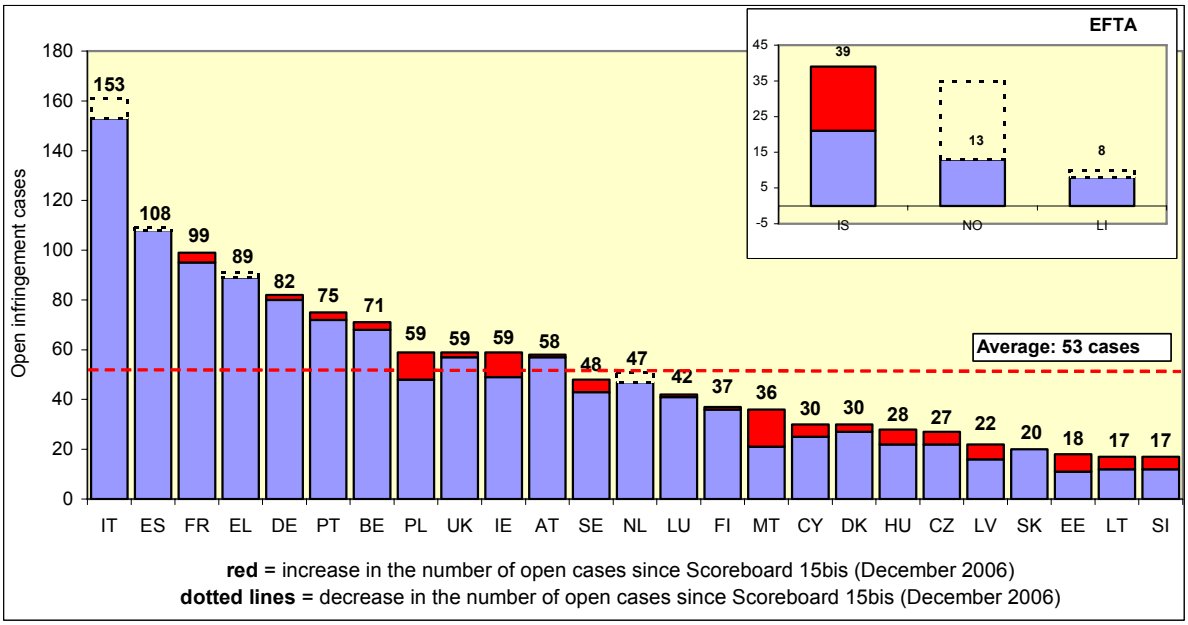
Whenever the Commission considers that Internal Market rules are not properly applied, it may open infringement proceedings against the Member State in question.

Clearly, every infringement case is one too many. Infringement cases are costly and often take a long time to resolve.

In order to avoid "double-counting" cases where a Member State has not communicated to the Commission the national transposing measures transposing a directive, the term 'infringement' in chapter B is to be understood as representing all those cases, and only those cases, where, in the Commission's opinion, the transposition is not in conformity with the directive it transposes or cases where Internal Market legislation is not correctly applied and where a letter of formal notice has been sent to the Member State.

Number of infringement cases per Member State as compared to the December 2006 Scoreboard

Figure 10: Infringement proceedings on the rise again!



Open infringement cases as of 1 May 2007. 'Infringement cases' in the above figure include: cases where the transposition is presumed not to be in conformity with the directive it transposes or cases where Internal Market rules (both rules contained in the EC Treaty and in Internal Market directives) are presumed to be incorrectly applied and where a letter of formal notice has been sent to the Member State concerned. Cases of non-communication, i.e. concerning directives counted in the transposition deficit, are excluded.

- There is an upward trend in the number of infringement cases. The EU 25 average is now 53 infringement cases up from 50 cases 6 months ago;

- Malta, Poland and Ireland, in particular, have each recorded a substantial increase in the number of infringement cases over the last half year;

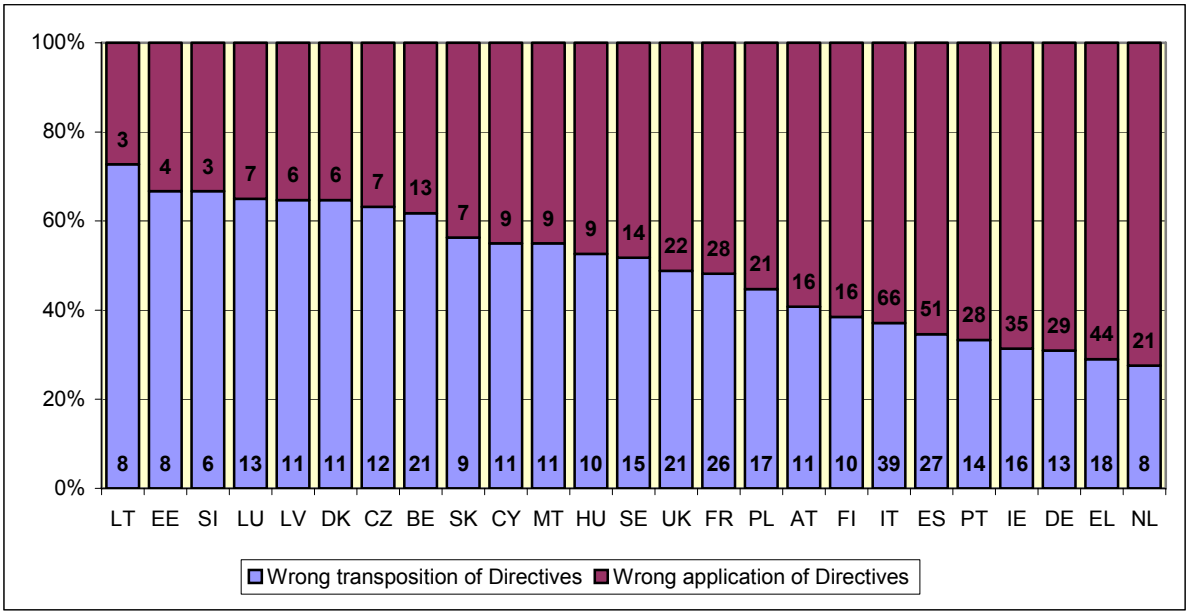
- Only 4 Member States managed to reduce the number of infringement proceedings, although a reduction by 8 cases out of 161 in the case of Italy, 1 case out of 109 in the case of Spain or even 2 cases out of 91 in the case of Greece leaves ample room for improvement; only the Netherlands have reduced the number of infringement proceedings by almost 10%, from 51 to 47.

At the risk of repeating previous Scoreboards, both the *quality* of transposition and the *correct application* of Internal Market rules must be addressed urgently by the Member States.

The correct transposition of EU Internal Market directives is only half the story

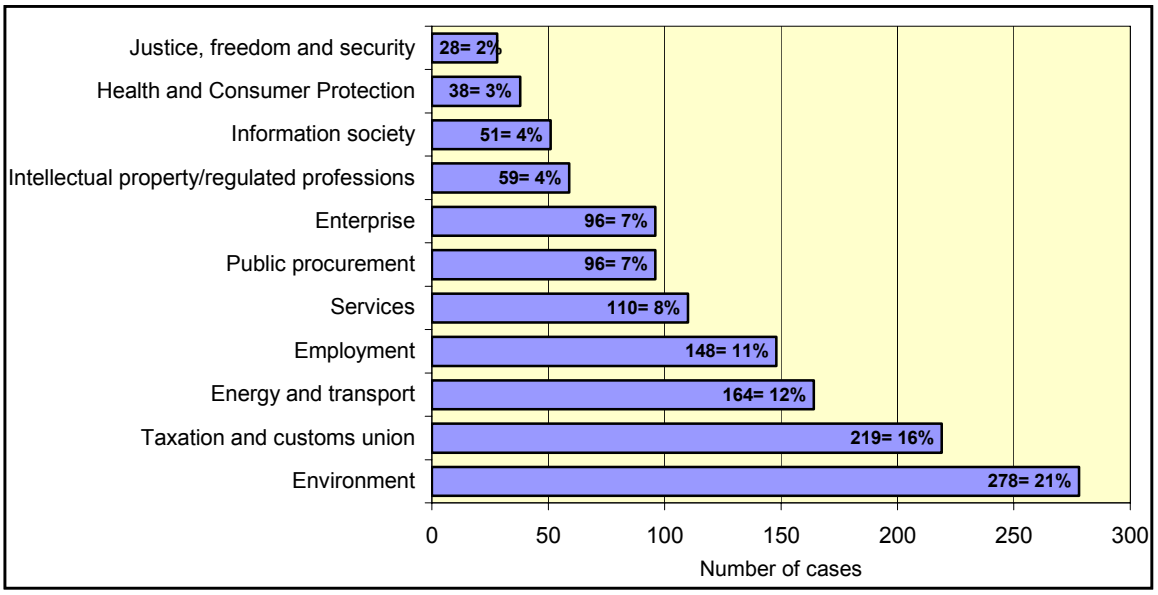
Besides correctly transposing Internal Market directives, Member States must also ensure that the rules contained in them are correctly applied 'in the field'. As the figure below illustrates, that is often not the case: a large proportion of infringement proceedings is about Member States incorrectly applying EU Internal Market directives that were correctly transposed. The growing number of SOLVIT cases in certain areas illustrates that same problem.

Figure 11: Being good at transposing Internal Market directives doesn't necessarily mean being good at applying the rules 'on the ground'



Breakdown of infringement proceedings per sector

Figure 12: Taxation and customs union rules are the second most important source of infringements



There are several changes in the ranking of the most important sources of infringements against EU law:

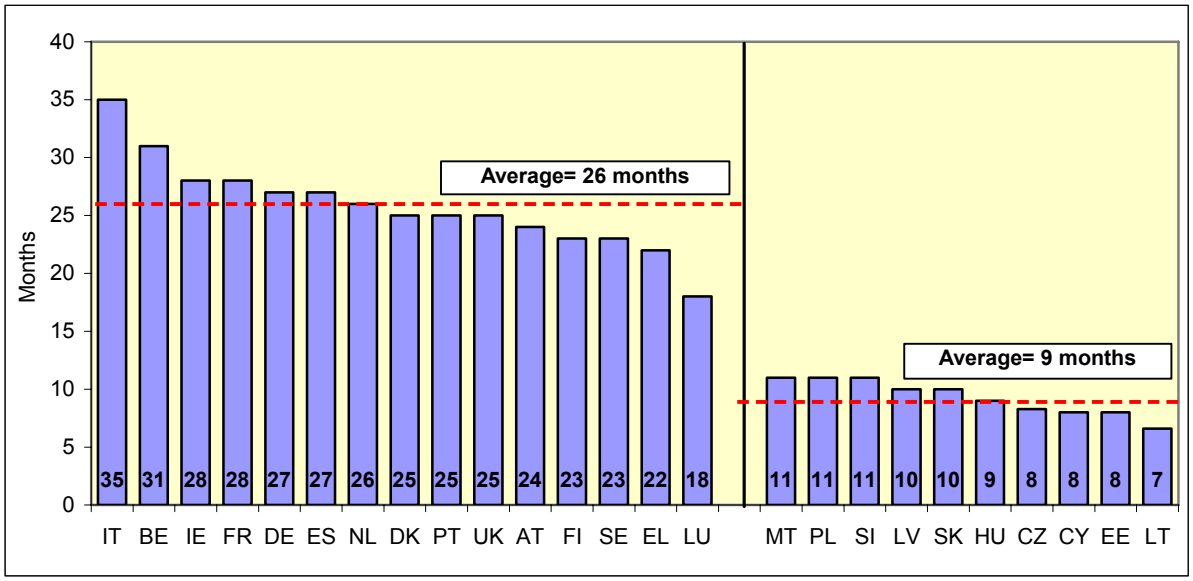
- taxation and customs union matters have overtaken 'energy and transport' as the second most important source of infringements over the past half year, mainly because the number of infringement cases in the field of taxation and customs union has increased rather than because of any diminution in energy and transport cases;

- the same goes for the employment field, where 35 new infringement cases for incorrect transposition or application of EU employment rules have been opened in the last half year, making it the fourth most important source of incorrect transposition/application of EU Internal Market rules;

- in the field of public procurement, good progress has been made: there is a net decrease of 17 in the number of cases over the past 6 months, whilst the number of cases in the field of services has remained stable at around 110.

Infringement resolution speed per Member State

Figure 13: Average speed of infringement resolution slows down for EU10 but remains stable for EU15



Infringement cases closed or brought before the ECJ between 30/04/2005 and 30/04/2007: average time in months needed to either close an infringement case or to bring it before the ECJ from the moment when the letter of formal notice is sent.

The time necessary to either resolve an infringement or to bring it before the European Court of Justice has increased for the EU10 from 8 to 9 months but has remained stable for the EU15.

- Except in the case of the Slovak Republic, which takes a more proactive approach, and Lithuania and the Czech Republic, where the time needed to resolve an infringement proceeding has remained stable, delays have lengthened in all other EU10 Member States compared to 2006 ;

- For the EU15, the situation is the opposite: except for Italy, Belgium, Denmark, Portugal and Luxembourg, the remaining EU15 Member States are solving their infringement proceedings more quickly;

- Italy needs an additional 10 months on average to resolve its infringement proceedings. It thus has not only by far the highest amount of infringement proceedings, but also needs the most time to resolve them;

- Belgium also takes more time than average to resolve infringement proceedings.

2. SPEEDING UP THE RESOLUTION OF INTERNAL MARKET PROBLEMS FOR BUSINESS AND CITIZENS

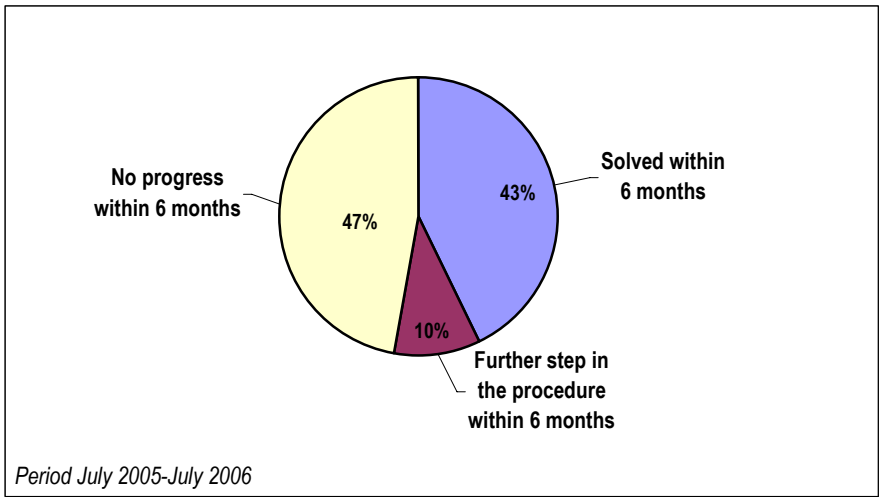
A. PACKAGE MEETINGS AND TRANSPOSITION MEETINGS

'Package' meetings involve Commission experts and their counterparts in a Member State meeting to examine a 'package' of infringement cases in order to solve them where possible in an efficient, practical and informal manner.

Such package meetings are organised on a regular basis but involve mostly those Member States whose track records on timely and correct application of Internal Market directives are particularly problematic.

Between July 2005 and July 2006, a total of 16 package meetings took place.

Figure 14: Quick results in over 50% of cases



Results of the package meetings after 6 months.

They are a useful tool for solving infringement cases or for accelerating the handling of such cases via the formal proceedings. As set out above, 43% of cases discussed at such package meetings are resolved within the subsequent 6 months. In a further 10% of cases, the infringement process is speeded up. In these cases, the Member State either receives a letter of formal notice, a reasoned opinion, or it is brought before the European Court of Justice within the 6 months following the meeting.

Besides the traditional bilateral package meetings aimed at solving existing infringement cases, the Commission also has a series of mechanisms to avoid problems before they arise. Since 2002, it organises transposition meetings on a regular basis devoted to assisting Member States in transposing Internal Market legislation by anticipating possible transposition problems of a political, legal or technical nature. These meetings are held during the period between the adoption of an EU directive and their deadline for transposition into national law and can be bilateral but, generally, most involve all MS. In addition, informal bilateral contacts or meetings between the officials concerned and informal scrutiny of draft transposing measures are typical examples of other kinds of assistance.

8 such meetings took place between July 2005 and July 2006.

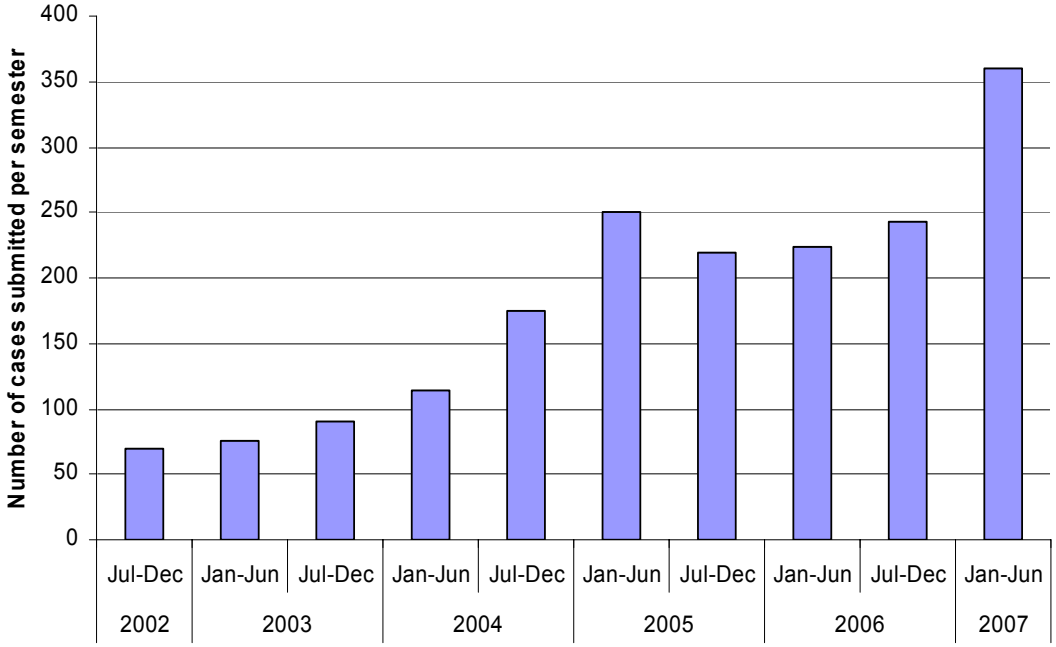
B. SOLVIT – HALF OF NATIONAL SOLVIT CENTRES ARE UNDERSTAFFED WHILE THE CASE FLOW IS PICKING UP

SOLVIT was set up in 2002 as a problem solving network for handling complaints about incorrect application of EU rules by public authorities. It has now developed into a fast and reliable complementary way of addressing problems concerning the misapplication of Internal Market legislation by national authorities. It is often a more efficient way to handle citizens' and businesses' problems and, as a positive side effect, it reduces the number of infringements.

Sharp increase of SOLVIT case flow during the first half of 2007

After three years of rapid growth, SOLVIT case flow stabilised during 2006 at 467 cases, about the same level as in 2005. However, during the first half of 2007 there was a 50% increase in cases following the creation of an on-line complaint form that feeds complaints directly into the SOLVIT database. This form makes it easier for SOLVIT centres to handle cases and it also increases transparency regarding the handling of incoming complaints.

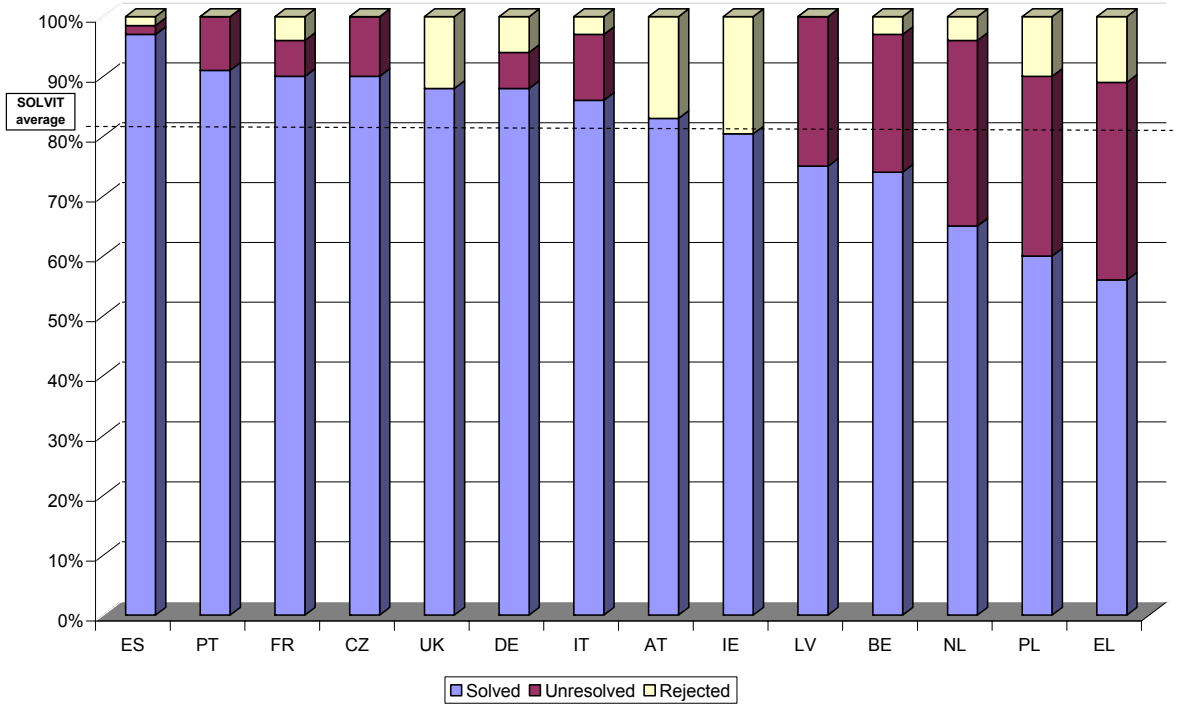
Figure 15: Evolution of SOLVIT case flow 2002-2006



Resolution rates remain high

Many SOLVIT centres have managed to achieve impressive resolution rates. SOLVIT centres of Spain, Portugal, France and the Czech Republic resolved more than 90% of all problems submitted to them.

Figure 16: Case resolution rates of SOLVIT lead centres 2006 (SOLVIT centres which received 10 cases or more in 2006)



Lack of resources

SOLVIT centres spent on average 16.5 man months on SOLVIT tasks in 2006, but staff levels vary from 1 to 59 man months per centre. Almost half of all SOLVIT centres are understaffed or have experienced continuity problems in 2006. Furthermore, in most SOLVIT centres staff must combine their SOLVIT tasks with other, high(er) priority work. In such situations there is obviously a strong incentive to keep SOLVIT work within limits and not to attract more cases through public awareness raising.

Figure 17: Staffing levels in SOLVIT centres in 2006

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

Social security, taxation and professional qualifications biggest problem areas

The variety of SOLVIT cases over the different policy areas has not changed much since 2005. However, there has been an increase in cases concerning social security, taxation and free movement of persons (rights of residence and visa). Most social security cases are submitted by migrant workers from the Czech Republic and Poland, a large number of taxation cases concern late repayments of VAT and are submitted by Dutch and Polish companies. Professional qualification cases are more evenly spread across all Member States.

The consequences of late transposition of Directives are often very visible in the SOLVIT case flow. For instance, the late transposition of the Residence Rights directive 2004/38/EC in most Member States has resulted in a large number of SOLVIT cases concerning family members of EU citizens who could not make use of their new EU rights. At the request of SOLVIT some Member States were prepared to solve these problems by directly applying the provisions of the directive but other Member States have simply rejected these cases on the basis that the directive had not yet been transposed into national law.

Figure 18: Cases handled in 2006 according to problem areas