*High Level Report on the future of the Single Market  
Guidelines for note-takers, desk reviewers or direct contributors*

# Background

The European Council of 29-30 June 2023 called “for an independent High-Level Report on the future of the Single Market to be presented at its meeting of March 2024 and invites the incoming presidencies of the Council and the Commission to take this work forward, in consultation with the Member States”.

The Spanish presidency of the Council, the Belgian incoming presidency and the [European Commission](https://ec.europa.eu/commission/presscorner/detail/en/ip_23_4495) have asked former Italian Prime Minister Enrico Letta to be the author of that Report.[[1]](#footnote-1)

Mr Letta started a ‘Listening Phase’ that will last until mid-December 2023. The ‘Drafting Phase’ should last until end January, followed by a ‘Feedback Phase’ in February to seek reactions from interested parties to possible recommendations. The final Report will be presented to the European Council on 21 March 2024.

# Listening Phase

This phase consists of multiple meetings of different nature and uneven relevance[[2]](#footnote-2) as well as reviewing many regulations / policies, political reports, pamphlets drafted by / for interest groups and advocacy coalitions, and academic articles.

# Time horizon of the Report

The Report being a **contribution to the reflection of the European Council on the next ‘EU strategic agenda**’,[[3]](#footnote-3) its time horizon is **2029**. The Report will focus on what should be initiated but not necessarily completed by that time (some actions taking more than 5 years to be designed, adopted and fully implemented).[[4]](#footnote-4)

Single Market and enlargement being closely linked questions, the other time horizon of the Report is the incoming **‘deepening & widening’ political package deal** expected for the end of this decade.

# Scope of the Report

The final scope of the Report is not predetermined as the Listening Phase could reveal unforeseen issues.

However specific input is a priori welcome on key challenges, objectives and solutions[[5]](#footnote-5) to:

* **preserve the acquis** of the Single Market[[6]](#footnote-6) (e.g. consistent interpretation, monitoring and enforcement of existing rules on product safety standards)
* **adapt and/or deepen** the Single Market (e.g. revising existing rules to adapt competition policy to the digital era)
* **extend the scope** of the Single Market (e.g. to markets that are still largely national like energy, telecom, financial markets – how to unblock the Capital Markets Union etc)
* mobilise the **resources needed** for preserving, adapting, deepening and/or extending the Single Market

taking into account

* the necessary **reduction of regional & social disparities** (e.g. by looking at links between the SM and cohesion policy)
* the **incoming EU** **enlargement** (e.g. by looking at the accession paradigm – should access to – some sectors of – the SM be given before the accession, at what incumbent Member States and candidate countries need to do to be ready for the full access to the SM in order to avoid a multiplication of infringement procedures, etc).
* the evolution of the **global economy** and the **new regional & world geopolitical megatrends**.

Input should ideally come with **concrete examples and cases** (e.g. taken from the mapping exercise of barriers to the Single Market) properly referenced for easy fact-checking.

For borderline topics,[[7]](#footnote-7) please consult the Belgian Presidency sherpa for the High Level Report Eric Philippart ([Eric.Philippart@diplobel.fed.be](mailto:Eric.Philippart@diplobel.fed.be)) and the Italian political assistant of Mr Letta Tullio Ambrosone ([tullio.ambrosone@sciencespo.fr](mailto:tullio.ambrosone@sciencespo.fr)).

# Structure of input notes

To facilitate the Report drafting, input needs to be structured in a systematic way and irrelevant information discarded. The template sent in parallel is intended for note takers, desk reviewers or direct contributors.

Ideally the collection of input (interviews, reading notes …) should allow to produce the following components for each topic that will be eventually selected to feature in the Report:

* short description of the current problem (who is affected, magnitude of the problem … with selected references to reliable literature + 1 concrete example)
* short explanation of the current situation (problem drivers … with selected references to reliable literature)
* short elaboration on the likely evolution of the problem (what will be the situation in 10 years if no – new – action is taken, to demonstrate that ambitious action is necessary, possibly illustrated by the evolution of the example selected for the short description)
* the recommendations (the objective / what should the Single Market be or produce; the policy option / mix to reach this objective; the expected outcome of this policy option).

When there is no input for one section (Description; Explanation; Evolution; Recommendation), the drafter writes ‘NTR’ (Nothing To Report) or ‘NSTR’ (Nothing Significant to Report)

# Formatting of input notes

* One topic = one Note (for instance, if a meeting covers Capital Markets Union and Banking Union, the drafter will produce 2 notes).
* Indicative length of each Note: 2-3 pagers (max 9.000 characters or 1.500 words), plus annexes if necessary.
* Word file; Font: calibri; Font size: 11; line spacing 1,08 (to facilitate the compilation and consolidation of input notes). The template comes with a style sheet integrating these requirements
* Name of the File:
* for reading notes = “Background Note [topic] [abbreviated source]”
* for meeting reports = ““Background Note [topic] [type of entity][[8]](#footnote-8) [name of the person / entity] [yyyy/mm/dd]”

Eric Philippart

**Annex 1 : Definition of the Single Market according to the Treaty on the functioning of the EU**

According to the Treaty on the functioning of the EU (TFEU), the Single Market is “an area without internal frontiers or regulatory obstacles in which the free movement of goods, persons, services and capital”.[[9]](#footnote-9)

Free movement of goods (Articles 26 and 28-37 TFEU)

Includes the elimination of customs duties and quantitative restrictions; removal of physical and technical barriers; EU harmonisation legislation (for technical rules); mutual recognition of national technical rules for goods that are not or only partly subject to EU harmonisation; effective market surveillance and enforcement system.

Free movement of capital (Articles 63 to 66 TFEU)

Includes the prohibition of restrictions on capital movements and payments, between EU countries as well as between EU countries and with non-EU countries (with some exceptions primarily linked to taxation and public policy considerations).

Freedom of establishment of businesses and professionals (Articles 49 to 55 TFEU)

Includes the prohibition of restrictions on the establishment of nationals of a Member State in the another Member State to take up and pursue activities as self-employed persons and to set up and manage undertakings as well as the prohibition of restrictions on the setting-up of agencies, branches or subsidiaries.

Freedom to provide services (Articles 56 to 62 TFEU)

Includes the prohibition of restrictions on the freedom of EU citizens to provide their services in other EU countries on a temporary basis while remaining in their country of origin.

Free movement of workers (Articles 45-48 TFEU)

Includes the abolition of any discrimination between workers of the Member States based on their nationality, as regards employment, remuneration and other conditions of work and employment (with the exception of employment in the public service). Subject to limitations on grounds of public policy, public security or public health, the Member States cannot have rules preventing workers from other Member States to accept offers of employment, to move freely within the territory of Member States for this purpose, to stay in a Member State for the purpose of employment and to remain in the territory of a Member State after having been employed in that State.

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These negative freedoms (referring to the absence of obstacles, barriers or constraints) are accompanied by positive freedoms (referring to conditions necessary to pursue opportunities created by negative freedoms). For instance, the TFEU foresees that the European Parliament and the Council shall issue directives or regulations setting out the measures required to bring about freedom of movement for workers, by ensuring close cooperation between national employment services or by setting up appropriate machinery to bring offers of employment into touch with applications for employment.

**Annex 2: Example of how to determine what is core and peripheral**

Is the free movement of persons the same thing than the free movement of workers? If not, should it be considered as a priority topic for the Report?

Free movement of persons established by the Treaty of Maastricht in 1992 and embodied by the Schengen acquis is first and foremost a right recognised to EU citizens (*not restricted to EU workers*). The gradual phasing-out of internal borders under the Schengen agreements was followed by the adoption of Directive 2004/38/EC on the right of EU citizens and their family members to move and reside freely within the EU. This Directive confirms that this right is *not necessarily linked to work related questions* as only 1 of its 5 legal bases is indeed linked to the Single Market (TFEU Art. 52 on the freedom of establishment of businesses and professionals).

The conclusion is that the free movement of persons goes way beyond the free movement of workers and that the right to cross internal borders without control or restrictions for leisure, for visiting friends & family or for retirement is not a core element of the Single Market.

1. Mr Draghi is preparing in parallel a ‘Report on the future of European competitiveness’ at the request of and for the President of the European Commission. According to some sources, this Report will be submitted in June or July 2024 and is likely to cover a wider range of issues that the Letta Report (the Communication of the European Commission of March 2023, “[Long-term competitiveness of the EU - looking beyond 2030](https://commission.europa.eu/document/af444130-5a3e-44f2-bea6-5b9ddcb46012_en)” is indeed listing 9 competitiveness drivers, starting with the Single Market). [↑](#footnote-ref-1)
2. High level political meetings on strategic visions; deep dive meetings with field experts or academics focusing on one issue; hearings at European Parliament made of short interventions covering many issues; panels mixing Single Market and non Single Market issues … [↑](#footnote-ref-2)
3. Every five years, EU leaders agree on EU political priorities for the future. This agreement is embedded in a Strategic Agenda adopted at the after the European Parliament elections and ahead of the appointment of the new European Commission. The [‘EU Strategic Agenda 2024-2029’](https://www.consilium.europa.eu/en/policies/strategic-agenda-2024-2029/) should be adopted at the European Council of June 2024. [↑](#footnote-ref-3)
4. The work of E. Letta will therefore not duplicate what the Commission is doing annually for the Single Market’s policy cycle. [↑](#footnote-ref-4)
5. Including solutions that are not formally endorsed by the contributing entity (as this is a brainstorming exercise). [↑](#footnote-ref-5)
6. See Annex 1 for a definition of the Single Market based on the articles of the Treaty on the functioning of the EU (TFEU). [↑](#footnote-ref-6)
7. See Annex 2: Example of how to determine what is core and peripheral. [↑](#footnote-ref-7)
8. Cf. ACAD for Academic source; COM for Commission; Council for Council; CoR for European Committee of the Regions; ECJ for European Court of Justice; EESC for European Economic and Social Committee; EP for European Parliament; EUCO for European Council; NAT for Member State authority; and STKH for Stakeholders (Interest groups, advocacy coalitions …). [↑](#footnote-ref-8)
9. Annex based on [EUR-Lex definition](https://eur-lex.europa.eu/EN/legal-content/glossary/internal-market.html#:~:text=The%20internal%20market%20refers%20to,the%20articles%20of%20the%20Treaties.). [↑](#footnote-ref-9)