Committee on Industry, Research and Energy

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DRAFT REPORT

on a competitive digital single market – eGovernment as a spearhead
(2011/2178(INI))

Committee on Industry, Research and Energy

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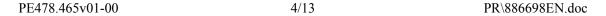
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The European Parliament,

– having regard to the Community *acquis* in the field of the Internal Market and the Information Society,

– having regard to the Commission's communication entitled 'EUROPE 2020 – A strategy for smart, sustainable and inclusive growth' (COM(2010)2020),

– having regard to the Commission's communication entitled 'A Digital Agenda for Europe' (COM(2010)0245),

– having regard to its resolution of 5 May 2010 on a new Digital Agenda for Europe: 2015.eu[1],

– having regard to the European Council conclusions of 31 May 2010 on a Digital Agenda for Europe,

– having regard to the European Council conclusions of 17 June 2010 on the Europe 2020 strategy, including the Digital Agenda (point 7),

– having regard to the Guide for the procurement of standards-based ICT – Elements of Good Practice, published by the Commission on 23 December 2011,

– having regard to the Commission's Communication entitled 'Reaping the benefits of electronic invoicing for Europe' (COM(2010)0712),

– having regard to the Commission's Communication entitled 'The European eGovernment Action Plan 2011-2015 – Harnessing ICT to promote smart, sustainable & innovative Government' (COM(2010)0743),

– having regard to the Commission's communication entitled 'Towards interoperability for European public services – European Interoperability Strategy (EIS) for European public services (Annex 1) and European Interoperability Framework (EIF) for European public services (Annex 2)' (COM(2010)0744),

– having regard to the Commission's communication entitled 'i2010 eGovernment Action Plan – Accelerating eGovernment in Europe for the Benefit of All' (COM(2006)0173),

– having regard to the Commission's communication entitled 'A coherent framework for building trust in the Digital Single Market for e-commerce and online services' (COM(2011)0942),

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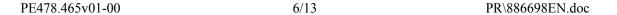[1] OJ C 81E, 15.3.2011, p. 45.

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– having regard to the Commission's communication entitled 'Single Market Act – Twelve levers to boost growth and strengthen confidence: Working together to create new growth' (COM(2011)0206),

– having regard to the Commission's Communication of 31 March 2011 on 'Critical Information Infrastructure Protection – Achievements and next steps: towards global cyber-security',

– having regard to the Commission's Communication of 30 March 2009 on 'Critical Information Infrastructure Protection – Protecting Europe from large-scale cyber-attacks and disruptions: enhancing preparedness, security and resilience',

– having regard to the Commission's Open Data Package, published in December 2011, consisting of: the Commission's Communication 'Open data – An engine for innovation, growth and transparent governance', the Commission's proposal for a directive amending Directive 2003/98/EC on reuse of public sector information (COM(2011)0877) and the Commission's Decision of 12 December 2011 on the reuse of Commission documents (COM(2011)0833),

– having regard to the study regarding the economic impact of public sector information conducted by the European Commission in 2011 (Vickery study),

– having regard to the Commission's proposal for a Regulation of the European Parliament and of the Council on a Common European Sales Law (COM(2011)0635),

– having regard to the Commission's communication entitled 'A coherent framework for building trust in the Digital Single Market for e-commerce and online services' (COM(2011)0942),

– having regard to the Commission's communication entitled 'Green Paper – towards an integrated European market for card, Internet and mobile payment' (COM(2006)0941),

– having regard to the Digital Agenda for Europe Annual Progress Report 2011, published on 22 December 2011,

– having regard to the Commission's communication entitled 'Europe's Digital Competitiveness Report – Main achievements of the i2010 strategy 2005-2009' (COM(2009)0390),

– having regard to the Study on the Social Impact of ICT – SMART 2007/0068, published on 30 April 2010,

– having regard to The Economic Impact of ICT Report – SMART 2007/0020, published in January 2010,

– having regard to the report prepared for the Commission entitled 'i2010 eGovernment Action Plan – Progress Study (SMART 2008/0042)', published in November 2009,

– having regard to the Swedish Presidency conclusions of 10 November 2009 from the Visby conference on creating impact for an eUnion 2015,

– having regard to the Swedish Presidency report 'A Green Knowledge Society – An ICT policy agenda to 2015 for Europe's future knowledge society', published in September 2009,

– having regard to the Commission's report 'Cloud Computing: Public Consultation Report', published on 5 December 2011,

– having regard to the Commission's communication entitled 'Action Plan on e-signatures and e-identification to facilitate the provision of cross-border public services in the Single Market' (COM(2008)0798),

– having regard to Directive 2006/123/EC of the European Parliament and of the Council of 12 December 2006 on services in the internal market,

– having regard to Rule 48 of its Rules of Procedure,

– having regard to the report of the Committee on Industry, Research and Energy and the opinions of the Committee on .... (A7-0000/2012),

A. whereas information and communications technology (ICT) directly affects EU citizens in daily life, and whereas a competitive Digital Single Market eliminating all barriers for cross-border e-services and free of distortions of competition would benefit them considerably;

B. whereas the ICT sector is directly responsible for 5% of EU GDP, with a market value of €660 billion annually, but it contributes far more to overall productivity growth (20% directly from the ICT sector and 30% from ICT investments);

C. whereas ICT can make a significant contribution to the EU 2020 Strategy, particularly with regard to employment, sustainable economic and productivity growth, R&D, energy, innovation and the environment;

D. whereas SMEs play a particularly important role in the Digital Market;

E. whereas the Digital Agenda Scoreboard 2011 shows progress but 26% of EU citizens never used the Internet and only 48% of people belonging to disadvantaged groups used the Internet;

F. whereas a competitive digital single market needs to ensure the successful development of the Trans-European Communication Network, effectively link the telecommunications networks of all EU regions and eliminate disparities between the levels of infrastructure development in and between the EU Member States;

1. Is aware of the major contribution made by the ICT sector to the EU's industrial policy, competitiveness and trade balance;

2. Underlines that users are the key for the digital strategy and there is a pressing need in the EU to strengthen users' role and perspective in the Information Society;

eGovernment Action Plan

3.   Welcomes the adoption of the European eGovernment Action Plan 2011-2015, the European Interoperability Strategy (EIS) and the European Interoperability Framework (EIF) for European public services (EPS);

4.   Supports the overall target for increased use of eGovernment services in 2015 to 50% of citizens (from 41%) and 80% of businesses (from 75%), but calls on the Commission and Member States (MS) to consider these targets minimum thresholds;

5.   Regrets that according to the Digital Agenda Scoreboard 2011 only 50% of eGovernment users filled in forms online;

6.   Underlines that the Internet is increasingly used on mobile devices both by citizens and enterprises and calls for it to be ensured that eGovernment services are accessible and adapted to multiple channels of delivery, including mobile Internet;

7.   Highlights that eGovernment is particularly beneficial for EU citizens and SMEs, with benefits from reduced administrative costs, as they often face insurmountable barriers when operating cross-border within the EU;

8.   Notes that major barriers to cross-border access to e-services of public administrations are linked to the use of eIdentification and eSignatures and that there is a lack of interoperability at the EU level;

9.   Considers that in order to ensure effective EU-wide cross-border eGovernment services providing two-way and/or automated interaction between administrations and citizens and/or businesses there is a need for a clear and coherent EU legal framework for mutual recognition of eAuthentication, eIdentification and eSignatures;

10. Welcomes the adoption and the contribution of the Action Plan on eSignatures and eIdentification as well as of the STORK pilot project to the interoperability of cross-border public services; calls on the Commission to revise the eSignature Directive and calls for a Decision to ensure mutual recognition of eIdentification and eAuthentication;

11. Takes note that the Commission has mandated CEN, CENELEC and ETSI to update and rationalise the European eSignature standardisation framework; calls on the Commission to present to the EP a yearly progress report based on the reports submitted twice a year by European standardisation bodies;

12. Underlines that eGovernment applications should be reviewed and, if necessary, modified to be open also to non-resident users; stresses that interoperability is needed at the local, regional and national level and at the EU level;

13. Considers that the interoperability of eGovernment applications requires the interoperability of national Private Key Infrastructures (PKI) through a European Validation Service (European Bridge);

14. Welcomes the public consultation launched on draft guidelines on links between ICT

standardisation and public procurement and calls for a proposal on the subject;

15. Invites Member States to develop national eGovernment strategies, in line with the objectives and targets of the eGovernment Action Plan, in particular the opening of the internal market;

16. Calls on Member States to make use of ICT tools to improve transparency and accountability, to reduce administrative burden, improve administrative processes, reduce carbon emissions, save public resources and contribute to a more participative democracy while building up trust and confidence;

17. Underlines that cross-border interoperable eGovernment services should benefit from innovative architecture and technologies (cloud of public services and Service Oriented Architecture) and calls for upgrading of IPv6-relevant eGovernment infrastructure and online services of public interest;

18. Stresses that a secure cross-border eGovernment system is an integral part of the European Critical Infrastructure Protection; calls for sufficient measures to be put in place to ensure data and privacy protection and reduce to a minimum the vulnerability to cyber-attacks;

19. Welcomes the contribution of the IDA, IDABCD and ISA programmes and CIP large-scale pilots[1] as well as the ePractice forum in designing and implementing cross-border interoperable solutions;

20. Welcomes and supports the 'Connecting Europe Facility' (CEF) proposal, which allocates almost €9.2 billion to support investment in fast and very fast broadband networks and pan-European digital services;

21. Welcomes the adoption of the Open Data Package and calls on Member States to support the reuse of public sector information in innovative ways (non-personal information); calls for better involvement of local and regional authorities as regards access to public-sector information in order to improve the provision of information to the public, business and institutions and to facilitate the creation of new jobs at local and regional level;

22. Underlines the importance of measurement methodologies (qualitative and quantitative) focused on efficiency and effectiveness of eGovernment and democracy, using SMART[2] targets, which should be in active use across governments;

23. Regrets that the list of all key cross-border public services to be made available online by 2015 has not yet been agreed by Member States;

24. Welcomes the proposals to enhance digital literacy, skills and eInclusion, especially the proposal to make digital literacy and related components a priority for European Social Fund regulation (2014-2020);

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[1] SPOCS, PEPPOL, ePSOS, STORK, CROBIES
[2] SMART: Specific, Measurable, Achievable, Realistic and Timed

25. Regrets that the legislative proposal aiming to ensure that public-sector websites are fully accessible by 2015 is delayed; welcomes the Roadmap for digital inclusion and calls for implementation of the Web Accessibility Initiative (WAI), including Web Content Accessibility Guidelines (WCAG) for eGovernment portals;

eProcurement

26. Highlights that eProcurement enables EU public procurement and maximum choice for public authorities, resulting in efficient spending of money, transparency, strengthening of the Internal Market and competition;

27. Underlines that in EU27 public expenditure represents 16% of GDP and urges the use of eProcurement for all public procurement by 2015; calls for the use eProcurement also for concessions;

28. Regrets that in 2010, only 13% of EU enterprises used the Internet to submit a proposal to public authorities through a public electronic tender system; calls on Member States to encourage the participation of SMEs in eProcurement;

29. Stresses that eProcurement consists of two phases: pre-awarding[1] and post-awarding[2]; calls on MS to fully implement and integrate both phases on their eProcurement portals by 2015;

30. Underlines the successful activities of PEPPOL and e-CERTIS eProcurement large-scale pilot projects;

31. Underlines that national eProcurement systems need to become more advanced to facilitate cross-border services and to fully implement the Services Directive;

32. Urges the Commission to submit the White Paper on interconnecting eProcurement capacity in the EU – 'A strategy for eProcurement';

eInvoicing

33. Welcomes the eInvoicing Initiative, which aims to make eInvoicing the predominant method of invoicing in the EU by 2020, and the Commission decision on setting up the European Multi-Stakeholder Forum on eInvoicing (EMSFEI);

34. Underlines the substantial benefits offered by eInvoicing (shorter payment periods, fewer errors, better collection of VAT, reduced printing and postage costs and business integrated processing);

35. Is aware of market fragmentation due to national rules on eInvoicing; regrets that only 22% of SMEs receive or send eInvoices;

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[1] eNotice, eTendering, eSubmission, accept eSignature
[2] eOrdering, eInvoicing, ePayments, the use of eSignature

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36. Welcomes the new VAT rules[1] as regards eInvoicing, creating equal treatment between paper and eInvoices;

37. Stresses the importance of legal certainty, a clear technical environment and open and interoperable eInvoicing solutions based on common legal requirements, business processes and technical standards to facilitate mass adoption;

38. Invites industry and European standardisation organisations to pursue their efforts to promote convergence towards a common eInvoice data model;

39. Appreciates the initiatives of Denmark, Finland, Italy, Spain and Sweden to make eInvoicing mandatory for public authorities and calls for eInvoicing to be made mandatory for all public procurement by 2016;

40. Takes note that eSignature cross-border interoperability problems slow down the adoption of cross-border eInvoicing solutions;

41. Invites the Commission to use the EMSFEI to look into legal aspects and to coordinate national initiatives; calls on the Commission to report on a yearly basis and to invite MEPs to participate in the meetings of the EMSFEI;

42. Encourages Member States to set up National Fora on eInvoicing with balanced representation of stakeholders;

43. Considers that consumers with limited access to the Internet or none at all should not be left behind and that consumers should always be allowed to receive paper invoices;

General remarks

44. Recognises the added value of the 132 projects within CIP ICT PSP strategic priorities and underlines the importance of R&D and innovation in developing and improving cross-border services; calls for support for 'light and fast' access to EU R&D funds for ICT as well as an increase in financial allocations for cross-border eGovernment services and infrastructure for 2014-2020;

45. Calls on the Commission to assess annually the goals of the Digital Agenda, especially those related to the eGovernment Action Plan, and to report to the EP yearly;

46. Instructs its President to forward this resolution to the Council and the Commission.

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[1] Directive 2010/45/EU

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EXPLANATORY STATEMENT

In 2010 the EC adopted the "EU 2020" Strategy aiming to create smart, sustainable and inclusive growth and to improve the economic governance. One of the 7 flagship initiatives of Europe's growth strategy is "Digital Agenda for Europe", a strategy to take advantage of the potential offered by the rapid progress of digital technologies.

A very important component of Digital Agenda is dedicated to harnessing ICT to promote smart, secure, sustainable and innovative eGovernment. Some eGovernment related actions: supports seamless cross-border eGovernment services in the single market (84), Member States (MS) to make eGovernment services fully interoperable (89), MS to ensure that Points of Single Contact function as fully fledged eGovernment centres (90), MS to agree a common list of key cross-border public services (91), foster EU-wide standards, interoperability testing and certification of eHealth (77), proposes a recommendation to define a minimum common set of patient data (76), a Parliament and Council Decision on mutual recognition of eID (83), implement cross-border eEnvironment services (86), white paper on inter-connecting eProcurement capacity in EU (87), propose legislation on ICT interoperability (21), provide guidance on ICT standardisation and public procurement (23).

Digital Agenda scoreboard 2011 shows following progress: 65% of the population regularly uses the Internet, coverage of fixed broadband networks reached 95.3% (rural coverage reached only 82.4 % of the rural population), subscriptions above 10 Mbps reached nearly 30 %, 28.7 % of households could have access to the speeds of 30 Mbps and above if they want to, 40% of the population used the Internet to purchase goods and services, 57% of Internet users engaged in eCommerce, the proportion of cross-border online purchasers reached 8,8%, 28% of SMEs were involved in online purchasing and 12,9% in online selling.

eGovernment is about using the tools and systems made possible by information and communication technologies (ICTs) to provide better public services to citizens and businesses. eGovernment development is considered in most of the MS as being based on one hand on the office automation, the interconnectivity network between public administrations and, on the other , on the development of the right digital content and applications.

At the EU level, 20 basic public services are monitored since 2001, 12 for citizens (income taxes, job search, social security benefits, personal documents, car registration, building permission, declaration to the police, public libraries, civil status certificates, change of address, e-health) and 8 for businesses (social contribution to employees, corporate tax, VAT, company registration, submission of data to statistical office, custom declaration, environment related permits, eProcurement). Progress in bringing these services online is measured using a 4 stage framework: posting information online, one-way interaction (download forms), two-way interaction (download forms, filling forms online) and full online transactions including delivery and payment.

eGovernment was a major component of eEurope, eEurope+, eEurope2005 Action Plans and of "i2010 – A European Information Society for growth and employment" policy framework.

According to the 9th Benchmark measurement report the average availability of online public

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services in the EU reached 82% in 2010. The best performers are Austria, Ireland, Italy, Malta, Portugal and Sweden. The report shows that services for businesses are more advanced than those for citizens.

A competitive digital market needs cutting red tape and public services needed to start up a company available in a streamlined way. 55% of services required to start up a company are provided either through a dedicated portal or automatically in Austria, Denmark, Estonia, Ireland, Sweden and UK. Only 46% of useful services for the unemployed are currently delivered through a dedicated portal. Concerning the online sophistication of 20 basic services, Malta, Portugal, Sweden, Austria, Slovenia and Estonia are the leaders.

According to the latest Eurostat data, in 2010, 66% of small, 85% of medium and 90% of large enterprises submitted completed forms electronically to public authorities. The most frequent type of interaction of enterprises with public authorities in the EU27 using the Internet was downloading electronic forms (76%), followed by obtaining information (74%) and submitting completed forms (69%). For the EU27 more than 70% of enterprises which submitted completed forms electronically used the Internet for VAT declarations (76%) or for declaring the social contribution of their employees(72%) to the relevant national public authorities. 54% of the enterprises used the Internet for corporate tax declaration and only 31% used it for the customs or excise declaration.

In 2010, smaller municipalities displayed only half as much online availability as the larger ones. MS should support particularly small local administrations that have a weaker capacity (strategy, funding, and capability) to provide online services.

Key enablers

Key enablers, in particular eIDM, interoperability and open standards, are most important preconditions for successful eGovernment.

An effective eGovernment system providing two-ways and/or automated interaction between administration and the citizens and/or businesses needs the mutual recognition and interoperability of e-identification, e-authentication, eSignature and of Private Key Infrastructure (PKI).

At the EU level, interoperability means that an eGovernment application of a given country should accept any eSignatures sent by any natural or legal person from any other country even if the signature is created using credentials coming from non-national Certification Service Providers (CSPs). As many applications rely only on CSPs accredited by their own national accreditation body, full interoperability would mean that either its own national accreditation body must be able to accredit non-national CSPs or that multilateral agreements must be established between Accreditation Bodies from various countries.

MS use different models for eGovernment applications using electronic signatures and most of the EU countries have adopted eSignatures in their eGovernment applications, without taking into account eSignatures created by companies and individuals in other countries. Regulatory, technical and organizational framework is always organised from a strictly national perspective. Many applications rely only on CSPs accredited by their own national

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Accreditation Authority. This means that non-nationals must physically register in the country where the application is deployed. Only few national eGovernment applications are open to non-nationals: Finland – Lomake.fi public sector online forms service, Ireland – Revenue on-line service ROS, The Netherlands – Elektronische aangifte, Slovenia – One-stop-shop-state portal for businesses, Sweden – Company Registration eService.

The main obstacle for the cross-border use of eSignatures lies in the lack of trust in eSignatures originating from other state and to difficulty in validating these signatures. For similar applications, countries do not necessarily require the same type of eSignature. It is possible that a similar application in one country is only based on user id / password protection while another requires qualified eSignature for the same type of transaction. Therefore, when deciding on the security level of signatures in their eGovernment and eAdministration applications, MS should consider the cross-border interoperability.

MS should review the requirements of their eSignature framework in order to remove the obstacles to cross-border services. Cross-border Interoperable eGovernment applications should rely on CSPs that no not impose any specific non-standardized interfaces.

A significant step towards interoperable and cross-border use of (qualified) electronic signatures has been accomplished with the adoption of the Decision 2009/767/EC to set up Community framework requirements on Trusted Lists for supervised/accredited Certification Service Providers, in particular those issuing qualified Certificates.
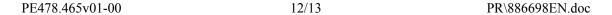
The EC will propose the revision of eSignature Directive in order to ensure cross –border recognition and interoperability of secure eAuthentication systems and a Decision to ensure mutual recognition of eIdentification and eAuthentication across the EU.

Pan-European interoperable eGovernment needs to fully exploit innovative technical approaches, such as cloud of public services and service oriented architecture (SOA). SOA facilitates the cross-border interoperability of eGovernment systems through a very modular architecture. Allowing the reusability of services and information sharing and the separation of services from their interfaces, SOA facilitates the eGovernment interoperability and the involvement of multiple service providers. As an example, in eGovernment, security systems must be application independent and scalable. Innovative eGovernment requires also to upgrade IPv6-relevant eGovernment infrastructure (portals, websites, applications, etc).

High Impact services

The implementation of high impact eGovernment services contributes to harnessing ICT to promote smart, sustainable & innovative Government. High impact services are important for cost savings, cross-border interoperability and for the achievement of the Single Market.

Considering that the public procurement market represents 16% of EU GDP, that SMEs represents 99% of the EU enterprises, a special attention has to be given to the cross-border interoperability of eProcurement systems and to the mass adoption of e-invoicing. Although 70% of public authorities have started working with eProcurement, its overall low take-up (5% of total procurement) does not yet allow for major benefits. If fully available, and more widely used, it could produce cost savings on public purchases as high as 30%. However, 14

and 12 MS are, respectively, already in the implementation phase for the pre-awarding phase and for the post-awarding phase.

For 2007-2013, EU allocated through the Cohesion Program 15,2 billion euro for information and communication and through the European Economic Recovery Plan 1,02 billions for investments in broadband infrastructure to achieve 100% EU coverage until the end of 2010, objective deferred for 2013. The 'Connecting Europe Facility'(CEF) proposal foresees almost €9.2 billion to support investment in fast and very fast broadband networks and pan-European digital services. CEF will provide grants to build infrastructure needed to roll-out eID, eIdentification, eGovernment, eProcurement, eHealth Europeana, eJustice and customs-related services and will serve to ensure interoperability and meet the costs of running the infrastructure at European level, linking up MS infrastructures.

Citizens and businesses are empowered by eGovernment services designed around user needs. The implementation of eGovernment services is the responsibility of MS. In addition to the European fund contributing to the EU-wide interoperability of eGovernment services, MS have to ensure the necessary financial, technical and human resources for the implementation of high impact eGovernment services. MS are encouraged to adopt the best combination of new technologies, open specification, innovative architectures to deliver efficient, effective, secure and cross-border interoperable eGovernment services, at all levels.

The EU and national development of eGovernment should be based on cooperation between public administrations with full respect of underlying principles of European public services: the respect of subsidiarity and proportionality, user-centricity, respect of privacy and multichannel delivery, inclusion and accessibility, security, multilingualism, administrative simplification, transparency, preservation of information, openness, reusability, technological neutrality and adaptability, effectiveness and efficiency.

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