

DIGITAL SINGLE MARKET: EGOVERNMENT ACTION PLAN

cepPolicyBrief No. 2016-27

KEY ISSUES

Objective of the Communication: The Commission wants to push ahead with the digital transformation of public administrations.

Affected parties: Public administrations, citizens and companies.



Pro: (1) Cross-border eGovernment services facilitate the mobility of citizens and cross-border business activities.

(2) The once-only collection of data from companies and citizens promotes efficiency.

(3) Converting to a fully electronic procurement system promotes cross-border competition.

(4) A Single Digital Gateway with all the necessary information for cross-border business operations makes it easier for companies to operate in other EU countries.

CONTENT

Title

Communication COM(2016) 179 of 19 April 2016: **EU eGovernment Action Plan 2016–2020: Accelerating the digital transformation of government**

Brief Summary

► General Background

- In May 2015, the Commission submitted its Communication "Digital Single Market Strategy" [COM(2015) 192]. The third pillar of this strategy deals with "Maximising the growth potential of the digital economy" (see [cepPolicyBrief](#)).
- In April 2016, the Commission submitted four Communications for the third pillar on the following subject areas:
 - Digitising European Industry [COM(2016) 180; see [cepPolicyBrief](#)],
 - European Cloud Initiative [COM(2016) 178; see [cepPolicyBrief](#)],
 - ICT Standardisation for the Digital Single Market [COM(2016) 176; [cepPolicyBrief](#) to follow] and
 - EU eGovernment Action Plan [this [cepPolicyBrief](#)].

► EU eGovernment Action Plan 2016–2020: Context and objectives

- According to the Commission, eGovernment can (p. 1)
 - support administrative processes,
 - improve the quality of public services,
 - increase internal public sector efficiency and
 - reduce the administrative burden on businesses and citizens.
- In the Action Plan, the Commission proposes a range of mainly non-legislative projects and announces only a few legislative measures.
- The aim of the Action Plan is for all public administrations in the EU to offer "borderless, personalised, user-friendly (...) digital public services" by 2020 (p. 2). For this purpose, the Commission believes further "actions" over and above the proposals contained in the Action Plan may be necessary (p. 12).

► Principles for legislative and non-legislative "initiatives" in the field of eGovernment

- The Commission wants the following principles to be generally observed when new legislative and non-legislative eGovernment "initiatives" are launched by the Member States or the EU (p. 2 et seq.):
- "Once only": Citizens and businesses will have to supply information only once to a public authority. Where permitted under data protection law, public administrations will re-use the data.
 - "Digital by Default": Public administrations will generally deliver their services digitally while still keeping other channels open.
 - "Inclusiveness and accessibility": Public administrations will design their digital services to cater for e.g. people with disabilities.
 - "Openness & transparency": Public administrations will share information and data with each other and enable citizens and businesses to access and control their own data.
 - "Cross-border by default": Public administrations will make "relevant" digital services available across borders to prevent fragmentation.

- "Interoperability by default": Public services will work seamlessly across borders and across organisational silos.
- "Trustworthiness & Security": eGovernment "initiatives" will go beyond "mere compliance with the legal framework on personal data protection and privacy and IT security" in order to increase trust in and take-up of digital services.
- ▶ **"Modernising" public administrations**
 - Public administrations in the Member States will convert to electronic procurement, already provided for under EU law (eProcurement, inter alia Directive 2014/24/EU; see [cepPolicyBrief](#)) and to the proposed use of contract registers. It will be possible for companies (p. 5)
 - to bid electronically for public procurement contracts anywhere in the European Union by no later than 2018 and
 - to invoice public administrations electronically by no later than 2019.
 - Public administrations will accelerate the take up of electronic identification (eID) and trust services – electronic services e.g. for issuing or checking electronic signatures (eSignature) – for electronic transactions (Regulation (EU) No. 910/2014); see [cepPolicyBrief](#) (p. 5).
 - According to the Commission, funding from the "Connecting Europe" Facility – a programme to promote trans-European networks in the areas of transport, telecommunications and energy – currently guarantees the availability of electronic services such as eID and eSignature. The Commission will campaign for funding to continue after the end of the programme in 2020. (p. 5)
 - By the end of 2016, the Commission will revise the European Interoperability Framework – a non-legislative concept for cooperation between public administrations on the provision of public services [Communication COM(2010) 744, Annex 2] – and support its take-up by national administrations with the aim of strengthening the interoperability of digital public services in the EU (p. 6).
 - The Commission itself will inter alia (p. 6 et seq.)
 - use eID and trust services as well as electronic invoicing as from 2018, and electronic procurement as from 2019, in order to comply with the principle of "Digital by Default", and
 - gradually – initially only for suppliers and aid programmes such as the EU Regional Development Fund – roll out the 'once-only' principle.
 - The Commission will support the common take up of cloud, data and computing infrastructures. It will thus open up the proposed Cloud infrastructure for science [COM(2016) 178; s. [cepPolicyBrief](#)] also for public administrations (p. 7).
- ▶ **Enabling cross-border mobility**
 - According to the Commission, the Single Market "cannot function effectively without" cross-border digital public services (p. 7).
 - In 2016, the Commission will
 - propose legislation to extend the Single Electronic Mechanism for registration and payment of VAT, currently applicable to cross-border online trade between businesses and consumers involving electronic services, to include trade involving physical goods [COM(2015) 192; see [cepPolicyBrief](#)] (p. 9),
 - make the "European e-Justice Portal" a one-stop shop for information on European justice issues and "access to judicial procedures" in the Member States (p. 8 and 9).
 - By 2017, the Commission will
 - create a Single Digital Gateway that (p. 8)
 - is based on existing portals, contact points and networks,
 - brings together all the information necessary for cross-border business operations and
 - enables important national procedures to be completed online,
 - facilitate online registration procedures and the electronic transmission of company documents and information to company registers at home and across borders (p. 9) and
 - further develop the European job mobility portal (European Network of Employment Services – EURES) (p. 10)
 - The Commission will (p. 9 and 10)
 - support Member States in the development of cross-border eHealth services between 2016 and 2018 and
 - by 2019, set up the Electronic Exchange of Social Security Information (EESSI) between social security authorities across 32 countries.
 - The Commission will continue its ongoing work on the interconnection of all national business registers (Directive 2012/17/EU) until 2017, and of national insolvency registers [Regulation (EU) 2015/848, see [cepPolicyBrief](#)] until 2019, and make this information available on the "European e-Justice portal" (p. 8).
- ▶ **Interaction between administrations and citizens/businesses**
 - By 2019, the Commission wants to assess the possibility of applying the once-only principle in a cross-border context whilst respecting data protection and privacy (p. 11).

- The use of spatial data, i.e. data with geographical relevance, allows companies and citizens to provide new services. Such data is also useful for urban, land-use and traffic planning. Between 2016 and 2020, the Commission therefore wants, inter alia, to (p. 11)
 - promote the development of end-user applications and
 - accelerate the deployment and take-up of INSPIRE (Infrastructure for Spatial Information in the European Community).

Policy Context

The EU Commission considers the completion of a Digital Single Market to be one of the priorities of its period of office. In May 2015, it presented a Strategy for the Digital Single Market [COM(2015) 192, [cepPolicyBrief](#) on maximising the growth potential of the digital economy]. The European Parliament and the Council want to pass a Directive in 2016 on inclusive access to the websites and mobile applications of public bodies [Commission Proposal COM(2012) 721 of 3 December 2012].

Options for Influencing the Political Process

Leading Directorate General:	DG Communications Networks, Content & Technology
Leading Committees of the EP:	Internal Market and Consumer Protection, Rapporteur: TBA
Leading Federal Ministry:	Internal Affairs Ministry
Leading Committee of the Bundestag:	Internal Affairs

ASSESSMENT

Economic Impact Assessment

Ordoliberal Assessment

Although eGovernment services often involve high levels of initial investment and organisational effort, making them more difficult to implement, in the medium term, they generally reduce costs both in public administration and for users of the services. In principle, therefore, the Commission's Action Plan is appropriate.

Cross-border eGovernment services facilitate the mobility of citizens, particularly that of employees and students, **as well as cross-border business activities**. However, this frequently requires services to be interoperable and mutually recognised across borders which, already at a national level, is often difficult. In addition, language barriers impede cross-border use of services.

The principles for eGovernment proposed by the Commission are appropriate. **The "once only" collection of data from businesses and citizens promotes efficiency** both for companies and citizens and for public administrations because repeated and time-consuming requests for data can be avoided. In this regard, consideration for data protection is essential. Making public services digital by default, reduces bureaucratic costs and makes it easier to recognise and avoid errors, e.g. when entering data. The principle should, however, be explicitly extended to include the aim of fully completing processes by digital means, i.e. ensuring that the additional use of paper format will no longer be necessary.

Converting to a fully electronic procurement system (eProcurement), in which all stages of the procurement process, from the invitation to tender through to invoicing, take place digitally, strengthens the internal market and **promotes cross-border competition**. This is firstly because it will increase the likelihood of companies, who wish to bid for contracts, hearing about them in the first place and secondly, it will increase the chance of these companies actually bidding for these contracts. Thirdly, the cost of bidding will fall for both domestic companies and those from other EU countries. Thus customers will also gain from receiving lower offers. Uniform European provisions – relating e.g. to invoicing (eInvoicing) – are however crucial to ensure that cross-border procurement does not fail as a result of the incompatibility e.g. of the software solutions used.

Electronic identification is central to greater digitisation of the processes used in public administration. In the cross-border context, recognition of the electronic means of identification used by other Member States is particularly important in this regard. Only where this is guaranteed will it be possible to quickly resolve issues between administrations and companies, both at home and across borders, requiring mandatory identification. This **will also help to reduce bureaucracy and transaction costs**.

The European Interoperability Framework facilitates, in particular, employee mobility and the establishment of companies across borders because making eGovernment services interoperable makes it easier for citizens and businesses to assert their fundamental EU freedoms. At the same time it is unrealistic to expect that cross-border interoperability will always be the first consideration when developing these services because, in many cases, even at national and regional level, only isolated applications exist.

Until now, a single EU-wide electronic mechanism for the registration and payment of VAT has only existed for electronic services sold online. Extending this mechanism to include the online sale of physical goods may reduce red tape for cross-border businesses as they will only have to submit one VAT return EU wide.

A Single Digital Gateway with all the necessary information for cross-border business operations as well as links to national procedures and rules is also appropriate as it reduces search costs and **makes it easier for companies to operate in other EU countries**. However, it is just as important for administrative services -

such as company registration - to simply be made generally digitally available and easily accessible both at home and across borders. Any language barriers could impede the use of the Digital Gateway. Interconnecting national business and insolvency registers reduces search and information costs. Linking up the business registers means that companies only have to supply certain information once e.g. on their legal structure. This reduces red tape.

Legal Assessment

Legislative Competency

The legal basis for the proposed legislative measure in the area of VAT is the EU's power to harmonise indirect taxes (Art. 113 TFEU). Otherwise, the Commission has largely left open the extent to which it wants to take legislative or non-legislative measures. A possible legal basis for establishing contract registers and a Single Digital Gateway – at least by way of a legislative act – is provided by the internal market competence (Art. 114 TFEU). In addition, possible legal bases for other legislative measures would be the power to adopt measures to attain freedom of establishment (Art. 50 TFEU) and the power of judicial cooperation in civil matters (Art. 81 TFEU).

Subsidiarity

All EU measures must comply with the Principle of Subsidiarity, i.e. they cannot be adequately achieved at national level and are better achieved at EU level. In the case of measures in the area of eGovernment with a cross-border element this is highly probable.

Proportionality with Respect to Member States

Dependent on the design of the individual measures.

Compatibility with EU Law in other Respects

In pursuing the "once only" principle, care must be taken to ensure that the fundamental right to personal data protection (Art. 8 Charter of Fundamental Rights) is adequately upheld. This applies in particular to the exchange of data such as medical details.

Impact on German Law

Dependent on the design of the individual measures. In the area of IT systems, the Federal Government and the *Länder* can cooperate (Art. 91c Basic Law) so that the corresponding individual EU measures can also be implemented conjointly.

Conclusion

Cross-border eGovernment services facilitate the mobility of citizens and cross-border business activities. The once-only collection of data from companies and citizens promotes efficiency. Converting to a fully electronic procurement system promotes cross-border competition. Electronic identification will also help to reduce bureaucracy and transaction costs. A Single Digital Gateway with all the necessary information for cross-border business operations makes it easier for companies to operate in other EU countries.