



Impact assessment study supporting the review of the Union's visa policy to facilitate legitimate travelling

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Final Report

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Developed by



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Introduction

1.1 Aim and scope of the study

The Commission aims to ensure that the common visa policy facilitates travel opportunities for legitimate travellers, ensuring coherence with other EU policies such as trade and tourism; improving mobility which has an increasing importance in external relations, whilst at the same time ensuring the security of the common external borders and the good functioning of the Schengen area.

The scope of this assignment is set by the Visa Code, i.e. the procedures and conditions for issuing visas for transit through or intended stays in the territory of the Schengen Country not exceeding 90 days in any 180-day period ("C" short-stay visas), as well as airport transit visas ("A" visas). The revision of the Visa Code is identified as one of the priority initiatives of the Commission's Work Programme for 2013 in the area of home affairs.

The present study is to support the Commission with ready-made inputs which should allow for assessing the potential impact of the various options which could be considered and shall provide the information necessary for the Commission's impact assessment (IA).

1.2 Stakeholders consulted

As part of the study, a total of 107 interviews have been held, with 31 representatives from central governments, 45 consulates and 31 interest groups. Annex 3 lists all stakeholders interviewed, divided per category. Annex 4 includes a summary of the main outcomes of the consultation exercise, also by category of stakeholders.

In addition, a total of eight case studies visits were carried out both in (Brussels and Warsaw) and outside (Ankara, Beijing, Kiev, London, Moscow and New Delhi) the Schengen Area, during which a total of 74 persons were consulted. The outcomes of these have been integrated in the report and in the Schengen State fiches included in Annex 5.

1.3 Final Report

This **Final Report**, the structure of which follows the IA Guidelines of the Commission, includes:

- Executive Summary
- Problem Definition (Section 2)
- Baseline, Policy objectives, Policy Options (Section 3, 4, 5)
- Assessment of Policy Options (Section 6, Annex 1)
- Preferred Policy Option (Section 7)
- Monitoring and assessment (Section 8)

Annexes

- Assessment of individual proposals (Annex 1)
- Notes on Impact assessment study supporting the review of the Union's visa policy to facilitate legitimate travelling (Annex 2)
- Detailed explanatory note of financial and economic impacts (Annex 3)
- The list of interviews conducted and validated (Annex 4)
- Overview of outcomes of consultation of interested parties (Annex 5)
- Statistics (Annex 6)

1 Problem definition

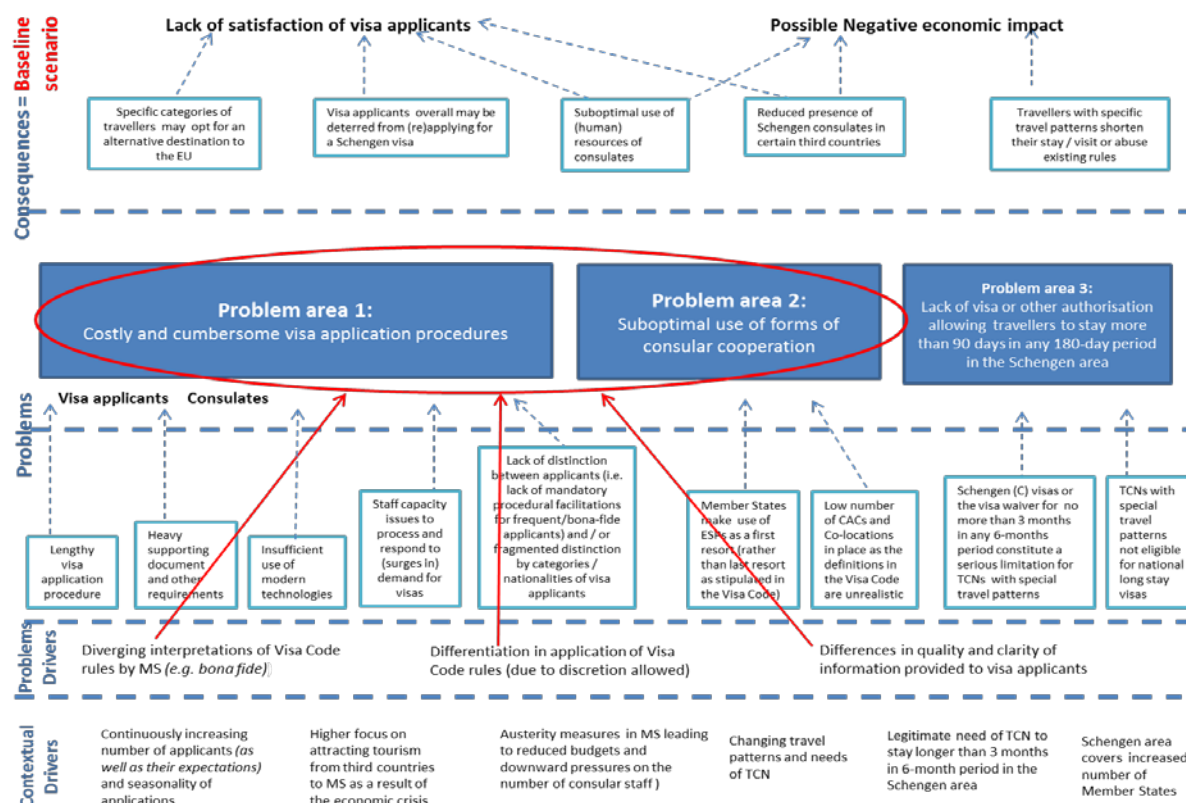
The following main problems have been identified in relation to the Union's visa policy:

- Costly and cumbersome visa application procedure;
- Suboptimal use of certain forms of consular cooperation;
- Lack of visa or other authorisation allowing travellers to stay more than 90 days in any 180-day period in the Schengen area.

The problems are driven by contextual factors, as well as factors deriving directly from the Visa Code and its application. The latter include: diverging interpretations of some existing rules set out in the Visa Code; differences in the application of rules because of the level of discretion left to the Schengen States ('may' clauses); and, issues with regard to the quality and clarity of information made available to (potential) visa applicants on the application procedure and conditions for obtaining the visa. The former relate to contextual developments such as the ever increasing demand for Schengen visas; the increased need for tourism from third countries as a source of income; and the austerity measures introduced by Member States which are also affecting the budget for consular services. In addition, third-country nationals show changing travel patterns and needs, including a growing need of some to stay longer than three months in a six-month period in the Schengen area.

The problem tree in Figure 1 illustrates the drivers, problems and their consequences in a schematic way. Each of the problem areas, the problems within these areas and the consequences are further elaborated below.

Figure 1 Problem tree



2.1 Problem area 1: Costly and cumbersome visa application procedures

2.1.1 Introduction to the problem

At present, the costs of Schengen visa processing are high for (certain) visa applicants and consulates. Visa applicants consider obtaining a visa an expensive and cumbersome

process, particularly when taking into account the efforts and indirect costs incurred for meeting the requirements of supporting documentation (i.e. producing proof in relation to the purpose of stay, subsistence, their will to return, etc.) and other requirements, such as time and resources spent making personal appearances at consulates. Schengen States also differentiate in the type of documents they request from visa applicants to substantiate the purpose of their journey, the fact that they possess sufficient means of subsistence and their intention to leave, with some requiring multiple documents to evidence the same requirement, which are difficult to obtain. At the same time, Schengen States claim that the time and efforts required for processing applications in full compliance with the Visa Code are high, with the processing costs in many cases exceeding the income generated by the visa fees, especially when taking into account the increased use of visa fee waivers. As a result of austerity measures, several are already experiencing staff capacity issues, especially in peak periods.

In addition, the overall visa application procedure, from lodging the application to receiving the visa, is experienced as too lengthy. In spite of the deadlines introduced by the Visa Code, some delays are occurring especially in peak periods. Also, certain visa applicants, taking into account their specific circumstances, require even faster processing times. Considering the downward pressure on the budgets of consulates, Schengen States are already struggling to meet the current deadlines imposed and are likely to face even more difficulties given that the number of visa applications is continuously on the rise.

Finally, even though Schengen States are, according to the Visa Code, allowed to introduce certain procedural facilitations for applicants who have 'proven' their "integrity and reliability", not all are making use of the possibilities offered. These include, for example, the possibility of issuing Multiple Entry Visas (MEVs)¹, as well as the waiving of one or more requirements in relation to supporting documents² and/or in relation to the personal appearance of the applicant to lodge the request³. Even when Schengen States have adopted procedural facilitations, these vary greatly by Schengen State and also by category and origin of the visa applicants.

2.1.2 Elaboration of the problems

2.1.2.1 High costs of the visa application process for applicants

Visa applicants face high indirect costs, firstly because of the obligation to appear in person, which is particularly costly for those living in areas where Schengen States have limited consular coverage or in large third countries such as China, India and Russia, as they will have to spend time and money on travelling⁴. Sometimes arranging the appointment constitutes a cost⁵. In addition, visa applicants often have to incur costs for producing the supporting documents, including costs for translation and certification. The requirement to have a valid travel medical insurance (TMI)⁶ is also perceived as costly and not 'effective'⁷, considering that even with such insurance, Schengen States have not been able to claim costs incurred for the provision of healthcare to travellers back from insurance companies. Also, the costs⁸ of the TMI (though generally affordable) are often not refunded in case the

¹ Article 24(2) of the Visa Code

² Article 14(6) of the Visa Code

³ Article 10 (2) of the Visa Code

⁴ 21% of the respondents to the Ramboll Study on the economic impact of short-stay visa facilitation indicated that appearance in person at the ESP or consulate is an absolute prerequisite for a visa application. 60% of consulates also accept applications submitted by travel agents. Slightly more than 40% accept applications lodged by a family member or a third person with a power of attorney.

⁵ Some consulates use private operators which charge specific costs (i.e. 12 euro in Turkey, 7.5 euro in Senegal).

⁶ Art 15 of the Visa Code

⁷ Several companies offer tailored packages whose price varies according to the length of the stay, the gender/age of the applicant, the type of Visa (single or multi-entry) and the level of medical expenses covered:

<http://www.axa-schengen.com/en/axa-schengen-travel-insurance?gclid=CMDqp7fq4rYCFcXIaAodtVEAnw>

<http://www.gugschengen.com/>

⁸ TMI might cost 25-50 euro, according to evidence collected in Mali.

visa is refused.⁹ The service fee charged by External Service Providers (ESPs), where such have been contracted by Member States, adds another cost for visa applicants and these vary markedly between Member States. In India, for example, these range from 4.90 euro per application for Hungary to 24.20 euro for Denmark.

Table 1 provides an overview of the estimated average direct and indirect costs in five third countries, showing that the total costs for a visa applicant can reach as much as 750 euro (in Russia). In Senegal the overall material indirect costs for obtaining a visa can triple the price of the visa fee¹⁰; in Mali, an average of 220 euro is considered necessary to obtain a visa from the French consulate.¹¹

Table 1 Examples of costs for visa applicants¹²

Cost item	China	India	Russia	Turkey	Ukraine
Direct cost (fee + service fee)	€ 82 / € 87	€ 60 / € 85	€ 35 / € 80	€ 68.5 / € 85	€ 35 / € 53
Travel ¹³			€ 350 / € 750		
TMI	€ 11 (day)	€ 42 (year)			
Supporting documents	€ 10	€ 0.7 / € 7			
Total indirect cost	€ 40 / € 560	€ 60 / € 450	€ 350 / € 750		
Overall cost	€ 90 / € 620	€ 60 / € 500	€ 35 / € 750	<€ 100	<€ 35

2.1.2.2 High costs of the visa application process for Schengen States

The examination of, and decision-making on, visa applications requires a careful assessment, which involves checking a variety of supporting documents, consultation of databases¹⁴, as well as a possible interview to assess the applicant's intentions and to ensure that the applicant does not constitute "a threat to public policy, internal security or public health" as defined in the Schengen Borders Code.¹⁵ Of the six Schengen States which were able to provide the average (estimated) costs for processing a visa, four showed that these costs exceed the maximum fee of 60 euro which can be charged to a visa applicant, as shown in Table 2 below. This thus means that they lose money on each application. Several other Schengen States, while not able to provide exact figures, confirmed that real costs exceeded the fee, whereas others indicated instead that the costs incurred for visa processing remained well within the visa fee. However, stakeholders from Schengen States overall agreed that achieving a full cost recovery for visa processing was not necessarily an objective, as travellers were considered to make important contributions to the economy during their stay in the Schengen area.

Another issue is that revenue from visas, in most cases, is not 'redistributed' to the consulates based on the proportion of visas processed, but rather goes directly into the state budget¹⁶. Consulates which are operationally efficient in Schengen visa processing thus are not necessarily compensated for their extra efforts.

Table 2 Examples of estimated average costs for processing a visa

⁹ Visa applicants' interest groups would favour the presentation of the TMI only upon positive decision (and not, as currently at submission stage, thus regardless of the final decision. According to Ramboll Study on the economic impact of short-stay visa facilitation, 9.6% of respondents deem unnecessary the TMI requirement upon application

¹⁰ http://cadmus.eui.eu/bitstream/handle/1814/18485/CARIM_ASN_2011_59.pdf?sequence=1

¹¹ http://www.lemonde.fr/societe/article/2010/07/08/le-parcours-kafkaen-des-demandeurs-de-visas-pour-la-france_1385380_3224.html

¹² Source: interviews/desk research run in March/April 2013

¹³ PEARLE* estimates this cost at 150 EURO (a rough average according to feedback from their network).

¹⁴ E.g. such as a listing for refusal of entry in the SIS and checking whether the applicant has overstayed the permitted length of stay on the territory at present or in the past

¹⁵ Article 5 of the Schengen Borders Code

¹⁶ E-mail by the European Commission to ICF GHK. This is the case for Estonia, France, Germany, Greece, Hungary, Lithuania, Slovenia, Sweden and Norway.

Schengen State	Average visa processing cost ¹⁷ (€)	Schengen State	Average visa processing cost (€)
AT	€ 89	IT	€ 25
BE	€ 80-90	LT	€ 41
DK	€ 174 ¹⁸	SE	€ 80 / € 85
FR	€ 22 ¹⁹ / €60 ²⁰		

In times of severe economic crisis, financial constraints hamper the possibility to employ additional consular staff or to open more consulates abroad even in regions where the demand for visas is high, which puts significant pressure on staff capacity. This problem worsens during (seasonal) peak periods. Furthermore, any additional staff, temporary or not, requires substantial additional investments related to recruitment procedures, training, etc. of civil servants. About one third of the Schengen States consulted as part of the study does not plan in advance for peak demand periods, which thus makes timely visa processing challenging when there is a strong surge in applications. Such surges are, on the other hand, also more difficult to predict given the changing travel patterns of tourists in particular (e.g. last-minute flight bookings, increased tourism outside peak periods, etc.)

Finally, beside the direct costs for visa processing, Schengen States are also confronted with high related costs, including the investments required for the implementation of the Visa Information System (VIS) and for their overall infrastructure²¹, which put a further strain on their budgets.

2.1.2.3 Heavy supporting document requirements

Many visa applicants complain about the large number of documents required and, in particular, the confusion caused by varying documentary requirements set by consulates of different Schengen States. Even though in some third countries, consulates have cooperated in developing a common list of supporting documents, in practice, different approaches are adopted in implementing such lists. For example, whereas Italian national law requires both parents to sign the child's application, German national law only requires one parent to do so. Also, in China for example, depending on the Schengen consulate, an applicant may be required to submit eight different sizes of photographs. In addition, Consulates apply different rules with regard to the admissibility of copies/faxes and different requirements are set concerning the translation of documents.

A survey of applicants in Ukraine²² indicated that in terms of supporting documents there are large differences between the average and maximum number of supporting documents required by each Schengen State. The maximum number of documents was required by Greece (16), followed by Finland, France, Italy, Portugal and Slovenia (9). A survey carried out in 2013²³ showed the documents that a majority of applicants are likely to be requested to submit with their application:

- 39% of consulates require both proof of bank statement and regular income
- 51% require either a hotel reservation or an invitation

¹⁷ Six Schengen States provided estimates of the average cost of processing one visa application. Considering the lack of data and the different ways in which the estimates have been made the table should be read with caution.

¹⁸ DK indicated that it charges its own citizens about 925 kroner (around 124 euro) for a service hour and as such does not see the standard 60 euro fee as sufficient to cover costs as an application is generally thought to take more than one service hour and is calculated at 174 euro

¹⁹ Court de comptes, Rapport public annuel 2013, La délivrance des visas et des titres de séjour : une modernisation à accélérer, des simplifications à poursuivre

²⁰ CIMADE, Enquête sur les pratiques des consulats de France en matière de délivrance des visas

²¹ Ex-post evaluation reports of the External Borders Fund

²² Hobolth, M (2012), Wanted and unwanted travellers: explaining variation in the openness of the European Union's external border

²³ Ramboll survey targeting consulates in the Russian Federation, Ukraine, India, China, South Africa, and Saudi Arabia (2013)

- 60% consulates require proof of flight reservation
- 65% of consulates require a statement from the applicant's employer
- 92% require a medical insurance when lodging application

Although consulates emphasise the importance of the documentary requirements to ensure the security of the Schengen area, they also acknowledge that some are less relevant and/or easy to 'fabricate' by applicants. For example, in relation to proof of means of subsistence, bank statements are often prone to 'forgery' as applicants may borrow money from friends/relatives so that the statement temporarily shows sufficient funds. Hotel and flight tickets are seen by some as inconclusive 'proof' as they can easily be changed once the visa has been issued. Similarly, the copy of the ID card is arguably unnecessary as applicants also submit a copy of their passport. Certain documents which are required by Schengen States are very difficult to obtain. Examples include the original tax certificate of the company for which the applicant works and, in some cases, a death certificate of the deceased spouse/partner for widowed travellers.

2.1.2.4 Lengthy visa application procedure

Most Schengen States process applications within the deadlines set in the Visa Code²⁴. In fact, more than two-third of the applications lodged are processed in less than seven calendar days²⁵. While the processing time of a visa application ranges from two to seven days for 'normal'²⁶ applications, more 'complicated' applications can require up to 30 days (as reported by the Norwegian Consulate in China). According to a survey by 'On the Move on Artists' mobility', 26% of the respondents had to wait longer than one month for their visa (thus exceeding the two weeks for appointment and 15 calendar days for decision-making allowed by the Visa Code).

Consulates in India and Ukraine noted that due to the high share of false documents, a significant amount of time is spent on the verification of supporting documents. Similar problems, although to a lesser degree, were identified by some consulates in Russia. Also, visa processing may be delayed in peak periods, if staff capacity at consulates cannot be quickly expanded. Visa procedures are often also lengthier in third countries with low numbers of applications and limited consular coverage, as consulates do not have dedicated staff to process visa applications and options for outsourcing and cooperation are limited. Finally, Schengen States also struggle to comply with the two weeks deadline allowed by the Visa Code for granting an appointment²⁷ to an applicant.

Visa applicants would even favour shorter deadlines²⁸, specifically those who travel for the purpose of business or to visit family, especially in situations which require urgent travel (e.g. serious illness of a relative, an unexpected important business meeting, etc.). Also those requiring a tourist visa increasingly need to receive a visa within a very short time period, as a result of changing travel patterns (e.g. last-minute bookings).

2.1.2.5 Differentiated use of facilitation procedures

Most Schengen States make, to a certain extent, use of the facilitations offered by the Visa Code for applicants who have 'proven' their "integrity and reliability", i.e. who are well-known and considered bona fide. However, these usually concern a relatively small proportion of (mostly business) travellers. In addition, they differ greatly with regard to the type of facilitations provided to visa applicants, the categories of visa applicants addressed and the interpretation of concepts such as 'bona fide' and 'well-known'. Several Schengen

²⁴ According to Ramboll, 86% of consulates do not have difficulties in complying with the deadlines as set in the Visa Code (based on 101 responses).

²⁵ Ibid, around 70% of consulates take a decision in less than 7 days (based on 96 responses)

²⁶ Consulates referred to normal applicants as uncomplicated applications for a single entry visa.

²⁷ Ibid, 9% of consulates have difficulties in complying with the two week deadline for an appointment (based on 101 responses).

²⁸ Ramboll survey, 76% of visa applicants deemed the time necessary to get a visa is a problem.

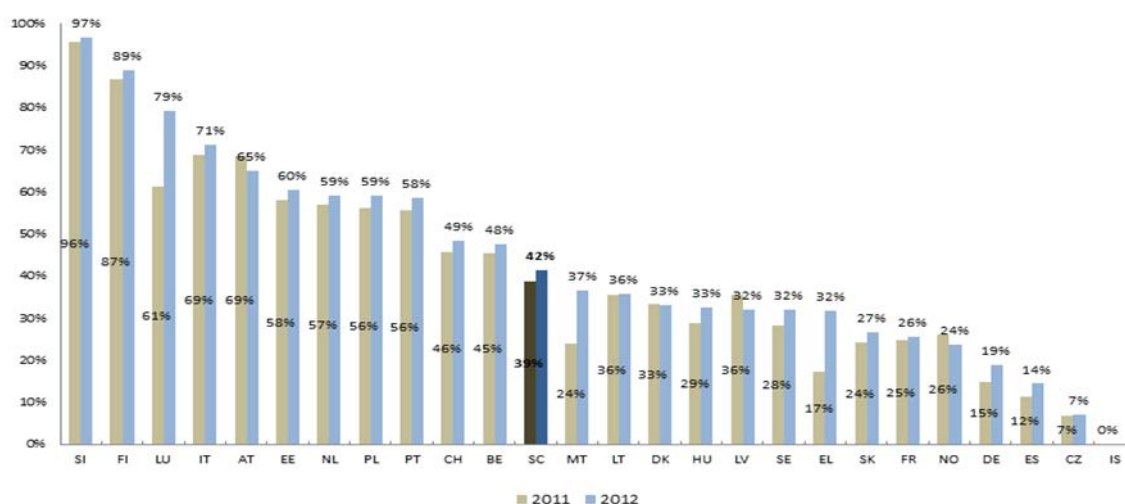
States indicated that they would welcome further clarifications and guidance as to what these concepts meant.

Nearly half of the Schengen States make use of fast-track procedures (e.g. AT, BE, CH, DK (in preparation), EL, ES, FR, LU (applied in practice), NL, PT, SE). Schengen States exempt bona fide travellers from submitting certain supporting documents (e.g. BE, CZ, EE, EL, FR, IT, NO, PL, SE) and/or from having to appear in person (e.g. BE, AT, BE, CH, EE, PL, SE (for e-applications)).

More than one third (AT, BE, CH, DE, EL, FR, HU, LV, NL) of consulates issue MEVs, six of which (AT, CH, EL, FR, and LV) started to issue MEVs straightaway to certain categories. In 2012, 42 % of all short stay visas issued were multiple-entry C visas (MEVs).²⁹ However the share differs considerably between third countries. Only 13% of all visas issued in China in 2012 were MEVs, while in Russia this was 49%.³⁰

The extent to which Schengen States issue MEVs also varies greatly. MEVs make up more than 90% of all visas issued in some Schengen States (FI, LU, SI), while for others the proportion is below 20%. Several of the Schengen States issuing largest number of visas (DE, ES, FR, IT) issue a relatively low share of MEVs.³¹

Figure 2 Share of MEVs per Schengen State



When looking at the categories of visa applicants for whom procedural facilitations are put in place, most Schengen States have introduced facilitations for diplomats, also on the basis of reciprocity. The remainder of applicants granted visa facilitations vary greatly between the Schengen States in terms of the type of travellers and their origins. Most Schengen States target business travellers in particular, considering that easier access may attract such travellers to their country and bring additional economic activity. For example, the Belgian embassy in New Delhi has a pre-identified list of companies which operate between Belgium and India and employees of these companies are exempted from having to provide certain supporting documents and from having to appear in person. Germany applies the same principle to members of the German Chamber of Commerce in China. The Netherlands, in addition to having a general facilitation scheme in place for employees from pre-identified companies (called the "Orange carpet"), also has a specific scheme in place (called the "Blue carpet") for industries and workers in the naval/ship/ferry industry (given

²⁹http://ec.europa.eu/dgs/home-affairs/what-we-do/policies/borders-and-visas/visa-policy/docs/synthese_2012_with_filters_en.xlsx

³⁰ In Ukraine it is observed that HU issues the most long-term MEVs at 58.1% of visas valid for more than 6 months and 22.5% for more than 1 year. Also EE (15%) and DE (10.3%) have issued relatively high shares of visas for over 1 year of validity. The number of MEV's has been rising and went up from about 37% in summer 2011 to 41% in 2012. Visas for over 1 year have risen to 3.7% (up from a negligible 0.4%). Some countries (CZ, DE, EE, PL) issued a relatively large share of MEV's, but a minority was of a short duration (less than 3 months). In SI 31% of visas issued constituted MEV's, while only 3.4% exceeded the duration of three months.

³¹ Survey results in Ukraine show that IT (87.5%) and ES (81.7%) mainly issued single-entry visas and IT only issued MEV's in 12.5% of the cases, compared to 73.3% by EE.

the importance of Rotterdam harbour), mainly from countries such as Ukraine, Russia, China and the Philippines. Denmark and Portugal are working on a similar scheme. Other Member States have facilitations in place for tourists, especially when these are from third countries generating large numbers of tourists and for groups travelling with accredited organisations.

Some Schengen States consulted as part of the study expressed concerns as to the unilateral approaches taken by some of their counterparts to facilitate the visa procedure, considering that it might encourage 'visa shopping' and increase confusion of potential travellers. Interest groups indicate that visa applicants are, in particular, confused by the different approaches and by the lack of clear definitions and criteria used by Schengen States to determine who is eligible for receiving an MEV.

2.2.2.6 Limited use of new technologies

Interest groups emphasised that online application systems would be useful tools to speed up visa processing. Schengen States make increasing use of online application systems.³² A few have quasi-online systems for lodging the applications and making appointments (AT, SE and an online system will soon be introduced in CH), which applicants can use to submit the necessary documents online, after which they will be able to schedule a meeting or interview. First time applicants, however, are still in nearly all cases required to appear personally, whereas this obligation is increasingly waived for successive applications.

2.2.3 Main consequences of the problem

As a consequence of the high (indirect) costs and cumbersome processes, the propensity of third-country nationals to travel to the EU could be reduced, leading to a reduced number of visa (re)applications. In particular, potential applicants in need of some form of fast-track procedure, or from regions where there is little or no direct access to the consular services from a certain Member State, may refrain from applying for a visa. Also, 'visa shopping' to reduce the indirect costs and avoid cumbersome procedures is increasing, especially when visa applicants can be 'flexible' with regard to their main Schengen area destination³³. Increased forgery of supporting documents has been noted by Schengen States. Both visa shopping and forgery are experienced in several third countries (China, India, and Turkey); the former was mostly reported in Russia, whereas the latter in Ukraine.

For consulates, the high costs of visa processing will, in combination with the downward pressure on their budgets, lead to substantial capacity issues, which may affect the quality and timeliness of their consular services. Also, Schengen States may decide to limit their consular presence and global consular presence.

The reduction of travellers to the Schengen area could have a detrimental effect on the EU economy, in terms of tourism and business revenues.

2.3 Problem area 2: Suboptimal use of forms of consular cooperation

2.3.1 Introduction of the problem

Schengen States which do not have a consular representation in a given third country or specific region of a large third country do not systematically use the full spectrum of forms of cooperation available to them in order to avoid visa applicants incurring disproportionate costs to lodge their applications. In practice, Schengen consulates frequently make use of 'classical' representation agreements. However, other forms of cooperation as envisaged in the Visa Code, such as co-location agreements or Common Application Centres (CACs), are rarely used. Also, in spite of the strong increase in the demand for visas globally, the net

³² According to Ramboll Study on the economic impact of short-stay visa facilitation, the survey targeting consulates in the Russian Federation, Ukraine, India, China, South Africa, and Saudi Arabia shows that 45% of consulates offer on-line booking of appointments for lodging applications

³³ Visa shopping is often led by visa agents/facilitators who review which Schengen State have the 'best offer' based on their rate of visa processing/documentary requirements (or lack thereof)/propensity of visa approval etc.

number of consular (physical) presences is decreasing, thus potentially further increasing costs for applicants.

Furthermore, a growing number of Schengen States is cooperating with External Service Providers (ESPs). Whereas the Visa Code defines outsourcing as a last resort, in reality it has become a main resort for many, and is used by Schengen States to rationalise costs whilst still ensuring some kind of 'capillary' presence in third countries. While overall visa applicants appear satisfied with the services offered by ESPs, there are some criticisms too.

2.3.2 Elaboration of the problems

2.3.2.1 Limited use of different forms of cooperation between Schengen States

Schengen States consider that representation agreements constitute the most efficient form of cooperation when compared with co-location agreements and CACs, as they do not entail any costs for staff, infrastructure, logistics, etc. The total number of Schengen consular representations globally increased by 5% between 2010 and 2012 (from 3,283 locations to 3,448). Annex 6 shows that while Schengen countries have 1,650 consular presences in the world, they are represented by another Schengen State in 1,798 locations. Indeed, the number of Schengen consulates declined by 4% between 2010 and 2012 (from 1,719 to 1,650), whereas during the same period the number of representations by other Schengen States increased by 15% (1,564 to 1,798). The overall tendency is thus to close consulates, in part due to the economic crisis, and to rely on other Schengen States for visa processing, meaning a net reduction of the 'physical' locations to lodge an application. In addition, whilst the number of total consular representations has risen by 5%, the number of Schengen visas issued has risen by nearly 30% between 2010 and 2012, an increase which is, as also discussed under the previous problem area, putting a severe strain on the capacity of consulates.

Also, the problem of limited consular coverage within third countries remains and can be highlighted by looking at the three largest case study countries. In Russia, there are a total of 92 Schengen country representations, in more than 11 cities. However, 49 representations (53%) are concentrated in two cities and 82 (89%) in just five cities. In China there are slightly more representations (104), but located in over nine cities. 91 are concentrated in just four cities (87.5%). Out of these nine cities, four are on the south-east coast, three in the centre-east and two in the north-east, while none are in the centre or west of the country. Finally, in India there are 83 representations in a total of eight cities. 46 (55%) are in two cities and 66 in four cities (79.5%).

Even where CACs are in place, these tend to be made up of 'multiple' representation agreements, with the in practice Schengen State being responsible for the processing of visa applications on behalf of several countries. Setting up 'proper' co-location agreements and CACs requires substantial time and effort. Also, Schengen States consider that, without further harmonisation of visa application procedures, national specificities might be difficult to manage by a single application centre. Especially in a climate of austerity measures, Schengen States are thus reluctant to set up and manage such new forms of cooperation, especially when the benefits do not seem to outweigh the costs. Moreover, the EU funding available for developing consular cooperation is perceived as administratively burdensome. Finally, Schengen States consider that the forms of cooperation described in the Visa Code lack clarity and flexibility.

2.3.2.2 Reliance on External Service Providers

In 2012, a total of 331 locations made use of ESPs, compared to 174 registered in 2010. While this still represents 'only' 7.3% of all representations, the use of ESPs appears to be growing. The advantages provided by the ESPs for visa applicants are significant, including: proximity to applicants; comprehensive services (multilingual websites, email support, one-stop-shop); faster procedures; online appointment systems; friendliness of the staff; and,

dedicated equipment. Consulates can maintain a high quality service and process a higher number of applications with the same budget and staff capacity.

However, while most consulates and visa applicants are reasonably satisfied by the services provided by ESPs, some recurring criticisms concerned:

- The quality of services of some ESPs (delays in arranging appointments, provision of unclear information, corruption, lack of clarity on data protection, lack of quality monitoring by Schengen States, etc.);
- Consulates not procuring the services of ESPs on a global basis so as to address their lack of geographical coverage: this may lead ESPs to focus on servicing consulates in third countries with the highest volume of applications and/or where they already have infrastructure in place; and
- Different service fees are observed in specific third countries for delivering the same service in the same location on behalf of different Schengen States, due to Schengen States lodging individual calls for tender rather than considering issuing joint tenders with other countries.

2.3.3 Main consequences of the problem

The propensity of third-country nationals to travel to the EU may, in the medium to longer term, decrease due to the reduced number of 'physical' consular locations and related problems for visa applicants (e.g. high indirect costs of the visa application, issues with quality of services), in combination with an increasing demand for visas and related capacity issues of consulates. The lack of cooperation between Schengen States leads to processing costs being higher than necessary; variations in visa processing practices; and sub-optimal consular locations, given the needs of potential visa applicants. The reduction of travellers to the Schengen area could have a detrimental effect on the EU economy, in terms of tourism and business revenues.

2.4 Problem area 3: Lack of a visa allowing for longer stays during a given period

2.4.1 Introduction of the problem

Several categories of visa applicants have a legitimate interest and need to travel in the Schengen area for more than the period currently allowed by the Visa Code, i.e. 90 days in a given 180-day period, without being considered as "immigrants", as they do not intend to reside in any of the Schengen States for a longer, continuous period. Categories of travellers in need of a longer duration of stay particularly include groups of artists (e.g. film crews, musicians on tour, etc.), groups of sportsmen, as well as certain types of tourists travelling for more than half a year (e.g. pensioners and backpackers), students and family members. They are not entitled to a short-stay visa, nor are they, in the majority of Member States, eligible for a "national" long-stay (D) visa, or residence permit.

2.4.2 Elaboration of the problems

The European association of artists and musicians emphasised that they often experience visa validity-related difficulties in organising tours in Europe. Touring companies are frequently unable to meet the residency requirements to be able to obtain national long-stay visas for artists/specialty staff/families (where such exist). As the staff of artists group are often highly specialised and trained, it is not possible to replace an entire cast, as this would be costly and highly disruptive. The problems of these categories of visa applicants would also not be addressed by MEVs with a validity of up to five years, as they require a longer duration of stay in an individual Schengen State.

Stakeholders estimate that there are about 3,000 European-based production companies which hire third-country nationals in their team. Despite the increased demand for, and the popularity of, some shows it is not possible to extend tour schedules beyond the 90 days within the Schengen area. This leads not only to disappointed audiences (and show schedules not meeting demands), but also to lost revenue for arenas, hotels, restaurants, and other local businesses or interim employees that benefit from the shows' presence. According to interviewed stakeholders, supplementary dates in the United Kingdom and Russia are often envisaged to remedy the specific rules on short stays in the Schengen area.

Travel agencies and other interest groups also indicate that other categories of travellers, such as certain types of tourists and family members of persons living in the EU, have expressed a strong interest in being allowed to stay longer in a Schengen State and / or travelling around for a longer period in total.

2.4.3 Main consequences of the problem

According to Pearle*, a change to the 90/180 day limitation of Schengen visas would lead to an important reduction in the administrative burden of Schengen States; lead to a growth in the turnover of organisations; impact positively on the welfare of the artists concerned; and provide a higher contribution to the local economy as a whole. The lack of an alternative visa represents, according to Pearle*, an estimated loss to the EU economy of between 500 million and 1 billion euro.

Without the option to have staff stay in the Schengen area for a longer consecutive period, relevant industry may opt to cancel or shorten a tour, or to not invest in a certain economic activity (e.g. shooting a film on location).

Economic operators in the Schengen area are both directly and indirectly affected by the missed economic opportunities. Businesses affected, as mentioned by Pearle*, include service suppliers (technical suppliers – light/sound/stage), transport companies (flights, travel, transport of equipment), hotel accommodation, catering services and restaurants, etc.

Relevant artists from third countries, as well as the companies they work for, will have to incur additional costs, including reapplying for a visa, domestic travel and travel to Europe, etc. In addition, they may lose income in case tours are shortened and/or cancelled.

3 Baseline scenario and rationale for intervening

3.1 The dimensions of the issues being considered

In 2012 there were around 15.1 million visa applications from third-country nationals (TCN) to the Schengen Area. 95% of these received a positive decision. Of those 722 thousand applications rejected, there were an estimated 9,000 appeals. The costs of processing visa applications are estimated to be 769 million euro pa. The fees income received from applicants is estimated to be 788 million euro pa. The economic activity of TCN visiting the EU is estimated to be in the order of €271 billion pa (over 2% of GDP) and sufficient to support around 7 million FTE jobs in the Schengen area. The potential economic activity that could be generated by TCN visiting the EU is very large and will increase in part due to the expansion of 'middle classes' in BRIC countries and developing countries and increasing trade and cultural links. In contrast to other economic sectors, receipts from international tourism grew by 4% in 2012 and achieved a new record level of €837 billion worldwide (though the growth was only 2% in Europe). It is anticipated that there will be 43 million additional international tourists pa in the period to 2030. Thus marginal charges in visitor numbers resulting from the considered policy options to revise visa policy are potentially economically very significant. The significance is increased by the prospect of low endogenous growth within the EU/Schengen area and the role that economic activity, driven by TCN visiting the EU, could play in reducing unemployment.

3.2 Key EU level policy developments

Under the baseline scenario, the Internal Security Fund (ISF) will contribute to the development and implementation of the common policy on visas and other short-stay residence permits, including consular co-operation and common visa policy to facilitate legitimate travel and tackle irregular migration. In particular ISF will support actions in or by Member States including infrastructure, buildings and operating equipment (such as fixed terminals for VIS) required for the processing of visa applications and consular co-operation. During the next years this will equip, secure and/or enhance consular posts to improve the efficiency of processing visa applications and the quality of service to visa applicants.

Visa facilitation agreements (VFAs) have been concluded with nine countries (Albania, Bosnia and Herzegovina, FYROM, Georgia, Moldova, Montenegro, Serbia, Russia, and Ukraine). Due to these agreements, both EU citizens and TCN benefit from facilitated procedures for issuing visas (e.g. reduction of the visa fee, issuance of MEV for specific categories of applicants and shorter processing times). Visa Facilitation Agreements are linked to readmission agreements which establish the procedures for the return to the EU or to the partner non-EU country of persons (own and TCN nationals or stateless persons) in irregular situations. A VFA is under preparation for Morocco and one is also envisaged for Tunisia. Other EU neighbourhood countries have been considered for VFA (e.g. Egypt and Belarus). The timing of such forthcoming agreements is unclear though during the next years some country specific facilitations are envisaged.

The Visa Information System (VIS) allows Schengen States to exchange and process visa data and decisions relating to applications for short-stay visas to visit, or to transit through, the Schengen Area. The system performs biometric matching, primarily of fingerprints, for identification and verification purposes, but it does not keep track of the entries and exits of TCN nor is it meant to allow checking whether a person, after entering the EU legally, does or does not stay longer than permitted. Biometric technology enables the detection of travellers using another person's travel documents and protects travellers from identity theft. Competent visa authorities have access to VIS for the purpose of examining applications and decisions related thereto. By using biometric data, the system facilitates the visa issuance process, particularly for frequent travellers (not required to give new finger scans every time they apply for a new visa: they can be re-used for further visa applications over a 5-year period). Access to VIS data is limited to authorised staff in the performance of their tasks. External Service Providers do not have access to VIS data. VIS

helps in fighting and preventing fraudulent behaviours, such as "visa shopping" (i.e. the practice of making further visa applications to other EU States when a first application has been rejected). It strengthens security by preventing, detecting and investigating terrorist offences and other serious criminal offences. Currently VIS applies to an estimated 19% of applicants. By the end of 2013 it is anticipated that it will also apply to an estimated 35% of applicants. The VIS roll-out will be completed by 2015.

The Smart Border Package (proposal launched by COM on 28 Feb 2013) aims to speed-up, facilitate and reinforce border check procedures for TCN travelling to the EU. The package consists of a Registered Traveller Programme (RTP) and an Entry/Exit System (EES) that will simplify life for frequent TCN country travellers at the Schengen area external borders and enhance EU border security. EES and RTP will contribute to facilitating access, increasing efficiency and enhancing security, ensuring that the EU remains 'open to the world' and attractive as a destination for TCN travellers. The EES will record the time and place of entry and exit of TCN travelling to the EU. The system will monitor electronically the length of the authorised short stay and issue an alert to national authorities when there is no exit record by the expiry time. In this way, the system will also be of assistance in addressing the issue of people overstaying their short term visa. Access to the database will be granted also to authorities responsible for issuing short-stay visas.

Visa holders would be eligible to apply for access to the RTP and after a vetting and pre-screening process would be able to benefit from this type of travel facilitation arrangement at any external border crossing point of the Schengen area. A maximum €20 application fee covering the administrative cost of handling RTP applications by the Member States could be asked to applicants. Initial access to the RTP should be granted for one year. The fingerprints of the travellers will be compared also to the ones stored in the VIS. In the baseline scenario it is envisaged that the EES and the RTP (which is contingent on the EES being in place) would be implemented after 2016.

3.3 Key changes envisaged

In the light of these trends and existing EU policy intervention and without further intervention of the type envisaged in the policy options, the following changes are anticipated:

- The numbers of visitors to the EU/Schengen area and external border crossings are anticipated to increase.
- The economic motivation for EU/Schengen area countries to encourage visitors for leisure and business purposes is currently high and likely to remain so for the foreseeable future.
- For discretionary leisure travel, in particular, there is and will be increasingly, both global and intra EU competition to attract visitors.
- There will be an increase in the number of visa applicants and the seasonality of applications will continue.
- The costs of international travel, though likely to increase in real terms (from their recent low levels), will be affordable to larger numbers of potential travellers from outside of the EU.
- The number of potential visitors with legitimate reason for staying longer than 90 days in a given 180-day period without the intention to reside in any of the Schengen States for a longer period is likely to increase.
- The application of facilitation possibilities within the Visa Code will remain low (in terms of the numbers of applicants affected) and uneven across Schengen States.
- The problem of 'visa shopping', whereby applicants seek entry to the Schengen area because some Schengen States are (or are perceived to be) less stringent in their checks, will reduce because of VIS. However, applicants faced with a choice between

easier and faster procedures and others that are slower and more cumbersome will exercise such a choice.

- The lack of harmonisation of the application of the Visa Code across the Schengen area risks the EU/Schengen area being perceived as incoherent by visa applicants and the proportion of visa applicants considering visa process as a 'fast, client friendly procedure' is likely to be low and either stable and declining.

3.3.1 Problem area 1 – Costly and cumbersome visa procedures

Whilst some efficiency gains are anticipated as a result of the roll out of VIS, the following trends are anticipated:

- The high indirect costs for those TCN applicants not living close to a Schengen consulate and having to attend in person so that their visa applications can be processed will continue and grow.
- The current unit costs of visa applications broadly reflect the costs of processing. The direct processing unit costs are anticipated to remain broadly at current levels, though the roll out of VIS may increase costs before efficiency gains accrue later.
- There will not be major reductions in the length of time taken to process visa applications.
- The number of documents required under Article 14 and Annex II of the Visa Code will remain the same.
- Schengen States will continue to apply different rules and discretion as to who they consider eligible for benefiting from procedural facilitation.
- Many of those potentially qualifying as frequent and/or regular travellers and bona fide (well-known) will not benefit from facilitation procedures.
- Seasonal fluctuations will continue and these will contribute to delays and constrain increases in efficiency.

3.3.2 Problem area 2 - Little use of forms of Consular cooperation

The following trends are anticipated:

- There will be motivations for Consular cooperation as a consequence of budgetary pressures, and gradual improvements in cooperation are anticipated.
- Schengen States are likely to make a greater use of ESPs. Some rationalisation of resources and savings is likely to occur due to cuts of consular staff/consulates.
- Decisions on forms of cooperation will remain dependent on the lead of Schengen States and the number of CACs is expected to remain small.

3.3.3 Problem area 3 - Lack of visa or other authorisation allowing travellers to stay more than 90 days in any 180-day period in the Schengen area

The following trend is anticipated:

- The lack of rules for legitimate travellers wishing to stay longer than 90-days in a 180-day period will continue to make travel arrangements for growing numbers of individuals and groups problematic.

3.3.4 Effects of the trends anticipated in the baseline scenario

These trends have the following consequences for the EU/Schengen area:

- A loss of economic activity and associated jobs in the EU/Schengen area through lower and shorter visits to the EU by TCN (and possible repercussions on EU citizens travel costs to third countries due to reciprocal travel constraints).
- The presentation of a complicated, confused and potentially negative image of the EU/Schengen area as hindering (and adding unnecessarily to the costs of) legitimate travel.
- Potential applicants being motivated to 'shop around' amongst Schengen States so as to reduce their costs (direct and indirect) to facilitate their travel to the EU/Schengen area.

3.4 Rationale for intervening at EU level

3.4.1 EU right to act

The basis for the rationale for the EU right to act in the visa policy field is threefold

1. The Treaty on the Functioning of the European Union (TFEU) provides a legal base to act in the area of common visa policy;
2. As demonstrated in the problem section, the objective of facilitating legitimate travelling to boost the economy of the Schengen area cannot be sufficiently achieved by the Schengen States because of a number of issues including high indirect costs for some visa applicants, the cumbersome procedure and the limited use of procedural facilitations;
3. The number of visa applicants is set to increase in future years in line with the historical upward trend in international travel and the economic development of the major emerging economies. As a consequence, the problems related to the cost-efficient and timely issuance of the visas to legitimate travellers are unlikely to disappear in the near future. The impact of the problems identified is considerable in terms of: costs to the economy; missed opportunities in the cultural, scientific or educational sectors; and the satisfaction of visa applicants and the reputation of the EU as a whole.

3.4.2 The legal basis

The EU's competence to act in the area of Freedom, Security and Justice is set in Title V of the TFEU. Article 67(2) TFEU provides that the creation of an area in which persons may move freely should be accompanied by measures with respect to external border controls, asylum and immigration. Chapter 2 of Title V further details the EU's competence regarding policies on border checks, asylum and immigration. More specifically, Article 77(2) TFEU provides that:

"[...] the European Parliament and the Council, acting in accordance with the ordinary legislative procedure, shall adopt measures concerning: (a) the common policy on visas and other short-stay residence permits; (b) the checks to which persons crossing external borders are subject; (c) the conditions under which nationals of third countries shall have the freedom to travel within the Union for a short period; (d) any measure necessary for the gradual establishment of an integrated management system for external borders; (e) the absence of any controls on persons, whatever their nationality, when crossing internal borders."

This provision, formerly Article 62 TEC, used to define the EU competence as regarding "rules on visas for intended stays of no more than three months". The wording was slightly modified with the TFEU, and the scope of Article 77 TFEU may now be interpreted as broader than it was.

3.4.3 Subsidiarity test: Why the EU is better placed to take action than Schengen countries

According to the subsidiarity principle as defined in Article 5(3) TFEU, the EU does not take action (except in the areas which fall within its exclusive competence) unless the objectives of the proposed action cannot be sufficiently achieved by Member States at national, regional or local level and can be better achieved at EU level.

The Visa Code and its Handbooks have already established harmonised rules and procedures applicable for the issuing of short stay visas. At the time of its introduction, this harmonisation could not be sufficiently achieved by the Schengen countries and could be better achieved at EU level. The situation remains the same nowadays, as demonstrated in the problem section. Legal and technical modifications of the Visa Code are therefore necessary to ensure that EU visa policy fosters economic growth and cultural exchanges by facilitating the travel to the EU of legitimate travellers without compromising its internal security and ensuring the application of uniform standards in an open area.

For instance, Schengen States currently do not always comply with the provision of the Visa Code on the processing time of visa applications or have different interpretations of the provisions on the application of supporting documents. This has led, amongst others, to discrepancies in the application of the provisions of the Visa Code and in the smooth functioning of visa processing procedures, which has had an impact on the security of the Schengen area, the satisfaction of legitimate visa applicants or on consulates' performance. In the near future, there is no indication that Schengen countries will tackle these deficits in their practices.

EU action is therefore needed to further facilitate the mobility of legitimate travellers from third countries in the Schengen area.

3.4.4 Proportionality test: Why the EU action does not exceed what is necessary to achieve the objectives of the Treaty

In accordance with Article 5(4) TFEU, the content and form of EU action shall not exceed what is necessary to achieve the objectives of the Treaties.

In the present case, EU action could actually improve the cooperation between consulates and the efficiency of the processing of visas and therefore decrease the administrative burden on Member States. In terms of costs, it would be proportionate to the overall objective of the measure, which consists in reducing the costs to the economy entailed by the problems identified in the current functioning of the EU's visa policy, as well as encouraging cultural, scientific, touristic, educational and business opportunities for EU Member States.

The form of EU action would have to ensure a uniform application of the standards defined at EU level.

4 The policy objectives

The main problems and general, specific and operational objectives are shown in Table 3. The objectives are closely linked to the main problem areas. The policy options involve proposals and measures that will contribute directly to four operational objectives. The operational policy objectives provide some of the criteria used to assess the policy proposals and policy options

Table 3 The main problems and general, specific and operational policy objectives

Main problem areas	General policy objectives	Specific policy objectives	Operational policy objectives
<i>1. Costly and cumbersome visa procedures. These lead to high costs for applicants (including indirect costs) and to consulates.</i>	To maintain security of the Schengen area. To contribute to economic growth in the EU through facilitating TCN travel to the Schengen area.	To increase the orientation of visa procedures towards the needs of legitimate TCN travellers. (This will increase economic activity in the EU) To increase the extent of harmonisation, and thus genuinely common visa policy. (This will improve the presentation of the EU and avoid problems due to differences in the visa practices between Schengen States).	To make visa processing procedure more efficient To provide further procedural facilitations for certain categories of travellers To increase and rationalise consular presence in third countries To provide the possibility for third country nationals to stay longer than 90 days in a 180-day period in the Schengen area
<i>2. Little use of forms of consular cooperation. This increases costs to applicants and contributes to inefficiencies at the level of the Schengen area.</i>	To improve cultural and external relations between the Schengen area and third countries.	To improve consular cooperation between Schengen countries. (This will both increase the efficiency of visa procedures and potentially reduce the costs to applicants).	
<i>3. Lack of visa or other authorisation allowing travellers to stay more than 90 days in any 180-day period in the Schengen area. This increases costs to applicants who need such visas.</i>		To ensure increase coherence with other EU policies such as trade, tourism, external relations and culture	

5 The policy options

Table 5.1 provides an overview of the proposals and maps them tentatively against the main problem that they address and the policy option to which they have been allocated. Each proposal has been numbered accordingly. The three policy options apart from the status quo contain 12 proposals for reviewing the Union's visa policy to facilitate legitimate travelling.

For Problem areas 1 and 3, the policy options are cumulative, in the sense that proposals B.1 and B.3 are integrated in proposals C.1 and C.3, which in turn are included in proposals D.1 and D.3. The first two proposals addressing Problem area 2 are also cumulative, but proposal D.2 is a standalone proposal.

The policy options are as follows:

- **Policy option 0 - Status Quo:** No changes would be made to the current situation, i.e. the current version of the Visa Code Regulation would continue to apply.
- **Policy option A: Non-regulatory actions:** A range of 'soft measures' aiming to better implement the Visa Code Regulation through additional guidance based on good practices. The measures/proposals address three problem areas.
- **Policy options B-D: Reviewing the Visa Code.** These options require EU level regulatory action to amend and improve the Visa Code Regulation. The proposals are grouped according to their level of ambition in three policy options:
 - **Policy option B** which would be a minimalist approach to amending the Visa Code Regulation clarifying and or strengthen its existing provisions. It would introduce mandatory procedural facilitation for frequent travellers. It would promote a more flexible form of consular cooperation;
 - **Policy option C** which would be an intermediate approach to amending the Visa Code Regulation. It would extend mandatory procedural facilitation to regular travellers. It would introduce a new type of visa allowing certain categories of applicants for stays more than 90 days in any 180-day period. It would introduce an obligation to be represented for Schengen State not represented in third countries;
 - **Policy option D** which would be a maximalist approach to amending the Visa Code Regulation. It would extend mandatory procedural facilitations. It would introduce a new type of visa allowing all categories of applicants fulfilling specific conditions to stay for more than 90 days in any 180-day period in the Schengen area. It would organise the geographical coverage of Schengen consulates in third countries.
 - Regulation. It would extend mandatory procedural facilitations. It would introduce a new type of visa allowing all categories of applicants fulfilling specific conditions to stay for more than 90 days in any 180-day period in the Schengen area. It would organise the geographical coverage of Schengen consulates in third countries.

Table 4 Policy options and proposals and their correspondence with problems areas

Problem Area Policy options	Problem area 1: Lengthy, cumbersome and costly procedure	Problem area 2: Insufficient consular coverage in visa processing	Problem area 3: Lack of authorisation allowing TCNs to stay more than 90 days in any 180-day period in the Schengen area
Non regulatory approach (A)	<u>A.1 Reducing the direct costs of Schengen visa processing</u> Development of guidelines/best practices to ensure improved issuing MEVs and exempting visa applicants from submitting supporting documents and appearing in person. Guidelines / best practices on the use of modern technologies	<u>A.2 Improving consular cooperation</u> Further promotion of the form of cooperation (e.g. CAC) and providing further possibilities of financing them under the future ISF.	<u>A.3 Information on best use of visas</u> Schengen States would be encouraged to provide information to TCN on how they could plan their itinerary to best within the existing legal framework.
Minimum regulatory approach to amending the Visa Code (B)	<u>B.1 Reducing the burden of Schengen visa processing</u> <i>MEV to all known applicants registered in the VIS with at least three lawfully used Schengen visas within 1 year: visa applicants been granted two such MEVs should be issued an MEV valid for 3 years.</i> These visa applicants would no longer need to submit certain supporting documents (concerning the purpose of stay, proof of accommodation and the intention to return), nor would they be required to appear in person at the consulate / ESP to lodge their MEV application.	<u>B.2 Improving consular cooperation</u> Introduction of the notion of “Schengen Visa Centres”, which would cover different forms and structures of cooperation between two or more Schengen States. Internal Security Fund (ISF) allocations would be made available for such consular cooperation.	<u>B.3 Introduction of a new visa</u> A new visa would be introduced for specific categories of “group travellers”, valid for transit through or intended stay in the Schengen States of a duration of no more than 360 days from the date of first entry, provided that the applicant does not intend to stay for more than 90 days in any 180-day period in the territory of the same Schengen State.
Intermediate regulatory approach to amending the Visa Code (C)	<u>C.1 Reducing the burden of Schengen visa processing</u> <i>MEV to all known applicants registered in the VIS with at least 2 lawfully used visas within 1 year: Visa applicants are issued MEVs valid for three years and, when this MEVs has been used lawfully, to subsequently issue a MEV valid for five years</i> The same facilitations as to supporting documents and personal appearance as under B.1.2 would be applied.	<u>C.2 Improving consular cooperation</u> <i>Forced representation: in addition to B.2, when a Schengen State is not present nor represented in a certain third country, any other Schengen State present in that country would be obliged to process visa applications on their behalf (i.e. “forced representation”). The ISF would be used as solidarity mechanism to reimburse costs incurred by Schengen States.</i>	<u>C.3 Introduction of a new visa</u> The same visa as under B.3 would be introduced for <i>all TCN</i> (provided these meet certain conditions). More rigid conditions could be put in place with regard to proof of subsistence and, respect of the rules as to mobility (i.e. not staying more than 90 days in the same Schengen State over any 180 day period).
Maximum regulatory approach to amending the Visa Code (D)	<u>D.1.Reducing the burden of Schengen visa processing</u> <i>MEV to all known applicants registered in the VIS with at least 1 lawfully used visas within 1 year: Visa applicants are issued straightaway MEVs valid for five years.</i> The same facilitations as to supporting documents and personal appearance as under B.1.2 would be applied.	<u>D.2 Improving consular cooperation</u> <i>Introduction of a Schengen visa processing network: the organisation of Schengen visa application processing globally would be determined at EU level (based on inputs from the Visa committee) by establishing Schengen visa processing networks in third countries.</i>	<u>D.3 Introduction of a new visa</u> The same visa as under C.3.

6 Assessment of the policy options

6.1 Approach to the assessment

The status quo and the four policy options have each been assessed as follows:

- The extent to which the proposal contributes to meeting policy objectives (each option has been rated against 4 objectives on a 5 point scale). A narrative is provided on how it is anticipated that the option will address the underlying problems and achieve the policy objectives.
- The 'theory of change' as to the effects of the policy option on visa applicants, Schengen States and consulates, and, where relevant, other stakeholders.
- The direct costs of the option on the above categories of stakeholders.
- Impacts on internal security, fundamental rights and coherence and harmonisation.
- The economic benefits (and growth) that may accrue as a result of additional travel to and within the EU;
- The efficiency benefits of 'facilitation' that are likely to accrue and the beneficiaries of such cost reductions whether TCN travellers or visa processing agencies;
- Considerations on the political feasibility, legal feasibility, functional and practical feasibility.

The assessments have been drawn up on the basis of individual assessments of each of the 14 proposals which have been presented in Table 5.1 above. These are included in Annex 1 of this report. On the basis of these assessments the preferred option (combination of proposals) has been identified, as discussed in section 7. A detailed elaboration of how the direct costs, economic benefits and efficiency gains have been calculated is provided in Annex 2 of this report.

6.2 Assessment of the individual policy options

The subsections below present the individual assessments of the policy options identified and presented above.

6.2.1 Policy Option 0: the Status Quo

The Status Quo policy option (Policy Option 0) provides the basis for comparing the remaining policy options (i.e. the anticipated impacts of policy options A and B are assessed and rated in comparison to the Status Quo). Here its contribution to the achievement of policy objectives and other consequences are briefly reviewed. The table below presents our preliminary understanding of the anticipated impacts under the status quo.

Table 5 Assessment of the Status Quo (0)

Impacts and effects		
Assessment of achievement of policy objectives	Rating (0-5)	Explanation of rating and aspects of the Policy option necessary to achieve impact
To make visa processing procedure more efficient	0	A limited improvement of the current situation is expected. This will be mainly due to increased use of ESPs; Schengen States applying facilitation procedures (allowed by the Visa Code); increasing issuance of MEVs (but according to national facilitation programmes); and, increased use of VIS which has completed its roll-out phase. Bottlenecks in visa application processing will continue to be experienced due to insufficient staff capacity and increasing numbers of visa applications. This will in particular affect the

		bigger Schengen States with high numbers of applications. Procedural facilitations will be applied to some categories of TCN, and, in the light of the increased demand for visas, further facilitations may be introduced (thus increasing efficiency). The majority of visa applicants would continue to be confronted with heavy requirements for supporting documents.
To provide further procedural facilitations for certain categories of travellers	0	Procedural facilitations, including issuance of MEVs and exempting applicants from having to submit certain supporting documents and/or appear in person, will continue to be applied to some categories of TCN (thus increasing efficiency) only. In the light of the increased demand for visas, further facilitations may be introduced. The category of visa applicants and the type of facilitations will vary by Schengen State, leading to increasingly divergent national approaches, which may encourage 'visa shopping' and increase fragmentation. The share of TCN covered by the procedural facilitations is expected to remain low.
To increase and rationalise consular presence in third countries	0	A limited improvement of the current situation is expected, related to increased use of in particular consular representation agreements, as well as the increased use of ESPs. A very limited number of new CACs may be established, but most Schengen States will continue to consider their development as burdensome.
To provide the possibility for third country nationals to stay longer than 90 days in a 180-day period in the Schengen area	0	No impact on this objective as the introduction of a new type of visa for stays longer than 90 days in a 180-day period is not foreseen in the near future.
Theory of change: Effects of proposals on target groups, security and EU / Schengen area coherence		
Visa applicants		TCN will continue encountering problems when applying for a visa, including: ▪ High indirect costs linked to the application (travel, costs of submitting documents, etc.); ▪ Lengthy and cumbersome procedures. These issues will increasingly contribute the dissatisfaction of applicants. The complete roll-out of VIS may have a positive impact on indirect costs incurred by visa applicants, as some Schengen States may no longer require them to appear in person and may exempt them from certain supporting documents. TCN with a legitimate interest and need to travel in the Schengen area for more than 90 days in a 180-day period will not be able to do so and hence have to adapt their travel plans.
<i>Financial impacts (fees paid for visas)</i>	N/A	
Schengen States / consulates		Under the status quo, Schengen States consulates will experience increased pressure on their capacity due to the growing number of visa applications and the continuing austerity measures. Some positive impacts are however expected following the roll-out of VIS, which would be time and cost saving. The increased reliance on ESPs could also help to reduce pressure.
<i>Financial impacts (changes in costs of processing visas and income from fees)</i>	N/A	
Other stakeholders		Very limited positive impact. Tourism, business, education industries and other interest groups will still face limitations as to their possibility to enjoy of more travel opportunities and further engage in economic and cultural activities in the Schengen Area.

<i>Financial impacts</i>	N/A
Internal security	A limited improvement of the current situation is expected, related to the increased use of VIS (biometric information) which would improve the verification of identity of all those already registered once in the past five years.
Coherence and harmonisation	Negative impact as Schengen States would further differentiate the application of the Visa Code instead (e.g. in relation to procedural facilitations) and continue to interpret certain aspects differently (e.g. the type of supporting documents required). Consular cooperation will not be exploited at its best: Schengen States will revert to ESPs rather than making use of the existing framework.
Fundamental rights	Some negative impact. The lack of a new type of visa might negatively impact on the right of EU citizens to respect for private and family life (Article 7), in cases where their third country national family members are not allowed to stay longer than 90 days in a 180-day period.

Assessment of economic impacts

Impacts on travel and spending within the EU/Schengen area	Minor improvements to external relations, trade and culture as a result of Schengen States introducing specific facilitation procedures (allowed as part of the Visa Code) to attract applicants from certain categories / countries, which could bring some positive economic benefits. These might be outweighed by the deterrent effect of the high costs and cumbersome procedures. In the absence of new forms of facilitation and a new type of visa for stays longer than 90 days in a 180 days period, cultural exchanges and business opportunities might be "missed".
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Impacts on indirect costs of visa applicants (travelling in person to consulates, providing documents etc.)

Considerations on feasibility

Political feasibility Legal feasibility Functional and practical feasibility	N/A
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6.2.2 Policy option A: Non-legislative actions

The table below presents our preliminary understanding of the anticipated impacts triggered by the implementation of non-legislative actions.

Table 6 Assessment of Policy Option A

Impacts and effects		
Assessment of achievement of policy objectives	Rating (0-5)	Explanation of rating and aspects of the Policy option necessary to achieve impact
To make visa processing procedures more efficient	0.5	Visa application processing is expected to slightly accelerate as applicants might have an increased awareness of the procedures and instruments currently available to them. Online application systems and tools will contribute to reduce the costs linked to the visa application process (for example travel, post, etc.), thus making this process overall more efficient. However, problems in relation to heavy supporting documentation requirements will continue to exist as Schengen states will be still able to decide which documents are required in order to fulfil visa applications.

Impacts and effects		
Assessment of achievement of policy objectives	Rating (0-5)	Explanation of rating and aspects of the Policy option necessary to achieve impact
		Bottlenecks will be still encountered, as described under the status quo.
To provide further procedural facilitations for certain categories travellers	0.5	The knowledge of visa applicants about the possibilities currently available to them will increase; a limited increase in the number of MEVs can be forecast as a result of an increased awareness of visa applicants. Conversely, the divergences across Schengen states as to the procedural facilitations for certain categories of third country nationals would still continue to grow under this policy option, contributing to a risk of visa shopping.
To increase and rationalise consular presence in third countries	0.5	A limited rationalisation and increase of forms of consular cooperation can be expected. However, the positive impacts of this option will solely depend on the willingness of Schengen states to implement such forms of cooperation, and given that some forms (e.g CAC) are perceived as too burdensome (requiring human and infrastructure investments). The development of this form of consular cooperation is therefore expected to be very limited in the absence of a "binding" intervention. In order to mitigate this risk, the option should include also the promotion of funding opportunities related to consular cooperation. An increased awareness of funding opportunities under the ISF might encourage national authorities to further engage in cooperation activities.
To provide the possibility for third country nationals to stay longer than 90 days in a 180-day period in the Schengen area	0	Providing information to third country nationals on how they should plan their itinerary to best use the possibilities provided by the existing legal framework is not expected to address this policy objective.
Theory of change: Effects of proposals on target groups, security and EU/Schengen area coherence		
Visa applicants		It is expected that the increased knowledge of existing procedures and tools available might facilitate their application process, thus increasing visa applicants' satisfaction. However, they will still continue to encounter problems when applying for a Schengen visa, including: ▪ High costs linked to the application (travel, costs of submitting documents, etc.); ▪ Lengthy and cumbersome procedures; These issues will likely increase dissatisfaction with the process and discourage third country nationals from applying for visas in the future.
<i>Financial impacts (fees paid for visas)</i>		
Schengen States / consulates		The impact is expected to be minimal. Consulates will still have to cope with an increased pressure due to the growing number of visa applicants and increasing cuts on consular budgets. Providing further possibilities of financing forms of consular cooperation under the future ISF might bring about some positive change
<i>Financial impacts (changes in costs of processing visas and income from fees)</i>		
Other stakeholders		As under the Status Quo, the impact will be fairly contained. Tourism, business, education industries and other interest groups will still face limitations as to their possibility to enjoy of more travel opportunities and further engage in economic and cultural activities in the Schengen

Impacts and effects		
Assessment of achievement of policy objectives	Rating (0-5)	Explanation of rating and aspects of the Policy option necessary to achieve impact
	Area.	
<i>Financial impacts</i>		
Internal security	N/A	
Coherence and harmonisation		Negative impact as Schengen States would further differentiate the application of the Visa Code instead (e.g. in relation to procedural facilitations) and continue to interpret certain aspects differently (e.g. the type of supporting documents required). Also, the risks related to the development of guidelines/best practices to ensure better use of current facilitations as well as modern technologies are linked to the extent to which such information will be disseminated to the wider public. Consular cooperation will not be exploited at its best: Schengen States will revert to ESPs rather than making use of the existing framework. The positive impacts of further promoting existing form of cooperation will depend on the willingness of Schengen states to implement consular cooperation.
Fundamental rights		Some negative impact. The lack of a new type of visa might negatively impact on the right of EU citizens to respect for private and family life (Article 7), in cases where their third country national family members are not allowed to stay longer than 90 days in a 180-day period.
Assessment of economic impacts		
Impacts on travel and spending within the EU/Schengen area		Minor improvements to external relations, trade and culture as a result of Schengen States introducing specific facilitation procedures (allowed as part of the Visa Code) to attract applicants from certain categories / countries, which could bring some positive economic benefits. These might be outweighed by the deterrent effect of the high costs and cumbersome procedures. In the absence of new forms of facilitation and a new type of visa for stays longer than 90 days in a 180 days period, cultural exchanges and business opportunities might be "missed", though more informed application might mitigate the loss, yet to a very limited extent.
Impacts on indirect costs of visa applicants (travelling in person to consulates, providing documents etc.)		Better information, online applications and clear requirements for supporting documents might avoid the risk of incomplete applications, but not address the high indirect costs incurred by visa applicants.
Considerations on feasibility		
Political feasibility		There are no major issues related to the feasibility of this option.
Legal feasibility		However, concerning political feasibility, national authorities might be against its implementation as the foreseen positive impacts associated with this non-legislative intervention might be minimal.
Functional and practical feasibility		

6.2.3 Policy options B/C/D: Reviewing the Visa Code

The tables below present our preliminary understanding of the impacts triggered by a revision of the Visa Code under the Minimalist, Intermediate and Maximalist policy options.

Table 7 Assessment of the Minimalist legislative Policy Option (B)

Impacts and effects		
Assessment of achievement of policy objectives	Rating (0-5)	Explanation of rating and aspects of the Policy option necessary to achieve impact

Impacts and effects		
Assessment of achievement of policy objectives	Rating (0-5)	Explanation of rating and aspects of the Policy option necessary to achieve impact
To make visa processing procedures more efficient	1	Limited positive impact. Overall, the option is also expected to decrease the workload of consulates, reducing bottlenecks and staff capacity issues. Visa procedures are likely to become more efficient due to the introduction of several procedural facilitations, including the new obligation to issue MEVs with a validity of 1 year (and after two such MEVs with a validity of 3 years) and the waiver of requirements in relation to certain supporting documents and personal appearance. Some minor efficiency gains are also expected from the small increase in consular cooperation. Finally, the introduction of a new visa type allowing travellers to stay more than 90 days in any 180 day period is expected to rationalise the visa application and processing (instead of applying at least twice for an entry visa, some third country nationals (mainly performers, artists, sportsmen, etc.) will only apply once).
To provide further procedural facilitations for certain categories travellers	2	Some positive impact, due to the various facilitations introduced, including the common criteria for the issuance of MEVs and the exemptions with regard to supporting documents and appearance in person. However, these would only apply to a limited group of travellers (based on the frequency of their travels). Also, existing rules would continue to apply to first time/unknown applicants.
To increase and rationalise consular presence in third countries	2	The introduction of the political notion of Schengen Visa Centres would have a very limited impact on increasing and rationalising the consular presence in third countries. Most Schengen States would continue to negotiate representation agreements with other States. Nevertheless, the introduction of the Schengen Visa Centres might increase, to a limited extent, the awareness of national authorities of the need to strengthen consular cooperation. Also, the reference to funding opportunities under the ISF might impact on the willingness of national authorities to strengthen consular cooperation.
To provide the possibility for third country nationals to stay longer than 90 days in a 180-day period in the Schengen area	3	A positive impact, limited to certain categories of applicants who can prove their need to stay for a longer period in the Schengen Area (e.g. artists, sportsmen, crew members (having special knowledge, experience and technical expertise), employed by reliable live performing companies or organisations and core family members (spouse, child, parents) travelling along the performing group).
Theory of change: Effects of proposals on target groups, security and EU/Schengen area coherence		
Visa applicants	The policy option would facilitate access to the Schengen area for applicants with a record of frequent travels in the VIS. The facilitations are expected to both increase the propensity and frequency of third-country nationals to travel. Satisfaction levels with the visa application process are also expected to increase. The policy option would also reduce direct costs (accelerated procedure, reduced reapplications) and indirect costs (for producing supporting documents, travelling to the consulates, being able to stay longer in the Schengen area). The financial impacts in direct costs saved by visa applicants for the MEV proposal could reach 45 million euro. The financial impacts in direct costs saved by visa applicants for the new visa authorisation could reach 3.6 million euro.	

Impacts and effects		
Assessment of achievement of policy objectives	Rating (0-5)	Explanation of rating and aspects of the Policy option necessary to achieve impact
Schengen States / consulates		The facilitations will reduce the workload of consulates, though only to a limited extent. In case of increased consular cooperation, there would be some minor economies of scale.
<i>Financial impacts (changes in costs of processing visas and income from fees)</i>		It is estimated that there the net financial impact due to reduced activity would be a minimal 1.1 million euro loss for the Schengen area through the simplification of visa processing through increased MEV issuance. There would be only a minor financial impact the proposal concerning the new visa authorisation ³ (66,000 euro).
Other stakeholders		Some positive impact. The slight increase in the number of travellers and visits is expected to benefit tourism and economic activity overall. Tour companies and related businesses supporting cultural / sport groups will no longer face obstacles when planning tours.
<i>Financial impacts</i>		
Internal security		Minor negative impacts on internal security as certain checks would no longer be performed on certain category of visa applicants (i.e. those eligible for the MEV) by asking for supporting documents, in particular related to the purpose of stay and the intention to return. However, such risks will be mitigated by the use of VIS. The new visa also represents a minor risk as it is difficult to monitor movements in the Schengen area without internal borders.
Coherence and harmonisation		The option would entail some amendments to the Visa Code, more specifically: - Article 10 (1) - Article 24(2) (a) and (b). As a consequence of introducing harmonised facilitations for certain categories of third country nationals, the divergences across the Schengen states as to procedural facilitations are going to decrease compared to the status quo. This could reduce the risk of visa-shopping. - Article 41. The Introduction of the notion of "Schengen Visa Centres" would cover different forms and structures of cooperation between two or more Schengen States, replacing the existing more specific structures It would harmonise visa facilitations for certain categories of applicants and introduce a new, common visa. The increased level of harmonisation may limit the scope for "competition" between Schengen States (seeking to attract specific categories / nationalities). The new visa may 'discriminate' third-country nationals who have migrated to the EU (i.e. who are legal residents for the purpose of employment, education, family or other reasons) but who do not yet have long-term-residency status, as more rigid travel restrictions to other Schengen States would apply to them.
Fundamental rights		Minor positive impact on the right of EU citizens to respect for private and family life (Article 7), in cases where their third country national family members are not allowed to stay longer than 90 days in a 180-day period.
Assessment of economic impacts		
Impacts on travel and spending within the EU/Schengen area		The slight increase in the number of visitors and the frequency of visits, as well as the longer duration of stay of some categories of visa applicants, are expected to already bring some positive economic benefits. Wider economic benefits are also expected as the Schengen area will become more attractive for relevant economic activities (festivals, exhibitions, sports events, etc.), thus also providing further trade and cultural benefits. The proposal could be the 'tipping point' for certain

Impacts and effects		
Assessment of achievement of policy objectives	Rating (0-5)	Explanation of rating and aspects of the Policy option necessary to achieve impact
		economic activities to take place in the EU (e.g. making a film on location). The costs of 'cultural products' for EU citizens could also be reduced. The proposal concerning MEV is anticipated to have a strong economic impact estimated at 294 million euro after the fourth year, sufficient to support 7,600 FTE. The new visa type would lead to an estimated 517 million additional income to the EU and 13,500 FTE jobs under this policy option.
Impacts on indirect costs of visa applicants (travelling in person to consulates, providing documents etc.)		The indirect costs of certain categories of visa applicants will be reduced, as some will no longer have to re-apply for new visas, bear the costs of travelling to lodge an application in person, nor incur costs for providing some supporting documents. The indirect costs estimated to be saved by those now needing to apply less frequently for visas under the MEV proposal are 117 million euro after 4 years. For the new visa authorisation proposal there will be important cost savings for visa applicants (about 9 million euro) as they would no longer need to exit the Schengen Area and then re-apply for a visa.
Considerations on feasibility		
Political feasibility Legal feasibility Functional and practical feasibility		As mentioned above, the option would entail a modification of the Visa Code and, therefore, of the relevant national legislation. The extent of these changes is rather limited, apart from the introduction of the new visa, as the latter may cause discrimination and go against Article 77(2) of the TFEU, which specifically refers to the Council being limited to introducing measures concerning the common policy on visas and other <i>short-term</i> residency permit. Political feasibility is expected to be reasonable, with many stakeholders looking favourably upon harmonising procedural facilitations. The economic benefits of such facilitations should be emphasised by the EU to make the case. The functional and practical feasibility of the policy option is expected to be good. Schengen States would need to adapt their visa procedures, but the changes to be made should not raise any practical issues.

Table 8 Assessment of the Intermediate legislative Policy Option (C)

Impacts and effects		
Assessment of achievement of policy objectives	Rating (0-5)	Explanation of rating and aspects of the Policy option necessary to achieve impact
To make visa processing procedures more efficient	3	The positive impacts foreseen in the Minimalist approach are expected to be strengthened under the Intermediate scenario, decreasing the workload of consulates and reducing bottlenecks and capacity issues. The introduction of a new visa type allowing travellers to stay more than 90 days in any 180 day period is expected to rationalise the visa application and processing. Instead of applying twice for an entry visa, all third country nationals will only apply once. Some efficiency gains are also expected from the increase in consular cooperation.
To provide further procedural facilitations for certain categories travellers	3	Positive impact, due to the facilitations being applied to a wider target group, the common criteria for the issuance of MEVs (now only requiring 2 trips recorded in VIS in the past 12

Impacts and effects		
Assessment of achievement of policy objectives	Rating (0-5)	Explanation of rating and aspects of the Policy option necessary to achieve impact
		months) and the exemptions with regard to supporting documents and appearance in person.
To increase and rationalise consular presence in third countries	4	The introduction of a "forced representation" clause within article 5 of the Visa Code would strongly contribute to increased and rationalised consular presence in third countries. Consular coverage will be secured in any third country where a Schengen State a consular presence. However, applicants in third countries with no Schengen State representations would still need to travel to neighbouring countries.
To provide the possibility for third country nationals to stay longer than 90 days in a 180-day period in the Schengen area	5	The option would provide the possibility for all third country nationals to stay longer than 90 in a 180 day period in the Schengen area.
Theory of change: Effects of proposals on target groups, security and EU/Schengen area coherence		
Visa applicants		The policy option would facilitate access to the Schengen area for applicants with a record of regular travels (two) in the VIS. Third-country nationals would also be able to plan longer trips, allowing them to spend more time in a particular Schengen State. The option is expected to both increase the propensity and frequency of third-country nationals to travel to the Schengen area. Satisfaction levels with the visa application process are also expected to strongly increase. The policy option would reduce both direct costs (accelerated procedure, reduced reapplications) and indirect costs (for producing supporting documents, travelling to the consulates, being able to stay longer in the Schengen area). The financial impacts in direct costs saved by visa applicants for the MEV proposal could reach 180 million euro. The financial impacts in direct costs saved by visa applicants for the new visa authorisation could reach 7.3 million euro.
Schengen States / consulates		The procedural facilitations will reduce the workload of consulates, although some additional initial capacity might be required to deal with the increase in visa applications. The 'forced representation' requirement would increase the workload of processing visas on behalf of other Schengen States. However, this additional burden is expected not be significant. Moreover, ISF funding would be available to compensate Schengen States with a higher volume of applications.
<i>Financial impacts (changes in costs of processing visas and income from fees)</i>		The reduction of visa to be processed would lead to a minimal net financial loss for Member States of 4.6 million euro. The restructuring of consulates through forced representation would lead to a small financial cost (estimated at 61,000 euro per annum). There would be a minor financial impact the proposal concerning the new visa authorisation (132,000 euro).
Other stakeholders		Positive impact. The increase in the number of travellers and visits is expected to benefit tourism and economic activity overall.
<i>Financial impacts</i>		See above
Internal security		A higher potential negative impact on internal security, as certain document checks would no longer be performed on a wider group of visa applicants (i.e. those eligible for a MEV with 2 travel records) Such risks will be mitigated by the use of VIS.

Impacts and effects		
Assessment of achievement of policy objectives	Rating (0-5)	Explanation of rating and aspects of the Policy option necessary to achieve impact
		On the other hand, the option will also reduce the divergences across the Schengen states as to procedural facilitations, thus moderating the risk of visa-shopping. The new visa also represents a risk as it is difficult to monitor movements in the Schengen area without internal borders. Specific attention will need to be paid also to the risk of applicants for the new visa seeking to find employment on the black market (e.g. students running out of money while travelling).
Coherence and harmonisation		At EU level, the Visa Code would need to be amended, more specifically ▪ Article 5 (1) ▪ Article 10 (1) ▪ Article 24(2) (a) and (b). As a consequence of introducing harmonised facilitations for certain categories of third country nationals, the divergences across the Schengen states as to procedural facilitations are going to decrease compared to the status quo. This could reduce the risk of visa-shopping. It would harmonise visa facilitations for a relatively wide group of applicants and introduce a new, common visa. The increased level of harmonisation may limit the scope for "competition" between Schengen States (seeking to attract specific categories / nationalities). The new visa may 'discriminate' third-country nationals who have migrated to the EU (i.e. who are legal residents for the purpose of employment, education, family or other reasons) but who do not yet have long-term-residency status, as more rigid travel restrictions to other Schengen States would apply to them.
Fundamental rights		Minor positive impact on the right of EU citizens to respect for private and family life (Article 7), in cases where their third country national family members are not allowed to stay longer than 90 days in a 180-day period.
Assessment of economic impacts		
Impacts on travel and spending within the EU/Schengen area		There would be strong economic benefits due to the higher number of visitors / visits. The increase in business, cultural and other types of travellers could provide further trade and cultural benefits. An improvement is also expected with regard to relations with third countries and cultural cooperation, as a result of the newly introduced facilitations for applicants with a record of regular travels in the VIS. Third countries may perceive the EU to be more 'open' to receiving visitors. The proposal concerning MEV is anticipated to have a very strong economic impact estimated at 1.18 billion euro after 4 years, sufficient to support 30,600 FTE. The policy option on forced representation would generate a maximum estimated 30 million euro additional income to the EU and 780 FTE jobs through restructuring of consulates. The new visa type would lead to an estimated 1 billion euro additional income to the EU and 27,000 FTE jobs under this policy option.
Impacts on indirect costs of visa applicants (travelling in person to consulates, providing documents etc.)		The indirect costs of certain categories of visa applicants will be reduced, given that some will no longer have to re-apply for new visas, bear the costs of travelling to lodge an application in person, nor incur costs for providing some supporting documents. The indirect costs estimated to be saved by those now needing to apply less frequently for visas under the MEV proposal could reach 470 million euro after 4 years. There would be a significant reduction of indirect costs with regards to

Impacts and effects		
Assessment of achievement of policy objectives	Rating (0-5)	Explanation of rating and aspects of the Policy option necessary to achieve impact
		travel for those third-country nationals who were not served by unrepresented consulates in which they want to apply for a C-visa. For the new visa authorisation proposal there will be important cost savings for visa applicants (about 18 million euro) as they would no longer need to exit the Schengen Area and then re-apply for a visa.
Considerations on feasibility		
Political feasibility Legal feasibility Functional and practical feasibility		As mentioned above, the option would entail a modification of the Visa Code and, therefore, of the relevant national legislation. The extent of these changes is rather limited, apart from the introduction of the new visa, as the latter may cause discrimination and go against Article 77(2) of the TFEU, which specifically refers to the Council being limited to introducing measures concerning the common policy on visas and other <i>short-term</i> residency permit. Political feasibility is expected to be reasonable, with many stakeholders looking favourably upon harmonising procedural facilitations. The economic benefits of such facilitations should be emphasised by the EU to make the case. However, some Schengen States will be concerned about the 'lowering' of requirements related to the MEV and the introduction of a new visa which in principle would be available to all third-country nationals. The functional and practical feasibility of the policy option is expected to be good. Schengen States would need to adapt their visa procedures, but the changes to be made should not raise any practical issues.

Table 9 Assessment of the Maximalist legislative Policy Option (D)

Impacts and effects		
Assessment of achievement of policy objectives	Rating (0-5)	Explanation of rating and aspects of the Policy option necessary to achieve impact
To make visa processing procedures more efficient	3	The positive impacts accrued by the Intermediate approach are expected to be strengthened under the Maximalist scenario, as the workload of consulates would be further reduced, which would help to address bottlenecks and capacity issues. In particular the increased consular cooperation and rationalisation of consular services would benefit efficiency.
To provide further procedural facilitations for certain categories travellers	4	The positive impacts foreseen in the Intermediate approach are expected to be strengthened under the Maximalist scenario. Under this option, the facilitations are extended to all applicants who have 1 travel registered in the VIS in the past 12 months, therefore maximising the benefits of the intervention.
To increase and rationalise consular presence in third countries	4	Determining at EU level the modalities of organisation of Schengen visa processing and forms of cooperation between Schengen States will substantially increase and rationalise the consular presence in third countries. However, Schengen States may consider that the option touches upon their national sovereignty.
To provide the possibility for third country nationals to stay longer than 90 days in a 180-day period in the Schengen area	5	No additional impact.

Impacts and effects		
Assessment of achievement of policy objectives	Rating (0-5)	Explanation of rating and aspects of the Policy option necessary to achieve impact
Theory of change: Effects of proposals on target groups, security and EU/Schengen area coherence		
Visa applicants		Visa applicants' satisfaction would further increase in particular due to expanded consular coverage and the application of procedural facilitations to a much expanded group. The reduced time for obtaining a visa will also be strongly appreciated. Both direct and indirect costs (for producing supporting documents, travelling to the consulates, being able to stay longer in the Schengen area) will be strongly reduced. The option is expected to both increase the propensity and frequency of third-country nationals to travel to the Schengen area. The financial impacts in direct costs saved by visa applicants for the MEV proposal could reach 289 million euro. The financial impacts in direct costs saved by visa applicants for the new visa authorisation could reach 7.3 million euro.
Schengen States / consulates		While the procedural facilitations will reduce the workload of consulates, the reduced time available for processing the visa and the increase in visa applications will put a severe strain on their capacity. However, this will be offset by the increased consular cooperation, which would generate important economies of scale.
<i>Financial impacts (changes in costs of processing visas and income from fees)</i>		It is estimated that there would be a minimal loss for Schengen states of 7.4 million euro due to reduced activity. The restructuring of consulates would lead to a potentially substantial saving (estimated at 87 million euro per annum). There would be only a minor financial impact (132,000 euro) on the proposal concerning the new visa authorisation.
Other stakeholders		Strong positive impact. The increase in the number of travellers and visits is expected to benefit tourism and economic activity overall.
<i>Financial impacts</i>		See above
Internal security		A much higher potential negative impact is expected as a very large group of visa applicants (i.e. all those eligible for an MEV with 1 travel record). Such risks will in part be mitigated by the use of VIS. The increased harmonisation resulting from the option will reduce the risk of visa shopping. The new visa also represents a risk as it is difficult to monitor movements in the Schengen area without internal borders.
Coherence and harmonisation		At EU level, the Visa Code would need to be amended, more specifically ▪ Article 10 (1) ▪ Article 14 (2) ▪ Article 17 ▪ Article 23 ▪ Article 24(2) (a) and (b). As a consequence of introducing harmonised facilitations for certain categories of third country nationals, the divergences across the Schengen states as to procedural facilitations are going to decrease compared to the status quo. This could reduce the risk of visa-shopping. ▪ Article 38 and 40 The increased level of harmonisation may limit the scope for "competition" between Schengen States (seeking to attract specific categories / nationalities).
Fundamental rights:		Minor positive impact on the right of EU citizens to respect for private and

Impacts and effects		
Assessment of achievement of policy objectives	Rating (0-5)	Explanation of rating and aspects of the Policy option necessary to achieve impact
		family life (Article 7), in cases where their third country national family members are not allowed to stay longer than 90 days in a 180-day period.
Assessment of economic impacts		
Impacts on travel and spending within the EU/Schengen area		There would be significant economic benefits due to the higher number of visitors / visits. The increase in business, cultural and other types of travellers could provide further trade and cultural benefits. An improvement is also expected with regard to relations with third countries and cultural cooperation, as a result of the broadened facilitations for applicants with only one record in the VIS. Third countries may perceive the EU to be far more 'open' to receiving visitors as a result. The proposal concerning MEV is anticipated to have a very strong economic impact estimated at 1.9 billion euro after 4 years, sufficient to support 49,200 FTE. The policy proposal regarding a Schengen visa processing network would generate an estimated 103 million euro additional income to the EU and 2,700 FTE jobs through restructuring of consulates. The policy proposal on the new visa type would leave to an estimated 1 billion euro additional income to the EU and 18,100 FTE jobs. The increase in travellers could provide further trade and cultural benefits.
Impacts on indirect costs of visa applicants (travelling in person to consulates, providing documents etc.)		The indirect costs of a wide group of visa applicants will be reduced, given that some will no longer have to re-apply for new visas, bear the costs of travelling to lodge an application in person, nor incur costs for providing some supporting documents. The indirect costs estimated to be saved by those no needing to apply less frequently for visas under the MEV proposal are 755 million euro per annum after 4 years. Significant reduction of indirect costs with regards to travel for applicants living in third countries where previously no consular presence of the Schengen State they wished to visit was available. A Schengen visa network would save costs and time for visa applicants in case of increased presence / representation of Schengen States and the simplification and/or harmonisation of rules and procedures. Drastic reduction of indirect costs related to travel: visa applicants will be served a capillary network of consular presences, addressing coverage issues mostly in remote areas of large third countries. For the new visa authorisation proposal there will be important cost savings for visa applicants (about 18 million euro) as they would no longer need to exit the Schengen Area and then re-apply for a visa.
Considerations on feasibility		
Political feasibility Legal feasibility Functional and practical feasibility		As mentioned above, the option would entail a modification of the Visa Code and, therefore, of the relevant national legislation. The extent of these changes is rather limited, apart from the introduction of the new visa, as the latter may cause discrimination and go against Article 77(2) of the TFEU, which specifically refers to the Council being limited to introducing measures concerning the common policy on visas and other <i>short-term</i> residency permit. Political feasibility of the policy option is very low, in particular because Schengen States would not be willing to have the EU determine where they could offer their (Schengen) consular services, but also because of their security concerns around the MEV and the introduction of the new visa.

Impacts and effects		
Assessment of achievement of policy objectives	Rating (0-5)	Explanation of rating and aspects of the Policy option necessary to achieve impact
		The functional and practical feasibility of the policy option is expected to be reasonable. Schengen States would need to adapt their visa procedures, but the changes to be made should not raise any practical issues. The Schengen visa processing network, on the other hand, would be very challenging to implement, especially considering the limited capacity available at the EU level to make informed decisions on the global allocation of consular services.

7 The preferred policy option

Policy option B, C and D will all have impact on reducing the direct costs for visa applicants, addressing however a progressively wider range of applicants. They will also, all, provide some further harmonisation of the current legal framework. Each also, progressively, has a positive impact on indirect costs, as well as travel to and spending in the Schengen area, all of which exceed any estimated revenue losses.

Concerning reducing cumbersome visa procedures, Policy option B, C and D contribute provide further facilitations to visa applicants and represent important time / cost savings and efficiency gains for both visa applicants and consulates, especially following the full roll-out of VIS. Each Policy option sets criteria for granting MEVs based on the frequency rates of trips registered in VIS, which from B to C become less stringent. The policy options will require Schengen States to further harmonise their rules and reduce the level of discretion with regard to procedural facilitation, with Option D applying to the largest group of visa applicants. However, the Policy options also pose some important security concerns, which increase as the number of trips required for being granted an MEV decreases: Policy option D, whilst bring most economic benefits, would not be supported by Schengen States, especially as these have so far enjoyed a relatively high level of discretion and as the threshold of only 1 travel record in VIS in the past 12 months could entail raise security issues and increase irregular migration risks. Option B takes a more cautious approach though based on the same rationale. In this case the requirement of 3 past travel records in VIS will limit (at least in the medium term) the economic and other benefits that could be achieved, also because the VIS will only be rolled out fully in 2015, addressing the third countries with the largest volumes of applications only in the last phase. Option C presents a balance between the two: the threshold of 2 travels in the past 12 months represents a reasonable requirement for visa applicants, whilst at the same time addressing security concerns. In combination with the additional procedural facilitations related to supporting documents and personal appearance, though to a lesser extent than Option D, Policy option C would lead to time and cost savings for regular travellers, economic benefits resulting from the relatively higher number of visitors and visits to the Schengen area, as well as wider trade and cultural benefits.

Overall, Schengen State support for the option which seeks to address the lack of certain forms of consular cooperation appears to be low, in particular with regard to the proposals which will affect their autonomy (or sovereignty, as some claim) Option D is thus politically unfeasible, as Schengen States will have to give up a very sensitive policy field to a more flexible, EU-led network. In spite of Options D and C making a very positive contribution to the rationalisation of the consular presence as well as presenting some important advantages for visa applicants and significant efficiency gains for consulates, Option B appears to be most feasible when considering stakeholder support. However, Option C would be much more effective in meeting the growing demand for visas in general, as well as the need for increased consular coverage. Moreover, the lack of ambition will, in the long run, be detrimental to the achievement of a truly harmonised Visa Policy. Option C will also generate more visits and travels to the Schengen Area. It will lead to an additional burden for those consulates which will be “forced” to take on board additional applications, but the volumes are not expected to be significant. Moreover, the ISF will act as a solidarity mechanism to o counterbalance this extra burden.

When considering the need for a longer visa allowing for longer stays in Schengen States, Options B and C contain proposal for addressing a real need of specific groups of visa applicants which, albeit limited in scale, could provide some important economic and wider trade and cultural benefits to the Schengen area, making it also more attractive for relevant industry. However, Member State support for these proposals is overall low and concerns have been raised that the proposal would allow for a long-term stay, which is ruled by national procedures and legislation concerning legal migration (e.g. D-visas and longer-term residence permits). Also, the proposal may ‘discriminate’ (not yet long-term)

third country migrants residing in the EU, as mobility restrictions apply to them. On the other hand, both B and C have the potential of generating important economic and cultural benefits and for increasing the attractiveness of the Schengen area. Due to its higher economic impact and the possible difficulties to define specific categories of TCN who could be included in the scope of the new visa, policy proposal C is likely to be the more feasible one to address the policy objectives.

Table 7.1 below presents an overview of the anticipated impacts of each Policy option. Based on the considerations above, Option C is the preferred Policy option. It shows a high level of ambition and a fair degree of realism. Consular coverage would improve and visa processing would become more efficient. Option C would generate significant economic impacts for the Schengen Area, while addressing the needs of both visa applicants and consulates. It would be important for the EU to emphasise the significant economic benefits which could be achieved through, in particular, the introduction of the procedural facilitations under this Policy option, as well as the new type of visa.

Table 10 Comparative table of Policy Options

Criteria	Policy option	Status Quo	Non regulatory approach (A)	Minimum regulatory approach to amending the Visa Code (B)	Intermediate regulatory approach to amending the Visa Code (C)	Maximum regulatory approach to amending the Visa Code (D)
Effectiveness						
To make visa processing procedure more efficient		0	0.5	2	3	4
To provide further procedural facilitations for certain categories of travellers		0	0.5	2	3	4
To increase and rationalise consular presence in third countries		0	0.5	2	4	5
To provide the possibility for third country nationals to stay longer than 90 days in a 180-day period in the Schengen area		0	0.5	3	5	5
Economic benefits		NA	-	811,000,000	2,243,000,000	3,029,000,000
Jobs FTEs		NA	-	21,100	58,300	78,800
Efficiency						
Direct costs saved by visa applicants		NA	-	48,000,000	187,000,000	296,000,000
Indirect costs saved by visa applicants		NA	-	126,000,000	489,000,000	773,000,000
Costs for Schengen States / consulates		NA	-	-1,100,000	-4,400,000	79,600,000
Feasibility						
Legal		NA	Poor	Good	Good	Poor
Political		NA	Poor	Good	Reasonable	Poor
Practical / functional		NA	Poor	Reasonable	Good	Poor

8 Monitoring and assessment

The monitoring and assessment procedures should provide a basis for assessing progress with respect to both the main problems being addressed and the general, specific and operational policy objectives of the preferred option. Thus it will be important to monitor change with respect to: the maintenance of security; the economic contribution of visa applicants to the EU/Schengen area; the direct and indirect costs of visas for applicants; the costs of and time taken to process visas; the variations in visa practice between Schengen States; and, reciprocal visa arrangements. Table 8.1 provides suggestions for potential indicators in each of these areas and notes on methods of data collection and interpretation.

Table 11 Proposed monitoring and assessment indicators

Main problem areas	Areas of interest	Potential indicators	Methods for populating indicator scores and notes on interpretation
1. Costly and cumbersome visa procedures. These lead to high costs for applicants (including indirect costs) and to consulates. 2. Little use of forms of consular cooperation. This increases costs to applicants and contributes to inefficiencies at the level of the Schengen area. 3. Lack of visa or other authorisation allowing travellers to stay more than 90 days in any 180-day period in the Schengen area. This increases costs to applicants who need such visas.	Security of the Schengen area.	Instances of TCN visa holders causing breaches of security in the EU/Schengen area.	Data on arrests and charges made of TCN provides a starting point. Comparisons of rates for visa holders and other TCN provides a basis for isolating effects of visa policy on security. Data from UN provides a starting point.
	Economic activity derived from TCN visa holders visiting and spending in the EU/Schengen area.	Proportion of global tourism by TCN taking place within the EU/Schengen area Numbers of visas of different types used for visits to the EU. Length of stay and expenditure of visitors (on different types of visa) Travel and travel time costs of visa applicants making mandatory in person visits to consulates.	Administrative data, similar to that currently available. Travel surveys. Surveys of visa applicants. Administrative data.
	Direct and indirect costs of visas to TCN.	Visa prices/fees charged by consulates. Time taken by each Schengen State/consulate to process visas. Costs incurred by consulates in processing applications.	Administrative data.
	Efficiency of visa application processing.	Visa prices/fees charged by consulates/ document requests/ time taken.	Application of Standard Cost Model to assess costs based on staff time, and costs of time, including overheads.
	Variations in visa practice of Schengen States.		
	Reciprocal arrangement. visa	Reciprocal visa policy (charges, time taken).	Administrative data.
	Perceptions of the EU/Schengen area as international destination.	Proportion of applicants considering visa process satisfactory. Proportion of visa applicants	Visa applicant surveys.

Main problem areas	Areas of interest	Potential indicators	Methods for populating indicator scores and notes on interpretation
		considering visa process a 'fast, client friendly procedure'.	

In addition it will be important to map the presence of Schengen State consulates in third countries relative to potential visa demand. Indicators could be developed that show, for example, the proportion of a country's population that lives within a two hour overland journey of a visa processing consulate. Also observations on the numbers of consulates making use of particular efficiency measures would be of value.

To complement the monitoring of these indicators and to provide insights into the extent to which the preferred policy option has brought about beneficial change, it will be useful to undertake systematic research on the role of visa policy in decisions that affect the level of economic activity in the EU/Schengen area.

A key issue is to what extent do the costs to applicants of getting visas (financial, time, costs of visiting in person and hassle (documents etc.)) influence decisions to travel to and stay within the EU/Schengen area? Because the (direct and indirect) costs of visas are small, relative to other travel costs, there is little evidence on the effect of visa policy on travel decisions and it has been difficult to reliably estimate the scale of effects of proposals. Table 8.2 identifies several situations that could be envisaged in which the preferred option would make a bigger or smaller influence on such decisions. The table also indicates how these influences could be researched.

Table 12 Possible effects of policy proposals on different groups' decisions to travel to and remain within the EU

Situations to be considered	Likely nature and order of magnitude of influence of the costs of getting visas (financial, time, costs of visiting in person and hassle (documents etc.)).	Methods that could be used to validate the extent of influence of visa policy
TCN leisure tourists considering vacation where EU is one of several competitor destinations.	Low relative to factors such as costs of travel and exchange rates, but significant, particularly for families and where decisions are price sensitive (i.e. middle and lower income groups).	Surveys of TCN visa applicants, planning vacations.
TCN visiting friends and relatives.	Low relative to other factors but a potential influence on frequency and duration of visits.	Surveys of TCN planning to visit friends and relatives.
TCN wishing to undertake prolonged activities in the EU where EU is one of several competitor destinations.	Low relative to other factors but likely to be significant and an influence in some cases to come to EU or not decisions and many tactical decisions on the duration of itineraries.	Surveys of those wishing to stay in the Schengen area for more than 90 days in any 180 days.
TCN receiving a MEV for the same price as a single entry visas.	Low relative to other factors but significant enough to increase the likelihood of subsequent visits to EU/Schengen area taking place to take advantage of the MEV.	Surveys of MEV visa holders.
TCN receiving a visa that allows for a prolonged stay in the EU/Schengen area (more than 90 days in 180 days).	Low relative to other factors but significant enough to prolong visits to EU/Schengen area.	Surveys of special visa holders. Case studies of groups benefitting from special visas.

Annexes

Annex 1 Assessment of proposals

The 12 proposals have each been assessed as follows:

- The extent to which the proposal contributes to meeting policy objectives (each proposal has been rated against 4 objectives on a 5 point scale).
- The 'theory of change' as to the effects of the policy option on visa applicants, Schengen States and consulates, and, where relevant, other stakeholders.
- The direct costs of the option on the above categories of stakeholders.
- Impacts on internal security and coherence and harmonisation.
- The economic benefits (and growth) that may accrue as a result of additional travel to and within the EU;
- The efficiency benefits of 'facilitation' that are likely to accrue and the beneficiaries of such cost reductions whether TCN travellers or visa processing agencies;
- Key issues raised by stakeholders.

The individual assessments have informed the overall assessments of the policy options. Please note that Policy Proposal D.3 is not presented as it is the same as C.3.

A1.1 Assessment of Policy Option A (non-regulatory)

Table 13 Assessment of policy proposal A1 - Reducing the direct costs of Schengen visa processing – guidelines, best practices and online tools

Impacts and effects			
Assessment of achievement of policy objectives	Rating (0-5)	Assessment of achievement of policy objectives	Rating (0-5)
To make visa processing procedures more efficient	0.5	To increase and rationalise consular presence in third countries	0
To provide further procedural facilitations for certain categories of travellers	0.5	To provide the possibility for TCN to stay longer than 90 days in a 180-day period in the Schengen area	0
Theory of change: Effects of proposals on target groups, security and EU/Schengen area coherence			
Visa applicants	The visa application procedure might become more efficient and Schengen States might introduce some additional procedural facilitations, which would mean that visa applicants may also save some costs. However, the proposal is not legally binding and the group of visa applicants which might be affected is expected to be small. Online application systems and tools will contribute to reduce the costs linked to the visa application process (for example travel, post, etc.), thus making this process overall more efficient.		
<i>Financial impacts (fees paid for visas)</i>	Possibly, if Schengen States waive fees.		
Schengen States / consulates	The impact is expected to be minimal. A few Schengen States may increase the duration of some MEVS, waive some requirements as to supporting documents and personal		

Impacts and effects			
Assessment of achievement of policy objectives	Rating (0-5)	Assessment of achievement of policy objectives	Rating (0-5)
		appearance and make best use of modern technologies, but the proposal is not legally binding. Consulates will still have to cope with an increased pressure due to the growing number of visa applicants and increasing cuts on consular budgets.	
<i>Financial impacts (changes in costs of processing visas and income from fees)</i>	Minimal.		
Other stakeholders	No other stakeholders affected		
<i>Financial impacts</i>	NA		
Internal security	No impact		
Coherence and harmonisation	Negative impact as Schengen States would further differentiate the application of the Visa Code instead (e.g. in relation to procedural facilitations) and continue to interpret certain aspects differently (e.g. the type of supporting documents required).		
Assessment of economic impacts			
Impacts on travel and spending within the EU/Schengen area	Minor improvements to external relations, trade and culture as a result of Schengen States introducing specific facilitation procedures (allowed as part of the Visa Code) to attract applicants from certain categories / countries, which could bring some positive economic benefits.		
Impacts on indirect costs of visa applicants (travelling in person to consulates, providing documents etc.)	Better information, online applications and clear requirements for supporting documents might avoid the risk of incomplete applications		
Issues raised by stakeholders	Visa applicants and interest groups would welcome further clarification of criteria and rules, in particular in relation to facilitations, as these are perceived as unclear and inconsistent.		

Table 14 Assessment of policy proposal A2 – Improving consular cooperation

Impacts and effects			
Assessment of achievement of policy objectives	Rating (0-5)	Assessment of achievement of policy objectives	Rating (0-5)
To make visa processing procedures more efficient	0	To increase and rationalise consular presence in third countries	0.5
To provide further procedural facilitations for certain categories of travellers	0	To provide the possibility for TCN to stay longer than 90 days in a 180-day period in the Schengen area	0
Theory of change: Effects of proposals on target groups, security and EU/Schengen area coherence			
Visa applicants	Minimal impact. Possibly visa applicants would save time and costs as a result of new cooperation arrangements between Schengen States.		
<i>Financial impacts (fees paid for visas)</i>	None		
Schengen States / consulates	Schengen States may engage in new cooperation arrangements,		

Impacts and effects			
Assessment of achievement of policy objectives	Rating (0-5)	Assessment of achievement of policy objectives	Rating (0-5)
		but the proposal is not legally binding, hence the effect is expected to be minimal. Some minor economies of scale may occur as a result of cooperation and if, while cooperating, Schengen States further harmonise and simplify their visa processing rules and procedures.	
<i>Financial impacts (changes in costs of processing visas and income from fees)</i>	None		
Other stakeholders	None		
<i>Financial impacts</i>	NA		
Internal security	No impact		
Coherence and harmonisation		The positive impacts will depend on the willingness of Schengen states to engage in new forms of consular cooperation. As the proposal is not legally binding, it is expected that only few Schengen States will do so.	
Assessment of economic impacts			
Impacts on travel and spending within the EU/Schengen area	None.		
Impacts on indirect costs of visa applicants (travelling in person to consulates, providing documents etc.)		Minimal impact as a result of few new forms of cooperation.	
Issues raised by stakeholders		Stakeholders consider that the current legal framework for consular cooperation is unclear and rigid. Moreover, some forms, such as CACs are considered as too costly.	

Table 15 Assessment of policy proposal A3 - Introduction of a new visa – guidance on existing visas

Impacts and effects			
Assessment of achievement of policy objectives	Rating (0-5)	Assessment of achievement of policy objectives	Rating (0-5)
To make visa processing procedures more efficient	0.5	To increase and rationalise consular presence in third countries	0
To provide further procedural facilitations for certain categories of travellers	0	To provide the possibility for TCN to stay longer than 90 days in a 180-day period in the Schengen area	0
Theory of change: Effects of proposals on target groups, security and EU/Schengen area coherence			
Visa applicants		Third-country nationals would be able to better plan and adapt their itineraries due to the fact that they would be better informed. However, visa applicants who need a longer visa would not benefit from this proposal.	
<i>Financial impacts (fees paid for visas)</i>	None		
Schengen States / consulates	No impact		
<i>Financial impacts (changes in costs of</i>	NA		

Impacts and effects			
Assessment of achievement of policy objectives	Rating (0-5)	Assessment of achievement of policy objectives	Rating (0-5)
processing visas and income from fees)			
Other stakeholders	No impact.		
Financial impacts	NA		
Internal security	No impact		
Coherence and harmonisation	No impact		
Assessment of economic impacts			
Impacts on travel and spending within the EU/Schengen area	In the absence of a new type of visa for stays longer than 90 days in a 180 days period, cultural exchanges and economic opportunities might still be “missed”.		
Impacts on indirect costs of visa applicants (travelling in person to consulates, providing documents etc.)	No impact		
Issues raised by stakeholders			

A1.2 Assessment of Policy Option B

Table 16 Assessment of policy proposal B1 - Reducing the burden of Schengen Visa processing – MEV for 'frequent' travellers

Impacts and effects			
Assessment of achievement of policy objectives	Rating (0-5)	Assessment of achievement of policy objectives	Rating (0-5)
To make visa processing procedures more efficient	3	To increase and rationalise consular presence in third countries	0
To provide further procedural facilitations for certain categories of travellers	2	To provide the possibility for TCN to stay longer than 90 days in a 180-day period in the Schengen area	0
Theory of change: Effects of proposals on target groups, security and EU/Schengen area coherence			
Visa applicants	The option introduces further procedural facilitations for applicants with a record of frequent travels in the VIS, but existing rules would continue to apply for first time/unknown applicants. Visa applicants with a record of 3 travels in the previous 12 months will save costs and time as they no longer need to provide certain supporting documents and no longer would need to travel to the consulate / ESP. Those who previously would be granted MEVs of a shorter duration would also need to reapply less frequently, especially as after having been granted 2 MEVs of 1 year, they would be entitled to an MEV of 3 years. The number of travellers and visits is expected to increase. The satisfaction level of those benefiting from the facilitations is expected to improve.		
<i>Financial impacts (fees paid for visas)</i>	The financial impacts in direct costs saved by visa applicants could reach 45 million euro.		
Schengen States / consulates	The net number of relevant visa applications is expected to drop by 5.8%, taking into account that the increase in applications for MEV due to the VIS roll-out would be more than compensated by		

Impacts and effects			
Assessment of achievement of policy objectives	Rating (0-5)	Assessment of achievement of policy objectives	Rating (0-5)
<i>Financial impacts (changes in costs of processing visas and income from fees)</i>		the drop in the number classic single entry visas now replaced by MEVs, in combination with a further drop in repeat visa applications in the same year because of the longer duration of the MEVs issued. Schengen States which previously supplied MEVs with an average shorter duration are likely to witness a reduction in MEV applications. For those whose real costs exceeded the visa fee, this will mean a saving. For those whose real costs were lower than the visa fee, this will mean a net loss. Schengen States and ESPs will increase their efficiency due to the lower number of applications (after some time) and the exemptions that would be introduced concerning supporting documents and personal appearance. TCN (or at least those covered by the facilitations) might be less inclined to make use of ESPs. Consequently, a (very limited) loss in revenues for ESPs is expected. The reduction of visa to be processed would lead to a minimal financial loss for Schengen States of about 1.1 million euro.	
Other stakeholders		The increase in business, cultural and other types of travellers could provide further trade and cultural benefits.	
<i>Financial impacts</i>		NA	
Internal security		Some potential security risks if the decisions are solely based on the frequency rate of travels of applicants. Third-country nationals with the intention to stay in the Schengen area illegally or with terrorist / criminal intentions could take this into account. However, such risks will be mitigated by the use of VIS.	
Coherence and harmonisation		The option would entail an amendment of the Visa Code, more specifically Articles 10, 14 (1) (a) (b) and 24(2). The divergences across the Schengen states as to procedural facilitations will decrease. This would reduce the risk of visa-shopping. The level of harmonisation may be limited since Schengen States could still differentiate by seeking to attract specific categories / nationalities by issuing MEVs with an initial period of validity longer than one year.	
Assessment of economic impacts			
Impacts on travel and spending within the EU/Schengen area		There would be come economic benefits due to the higher number of visitors and visits. The increase in business, cultural and other types of travellers could provide further trade and cultural benefits. The proposal concerning MEV is anticipated to have a strong economic impact estimated at 294 million euro after 4 years, sufficient to support 7600 FTE.	
Impacts on indirect costs of visa applicants (travelling in person to consulates, providing documents etc.)		Visa applicants will save costs and time as they longer need to incur costs for providing certain supporting documents, nor would they need to travel to the consulate ESP. Those who previously would be granted MEVs shorter than 1 year (and after 2 years, shorter than 3 years) would now benefit from a longer period of validity. The indirect costs estimated to be saved by those now needing to apply less frequently for visas under the MEV proposal are 117 million euro per annum after 4 years.	

Impacts and effects			
Assessment of achievement of policy objectives	Rating (0-5)	Assessment of achievement of policy objectives	Rating (0-5)
Issues raised by stakeholders		Many Schengen States indicated that they were generally satisfied with the current rules and the flexibility provided by Art 24 (2) of the Visa Code and saw no need to make MEVs issuance mandatory. However some Schengen States favoured the introduction guidance and criteria related to concepts such as frequent / bona fide travellers. Business associations see in VIS the potential for more travel (and trade) opportunities for the Schengen Area. They also consider that MEVs of a longer validity will have positive impact on travel and business opportunities.	

Table 17 Assessment of policy proposal B.2 – Improving consular cooperation – ‘Schengen Visa centres’

Impacts and effects			
Assessment of achievement of policy objectives	Rating (0-5)	Assessment of achievement of policy objectives	Rating (0-5)
To make visa processing procedures more efficient	3	To increase and rationalise consular presence in third countries	2
To provide further procedural facilitations for certain categories of travellers	1	To provide the possibility for TCN to stay longer than 90 days in a 180-day period in the Schengen area	0
Theory of change: Effects of proposals on target groups, security and EU / Schengen area coherence			
Visa applicants		Visa applicants would save costs and time in case of increased presence / representation of Schengen States and the possible simplification and/or harmonisation of rules and procedures.	
<i>Financial impacts (fees paid for visas)</i>			
Schengen States / consulates		Schengen States may increasingly engage in the new cooperation structures and decide to expand their presence / representation in third countries. Schengen area and EU visibility would increase Visa processing is expected to become more efficient, as there will be economies of scale as a result of cooperation. Also, further cost savings may occur if, as a result of the cooperation, Schengen States would also further harmonise and simplify their visa processing rules and procedures. Finally, the reference to funding opportunities under the ISF might impact on the willingness of national authorities to strengthen consular cooperation.	
<i>Financial impacts (changes in costs of processing visas and income from fees)</i>			
Other stakeholders		The EU will fund the Schengen Visa Centres. Travel agencies may also save costs and time as they can liaise with a single centre.	
<i>Financial impacts</i>		None	
Internal security		Positive effect on security due to the likelihood that increased cooperation will also be beneficial for the (joint) identification of applications representing a specific security risk.	

Impacts and effects			
Assessment of achievement of policy objectives	Rating (0-5)	Assessment of achievement of policy objectives	Rating (0-5)
Coherence and harmonisation		The Introduction of the notion of “Schengen Visa Centres” would cover different forms and structures of cooperation between two or more Schengen States, replacing the more specific structures stipulated in Article 41 (i.e. co-location, Common Application Centres (CACs)). The increased level of harmonisation may limit the scope for “competition” between Schengen States (seeking to attract specific categories / nationalities). The coherence of visa policy would increase. This could also reduce ‘visa shopping’ in the sense that applicants would be looking for the ‘best deal’ and be ‘liberal’ with the truth about their main destination.	
Assessment of economic impacts			
Impacts on travel and spending within the EU/Schengen area		Minimal effect on propensity of TCN to travel.	
Impacts on indirect costs of visa applicants (travelling in person to consulates, providing documents etc.)		Visa applicants would avoid indirect costs and will save time in case of increased presence or representation of Schengen States	
Issues raised by stakeholders		Schengen States reported their dissatisfaction with the current “rather confusing” legal framework around consular cooperation. Interest groups and visa applicants in general would welcome further cooperation among Schengen consulates	

Table 18 Assessment of policy proposal B3 – Introduction of a new visa for certain ‘group’ travellers

Impacts and effects			
Assessment of achievement of policy objectives	Rating (0-5)	Assessment of achievement of policy objectives	Rating (0-5)
To make visa processing procedures more efficient	2	To increase and rationalise consular presence in third countries	0
To provide further procedural facilitations for certain categories of travellers	0	To provide the possibility for TCN to stay longer than 90 days in a 180-day period in the Schengen area	3
Theory of change: Effects of proposals on target groups, security and EU / Schengen area coherence			
Visa applicants		The target group, i.e. the groups of travellers in need of a visa of a longer duration, could increase the duration of their stay and hence save direct and indirect costs. The affected group is expected to be restricted, estimated at around 121,000 third-country nationals.	
<i>Financial impacts (fees paid for visas)</i>		The financial impacts in direct costs saved by visa applicants could reach 3.6 million euro.	
Schengen States / consulates		The costs for Schengen States are not expected to change much, although some more time on visa processing may have to be spent to verify the need for a visa with a longer duration. It is likely that the number of visa applications from the target group will increase, but the duration of the visa will double, hence reapplications will be reduced.	

Impacts and effects			
Assessment of achievement of policy objectives	Rating (0-5)	Assessment of achievement of policy objectives	Rating (0-5)
<i>Financial impacts (changes in costs of processing visas and income from fees)</i>		A very limited financial gain (66,000 euro) due to the slight increase in number of applications	
Other stakeholders		There will be important cost savings for the relevant industry (entertainment, culture, sports, etc.).	
<i>Financial impacts</i>		N/A	
Internal security		Some risk as it is difficult to monitor movements in the Schengen area without internal borders and to enforce the limitations on the length of stay	
Coherence and harmonisation		A new visa would be introduced for specific categories of "group travellers" which meet specific conditions, including for example artists, sports delegations, crew members (with specific capabilities, knowledge, experience and technical expertise), employed / represented by reliable companies or organisations, and their core family members (e.g. spouses and dependent children). The visa would be valid for transit through or intended stay in the territory of the Schengen States of a duration of no more than 360 days from the date of first entry in the Schengen States, provided that the applicant does not intend to stay for more than 90 days in any 180-day period in the territory of the same Schengen State. The long-term visa may 'discriminate' third-country nationals who have migrated to the EU (i.e. who are legal residents for the purpose of employment, education, family or other reasons) and who are not yet long-term residents (in line with Directive 2003/109/EC), as more rigid travel restrictions to other Schengen States apply to this category.	
Assessment of economic impacts			
Impacts on travel and spending within the EU/Schengen area		The new visa type would lead to an estimated 517 million additional income to the EU and 13500 FTE jobs under this policy option. The increase in travellers could provide further trade and cultural benefits. Wider economic benefits are expected due to the fact that the Schengen area will become more attractive for relevant economic activities (festivals, exhibitions, sports events, etc.), thus also providing further trade and cultural benefits. The proposal could be the 'tipping point' for certain economic activities to take place in the EU (e.g. making a film on location). The costs of 'cultural products' for EU citizens could also be reduced.	
Impacts on indirect costs of visa applicants (travelling in person to consulates, providing documents etc.)		There will be important indirect cost savings for visa applicants (about 9 million euro) as they would no longer need to exit the Schengen Area and then re-apply for a visa.	
Issues raised by stakeholders		The majority of Schengen States contacted are not in favour of this option as they consider all stays beyond 90-days as long term stays, thus a matter of national competence (D-visa). Schengen States also did not consider this a priority issue, as Schengen consulates reported to rarely encounter situations where applicants needed a stay longer than 90 days. This was confirmed by business associations. Interest groups reported that this will have positive impact on their activities, as it would strongly facilitate their planning of tours and events in the Schengen Area (without having to exit and re-enter	

Impacts and effects			
Assessment of achievement of policy objectives	Rating (0-5)	Assessment of achievement of policy objectives	Rating (0-5)
when the C-visa expires).			

A1.3 Assessment of Policy Option C

Table 19 Assessment of policy proposal C1 - Reducing the burden of Schengen Visa processing – MEV for ‘regular’ travellers

Impacts and effects			
Assessment of achievement of policy objectives	Rating (0-5)	Assessment of achievement of policy objectives	Rating (0-5)
To make visa processing procedures more efficient	3	To increase and rationalise consular presence in third countries	0
To provide further procedural facilitations for certain categories of travellers	3	To provide the possibility for TCN to stay longer than 90 days in a 180-day period in the Schengen area	0
Theory of change: Effects of proposals on target groups, security and EU / Schengen area coherence			
Visa applicants	The group of potential beneficiaries of MEVs under this policy proposal would be large than B1, due to the lower number of required travels (2) recorded in VIS in the past 12 months. Visa applicants will save costs and time as they no longer need to provide certain supporting documents and no longer would have to travel to the consulate / ESP. Those who previously would be granted MEVs of a shorter duration would also need to reapply less frequently, especially as after having been granted a MEV of 3 years,. The number of travellers and visits is expected to increase. The satisfaction level of those benefiting from the facilitations is expected to improve. The procedure for this category of visa applicants is expected to become more efficient, as Schengen States will spend less time on verifying the supporting documents.		
Financial impacts (fees paid for visas)	The financial impacts in direct costs saved by visa applicants could reach 180 million euro.		
Schengen States / consulates	Schengen States which previously supplied MEVs with an average shorter duration are likely to witness a reduction in MEV applications. For those whose real costs of processing exceeded the visa fee, this will mean a saving. For those whose real costs of processing were lower than the visa fee, this will mean a loss. The net number of relevant visa applications is expected to significantly drop, by 23.3%, as the increase in applications for MEV due to the VIS roll-out would be offset by a reduction in single entry visa applications now replaced by MEVs and the reduction in MEVs of a shorter duration.		
Financial impacts (changes in costs of processing visas and income from fees)	The reduction of visa to be processed would lead to a minimum financial loss for Schengen States of about 4.6 million euro.		
Other stakeholders	NA		
Financial impacts	NA		
Internal security	Higher security risk due to an increasing number of visa applications based on a lower number of travel records in VIS (2 in the past 12		

Impacts and effects			
Assessment of achievement of policy objectives	Rating (0-5)	Assessment of achievement of policy objectives	Rating (0-5)
		months) and on the exemption from providing proof which could be useful in determining their intent to stay illegally / criminal or terrorist intentions. As they no longer would need to appear in person, it would also be more difficult to ascertain their identity. However, such risks will be mitigated by the use of VIS.	
Coherence and harmonisation		Entitling registered visa applicants, with at least 2 travels in the past 12 months to an MEV of 3 year validity. The option would entail an amendment of the Visa Code, more specifically Articles 10, 14 (1) (a) (b) and 24(2), The divergences across the Schengen states as to procedural facilitations will show a strong decrease. This would reduce the risk of visa-shopping. This might be limited by Schengen States seeking to attract specific categories / nationalities by issuing MEVs with an initial period of validity longer than a year, although this risk is less than under proposal B.1 given that access to the 'harmonised' MEV is made very attractive as a result of the low number of VIS records required.	
Assessment of economic impacts			
Impacts on travel and spending within the EU/Schengen area		The proposal concerning MEV is anticipated to have a very strong economic impact estimated at 1.2 billion euro after 4 years sufficient to support 30,600 FTE. The increase in business, cultural and other types of travellers could provide further trade and cultural benefits.	
Impacts on indirect costs of visa applicants (travelling in person to consulates, providing documents etc.)		The indirect costs estimated to be saved by those now needing to apply less frequently for visas under the MEV proposal are 470 million euro per annum after 4 years.	
Issues raised by stakeholders		As under proposal B.1. Schengen States may be more concerned about the security implications of the mandatory MEV in combination with the exemptions concerning the supporting documents.	

Table 20 Assessment of policy proposal C2 – Improving consular cooperation – 'Forced representation'

Impacts and effects			
Assessment of achievement of policy objectives	Rating (0-5)	Assessment of achievement of policy objectives	Rating (0-5)
To make visa processing procedures more efficient	3	To increase and rationalise consular presence in third countries	3
To provide further procedural facilitations for certain categories of travellers	1	To provide the possibility for TCN to stay longer than 90 days in a 180-day period in the Schengen area	0
Theory of change: Effects of proposals on target groups, security and EU/Schengen area coherence			
Visa applicants		Visa applicants would save costs and time as they no longer would have to travel to a neighbouring country to lodge the application or alter their travel plans to the Schengen area.	
Financial impacts (fees paid for visas)		None	

Impacts and effects			
Assessment of achievement of policy objectives	Rating (0-5)	Assessment of achievement of policy objectives	Rating (0-5)
Schengen States / consulates		The total number of situations in which a Schengen State is 'unrepresented' is 888 ³⁴ in 2012 (36 third countries on average per Schengen State). The burden for processing their visa applications would thus lie with the other Schengen States, although the number of instances in which this might be required is expected to be low. It is expected that Schengen States would increasingly engage in representation agreements or other forms of consular cooperation. On the other hand, there might be an unanticipated effect of Schengen States withdrawing from certain third countries where the political, cultural, or trade interests were already low, to avoid having this additional, yet limited burden.	
<i>Financial impacts (changes in costs of processing visas and income from fees)</i>		The restructuring of consulates would lead to a small financial cost (estimated at 61,000 euro per annum), which could be reimbursed by the ISF. There would be only a minor financial impact the proposal concerning problem area 3.	
Other stakeholders		The EU would need to develop a solidarity mechanism which would cover the additional costs incurred by Schengen States to process visa applications of unrepresented countries. Travel agencies may also save costs and time as they can liaise directly with a Schengen State.	
<i>Financial impacts</i>		None	
Internal security		None	
Coherence and harmonisation		When a Schengen State is not present nor represented in a certain third country, any other Schengen State present in that country would be obliged to process visa applications on their behalf (i.e. "forced representation": Schengen consulates with a presence in a specific third country would always be considered as competent, thus changing Article 5). This would increase the coherence of the visa policy.	
Assessment of economic impacts			
Impacts on travel and spending within the EU/Schengen area		This option would generate an estimated 30 million euro additional income to the EU and 780 FTE jobs through restructuring of consulates.	
Impacts on indirect costs of visa applicants (travelling in person to consulates, providing documents etc.)		Significant reduction of indirect costs with regards to travel for those TCN who were not served by unrepresented consulates in which they want to apply for a C-visa.	
Issues raised by stakeholders		Interest groups and visa applicants in general would welcome further cooperation among Schengen States as this would lead to the possibility to reduce indirect costs and current different ways of implementing existing rules. In particular Schengen States with a higher level of presences across the world may not favour this proposal they will need to handle an increased volume of visa applications, i.e. taking over the burden of non-present/represented Schengen States.	

³⁴ Instances in which Schengen States are neither present nor represented in a third country, added up for all third countries.

Table 21 Assessment of policy proposal C3 – Introduction of a new visa for all TCN (under certain conditions)

Impacts and effects			
Assessment of achievement of policy objectives	Rating (0-5)	Assessment of achievement of policy objectives	Rating (0-5)
To make visa processing procedures more efficient	3	To increase and rationalise consular presence in third countries	0
To provide further procedural facilitations for certain categories of travellers	0	To provide the possibility for TCN to stay longer than 90 days in a 180-day period in the Schengen area	5
Theory of change: Effects of proposals on target groups, security and EU / Schengen area coherence			
Visa applicants	The target group, i.e. the groups of travellers in need of a visa of a longer duration, could increase the duration of their stay and hence save direct and indirect costs. The affected group, i.e. the group of visa applicants who would want a visa of a longer duration and who could meet the requirements is expected to be relatively small (consisting of travelling gap-year students, pensioners, family members of EU residents and possibly travelling individual artists and sportsmen, etc.).		
<i>Financial impacts (fees paid for visas)</i>	There will be cost savings for visa applicants as they do not need to reapply and can stay in the Schengen area for the time desired / required. These have been estimated to €7.3 million.		
Schengen States / consulates	The costs for Schengen States are expected to increase, especially in relation to verifying the need for a visa with a longer duration, the possible additional conditions in relation to proof of subsistence and the extent to which the applicant will respect the conditions of the visa (e.g. the rules related to mobility). It is likely that the number of visa applications from the target group will increase, but the duration of the visa will double, hence reapplications will be reduced.		
<i>Financial impacts (changes in costs of processing visas and income from fees)</i>	There would be only a minor financial impact the proposal concerning problem area 3 (i.e. €132,000).		
Other stakeholders	No other stakeholders affected.		
<i>Financial impacts</i>	NA		
Internal security	It would be very difficult to monitor whether travellers respect the limits on the period of stay. The proposal may also attract certain types of criminal behaviour, such as human trafficking, as it would be very difficult to trace potential victims for a period of one year (even though they are registered in VIS). Specific attention will need to be paid also to the risk of the applicant seeking to find employment on the black market (e.g. students running out of money while travelling).		
Coherence and harmonisation	The same new visa as under B3 would be introduced for <i>all</i> third-country nationals which could substantiate a need for this type of visa. More rigid conditions could be put in place with regard to proof of subsistence, respect of the rules as to mobility (i.e. not staying more than 90 days in the same Schengen State over any 180 day period), etc. The long-term visa may 'discriminate' third-country nationals who have migrated to the EU (i.e. who are legal residents for the		

Impacts and effects			
Assessment of achievement of policy objectives	Rating (0-5)	Assessment of achievement of policy objectives	Rating (0-5)
		purpose of employment, education, family or other reasons) and who are not yet long-term residents (in line with Directive 2003/109/EC), as more rigid travel restrictions to other Schengen States apply to this category. The new visa would necessitate a change of the definition of a uniform visa not only in Art. 2(2) of the Visa Code but also in Art. 2 of Council Regulation (EC) No 539/2001, the current VFAs and other relevant legal instruments.	
Assessment of economic impacts			
Impacts on travel and spending within the EU/Schengen area		The new visa type could lead to an estimated 1 billion euro additional income to the EU and 26,900 FTE jobs under this policy option. The increase in travellers could provide further trade and cultural benefits.	
Impacts on indirect costs of visa applicants (travelling in person to consulates, providing documents etc.)		There will be cost savings for visa applicants as they would no longer need to exit the Schengen Area and then re-apply for a visa (about 18 million euro).	
Issues raised by stakeholders		Stakeholders' views are the same as under the proposal B3. A wider range of categories of visa applicants may favour this policy proposal.	

A1.4 Assessment of Policy Option D

Table 22 Assessment of policy proposal D1 - Reducing the burden of Schengen Visa processing – MEV for travellers with 1 VIS record

Impacts and effects			
Assessment of achievement of policy objectives	Rating (0-5)	Assessment of achievement of policy objectives	Rating (0-5)
To make visa processing procedures more efficient	3	To increase and rationalise consular presence in third countries	0
To provide further procedural facilitations for certain categories of travellers	4	To provide the possibility for TCN to stay longer than 90 days in a 180-day period in the Schengen area	0
Theory of change: Effects of proposals on target groups, security and EU / Schengen area coherence			
Visa applicants		The group of potential beneficiaries of MEVs under this policy proposal would be large than C1, due to the lower number of required travels (1) recorded in VIS in the past 12 months. Visa applicants will save costs and time as they no longer need to provide certain supporting documents and no longer would have to travel to the consulate / ESP. They would also need to reapply less frequently if they were granted MEVs with a shorter validity beforehand. This would be sensibly reduced once they have been granted 1 MEV of 5 years duration. The number of travellers and visits is expected to further increase. The satisfaction level of those benefiting from the facilitations is expected to improve. The procedure for this category of visa applicants is expected to become more efficient, as Schengen States will spend less time on verifying the supporting documents.	

Impacts and effects			
Assessment of achievement of policy objectives	Rating (0-5)	Assessment of achievement of policy objectives	Rating (0-5)
<i>Financial impacts (fees paid for visas)</i>		Visa applicants will save costs and time as they no longer need to provide certain supporting documents and no longer would need to travel to the consulate / ESP. The savings in direct costs could reach 289 million euro after 4 years.	
Schengen States / consulates		The reduction of visa to be processed would lead to a minimum financial loss for Schengen States of about 7.4 million euro.	
<i>Financial impacts (changes in costs of processing visas and income from fees)</i>		This may increase the average cost per visa processed (unless there is cooperation between consulates). However, these costs increases per visa application processed may be more than compensated by the drop in the volumes of repeat applications.	
Other stakeholders		Same as for consulates	
<i>Financial impacts</i>		NA	
Internal security		Security risk even higher because of the sensible increase in the share of visa applications (only 1 travel record in the past 12 months) being exempted from providing proof which could be useful in determining their intent to stay illegally. As they no longer would need to appear in person, it would also be more difficult to ascertain their identity. However, such risks will be mitigated by the use of VIS.	
Coherence and harmonisation		The option would entail an amendment of the Visa Code, more specifically articles 10, 14 (1) (a) (b), 23 and 24(2). The divergences across the Schengen states as to procedural facilitations are going to decrease compared to the status quo. This could reduce the risk of visa-shopping. Schengen States could still differentiate by seeking to attract specific categories / nationalities by issuing MEVs with an initial period of validity longer than a year.	
Assessment of economic impacts			
Impacts on travel and spending within the EU/Schengen area		The proposal concerning MEV is anticipated to have an extremely strong economic impact estimated at 1.9 billion euro per annum sufficient to support 49,200 FTE. The increase in business, cultural and other types of travellers could provide further trade and cultural benefits.	
Impacts on indirect costs of visa applicants (travelling in person to consulates, providing documents etc.)		The indirect costs estimated to be saved by those now needing to apply less frequently for visas under the MEV proposal are 755 million euro per annum after 4 years.	
Issues raised by stakeholders		Stakeholders' views are the same as under the policy proposals above. In addition, a wider range of visa applicants may favour this policy proposal.	

Table 23 Assessment of policy proposal D2 – Improving consular cooperation – Schengen Visa Processing Network

Impacts and effects			
Assessment of achievement of policy objectives	Rating (0-5)	Assessment of achievement of policy objectives	Rating (0-5)
To make visa processing procedures	4	To increase and rationalise consular	5

Impacts and effects			
Assessment of achievement of policy objectives	Rating (0-5)	Assessment of achievement of policy objectives	Rating (0-5)
more efficient		presence in third countries	
To provide further procedural facilitations for certain categories of travellers	2	To provide the possibility for TCN to stay longer than 90 days in a 180-day period in the Schengen area	0
Theory of change: Effects of proposals on target groups, security and EU / Schengen area coherence			
Visa applicants	The procedure for these visa applicants is expected to become more efficient, as there will be economies of scale as a result of the networking. Also, further cost savings may occur if, as a result of the networking arrangements, Schengen States further harmonise and simplify their visa processing rules and procedures.		
<i>Financial impacts (fees paid for visas)</i>	None		
Schengen States / consulates	The coverage of Schengen States presences and representations is expected to greatly improve in third countries with low numbers of visa applications and in which Schengen States may be 'less interested', politically, culturally, from a trade perspective, etc. However, Schengen States may be very reluctant to stop issuing Schengen visas in third countries in which they have a vested interest, or to be represented there by other Schengen States.		
<i>Financial impacts (changes in costs of processing visas and income from fees)</i>	The restructuring of consulates would lead to potentially a substantial saving for Schengen states (estimated at maximum 87 million euro per annum).		
Other stakeholders	The EU would have to establish a central mechanism which would decide on the allocation of consular resources globally. This would require significant financial and human resources. Travel agencies may also save costs and time as a result of the improved coverage.		
<i>Financial impacts</i>	None		
Internal security	Positive effect on security due to the likelihood that increased networking will also be beneficial for the identification of applications representing a specific security risk.		
Coherence and harmonisation	The central organisation of Schengen visa processing would provide great economies of scale, as it would allow for the optimisation of consular resources and targeting where these are most needed, according to the demand for Schengen visas rather than political, cultural, trade and other individual (Schengen State) considerations. The Schengen area would determine the organisation of Schengen visa application processing globally by establishing Schengen visa processing networks in third countries. This would imply determining the number of consulates, representation agreements and cooperation with ESPs, modifying Articles 38 and 40. The Visa Committee would take appropriate measures to identify modalities of cooperation and decide on representation conditions. The increased level of harmonisation may limit the scope for "competition" between Schengen States (seeking to attract specific categories / nationalities). The proposal could also reduce 'visa shopping' in the sense that applicants would be looking for the 'best		

Impacts and effects			
Assessment of achievement of policy objectives	Rating (0-5)	Assessment of achievement of policy objectives	Rating (0-5)
		deal' and be 'liberal' with the truth about their main destination.	
Assessment of economic impacts			
Impacts on travel and spending within the EU/Schengen area		This option would generate an estimated 103 million euro additional income to the EU and more than 2,700 FTE jobs through restructuring of visa sections of consulates. EU visibility would strongly increase	
Impacts on indirect costs of visa applicants (travelling in person to consulates, providing documents etc.)		Visa applicants would save costs and time in case of increased presence / representation of Schengen States and the simplification and/or harmonisation of rules and procedures. Drastic reduction of indirect costs related to travel: visa applicants will be served a capillary network of consular presences, addressing coverage issues mostly in remote areas of large third countries.	
Issues raised by stakeholders		Applicants will welcome this option as the increased geographical coverage (also within the same TC) would imply a major reduction of their indirect costs. It may also reduce confusion due to different ways of implementing existing rules. Schengen States would not favour this option as it would shift decision-making on Schengen visa processing and geographic organisation from the national to the EU level.	

Table 24 Assessment of policy proposal D3 – Introduction of a new visa for all TCNs

Impacts and effects			
Assessment of achievement of policy objectives	Rating (0-5)	Assessment of achievement of policy objectives	Rating (0-5)
To make visa processing procedures more efficient	3	To increase and rationalise consular presence in third countries	0
To provide further procedural facilitations for certain categories of travellers	0	To provide the possibility for TCN to stay longer than 90 days in a 180-day period in the Schengen area	5
Theory of change: Effects of proposals on target groups, security and EU/Schengen area coherence			
Visa applicants		The target group, i.e. the groups of travellers in need of a visa of a longer duration, could increase the duration of their stay and hence save direct and indirect costs. The affected group, i.e. the group of visa applicants who would want a visa of a longer duration and who could meet the requirements is expected to be relatively small (consisting of travelling gap-year students, pensioners, family members of EU residents and possibly travelling individual artists and sportsmen, etc.).	
<i>Financial impacts (fees paid for visas)</i>		There will be cost savings for visa applicants as they do not need to reapply and can stay in the Schengen area for the time desired / required (up to 7.3 million euro).	
Schengen States / consulates		The costs for Schengen States are expected to increase, especially in relation to verifying the need for a visa with a longer duration, the possible additional conditions in relation to proof of subsistence and the extent to which the applicant will respect the conditions of	

Impacts and effects			
Assessment of achievement of policy objectives	Rating (0-5)	Assessment of achievement of policy objectives	Rating (0-5)
		the visa (e.g. the rules related to mobility). It is likely that the number of visa applications from the target group will increase, but the duration of the visa will double, hence reapplications will be reduced.	
<i>Financial impacts (changes in costs of processing visas and income from fees)</i>		There would be only a minor financial impact (132,000 euro) on the proposal concerning the new visa authorisation.	
Other stakeholders		No other stakeholders affected.	
<i>Financial impacts</i>		NA	
Internal security		It would be very difficult to monitor whether travellers respect the limits on the period of stay. The proposal may also attract certain types of criminal behaviour, such as human trafficking, as it would be very difficult to trace potential victims for a period of one year (even though they are registered in VIS). Specific attention will need to be paid also to the risk of the applicant seeking to find employment on the black market (e.g. students running out of money while travelling).	
Coherence and harmonisation		The same new visa as under B3 would be introduced for all third-country nationals which could substantiate a need for this type of visa. More rigid conditions could be put in place with regard to proof of subsistence, respect of the rules as to mobility (i.e. not staying more than 90 days in the same Schengen State over any 180 day period), etc. The long-term visa may 'discriminate' third-country nationals who have migrated to the EU (i.e. who are legal residents for the purpose of employment, education, family or other reasons) and who are not yet long-term residents (in line with Directive 2003/109/EC), as more rigid travel restrictions to other Schengen States apply to this category. The new visa would necessitate a change of the definition of a uniform visa not only in Art. 2(2) of the Visa Code but also in Art. 2 of Council Regulation (EC) No 539/2001, the current VFAs and other relevant legal instruments	
Assessment of economic impacts			
Impacts on travel and spending within the EU/Schengen area		The new visa type could lead to an estimated 1 billion euro additional income to the EU and 26,900 FTE jobs under this policy option. The increase in travellers could provide further trade and cultural benefits.	
Impacts on indirect costs of visa applicants (travelling in person to consulates, providing documents etc.)		There will be cost savings for visa applicants as they would no longer need to exit the Schengen Area and then re-apply for a visa (up to 18 million euro).	
Issues raised by stakeholders		Stakeholders' views are the same as under the proposal B3. A wider range of categories of visa applicants may favour this policy proposal.	

Annex 2 Notes on Impact assessment study supporting the review of the Union's visa policy to facilitate legitimate travelling

A2.1 Introduction

These notes explain the nature of economic benefits likely to arise, the costs and revenue model used and the approach to the estimates of financial and economic impacts of the policy options in the three problem areas.

A2.2 Economic Impacts

The main economic benefits that would occur as a result of the preferred option result from TCN making additional visits to the EU (the MEV proposals in particular would have this effect) or staying longer in the EU (the 'new visa' proposal in particular would have this effect). TCN staying in the EU spend in the order of EUR 534³⁵ per trip. A large part of this expenditure is used to purchase accommodation, food, drink and transport services. The companies providing these services are typically labour intensive and around one third of the 'first round' expenditure of TCN visitors is estimated to be 'recycled' within the EU mostly by employees in the tourism sector spending or through the receipts from TCN spending being used to buy goods and services from within the EU thus creating a multiplier effect³⁶ (the estimates of economic impact in the IA study have assumed a multiplier of 1.3 at the EU level and that EUR 50,000 is sufficient to support one FTE job in the EU). Tourism activity also generates certain costs, such as congestion, pollution, potential calls on public services etc. The tourism sector is also characterised by relatively low wages and jobs are often part-time and seasonal. However, tourism activity is already economically important in the EU and current conditions in the EU and the outlook anticipated in the IA study point to the economic benefits of the preferred option considerably outweighing any such costs. Firstly, unemployment is at record levels in the EU and in these circumstances increases in employment in the tourism sector would occur. Secondly, the increase in international tourism is likely to be driven by increases in income amongst TCN groups who will be able to spend above average amounts when visiting the EU. Thirdly, it is reasonable to assume that increased tourism including visits to families and relatives will not be markedly seasonal and hence will benefit existing tourism capacities in the EU. If so this would contribute to improved employment conditions in the tourism sector in the EU.

A2.3 Cost model

A cost model was developed for estimating the baseline cost of Schengen visa processing and for assessing the cost implications of amending the Visa Code. The cost model is based on the Standard Cost Model. It measures the administrative costs of processing Schengen visa. The cost model breaks down the Visa Code Regulation into administrative activities that must be undertaken by consulates and/or ESPs to comply with the Visa Code.

Three stages are required for processing visas. Within each of the stages, administrative activities have been further specified:

³⁵ OECD, Tourism Trends and Policies 2012 - http://www.oecd-ilibrary.org/industry-and-services/oecd-tourism-trends-and-policies-2012_tour-2012-en

³⁶ Tourism generates different types of income for a community: business income, wage earnings, rates and levies. Direct spending by visitors has a positive impact on business profitability and employment growth. The money that is then circulated and re-spent in the economy is referred to as indirect spending or the multiplier effect.

- Stage 1: Receive and acknowledge receipt of a visa application
 - Receive and acknowledge receipt of a visa application, entering data into VIS (activity performed by Schengen Consulates)
 - Receive and acknowledge receipt of a visa application (activity performed by External Service Providers), estimated to take on average 3 minutes
- Stage 2: Examine and decide on a visa application (including interview)
 - Examine and decide on a visa application (without interviewing the applicant)
 - Interview the visa applicant
- Stage 3: Issue visa or notify unsuccessful applicants
 - Print, affix visa and return passport
 - Notify unsuccessful applicants and return passport
 - Deal with appeals to negative decisions

For each of the administrative activities, cost parameters have been defined:

- Volume: this is for instance the number of visa applications processed for each activity, or number of visa rejected or the volume of interviews performed³⁷.
- Time taken to process an individual visa application: this is the amount of time required to complete the administrative activity (expressed in minutes in the cost model)³⁸.
- Unit cost: this is the "tariff" for processing one visa application according the administrative activity concerned (expressed in EURO per minute in the cost model)³⁹.

Combining these elements provides the basic Standard Cost Model formula used to estimate the costs per stage:

- Cost per administrative activity = Volume x Time x Unit costs
- Cost of administrative activities per stage = Sum of the costs per administrative activity included in the stage.

The staff costs involved in processing Schengen visa are then derived by summing up the cost of administrative activities per stage:

³⁷**Volume:**

- Schengen visa statistics (e.g. number of visa applications, number of visa rejected)
- Proportion of visa applications processed by External Service Providers (calculated by counting the number of visa applications processed in those third country locations where Schengen states have outsourced their visa activities)
- Proportion of visa applications for which an interview is required (estimated to be 5%)
- Proportion of the number of visa application rejected which are appealed against (estimated to 1.25%)

³⁸**Time:**

- Average time to receive and acknowledge receipt of an application in stage 1, including entering data into VIS (estimated to be 5 minutes)
- Average time to examine and decide on an application in stage 2 (estimated to be 13 minutes)
- Average time to interview an applicant in stage 2 (estimated to be 15 minutes)
- Average time to print to print and affix visa sticker and return passport in stage 3 (estimated to be 3 minutes)
- Average time to notify unsuccessful applicants and return passport (estimated to be 5 minutes)

³⁹**Unit cost:**

- Cost of processing visa applications per minute in stage 1 (estimated at €0.49 per minute)
- Cost of processing visa applications per minute in stage 2 (estimated at €1.3 per minute)
- Cost of interviewing visa applicants per minute in stage 2 (estimated at €3.3 per minute)
- Cost of printing and affixing visa sticker and returning passport per minute in stage 3 (estimated at €1.7 per minute)
- Cost notifying unsuccessful applicants and returning passport per minute in stage 3 (estimated at €3.4 per minute)

- Staff-related operating costs = Sum of the costs of administrative activities per stage

In order to calculate non-staff related operating costs (i.e. overheads, costs of communication maintenance of systems, etc.) and capital costs (i.e. cost of systems, infrastructure, etc.), the non-staff related operating cost have been assumed to represent 55% of staff costs and the capital costs have been assumed to represent 12% of staff costs. The overall costs of processing Schengen visas have then been calculated by applying the following formula:

- Overall cost of processing Schengen visas= sum of the staff related operating costs for each Schengen State X (1+ 55% + 12%).

The following sources of information have been used to inform and test the cost model and to carry out the calculations above:

- Financial submissions to the European Border Fund: 10 Schengen States submitted reliable Staff Costs data for processing Schengen visas.
- France's yearly budgetary and audit reports on Schengen Visa Processing
- The answers to the study's data requests from several Schengen states⁴⁰
- Anecdotal evidence gathered through the interviews from the study.
- Findings from the study on the economic impact of short stay visa facilitation
- Findings from the Commission's consultation of visa applicants

A2.4 Revenue model

A revenue model was developed for estimating the baseline revenues Schengen consulates derive from visa processing and for assessing the revenue implications of amending the Visa Code. The revenue model takes account of:

- Visa fees stipulated in the Visa Code and in Visa Facilitation agreements with specific third countries, and,
- the volume of visa applications by type of applicants.

With regard to visa fees:

- the Visa Code (Art. 16 (1)) stipulates that the full visa fee is EUR 60, and Article 16 specifies the different groups of travellers which are or may be exempt from the visa fee or pay a reduced fee of EUR 35.
- Visa Facilitation Agreements (VFA) specifies that applicants, from those third countries where VFAs apply, pay a maximum fee of EUR 35 instead of EUR 60 and specific categories of applicants may be exempt.

With regard to the volume of visa applications, the number of applications was broken down by type of applicants taking into account of the geographical scope of applications of the VFA. The different types of applicants considered are in line with the population benefiting from the provisions for fee waivers or reduced fees stipulated in the Visa code or the VFAs:

- minors⁴¹ aged 0-6⁴², 6-12⁴³ and 12-18⁴⁴,
- of holders of diplomatic and service passports⁴⁵,

⁴⁰ Such as Sweden, Austria, Germany, Latvia and Lithuania

⁴¹ The estimates are based on population data from countries in Africa, Asia, Middle East and South America whose citizens require a visa for the Schengen area. Population data for 0-6 and 6-12 year olds have been adjusted for their assumed propensity to travel (it is assumed that there is a 50% lower propensity to travel than population figures would suggest), while the figure for 12-18 year olds reflects their incidence in the population. Source: <http://unstats.un.org/unsd/demographic/products/dyb/dybcens.htm>

⁴² Exempt from fee

⁴³ The visa fee for this group 'may' be waived. It is guessed that the potential visa fee waiver for this group is not applied, based on the practices in some consulates (websites of consulates)

⁴⁴ Not exempt from fee. It is estimated that in principle this group pays the full visa fee of EUR 60

⁴⁵ It is guessed that the number of travellers with diplomatic and service passports is 3% and that in 50% of cases the visa fee for these travellers is waived, out of courtesy. The average of 3% has been estimated on

- school pupils, students, postgraduates, teachers who undertake trips for the purpose of study and representatives of NGO's of under 25 participating in seminars, conferences, cultural or educational events⁴⁶, and,
- participants aged 25 years or less in seminars, conferences, sports, cultural or educational events⁴⁷.

The population estimates have been based on the projected number of applications in 2015 using 2012 visa application statistics. The overall visa fees and average visa fee derived from the processing of Schengen visas have been calculated using the following formula:

- Overall revenues derived from visa fees = Sum of visa fee applicable to type of applicant 1 X number of application from type of applicant 1 + ... + visa fee applicable to type of applicant n X number of application from type of applicant n
- The average visa fee = Overall revenues derived from visa fees / projected number of applications in 2015

A2.5 Problem area 1: Lengthy, cumbersome and costly procedures – Proposals: Introducing harmonised MEV

The economic impacts to the EU of the MEV proposals occur because the proposals would lead to a higher number of MEV being applied for and issued and, travellers in possession of MEV are likely to make more trips to the EU than they otherwise would. This is because travellers with MEV would no longer incur the direct and indirect costs of applying for visas and would be better placed to take advantage of late bookings and short notice requests and motivation to travel. The study by Ramboll indicated that some 6 million trips per annum to the EU from six countries (China, India, The Russian Federation, Saudi Arabia, South Africa and Ukraine) are constrained due to the need to obtain visas. The MEV proposals would have the effect of realising some of this potential.

It has been assumed that there would be approximately 18 million visa applications per year by 2015 under the baseline scenario, based the trends in the number of visa applications between 2010-2012 and assuming an annual increase of 10% in 2013 and 8% in 2014. It is further assumed that proposals would come into effect in 2015 but that the main economic impacts would accrue 3-4 years later (travellers would first need to have travelled on SEV before being eligible for MEV).

The estimates of the scale of economic impacts of the MEV proposals are based on:

- Estimates of the proportion of all trips that are undertaken with MEV under the baseline scenario and the MEV proposals. These estimates have been informed by survey data on the proportions of travellers in different groups) according to their 'frequency of travel' and shown in the table below;

the basis of the likely travel propensity of holders of these passports to each of the Schengen States. The number of third country embassies and consulates of countries whose citizens need a visa was identified for each of the Schengen States. The Schengen State's share out of this total number of third country embassies and consulates was then identified. As the figures were high for some countries, these were moderated by 50% for countries with a share between 2% and 6% and were divided by three for countries having between 6% and 15% of the number of embassies and consulates. Finally these proportions were multiplied by the number of visa applications in 2015 to calculate the number of people in this category for each Schengen State. As countries like Austria, Belgium, Luxembourg and Switzerland have large international institutions the estimates of applicants with diplomatic and service passports for these countries were increased threefold.

⁴⁶ This group is estimated to be very small (guessed at 5% of the total population) and is exempt from paying the visa fee.

⁴⁷ It is estimated that the visa fee waiver for this group is practically not applied

Table 25 Proportion of trips requiring MEV

Frequency of international travel (trips per annum)	Estimated proportion of ALL trips that would be covered by MEV (%)			
	Baseline	Proposal B1	Proposal C1	Proposal D1
More than 4 per annum	12.9	13.7	14.5	25.1
2 to 4	10.0	15.1	30.1	31.2
1	1.2	1.2	2.5	9.1
One every 2 years	0.0	0.0	0.4	1.1.7
Total	24.2	30.0	47.6	66.5

- Assumptions about the increase in MEV issued for the more frequent traveller groups due to each MEV proposal (the effect of the MEV proposals would be to increase the pool of potential MEV carrying travellers); (The assumptions made are shown in the Table below)

Table 26 Frequency of international travel and MEV 'coverage'

Frequency of international travel (trips per annum)	Estimated proportion of trips covered by MEV (%)			
	Baseline	Proposal B1	Proposal C1	Proposal D1
More than 4 per annum	80	85	90	95
2 to 4	20	30	60	70
1	5	5	10	40
One every 2 years	0	0	5	15

- The assumption that each traveller with a MEV undertakes on average 1.4 trips to the EU each year; and, the assumption that for every 3 trips with a MEV one additional trip is made to the EU.

Following the above approach, the increased issuing of MEV will lead to a reduction in visa applications, estimated at 1 million under **proposal B.1**, 4.2 million under **proposal C.1** and 6.7 million under **proposal D.1**. The reductions in the number of visas processed are due to the increasing number of applicants that would no longer need to apply for a visa as they will be granted MEVs (with respect to the baseline scenario, there would be 5.8% more MEVs under proposal B.1, 23.4% under proposal C.1 and 37.6% under proposal D.1).

On the other hand, the MEV are expected to lead to an estimate of 490,000 additional trips to the EU due to proposal B.1, 2 million due to proposal C.1 and 3.1 million due to proposal D.1. The additional trips to the EU generated by the MEV proposals have been expressed as economic impacts assuming that each trip generates EUR 534 in additional revenue. It is assumed that an income multiplier of 1.3 applies at the level of the EU and for each addition EUR 50,000 one FTE job in the EU would be supported. This approach led to an estimate of EUR 295 million additional income and 7,600 supported FTE jobs due to proposal B1 over four years, an estimate of EUR 1.2 billion additional income and 30,600 supported FTE jobs due to proposal C1, an estimate of EUR 1.9 billion additional income and 49,200 supported FTE jobs due to proposal D1.

The estimates of reduced costs to visa applicants, corresponding to no longer having to attend in person, not having to submit certain supporting documents⁴⁸ and not paying visa fees⁴⁹ assume that the direct and indirect costs avoided amount to about EUR 150⁴⁹ per visa application. The direct costs saved by visa applicants are EUR 44.8 million for proposal B.1, EUR 180 million for C.1 and EUR 288.6 million for D.1. The indirect costs saved by applicants amount to EUR 117.3 million for B.1, EUR 470.4 million for C.1 and EUR 755 million for D.1.

The policy proposals are also expected to have a minor negative financial impact on Schengen States, as it is considered that, because of the decline in the number of (single entry) visa applications, Schengen States would witness a loss of income (receipt of fees), accompanied however also by lower costs as less visa applications would need to be processed. The net financial impact amounts to – EUR 1.1 million under proposal B.1, – EUR 4.5 million under C.1 and – EUR 7.4 million under D.1.

Table 27 Overview of the impacts of policy options in problem area 1

Impact	Unit	Proposal B.1	Proposal C.1	Proposal D.1
Problem area 1				
Impact on the number of travellers	Reduction in visa processed (in thousands)	1,047	4,200	6,744
	Additional number of trips (in thousands)	489	1,960	3,147
Financial impacts	Net financial impact due to reduced levels of activity (thousands of euro)	-1,144	-4,591	-7,370
	Direct costs saved by applicants (thousands of euro)	44,811	179,770	288,630
Economic impacts	Indirect costs saved by applicants (thousands of euro)	117,263	470,427	755,296
	Additional tourism revenue from short stays (in 4th year) (thousands of euro)	293,657	1,178,070	1,891,455
	Supported jobs (FTE) (in 4th year)	7,635	30,630	49,178

A2.6 Problem area 2: Insufficient consular presence in handling and processing visa applications – Proposals: Improving consular cooperation

The economic impacts to the EU of the proposals to improve consular cooperation occur because the proposals would allow for a higher number of Schengen visas to be processed, because consular coverage is expected to increase. The policy proposals are in particular expected to contribute to a reduction in the number of 'blank spots',

⁴⁸ Supporting documents related to accommodation, proof of sufficient financial means and proof of will to return

⁴⁹ The average visa fee charged is estimated at EUR 43. Total indirect costs are estimated at an average EUR 150 per visa applicant (based on estimates provided by stakeholders from different consulates and the *Pearle contribution to the Study). These include, for example, indirect cost related to travelling, estimated at EUR 100, and to generating supporting documents / getting these certified, estimated at EUR 12.

i.e. number of cases in which a Schengen state is not present nor represented in a third country. At present, the number of identified 'blank spots' amounts to 888.⁵⁰

Table 28 Overview of the impacts of problem area 2

Impact	Unit	Proposal B.2	Proposal C.2	Proposal D.2
Problem area 2				
Impact on the number of travellers	Additional number of travellers (in thousands)	NA	56	194
Financial impacts	Net financial impact (thousands of euro)	NA	61	86,832
Economic impacts	Additional tourism revenue from short stays (thousands of euro)	NA	29,904	103,404
	Supported jobs (FTE)	NA	778	2,689

Proposal B.2 was not considered for the assessment considering its non-compulsory nature; therefore it does not generate any financial or economic impact-

Proposal C.2 on forced representation is expected to lead to a total of 56,000 additional applications per annum, based on a French report⁵¹ which indicates that between 2010 and 2011, France processed 63 visa applications on behalf of another Member State per year, for each representation agreement signed. These 63 visa applications have been multiplied by the number of 'blank spots', which thus gives a rounded total of 56,000 applications if all 'blank spots' were covered as a result of the forced representation arrangements under proposal C.2.

Proposal C.2 would have a net positive financial impact of approximately EUR 61,000 or around EUR 2,400 per Member State, per year. The processing of the additional applications would amount to EUR 2.4 million, multiplying the total average cost of processing a Schengen visa (EUR 42.8) by the number of additional applications 56,000. The revenue generated by the additional visa applications would be higher, amounting to EUR 2.5 million, based on the average fee charged for a Schengen visa (EUR 43.9).

As to the economic impacts, the additional 56,000 travellers are expected to generate increased tourism revenue of EUR 30 million, based on the average spending per short stay of EUR 534 per visitor. Using the multiplier explained above, the supported number of FTE jobs created by the policy proposal is estimated at 780.

Proposal D.2 introducing a Schengen visa network would have an estimated net positive financial impact of approximately EUR 87 million per year, as developing a network of visa processing consulates would bring about important cost savings due to the closure of the Schengen visa sections of consulates processing low numbers of

⁵⁰ This figure takes into account all third countries where Schengen visa applications can be lodged as of 2012 (Annex 28). In some cases a Schengen state is not present in the capital but in another city (i.e. Estonia in New York instead of Washington DC). In those cases it has been considered that the Schengen State is de facto present. Based on these criteria one arrives at a number of 888 blank spots

⁵¹ <http://www.ladocumentationfrancaise.fr/var/storage/rapports-publics/114000189/0000.pdf>

visa applications and the additional revenue generated as a result of an increase in travellers. These savings would be partly offset by costs would be incurred for setting up new consulates and Schengen Visa Application Centres.

First, the total number of additional travellers is estimated at 194,000. To calculate this, the largest 10 cities (population) in China, India, Russia and Indonesia, Pakistan and Nigeria (large countries whose citizens need a visa to enter the Schengen area) were checked to identify whether they had a Schengen consular presence. It appeared that in 41 of the 60 cities in the above countries there was no Schengen representation. Assuming, under proposal C.2, that all these cities will have Schengen representation and based on current travel propensity in the above six countries⁵², an additional 183,000 travellers are foreseen. A further additional 11,000 travellers are added, on the basis of the 10 countries⁵³ in which there is currently no Schengen representation and the respective travel propensity in these countries.

The 194,000 additional travellers would generate a net revenue (total visa fees charged minus total costs for issuing visas) of EUR 77,000. The costs for setting up new consulates and Schengen Visa Application Centres in the 41 cities in China, India, Russia and Indonesia, Pakistan and Nigeria and in the 10 countries without any visa coverage would be in the order of EUR 37 million. On the other hand, important cost savings of around EUR 124 million are expected because the visa sections of consulates processing less than 100 visas per year (one third of the global total) would be closed, as the Schengen visa network would take over their functions. The 194,000 additional travellers would also generate a net revenue (total visa fees charged minus total costs for issuing visas) of EUR 77,000. This would thus lead to a total cost saving of EUR 86.8 million.

As to the economic impacts, the additional 194,000 travellers are expected to generate increased revenue of EUR 103.4 million, based on the average spending per short stay of EUR 534 per visitor. Using the multiplier explained under above, the additional number of FTE jobs created by the policy proposal is estimated at 2.689.

A2.7 Problem area 3: Lack of visa or other authorisation allowing travellers to stay more than 90 days in any 180-day period in the Schengen area - Proposals: Introduction of a new type of authorisation

The proposals which introduce a new Schengen visa are expected to generate positive economic impacts, because they would increase the number of visa applicants as well as the time these travellers spend in the EU territory. Costs savings are also expected to occur, as visa applicants would not need to leave the EU prematurely to subsequently reapply for a visa and Schengen consular services would need to process fewer visas (as the new type would have a longer duration).

Table 29 Overview of the impacts of problem area 3

Impact	Unit	Proposals B.3	Proposals C.3	Proposals D.3
Problem area 3				
Impact on the number of travellers	Additional number of travellers (in thousands)	61	121	121

⁵² Travel propensity in Russia was higher than in China and India, while travel propensity is much lower in Indonesia, Nigeria and Pakistan

⁵³ Antigua and Barbuda, Bahamas, Barbados, Belize, Gambia, Guyana, Lesotho, Maldives, St Kitts and Nevis and Swaziland

Impact	Unit	Proposals B.3	Proposals C.3	Proposals D.3
Financial impacts	Net financial impact (thousands of euro)	66	132	132
	Direct costs saved by applicants (thousands of euro)	3,631	7,262	7,262
Economic impacts	Additional revenue from prolonged stays (thousands of euro)	517,440	1,034,880	1,034,880
	Indirect costs saved by applicants (thousands of euro)	9,078	18,156	18,156
	Supported jobs (FTE)	13,453	26,907	26,907

The total group of third country nationals that could potentially make use of this new visa type is estimated at about 120,000 per year, based on informed estimates⁵⁴, including different sub-groups of potential applicants⁵⁵. This constitutes around 0.7% of the projected number of C visa applications in 2015, with 50% of this sub-group being made up of artists, sportsmen, their crew and their core family members⁵⁶ and 50% comprising backpackers, retired travellers, family members of non-EU born citizens and family members of non-EU citizens.

On the basis of the above, **proposal B.3** would affect an estimated 61,000 persons per year. The net financial impact on Schengen states would be EUR 66,000 per year⁵⁷. The direct costs for these visa applicants are estimated at EUR 3.6 million per year⁵⁸, while the indirect costs would have a financial effect on the applicants of around EUR 9 million per year, which corresponds to the difference between the total costs and revenues not realised due to the fact this group of applicant would no longer have to apply multiple times per year, but only once. As a result of the new visa authorisation, the travellers are expected to generate at most additional revenue of EUR 517 million per annum and the supported FTE jobs is about 13,500. The additional revenue has been calculated by multiplying the 61,000 persons by EUR 8,550, which is the average spending for long stays.⁵⁹ The maximum indirect costs saved by applicants (multiplying the 61,000 travellers by EUR 150) would amount to a total of nearly EUR 9.1 million.

⁵⁴ Calculations by PEARLE, European Circus Association and the ETC European Tourism Insights report 2009-2010: http://www.etc-corporate.org/images/library/ETC_europeantourisminsights_2009-10.pdf

The reports mention that the 3,000 companies in the sector bring in one TCN per month, totaling 36,000 per year.

Regarding family members of TCN it has been considered that out of the total population of non-EU, EFTA or Candidate country born people in the EU (2012) and people with a citizenship from another country (non-EU) (both Eurostat figures) a total of 5% would have the mean and willingness to travel at least once a year (guess), at about 57,000. Other groups, such as retirees, backpackers, bikers and sportsmen, have been estimated to be around 28,000 people. This number is based on a small subset of the total number of tourists in 2012. This subset considers that 10% of these tourists fall within the group of backpackers, retired travelers, bikers, etc. (guess) and that 50% (50% long term, 50% short term) of this group would be potential long-term travelers who would like to stay in the Schengen area beyond 90 days.

⁵⁵ Performing artists, backpackers, retired travelers, family members of non-EU born citizens, and family members of non-EU citizens.

⁵⁶ For a total of about 60,000 people as based on the calculations under ref. 20.

⁵⁷ EUR 66,000 represents the difference between the total costs and total revenues not accrued because of the decline in applicants (as applicants would get a separate visa authorization).

⁵⁸ This is based on the additional number of applications multiplied by an average cost of EUR 60 (the visa fee applicants save because they could potentially apply one time less per year)

⁵⁹ The figure for average spending for long stays is derived EUROSTAT Labour Force Survey data. This corresponds to 4.5 month of the net annual average earning per worker.

Proposal C.3 is estimated to affect the total number of 120,000 persons per year. The net financial impact on Schengen states would be EUR 132,000⁶⁰ per year (see explanations under B.3 above). The direct costs for these visa applicants are estimated at EUR 7.3 million per year and the indirect costs EUR 18 million (see costs explanations above). The expected revenue generated by the additional travellers is estimated to be up to EUR 1 billion per year, again multiplying 120,000 persons by the average long-stay spending of EUR 8,850, with the number of FTE jobs created rising to about 27,000. The maximum indirect costs saved by applicants (multiplying the 121,000 travellers by EUR 150) would amount to a total of nearly EUR 18.2 million.

Proposal D.3 is the same as policy proposal C.3.

Annex 3 Detailed explanatory note

An Excel Workbook accompanying the DFR presents the basis of the estimates of the financial and economic impacts of the proposals.

- The first Spreadsheet of the Workbook provides background information and estimates of the populations of visa applicant affected by the proposals in each Schengen State.
- The second Spreadsheet concerns the three proposals that would increase facilitation through increasing access to MEV. This Spreadsheet provides a 'model' that generates estimates of the orders of magnitude of financial savings due to reductions in visas processed and economic impacts in terms of the increases in trips to the Schengen area by TCN that would not require new visas.
- The third Spreadsheet provides estimates of financial impacts for Schengen States and applicants of each of the proposals considered. These impacts accrue through changes brought about in visa fees, visa processing costs and restructuring costs.
- The fourth Spreadsheet provides estimates of the economic impacts of some of the proposals. These are expressed in terms of the additional revenue and FTE jobs generated in the Schengen area and the reduction in indirect costs to travellers with MEV not required to apply for new visas.

A3.1 Background information and visa applicants affected by proposals being considered (Spreadsheet 1 Visa applications affected)

The following information is provided in the first Spreadsheet:

Background information

- *Overall number of C visa applications (2015) in thousands*: these data are taken from the projections based on 2009-2012 figures.
- *Number of C-Visa applications processed by ESP (2012) (in thousands)*: estimate based on Annex 28 2012 Statistics on Schengen representation, which identifies the consulates where C visa applications have been outsourced to ESP. This figure is an estimate, not necessarily all applications to these consulates are processed by ESPs.

⁶⁰ EUR 132,000 represents the difference between the total costs and total revenues not accrued because of the decline in applicants (as applicants would get a separate visa authorization).

- *Number of C visa applications at consulates (2012) (in thousands):* the difference between the total number of C visa applications and the number of applications processed by ESPs.
- *Estimated current costs (2015) of Schengen Visa processing:* these are estimates based on costs of FTE in Schengen visa section in consulates, time taken to process visa applications at different stage of the procedure and number of applications (based on 2011 Statistics on C visa applications), other operating costs (e.g. maintenance costs) and capital costs. The total costs of Schengen visa processing are known for 10 Schengen States as reported to EBF for the years 2007 to 2012 (CZ, FR, FI, EL, LV, MT, NO, PL, SI, SE). Additional costs data have been obtained from France (national audit reports and budget performance reports), Denmark and Sweden. Cost estimates for other Schengen States have been based on assumptions (using averages). Assumptions on average times to process visa applications per stage have been informed by interviews, reports and surveys.
- *Estimated revenues (2015) derived from the visa fees paid by applicants for C visas by Schengen States:* estimates based on the number of applications and the probable fees derived from these applications. The estimates take account of the size of the groups of applicants of Art.16, whose fee are waived or discounted (35 euro). The estimates also take account countries that benefit from a VFA as their maximum fees are 35 euro instead of 60 euro, while urgent visas can be 70 euro for VFA countries and 60 euro for other countries. It is assumed that for VFA countries the 70 euro fees apply to business travellers.
- *Average cost of one visa application:* the total estimated current costs divided by the total number of C visa applications.
- *Average revenue of one visa application:* the total revenues derived from visa fees divided by the total number of C visa applications.

Groups of visa applicants affected by proposals

- *Estimated number of minors 0-6, 6-12 and 12-18:* the estimates are based on population data from countries in Africa, Asia, Middle East and South America whose citizens require a visa for the Schengen area. Population data for 0-6 and 6-12 year olds have been adjusted for their assumed propensity to travel (it is assumed that there is a 50% lower propensity to travel than population figures would suggest), while the figure for 12-18 year olds reflects their incidence in the population.
- *The number of holders of diplomatic and service passports:* the average of 3% has been estimated on the basis of the likely travel propensity for each of the Schengen States. The number of third country embassies and consulates of countries whose citizens need a visa, for each of the Schengen States was identified. The Schengen State's share out of this total number of third country embassies and consulates was then identified. As the figures were high for some countries, these were moderated by 50% for countries with a share between 2% and 6% and were divided by three for countries having between 6% and 15% of the number of embassies and consulates. Finally these proportions were multiplied by the number of visa applications in 2011 to calculate the number of people in this category for each Schengen State. As countries like Austria, Belgium, Luxembourg and Switzerland have large international institutions the

estimates of applicants with diplomatic and service passports for these countries were increased threefold.

- *Estimated number of applicants in need of longer duration of stay of beyond 90 days in a 180-day period (in thousands):* this estimate is based on figures from for artists and people in the cultural sector by PEARLE and the European Circus Association, and assumptions concerning the number of backpackers, bikers and retirees, and family members of non-EU born and non-EU citizens.

A3.2 Background and information to assess the effects of MEV facilitation proposals (B.1, C.1 and D.1, Spreadsheet 2 MEV)

In order to assess the financial and economic impacts of the proposal granting MEV, a simple model was developed based on the following main assumptions:

- The proposals will lead to a decrease in the total number of visas applied for, as an increasing share of trips – especially by certain categories of travellers – will be covered by MEVs, which will have financial impacts on both consulates and visa applicants;
- There will be an increase in the number of trips due to the procedural facilitation (i.e. longer validity of the MEVs granted) which will result in an economic impact on the Schengen economies.

The Workbook records the assumption made to model the estimates aforementioned:

- a. The proportion of all trips covered by MEV and the proportion of all trips that require visa applications/processing,
- b. The decrease in the number of visa applications resulting from MEV issuance; and,
- c. The number of additional trips made because of the issuance of more MEVs with longer validity periods.

The above was estimated as follows:

- Estimating the proportion of ALL trips that would be covered by MEV involved the following steps:
 - Estimating the frequency of travel amongst travellers, distinguishing between business and leisure travellers: First, data on the frequency of travel deriving from the Ramboll survey was used, broken down into four groups based on the 'frequency of travel' used in the Ramboll survey (after integrating the 'other' category of survey respondents into the four groups above). The number of trips made by each group were assumed on the basis of frequency of travel reported by the survey (i.e. More than 4 trips per annum, from 2 to 4 trips pa, 1 trip per annum, 1 trip every two years). This resulted in the estimates in the breakdown of business trips / leisure trips by frequency of travel expressed in percentages (see columns F and G of the MEV spreadsheet).
 - Estimating the proportion of trips that are business and the proportion of trips that are leisure: an 80/20 split between leisure and business trips was assumed (see columns I and J).

- Estimating the proportion of all trips covered by MEV: Assumptions were made with regard to the proportion of trips already covered by MEV across the four 'frequency of travel' groups (see column K "Baseline"). The higher the frequency of travel, the more likely the trip is already covered by the MEV. Assumptions were made subsequently with regard to the changes in the proportion of trips covered by the MEVs brought by the proposals (see columns L, M and N)

The above led to the estimation of the proportion of ALL trips that would be covered by MEVs. The formula used to derive such estimates involved multiplying the estimated breakdown of business (and leisure) trips by frequency of travel (columns G and H) by the assumed proportion of trips that are business (and leisure) (Columns I and J) by the estimated proportion of trips covered by MEV (columns K to N) .

- Estimating the proportion of ALL trips that require visas to be issued involved similar steps as described above.
 - Estimating the frequency of travel amongst travellers, distinguishing between business and leisure travellers: the same estimates as above were used
 - Estimating the proportion of trips that are business and the proportion of trips that are leisure: the same estimates than above were used.
 - Estimated proportion of trips that require visas to be issued: The assumptions for the proportion of trips requiring a visa (i.e. not covered by the MEV) are the exact opposite of the estimates of the proportion of trips covered by the MEV (i.e. not requiring a new visa application). For example, this assumes that if 80% of the trips covered by MEV are made by travellers with the highest frequency of travel (e.g. cell K6), then 20% of the trips made by this group of travellers require a visa to be issued.

The above informed the calculation of the estimated proportion of ALL trips that require visas to be issued. The formula used to derive such estimates involved multiplying the estimated breakdown of business (and leisure) trips (columns G and H) by frequency of travel by the assumed proportion of trips that are business (and leisure) (Columns I and J) by the estimated proportion of trips requiring a visa to be issued (Columns S to V).

- Estimating the decrease in the number of visa applications resulting from MEV issuance: The estimates of the proportionate reduction in visas applied for/processed were derived by subtracting the estimated proportion of ALL trips that require visas to be issued for each proposals from the baseline estimates of the proportion of ALL trips that require visas to be issued (see columns AA to AC).
- The number of additional trips made because of the issuance of more MEVs with longer validity period: for each MEV issued it is estimated that applicants will make one additional trip for each 3 trips made to the Schengen area regardless of the proposal put forward. It is furthermore assumed that 1.4 trips are currently made by each visa holder per year. This is considered to be a fairly 'conservative' estimate, as under columns E and F the average number of business trips per traveller is 1.9 and leisure trips 1.5 per annum.

These estimates have been used to generate overall financial and economic impacts shown in tabs 3 and 4 of the workbook respectively.

A3.3 Financial impacts (Spreadsheet 3 Financial impacts)

A3.3.1 Proposal B, C and D

- Proportionate reduction in visas processed: Estimate is derived from Spreadsheet 2.
- Loss in revenue (in thousands of euro): the estimated loss in revenue of the proportionate reduction in visas processed, on the basis of the revenue for each visa application
- Decline in costs due to less visas to process (in thousands of euro): the estimated reduction in costs due to the reduction in visas processed, on the basis of the costs of processing each visa application
- Decline in costs due to simplified processing procedures (in thousands of euro); this has been assumed to be a 4 euro average reduction on the reduced number of visas to be processed. The costs of processing visas during Stage 1, Stage 2 and Stage 3 has been analysed in detail. It is estimated that 75% of costs are incurred during Stage 2. The simplification of procedures for reviewing documents for visa applications could lead to a reduction of some 30% in these costs (i.e. 22% of all visa processing costs). Against this there may be small increases in the costs of Stage 1 due to the advent of VIS. On balance 4 euro per application could be considered a modest reduction.

Problem area 2

A3.3.2 Proposal C.2

Assumptions

- Account has been taken of Annex 28, 2012 statistics on Schengen representation. A gap analysis showed that there are gaps in consular coverage or representation arrangements. The number of countries where there are gaps in consular coverage (85 countries) has.
- In order for there to be comprehensive coverage (all Schengen countries are represented in third countries whose citizens require visas) there would It is estimated that need to be an additional 888 representation agreements would be needed for each city of the third countries where at least one Schengen consulate is present. These are 'blank spots' in which Schengen States have no consulate, nor representation agreement in either the capital city or another city of that third country. The total number of blank spots is 888. A French report claimed that in cases where France represents another Schengen country State the total number of additional applications processed on behalf on another Schengen State is 63 per annum on average.

Costs and revenues

- Total processing costs of the additional number of applications have been , based on the average processing cost of one C visa application (in thousands of euro €42.8): for estimating the additional processing cost the average processing cost per C visa application has been used. The additional cost of processing Schengen visas for those Schengen State not represented was then estimated by multiplying

the average processing cost of one C-visa application by the additional number of applications estimated in this proposal on 'forced representation'.

- Total revenues of the additional number of applications, are based on the average revenue derived from processing of one C visa application (in thousands of euro €43.9) and the number of additional visa application processed: for estimating the additional revenue the average revenue per C visa application has been used. The additional revenue is then estimated obtained by multiplying the average revenue derived from one application by the additional number of applications estimated in this proposal on generated by 'forced representations'.
- Net financial impact of the policy proposal (in thousands of euro): the net financial impact on Schengen States is negative because the general costs of processing visa applications are higher than the revenues.

A3.3.3 Policy proposal D.2

Assumptions

- A period of 5 years has been used to highlight the impacts of setting up new consulates and Schengen Visa Application Centres and closing other consulates. Figures for one year would be misleading because of the costs of 'change' (opening and closing) consulates would normally be incurred for several years as implementation would take place across several years.
- In order to calculate the number of closing consulates, it has been assumed that the visa sections of consulates processing less than 100 visas a year will be closed.
- Number of consulates issuing less than 100 visas: this has been derived from the 2012 visa statistics by filtering all consulates that issue fewer than 100 visas per annum.
- In order to calculate the number of Schengen Application Centres to be opened, it has been assumed that one Schengen Application Centre would be opened in third countries where no Schengen Member States are represented (i.e. 24).
- The Total number of third countries in which there is currently no Schengen representation is: based on Annex 18 of the Common Consular Instructions . In addition, it has been assumed that Schengen Application Centres would be opened in the top ten cities of the largest third countries subject to visa requirements were no Schengen State is present. An analysis of the number of Schengen States not represented in those top ten cities
- Number of top-10 cities in China, India, Russia, Pakistan, Indonesia and Nigeria in which there is currently no Schengen State consulate: apart from the case study countries China, India and Russia, the other three largest countries in the world (whose citizens are subject to visas) were selected for the purpose of this estimate. The 10 largest cities in these countries were taken as a reference. Checks were made on how many of these 10 largest cities currently have no Schengen consulate. 41 Schengen Application centres could be opened in those largest third countries.
- In order to calculate the cost savings generated through the closure of consulates processing less than 100 visas a year the following estimates were generated: the

estimated average annual running costs of the visa section of a consulate in thousands of euro : this was derived from the cost model and a French report.

- In order to calculate the cost implications of opening Schengen Application Centres the following estimates were generated: the cost of running a “standard consulate” was estimated by dividing the total cost of processing Schengen visa applications by the number of Schengen consulates in those third countries in 2012. The average annual running costs of a Schengen Application Centre figure is derived from the cost model and estimated to be twice the costs of a regular consulate.
- The cost of running a consulate in thousands of euro: this figure is assumed to be twice the yearly cost of running a “standard” consulate, this takes account of the fact that Schengen Visa Application Centres are generally larger than most consulates.
- Cost of setting up a Schengen Visa Application Centre in thousands of euro: this is estimated at twice the yearly cost of running a Schengen Visa Application Centre
Average share of closing the visa section of a consulate: based on an educated guess of the costs of closure.

For problem area 3 please refer to Annex 2.

A3.4 Economic impacts (Spreadsheet 4 Economic impacts)

The methodology for calculating the economic impacts is fully described in Annex 2 section “A2.2 Economic Impacts”. They are based on the estimation of the spend generated by additional number of trips made by visa applicants following the implementation of the proposals, the multiplier effect of this spend on the Schengen economies and cost savings derived by visa applicants not having to support some of the indirect costs related to their applications.

Annex 4 List of stakeholders interviewed

Table 30 Central governments

MS	Entity	Interview conducted	Questionnaire (received)	Additional info
Austria	Federal Ministry of European and International Affairs	Yes	Yes	Yes
Belgium	Ministry of Foreign Affairs and Ministry of Interior	No	Yes	
Denmark	Danish Immigration Service	Yes	Yes	
Denmark	Ministry of Foreign Affairs	Yes	Yes	Yes
Estonia	Ministry of Foreign Affairs	Yes	Yes	Yes
Estonia	Ministry of Interior	No	Yes	
France	Ministry of Foreign Affairs	Yes	Yes	
France	Ministry of Interior	No	Yes	No
Greece	Ministry of Foreign Affairs	Yes	Yes	Yes
Hungary	Ministry of Interior	Yes	Yes	
Hungary	Ministry of Foreign Affairs	No	Yes	Yes
Italy	Ministry of Foreign Affairs	Yes	Yes	
Latvia	Ministry of Foreign Affairs	Yes	Yes	Yes
Latvia	Ministry of Interior	Yes	Yes	No
Lithuania	Ministry of Foreign Affairs	Yes	Yes	Yes
Lithuania	Ministry of Interior - Migration department under the Ministry of the Interior of the Republic of Lithuania	No	Yes	
Luxembourg	Ministry of Foreign Affairs	Yes	Yes	
Malta	Ministry of Foreign Affairs	No	Yes	
Malta	Ministry of Tourism	No	Yes	
Netherlands	Ministry of Foreign Affairs and Immigration and naturalisation service	Yes	Yes	
Netherlands	Immigration Service	Yes	Yes	
Norway	Ministry of Foreign Affairs	Yes	Yes	Yes
Poland	Ministry of Foreign Affairs	Yes	Yes	Yes
Poland	Border Guards	Yes	Yes	
Poland	Office for Foreigners	Yes	Yes	
Poland	Consular Department	Yes	Yes	
Slovakia	Ministry of Foreign and European Affairs	Yes	Yes	
Spain	Ministry of Foreign Affairs	Yes	Yes	
Sweden	Swedish Migration Board	Yes	Yes	Yes
Sweden	Ministry of Interior	Yes	Yes	Yes

MS	Entity	Interview conducted	Questionnaire (received)	Additional info
Switzerland	Federal Department of Foreign Affairs	Yes	Yes	
Switzerland	Federal Office for Migration FOM	Yes	Yes	

Table 31 Consulates

Case study location	Consulate	Interview conducted	Questionnaire received
Ankara, Turkey	Embassy, Czech Republic	Yes	Yes
Ankara, Turkey	Embassy, France	Yes	Yes
Ankara, Turkey	Embassy, Austria	No	Yes
Ankara, Turkey	Embassy, Poland	Yes	Yes
Ankara, Turkey	Embassy, Sweden	Yes	Yes
Ankara, Turkey	Embassy, Belgium	Yes	No
Ankara, Turkey	Embassy, Spain	No	No
Ankara, Turkey	Embassy, Netherlands	No	Yes
Beijing, China	Embassy, Germany	Yes	No
Beijing, China	Embassy, Italy	Yes	No
Beijing, China	Embassy, Denmark	Yes	Yes
Beijing, China	Embassy, Belgium	Yes	Yes
Beijing, China	Embassy, Netherlands	Yes	Yes
Beijing, China	Embassy, Norway	Yes	Yes
Beijing, China	Consulates General Norway, Guangzhou	Yes	Yes
Beijing, China	Consulates General Norway, Shanghai	Yes	Yes
Beijing, China	Embassy, Portugal	Yes	Yes
Beijing, China	Embassy, Sweden	Yes	Yes
Beijing, China	Embassy, Poland	Yes	Yes
Beijing, China	Consulate General Poland, Guangzhou	Yes	Yes
Beijing, China	Consulate Poland, Shanghai	Yes	Yes
Beijing, China	Consulate Austria, Shanghai	No	Yes
Beijing, China	Embassy, Luxembourg	No	Yes
Beijing, China	Embassy, Hungary	Yes	Yes
Kiev, Ukraine	Consulate, Hungary	Yes	Yes
Kiev, Ukraine	Consulate, Italy	Yes	Yes
Kiev, Ukraine	Consulate, Poland	Yes	Yes
Kiev, Ukraine	Consulate, Spain	Yes	Yes
Moscow, Russia	Consulate General, France	Yes	Yes

Case study location	Consulate	Interview conducted	Questionnaire received
Moscow, Russia	Consulate General, Greece	Yes	Yes
Moscow, Russia	Consulate General, Spain	Yes	Yes
Moscow, Russia	Consulate General, Italy	Yes	Yes
Moscow, Russia	Consulate, Finland	Yes	No
New Delhi, India	Embassy, France	Yes	Yes
New Delhi, India	Embassy, Austria	Yes	Yes
New Delhi, India	Embassy of the Federal Republic of Germany	Yes	Yes
New Delhi, India	Embassy of Switzerland in New Delhi	Yes	Yes
New Delhi, India	The Embassy of Greece in India	Yes	Yes
New Delhi, India	Embassy of the Czech Republic in New Delhi	Yes	Yes
New Delhi, India	Embassy, Netherlands	Yes	Yes
New Delhi, India	Embassy, Italy	Yes	Yes
New Delhi, India	Embassy, Belgium	Yes	Yes
Rabat, Morocco	Embassy, Spain	No	Yes
Rabat, Morocco	Embassy, Switzerland	Yes	Yes
Rabat, Morocco	Embassy, Netherlands	Yes	Yes

Table 32 Interest groups

Name	Location	Type	Interview conducted	Questionnaire received	Additional data received
PEARLE	Belgium	Business	Yes	Yes	Yes
European Circus Association	Germany	Business	No	No	Yes
Mobility – On the Move	Belgium	Business	No	No	Yes
European Travel Commission	Brussels	Business	No	No	Yes
Switzerland Tourism	Switzerland	Other	Yes	Yes	
European Tour Operators Association	UK	Other	Yes	Yes	
World Travel and Tourism Council	UK	International Organisation	Yes	Yes	
OECD	France	International Organisation	Yes	Yes	
IOM Warsaw	Poland	International Organisation	Yes	Yes	
Batory NGO	Poland	NGO	Yes	Yes	
CAPEC	Beijing	Other	Yes	Yes	
China International Travel Service	Beijing	Other	Yes	Yes	
China Trade Association for Anti-Counterfeiting	Beijing	Business	Yes	Yes	

Name	Location	Type	Interview conducted	Questionnaire received	Additional data received
EU-China International Business&Culture	Jingqiao Peking Beijing	Business	Yes	Yes	
Top 10 China	Beijing	Other	Yes	Yes	
The European Travel Agents and Tour Operators Associations (ECTAA)	Belgium	International Organisation	No	Yes	
Chamber of Commerce	Russia	Business	Yes	Yes	
Association of Tour Operators	Russia	Other	Yes	Yes	
Air Malta	Malta	Other	Yes	Yes	
Association of Tour Operators Russia	Russia	Other	Yes	Yes	
Chamber of Commerce	Turkey	Business	Yes	Yes	
Economic Development Foundation	Turkey	Other	Yes	Yes	
Turkish-British Chamber of Commerce and Industry	Turkey	Business	Yes	Yes	
Association of Turkish Travel Agencies (TURSAB)	Turkey	Other	Yes	Yes	
European Business Association	Kiev, Ukraine	Business	Yes	Yes	
Theatre Association	Russia	Other	Yes	Yes	
Vasundhara Travels	India	Other	Yes	Yes	
The Indo-Italian Chamber of Commerce and Industry	India	Business	Yes	Yes	
Affinity Travel Solutions	India	Other	Yes	Yes	
Indo-German Chamber of Commerce	India	Business	Yes	Yes	
Confederation of Indian Industry, New Delhi	India	Business	Yes	Yes	
European Circus Association	Germany	International Organisation	No	No	Yes
Kelleydrye	Brussels	Business	No	No	Yes
On The Move	Brussels	NGO	No	No	Yes

Table 33 Stakeholders per case studies

Case Study mission	Stakeholders
Brussels (Belgium)	▪ MFA, Mol ▪ ECTAA ▪ PEARLE ▪ European Youth Forum ▪ European Travel Commission ▪ On the Move ▪ European Universities Association ▪ Turkish Foundation for Economic Development ▪ European Circus Association (Germany) ▪ Kelleydrye ▪ OECD (Paris)

Warsaw (Poland)	▪ MFA ▪ Office for Foreigners ▪ Polish Border Guard ▪ IOM Warsaw ▪ Batory NGO
Ankara (Turkey)	▪ CZ, FR, PL, SE Embassies ▪ Turkish-British Chamber of Commerce ▪ Ankara Chamber of Commerce ▪ Association of Turkish Travel Agencies
Kiev (Ukraine)	▪ ES, HU, IT Consulates ▪ VMS ▪ European Business Associations
London (United Kingdom)	▪ VFS Visa Application Centres ▪ TLS Visa Application Centres ▪ ETOA ▪ WTTC
Moscow (Russia)	▪ EL, ES, FI, FR IT Consulates ▪ VFS Visa Application Centres ▪ RF CCI, Chambers of Commerce, ▪ Theatre Union of the Russian Federation
Rabat (Morocco)	▪ ES, CH, NL Consulates
Tunis (Tunisia)	▪ ES Consulate
Beijing/Guangzhou (China)	▪ AT, BE, DK, DE, HU, IT, LU, MT, NL, NO, PL, PT, SE Consulates ▪ European Union Chamber of Commerce in China (Travel Forum) ▪ German Chamber of Commerce in China ▪ China Association of Plant Engineering Consultants (CAPEC) ▪ China Trade Association for Anti-Counterfeiting (CTAAC) ▪ EU-China Jingqiao Peking International Business& Culture ▪ Beijing International Business Travel Service (IBTrip) ▪ Beijing China International Travel Service (CITS)
New Delhi (India)	▪ AT, BE, CH, CZ, DE, EL, FR, IT, NL Embassies ▪ Association of Travel Agents of India ▪ Indo-Italian Chamber of Commerce and Industry ▪ Indo-German Chamber of Commerce and Industry ▪ KUONI SOTC ▪ VFS Global- South Asia division ▪ Vasundhara Travels, Bhopal ▪ Affinity Travels Solutions, New Delhi ▪ Confederation of Indian Industries

Annex 5 Consultation of interested parties

Most stakeholders (the majority of Schengen States and Consulates, business associations, NGOs, and other interest groups) agree that the **indirect costs** for visa applications present greater problems than the **direct costs** (fees). Indirect costs consist of applicants' travel costs to embassies/consulates (especially for applicants living in outer regions), as well as costs related to supporting documents including translation and certification of these.⁶¹ Business associations and other interest groups remarked that the visa fee and accompanying indirect costs are not refundable in case the visa request is denied. Schengen States and Consulates emphasized that visa processing also presents significant costs for Schengen Consulates. Some Schengen States and Consulates stated that the visa fee does not compensate all costs in relation to processing and that a direct link between work conducted by consulates and visa revenues does not always exist as revenues go straight to either the Ministry of Foreign Affairs budget or the State treasury. Other factors contributing to high costs mentioned by Schengen states and consulates relate to staff; usually (expat) state officials, who need to be extensively trained; infrastructure (consulates), tools (VIS or other IT systems), and other specific requirements (e.g. visa stickers, stamps, paperwork, etc.). With regard to policy options, business associations and NGOs welcome visa **fee waivers** to reduce the costs for visa applicants, whereas Schengen States and consulates welcomed policy options that will reduce/compensate costs for visa processing, including an **increase of the visa fee**, and promotion and financing of consular cooperation to reduce operational costs.

All stakeholders acknowledged that the main problem of visa processing relates to the lengthiness of the visa application procedure. NGOs and international organisations argued that applicants experience difficulties in getting an **appointment** to lodge a visa application, whilst Schengen States and Consulates underlined that the examination and decision-making process is time-consuming and incurs high administrative costs. In this respect, both referred to external factors as well as internal (organisational) challenges. Externally, Schengen States and Consulates are confronted with **financial constraints** following the economic crisis, which pose internal organisational challenges in relation to hiring (sufficient) staff resources. Both acknowledge that inherently time-consuming procedures, a lack of sufficient staff and an increasing number of applications, contribute to lengthy visa processing procedures. Furthermore, Schengen Consulates state that in some third countries, in which a low number of visa applications is lodged, processing is less efficient and thus lengthier.

All Stakeholders agreed that the **supporting documentary requirements** present significant problems contributing to the lengthiness of visa applications and processing. Interest groups and NGOs underline that applicants complain about the extensive list of supporting documents, collection of which requires a lot of time. Schengen States, consulates, NGOs, and other interest groups argue that some of these documents are considered unnecessary (e.g. hotel and flight reservations), whereas others present particular problems (proof of sufficient means of subsistence). All stakeholders acknowledged that there is a lack of **harmonisation** concerning supporting documentary requirements between Schengen Consulates. A large variation exists between Schengen states with regard to the required number and type of supporting documents. Moreover, different rules apply to the admissibility of supporting documents, copies/faxes, and translation. International organisations, NGOs and other interest groups stated that the problems presented by the heavy

⁶¹ Such costs vary between e.g. 140 Euros (in Ukraine), 220 Euros (in Mali) up to 620 Euros (in China), and 750 Euros (in Russia).

documentary requirements and lack of harmonisation are exacerbated by the lack of information provided to, in particular, single travellers.

Furthermore, business associations, NGOs and other interest groups as well as some Schengen States and consulates stated that more use could be made of **procedural facilitations (Art 24.2)** for “bona fide travellers”. Several interest groups emphasize that applicants do not apply for a MEV as they are not sufficiently informed on such possibilities. Schengen States and consulates state that the provisions on procedural facilitation in the Visa Code are unclear resulting in practical problems and different practices. In addition, some Schengen States and Consulates stated that the VIS has so far had a limited impact on visa processing due to limited roll-out and take-up. Concerning the potential of other technologies, interest groups emphasize that online application systems are useful tools to speed up visa applications. Schengen states and consulates stated to increasingly make more use of these systems but emphasized that the personal appearance requirement (although increasingly waived in practice for successive applicants) constitutes an obstacle preventing full use of online application systems for first-time applicants.

As to consequences of such problems, NGOs, international organisations and other interest groups stated that a feeling predominates amongst travellers that the **EU is unfriendly and unwelcoming**. In view of the long list of supporting documents, forgery and visa shopping is increasingly noted by Schengen States and consulates⁶². Business associations and international organisations emphasized that travellers wanting to make last-minute reservations are prevented from travelling and some travellers who do not receive their visa on time have to cancel their trip. Other interest groups⁶³ emphasized the loss of business and financial revenues for the Schengen area due to a loss of potential travellers who are deterred from applying for a Schengen visa.

With regard to policy options, most Schengen states and consulates welcome **guidelines** in order to ensure better use of Art.24 (2) of the Visa Code (MEV). NGOs and business associations would, however, favour the obligatory issuance of MEVs. Business associations, interest groups and some Schengen states and consulates would welcome the straightaway issuance of MEVs with a longer validity. Business associations, NGOs and other interest groups and some Schengen states and consulates welcome introduction of a fast track procedure for certain groups of applicants and/or urgency procedures (against an additional fee). In addition, most stakeholders welcome the reduction of supporting documents and an exemption from the personal appearance requirement. Other options mentioned included the shortening of the decision-making time (welcomed by business associations, NGOs) as well as a better use of VIS and other IT systems including the electronic submission of documents (international organisations, NGOs).

Schengen states and consulates reported greater use of **representation agreements** compared to co-location agreements and of outsourcing to ESPs, as opposed to common application centres. Representation agreements are favoured by Schengen consulates because of lower costs related to staff and logistics. This is especially the case in third countries with a low number of applications. Overall, the number of Schengen consulates seems to have decreased resulting in limited geographical coverage posing problems to applicants as emphasized by NGOs, interest groups and some Schengen states and consulates. All stakeholders emphasized that consulates increasingly make use of ESPs.⁶⁴ Opinions of stakeholders are generally **positive**⁶⁵

⁶² In particular noted by consulates in China, India, Turkey, Ukraine, and Russia.

⁶³ In particular the European Tour Association

⁶⁴ In 2012, the number of ESPs nearly doubled from 174 in 2012 to 331, amounting to a total share of 7.3%.

towards the use of ESPs, with business associations, interest groups and some Schengen states and consulates underlining advantages provided by ESPs. These include proximity to applicants, comprehensive list of services, faster procedures, use of on-line appointment system, and friendly staff. NGOs and some business associations, however, reported issues in relation to the quality of services, differences in service fees as well as data protection issues. With regard to policy options, Schengen states and consulates favoured revision of the definitions of cooperation (CAC and co-location) making them more flexible. Concerning ESPs, most Schengen states and consulates agree that the criteria of “last resort” should be deleted.

Whereas interest groups claim a gap in the current legal framework for persons who have a legitimate interest in travelling the Schengen for more than three months, most⁶⁵ (if not all) **Schengen states and consulates do not welcome the introduction of a new visa type for longer stays**. Schengen states consider the introduction of a new type to create for more confusion, do not see the necessity in view of the limited group of applicants it would concern, and moreover state that national legal frameworks would be more appropriate to offer solutions for such categories of travellers.

⁶⁵ Although some stakeholders (business associations) also highlight certain problems such as waiting time to get an appointment and inefficient working methods.

⁶⁶ Schengen states and consulates who do not favour introduction of a new visa type: BE, CZ, DK, DE, EE, FR, IT, LT, LV, NL, NO, PL, PT, SE.

Annex 6 Statistics

Information communicated by the Member States to the Commission in accordance with Article 53 of the Visa Code

Table 34 Overview of representations 2012

	BE	CZ	DK	DE	EE	EL	ES	FR	IT	LV	LI	LT	LU	HU	MT	NL	AT	PL	PT	SI	SK	FI	SE	IS	NO	CH	Total	
UN states																												
Total number of representations (consulates+ESP's+RA's)	154	110	104	177	113	183	182	194	183	80	91	87	151	113	118	166	169	102	161	144	61	115	141	104	122	110	3435	
Total Schengen States embassies and consulates	72	75	44	147	18	96	138	166	147	19	0	27	11	58	17	89	59	93	70	20	44	49	45	1	54	91	1650	
Total number of representations agreements	82	35	60	30	95	87	44	28	36	61	91	60	140	55	101	77	110	9	91	124	17	66	96	103	68	19	1785	
Number of times representing other Schengen country	116	8	83	205	8	7	160	418	76	17	0	18	1	70	0	106	66	11	50	13	8	31	57	0	73	108	1710	
Total number of ESPs	16	3	27	15	3	22	52	29	56	3	0	0	0	3	13	10	25	12	2	5	0	3	12	0	12	8	331	
Shares of ESPs out of total	10.4	2.7	26.0	8.5	2.7	12.0	28.6	14.9	30.6	3.8	0.0	0.0	0.0	2.7	11.0	6.0	14.8	11.7	1.2	3.4	0.0	2.6	8.5	0.0	9.8	7.3	7.3	
Not recognised UN states ⁶⁷																												
Total representations	3	1	2	3	2	3	2	3	3	1	0	1	2	2	1	3	4	2	1	3	2	3	2	1	2	3	55	
Total own representations	3	1	1	3	0	2	2	2	2	0	0	0	0	2	1	2	2	1	0	1	1	1	2	0	1	3	33	
Total representations by other MS	0	0	1	0	2	1	0	1	1	1	0	1	2	0	0	1	2	1	1	2	1	2	0	1	1	0	22	
Honorary consuls																												

⁶⁷ Kosovo, Taiwan and the Occupied Palestinian Territory

	BE	CZ	DK	DE	EE	EL	ES	FR	IT	LV	LI	LT	LU	HU	MT	NL	AT	PL	PT	SI	SK	FI	SE	IS	NO	CH	Total
Honorary consuls	0	6	58	1	0	0	0	0	100	1	0	0	0	0	27	81	0	2	0	0	0	0	0	0	0	0	276

Table 35 Overview of representations 2011

	BE	CZ	DK	DE	EE	EL	ES	FR	IT	LV	LT	LU	HU	MT	NL	AT	PL	PT	SI	SK	FI	SE	IS	NO	CH	Total	
UN states																											
Total number of representations (consulates+ESP's+RA's)	156	107	103	177	104	181	183	198	186	74	53	149	111	119	167	155	103	161	138	52	115	127	108	121	99	3247	
Total Schengen States embassies and consulates	74	77	48	150	18	97	138	169	149	19	27	9	57	16	100	62	94	71	23	44	53	49	1	52	92	1689	
Total number of representations agreements	82	30	55	27	86	84	45	29	37	55	26	140	54	103	67	93	9	90	115	8	62	78	107	69	7	1558	
Number of times representing other Schengen country	103	3	83	224	8	6	131	391	84	17	11	2	62	2	121	67	12	48	14	4	32	52	1	67	15	1560	
Total number of ESPs	16	3	13	2	2	7	11	30	55	3	0	0	2	14	10	5	1	0	0	0	3	4	0	2	3	186	
Shares of ESPs out of total	10.3	2.8	12.6	1.1	1.9	3.9	6.0	15.2	29.6	4.1	0.0	0.0	1.8	11.8	6.0	3.2	1.0	0.0	0.0	0.0	2.6	3.1	0.0	1.7	3.0	5.7	
Not recognised UN states ⁶⁸																											
Total representations	4	2	3	4	2	4	3	4	4	2	2	3	3	2	4	4	3	1	4	3	3	3	2	3	4	76	
Total own representations	3	1	2	3	0	2	2	2	2	0	0	0	2	1	2	1	1	0	1	1	0	2	0	1	3	32	
Total representations by other MS	1	1	1	1	2	2	1	2	2	2	2	3	1	1	2	3	2	1	3	2	3	1	2	2	1	44	
Honorary consuls	0	0	53	1	0	0	0	0	97	1	0	0	0	0	27	85	3	2	0	0	0	0	0	0	0	269	

⁶⁸ Kosovo, Taiwan and the Occupied Palestinian Territory

Table 36 Overview of representations 2010

			BE	CZ	DK	DE	EE	EL	ES	FR	IT	LV	LT	LU	HU	MT	NL	AT	PL	PT	SI	SK	FI	SE	IS	NO	CH	Total	
UN states																													
Total number of representations (consulates+ESP's+RA's)	158	110	118	177	102	188	187	200	190	72	43	152	112	114	168	156	104	164	137	48	117	128	114	123	101	3283			
Total Schengen States embassies and consulates	77	80	48	151	17	100	138	173	151	19	27	9	57	17	102	62	94	70	24	45	54	50	1	55	98	1719			
Total number of representations agreements	81	30	70	26	85	88	49	27	39	53	16	143	55	97	66	94	10	94	113	3	63	78	113	68	3	1564			
Number of times representing other Schengen country	101	2	82	228	6	5	127	407	84	17	9	1	58	0	131	58	11	46	13	0	34	51	0	69	11	1551			
Total locations where Schengen country uses external service provider	14	2	14	11	1	6	9	29	55	2	0	0	2	4	10	5	1	0	0	0	0	4	0	2	3	174			
Share ESP out of total rep.	8.9	1.8	11.9	6.2	1.0	3.2	4.8	5	9	2.8	0.0	0.0	1.8	3.5	6.0	3.2	1.0	0.0	0.0	0.0	0.0	3.1	0.0	1.6	3.0	5.30			
Honorary consuls	0	0	53	3	0	0	0	0	97	1	0	0	0	27	0	3	0	0	0	0	0	0	0	0	0	0	184		

Table 37 Investments undertaken at national level in the field of visa policy: infrastructure and equipment and staff expenditures⁶⁹

	2010			2011			2012 (projected)		
Schengen States	Infrastructure and equipment	Expenditure on staff	Total	Infrastructure and equipment	Expenditure on staff	Total	Infrastructure and equipment	Expenditure on staff	Total
CZ	2,000,000	8,652,800	11,604,800	1,280,000	8,652,800	10,940,800	1,040,000	8,626,400	10,721,600
DK	968	1.868.280	3.037.634	1,384,409	1,787,634	3,360,215	1,612,903	1,908,602	3,723,118
EE	NA	NA	5,244,299	NA	NA	4,929,571	NA	NA	NA
EL	-	17,500,000	17,500,000	NA	NA	NA	NA	NA	NA
ES	936,918	-	936,918	782,360	-	782,360	684,360	-	684,360
FI	45,108,000	55,714,000	100,822,000	45,988,000	57,930,000	103,919,000	33,136,000	58,049,000	91,185,000
FR	729,131	41,720,043	44,026,193	754,119	42,437,082	44,210,079	np	42,041,941	42,041,941
HU	444,149	16,717	738,170	1,476,984	24,766	1,858,700	1,261,027	70,532	1,798,557
IT	-	Nc	-	-	nc	-	-	nc	-
LV	45 000	6 500 000	6 545 000	3 800 000	6 900 000	10 700 000	300 000	7 300 000	7 600 000
MT	68,852	267,629	336,481	177,000	245,391	422,391	-	233,320	233,320
NL	np	Np	np	220,714	1,200,000	1,420,714	561,696	1,200,000	1,761,696
NO	899,864	22,454,422	23,503,946	201,497	23,292,517	23,679,728	-	24,130,612	24,317,143
PL	173,026,582	15,529,806	188,556,387	207,083,281	13,956,761	221,040,043	-	12,995,600	12,995,600
SE	538,037	7,280,117	7,866,525	261,296	7,769,043	8,068,966	27,111	7,743,476	7,797,920
SI	-	2,775,360	2,775,360	-	2,725,800	2,725,800	-	2,725,800	2,725,800
SK	np	Np	10,000	np	np	10,000	np	np	10,000

⁶⁹ Ex-post evaluation of the External Borders Fund 2007-2010

Table 38 Investments undertaken at national level in the field of visa policy: VIS and other IT expenditures⁷⁰

Schengen States	2010	2011	2012 (planned)
CZ	477,000	2,200,500	4,259,100
DK	2.587.366	2,338,710	2,096,774
ES	20,000	20,000	80,000
FI	1,610,253	3,775,441	NA
FR	2,150,000	6,210,000	6,560,000
HU	758,900	227,910,65	584,150
IS	61,888	238,603	48,485
IT	745,194	404,630	841,285
LV	7 231	32 523	52 077
MT	301,863	257,125	235,000
NL	np	220,714	561,696
NO	572,109	518,639	952,381
PL	3,810,073	381,904	17,663
SE	1,855,923	1,593,659	1,553,889
SI	54,420	298,398	356,240
SK	1,603,897	1,507,028	2,342,458

⁷⁰ Ibid.