

INCEPTION IMPACT ASSESSMENT

Inception Impact Assessments aim to inform citizens and stakeholders about the Commission's plans in order to allow them to provide feedback on the intended initiative and to participate effectively in future consultation activities. Citizens and stakeholders are in particular invited to provide views on the Commission's understanding of the problem and possible solutions and to make available any relevant information that they may have, including on possible impacts of the different options.

TITLE OF THE INITIATIVE	<i>Digitalisation of the visa procedure</i>
LEAD DG (RESPONSIBLE UNIT)	<i>DG HOME (C5)</i>
LIKELY TYPE OF INITIATIVE	<i>Proposal for a Regulation of the European Parliament and of the Council</i>
INDICATIVE PLANNING	<i>Q4 2021</i>
ADDITIONAL INFORMATION	https://ec.europa.eu/home-affairs/what-we-do/policies/borders-and-visas/visa-policy_en

The Inception Impact Assessment is provided for information purposes only. It does not prejudice the final decision of the Commission on whether this initiative will be pursued or on its final content. All elements of the initiative described by the Inception impact assessment, including its timing, are subject to change.

A. Context, Problem definition and Subsidiarity Check

Context

The concept of digital visas or e-visas includes the possibility to apply for a visa online and the replacement of the current (paper) visa sticker by a digital document.

The Estonian Council Presidency (second half of 2017) launched a comprehensive discussion on “e-visas” among Member States, with several questionnaires, documents and meetings in the Council’s [Visa Working Party](#). Member States were very favourable to exploring initiatives at EU level, taking advantage of the future [Entry-Exit System](#) (EES) and the [European Travel Information and Authorisation System](#) (ETIAS).

The [March 2018 Commission communication on visa policy](#) took up the debate and announced a feasibility study on digital visa procedures and the intention to assess options and promote pilot projects which would prepare the ground for future proposals (see further below).

When revising the EU Visa Code in 2019, the EU co-legislators explicitly stated the aim of developing a common solution in the future to allow Schengen visa applications to be lodged online, thereby making full use of the recent legal and technological developments¹. The Covid-19 pandemic, which led to a shut-down of Schengen visa operations worldwide, prompted Member States to call upon the Commission to speed up work on digitalisation of visa procedures.

The [New Pact on Migration and Asylum](#) proposed by the Commission sets the objective of making the visa procedure fully digitalised by 2025, with a digital visa and the ability to submit visa applications online.

The initiative is listed in the [Commission Work Programme for 2021](#). The initiative also fits with the general EU approach to encourage the modernisation and digitisation of public services.

Problem the initiative aims to tackle

The Schengen visa² procedure is already digitalised to some extent, as Member States share a common database, the [Visa Information System](#) (VIS), where all visa applications and decisions on those applications are recorded. However, the visa procedure remains heavily paper-based from the point of view of applicants and [consulates](#). Applicants have to fill out and sign the application form (on paper), provide supporting documents and travel medical insurance (in original or copy) and pay the visa fee (in most cases at the counter). The passport remains at the consulate until the end of the procedure when – provided the visa is issued – the visa sticker is affixed to the passport, which is then returned to the applicant.

This paper-based procedure is cumbersome, time-consuming and costly both for the applicants and the

¹ See recital 20 in [Regulation \(EU\) 2019/1155](#).

² A [Schengen visa](#) is a short stay visa allowing its holder to circulate in the Schengen area. The [Schengen area](#) covers 26 EU and non-EU countries ("Schengen States") without border controls between them.

consulates. Applicants – including regular travellers – often have to wait to obtain an appointment, spend time and money to travel to the consulate (or more often to a visa application centre) to submit the application and get their passport back at the end of the process. They cannot travel abroad while the passport is at the consulate, which is an additional hurdle if the consulate is situated not in their own country, but in a neighbouring country. Consulates have to handle the paper workflow and have to archive the original applications for two years. The current procedure was unsuitable during the Covid-19 crisis and forced Member States to suspend visa operations.

The paper visa sticker (affixed to the passport) is a document with commonly agreed security features and entails high costs for Member States in terms of production, secure transport and storage and manpower needed to print and affix to the travel document more than 15 million visa stickers every year. Despite these efforts, the recently enhanced visa sticker is still prone to falsification and fraud, putting at risk the security of the Schengen area. The paper-based visa procedure has also led to a strong dependency of Member States on external service providers (private companies operating visa application centres) to collect visa applications and the visa fee and to enter data into digital format, making the visa procedure more costly and exposing applicants' personal data to third parties.

Some Member States have started to partly digitalise the application procedure by developing online application tools, e.g. to fill out the application form online before it is printed and signed. However, these efforts are constrained by current legal provisions and persisting administrative practice. For instance, applicants still have to sign the application form and to hand in paper copies of supporting documents. Moreover, it is still a legal requirement for Member States to issue a paper visa sticker. Furthermore, individual efforts to create online tools have resulted in different approaches and a fragmentation of the visa application procedure, putting at risk the common visa policy. Smaller Member States with much lower visa volumes do not have the same financial capacities to invest in online tools. This represents an additional burden to frequent travellers, such as business people, who have to adapt to different procedures and tools for each Member State. This also projects a fragmented image of the Schengen visa procedures.

Digitalisation of visa procedures is happening worldwide, from Australia to India and Russia. In addition, non-EU nationals exempted from the visa requirement will be able to apply for a travel authorisation to the EU through a common web portal (ETIAS) from 2023. These developments and the increasing use of e-government tools and online payment worldwide will make the current Schengen visa procedure appear increasingly outdated and fragmented.

Basis for EU intervention (legal basis and subsidiarity check)

The legal basis for the common visa policy in the Treaty giving the EU the right to act is Article 77(2)(a) TFEU. As the Schengen visa procedure is harmonised at EU level and regulated in great detail in the Visa Code, the VIS Regulation and the Visa Sticker Regulation, the objectives cannot be reached effectively by Member States acting alone. While Member States can partly digitalise some aspects of the visa procedure on their own, there are currently legal obstacles to the replacement of the paper visa sticker with a digital visa. As regards the online application process, there are also clear economies of scale in addressing the issue at EU level, due to the cost involved in developing online solutions. Therefore, the objectives of the initiative can only be reached comprehensively at Union level, thereby avoiding a further fragmentation of the visa process. It is expected that an EU solution would be more efficient and cost-effective.

B. Objectives and Policy options

The aim of this initiative is to make the Schengen visa procedure fully digitalised by enabling visa applicants to submit their visa applications online and by replacing the paper visa sticker with a digital visa, with a view to reducing costs and resources for applicants and Member States and enhancing the security of the Schengen area.

“Baseline scenario” (Option “0”): no policy or legislative changes at EU level. While Member States can introduce online tools for some parts of the application process, legal obstacles would prevent a full online application procedure and the replacement of the paper visa sticker with a digital visa. The current patchwork as regards the level of digitalisation of Member States in the visa procedure would persist or deteriorate.

Alternative policy options to the baseline scenario that will be further explored:

Option 1: EU “soft law”.

This option would support Member States' initiatives to develop online application tools. Currently some Member States have already introduced or are planning to introduce such tools, many of them covering only parts of the visa procedure. The EU “soft law” approach would involve: encouraging Member States' initiatives and designing voluntary common standards for online application tools; providing recommendations, monitoring of, and reporting on compliance with such requirements. A digital visa cannot be implemented with “soft law” tools, since the use of the visa sticker is a legal requirement of the Schengen acquis.

Option 2: Minimal EU legislative changes and digital visa.

Under this option, an EU legislative instrument would remove legal obstacles and establish minimum standards for online visa application procedures at national level. These standards would apply only for Member States choosing to introduce national online application tools on a voluntary basis. The applicants would still be required

to show up at the consulate (or visa application centre) every 5 years to provide their biometric identifiers (facial image and fingerprints) and be identified with their passport. The paper visa sticker would be replaced by a digital visa and a web service for visa holders to check the validity of their visas.

Option 3: EU online application portal (optional for Member States) and digital visa.

Under this option, the EU legislative instrument would establish a common EU visa application portal whose use would be voluntary for Member States. Member States could also use their own visa online application tools. Due to security reasons, applicants would still be required to show up at a consulate (or visa application centre) every 5 years to provide their biometric identifiers (facial image and fingerprints) and be identified with their passport. During those 5 years, applications could be submitted fully online. A digital visa would replace the paper visa sticker.

Option 4: EU online application portal (mandatory for Member States) and digital visa.

This option is the same as option 3, but the use of the common EU visa application portal would be mandatory for Member States after a transitional period (during which they could continue to use their own tools).

Option 5: EU online application portal (mandatory for Member States), fully digital procedure and digital visa.

This option is the same as option 4, but without a transitional period for Member States to use existing visa online application tools. Moreover, the applicant would identify him/herself online and submit his/her fingerprints, facial image and copy of travel document using a smartphone application. Appearance in person would be required only in very special circumstances.

Technical sub-options (to be considered potentially):

For the system architecture of the EU online application portal (options 3, 4 and 5):

- Sub-option 1 “Centralised”: central portal and storage;
- Sub-option 2 “Hybrid”: central portal and decentralised storage.

For the notification of the digital visa (and fall-back solution for offline verification) (options 2, 3, 4 and 5):

- Sub-option 1: Simple notification
- Sub-option 2: Notification with digitally signed 2D barcode

For the scope of the EU online application portal and the digital visa (options 2, 3, 4 and 5):

- Sub-option 1: Visa digitalisation only for Schengen visas (types A and C)
- Sub-option 2: Visa digitalisation also for national long-stay visas³ (type D)

C. Preliminary Assessment of Expected Impacts

Likely economic impacts

The initiative is likely to entail both economic costs and benefits that will have to be assessed in detail.

(1) Economic costs

The online application process will entail costs for the development and maintenance of the portal(s) and IT systems for Member States and possibly the EU budget.

The replacement of the visa sticker would not lead to any significant costs for new systems, as the digital visa already exists in the form of the Visa Information System. Minor costs would possibly be incurred for the development of software for a 2D barcode sent when notifying the visa and, where necessary, additional devices to read the barcode. These costs are likely to be swiftly compensated by the savings created by the abolition of the visa sticker (see below).

(2) Economic benefits

The online application process would save time and resources of Member States spent on interacting with applicants, managing the paper workflow in consulates, and archiving paper applications for two years. Applicants – and in particular frequent travellers – would also save time and money spent on travelling to the consulate (or visa application centre) to submit the application or collect the passport. As the role of external service providers would be considerably reduced, the visa procedure would also become cheaper for applicants.

The digital visa would create considerable savings for Member States, as they would no longer have to procure 15 million secure visa stickers annually⁴, pay for their secure transport and storage, and the staff to affix those

³ For long stays exceeding three months and not more than one year, Member States can issue national visas (type D) under national rules. These visas are issued in the same uniform format, i.e. on the same paper visa stickers, as Schengen visas. Also the application process is very similar. The full benefits of a digital visa would only be achieved if the initiative covers both Schengen visas and national visas.

⁴ Average number of visas issued by all Schengen States over the past years until 2019 (before the Covid-19 pandemic). See Schengen visa statistics [here](#) (bottom of page).

<p>stickers in passports. Applicants would save money and time currently spent on receiving the passport (by personal pick-up or courier delivery) and would be able to travel abroad with their passport while the visa application is being processed at the consulate.</p> <p>The web presence of the Schengen area in the form of a single EU visa application portal – which would serve as a one-stop shop – would project a <u>modern image of the EU</u> in those 100+ countries of the world whose nationals are subject to a visa requirement. It would replace the current patchwork of websites managed by consulates and external service providers, and different partial online processes developed by Member States that 16 million visa applicants worldwide currently have to struggle with. A modern and digitalised visa procedure is likely to attract more travellers to the EU, resulting in indirect positive economic impact in terms of increasing <u>trade and tourism</u>, even though those benefits are difficult to predict and quantify.</p>
<p>Likely social impacts</p> <p>The initiative is unlikely to have direct positive or negative impacts on employment and work conditions in the EU. The initiative will have direct positive impact on the <u>security</u> of the Schengen area, in particular as regards visa and border procedures. The digital visa would eliminate the risk of forged or falsified visa stickers that are still regularly found by border control or law enforcement authorities despite the recent enhancement of security features.</p> <p>In relation to education, culture or youth, since new technology solutions will make the visa application process more intelligible and accessible, positive social impacts can be expected through more frequent educational, cultural and youth travel and exchanges.</p>
<p>Likely environmental impacts</p> <p>No significant environmental impacts are to be expected from the proposed measure. However, online application tools will require additional data storage capacities, which may increase energy consumption to some extent. Abolishing the visa sticker might have a neutral or even positive impact on the environment, as Member States would no longer have to produce and transport 15 million paper visa stickers annually to distant locations.</p> <p>Digitalisation of the visa procedure would have also a positive environmental impact to the extent that many applicants will no longer have to travel to consulates or visa application centres to submit their applications, conduct interviews, and to collect their passport.</p>
<p>Likely impacts on fundamental rights</p> <p>The current visa procedure already implies the <u>collection of personal data</u> from third country nationals applying for visas (as well as from EU citizens inviting them) and storage of those data in the VIS. This initiative would have some limited impact on the scope and type of data that are collected, and would modify the way in which they are collected and processed. Due to a reduced role for external service providers (private companies) in the online application procedure, personal data would be better protected against exposure to third parties. Those impacts on the right to data protection and privacy need to be further assessed.</p> <p>The online application process would facilitate the visa procedure for visa applicants that do not live in capitals or major cities where consulates and visa application centres are located, thereby improving equal access. Initial experiences of Member States indicate that access to online tools and payment methods are not major obstacles to rolling out online application processes even in least developed countries, due to increasing availability of the internet and mobile payment systems. However, possible impacts of visa digitalisation for certain groups of applicants due to the unavailability of internet access or computer illiteracy will need to be further assessed.</p>
<p>Likely impacts on simplification and/or administrative burden</p> <p>The initiative aims to decrease legal fragmentation, costs and administrative burden for the Member States. It would modernise and digitalise administrative procedures in a number of ways and would reduce the costs of implementing EU legislation for Member States' administrations and third-country nationals. The most notable simplification would be the abolition of the costly visa sticker and the repeal of the Visa Sticker Regulation.</p> <p>Digitalisation of visa procedures is likely to lead to reducing the number of employees working in external service providers in third countries and local staff in consulates working with paper files and affixing visa stickers in the passports.</p>
<p>D. Evidence Base, Data collection and Better Regulation Instruments</p>
<p>Impact assessment</p> <p>An impact assessment will be prepared to support the preparation of this initiative and to inform the Commission's decision. The impact assessment process is likely to be finalised by summer 2021.</p>
<p>Evidence base and data collection</p> <p>Significant evidence for this initiative has already been gathered through a <u>study on the feasibility and implications of options to digitalise visa processing</u> concluded in September 2019. In addition, a project together with the European Union Agency for the Operational Management of Large-Scale IT Systems in the Area of Freedom, Security and Justice (eu-LISA) to develop and test a prototype of a future EU online visa application portal has</p>

been launched in autumn 2020 and will deliver an analysis of the costs and technical and legal requirements of a future EU online application portal. A pilot project with Lithuania to test a digital visa in the framework of the Kaliningrad Special Transit Scheme (STS) is being planned. These two projects will fill possible information gaps on the functioning of the future digitalised visa processing (online application and digital visa) by providing quantitative and qualitative data in particular through testing. A more in-depth cost-benefit analysis is also planned, although it will not be possible to monetise all relevant impacts.

Consultation of citizens and stakeholders

The aim of the consultation is to obtain stakeholders' views on the envisaged initiative, in particular on the usefulness of an online application process and EU/national portals, as well as the replacement of a visa sticker with a digital visa. The main stakeholders to be consulted include: visa applicants, Member States' authorities in charge of visa issuing (Ministries of Foreign Affairs) and border control / police checks (Ministries of Interior), data protection authorities as well as stakeholders in the travel and tourism industry. Planned consultation activities:

- Public consultation aimed at visa applicants and travel industry stakeholders (Q1-2 2021)
- Targeted consultation aimed at Member States (and possibly travel industry stakeholders) (Q1-2 2021)

The public consultation will run for a minimum period of 12 weeks. The questionnaire will be available in all EU official languages and possibly some key non-EU languages (Russian, Arabic, Chinese, Turkish). It can be accessed via the [Commission's central public consultations page](#) and [DG HOME's public consultation webpage](#).

The public consultation will be promoted through Member States' consulates and external service providers, where possible. A synopsis report will be published on the consultation page once all consultation activities are closed.

Will an Implementation plan be established?

As this initiative would be implemented by way of regulations (if a legislative option is chosen), there is no need for an implementation plan at this stage.