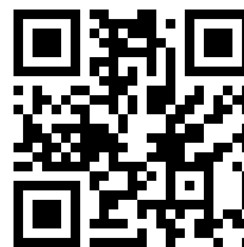


The Digital Single Market and the digitalisation of the public sector

GovTech and other innovations in public procurement

The [original full study](#)¹ discusses the concept of “**GovTech**”, the concept of **innovation in public procurement**, and the forthcoming **European GovTech platform**. The study identifies best practices, analyses risks and benefits of these concepts, and proposes recommendations particularly for government, small to medium-sized enterprises and citizens.

Check out the [original full study](#) by scanning this QR code!



Background

GovTech is a term referring to (mostly) **digital products** developed to support the **delivery of public services** or the internal operations of public administrations. GovTech may be developed by the private sector but may also originate from citizen initiatives, non-profit organisations, or from the public sector itself. The growing GovTech market in the EU presents **an opportunity to transform** Member States’ public services and to support **the development of the sector** itself, particularly through the use of public procurement.

Key findings

Businesses within the **GovTech ecosystem** and public sectors seeking to use GovTech are faced with **challenges** to taking full advantage of the opportunity presented. These challenges relate in particular to **procurement; legacy infrastructure; interoperability** and **standards**; and **skills required** for implementation.

Various national and EU wide initiatives, and public private partnerships (see the example of **Digicampus** below) have been launched in order to support the development of the ecosystem, and are aimed at overcoming these challenges through **pathfinders, co-creation**, and **shared lessons learned**.



Public procurement offers opportunities to directly support innovation by **using public sector demand** to create and shape new markets and to support businesses that otherwise struggle to develop innovations. Using GovTech to promote **changing relationships** between client and supplier(s) creates opportunities for **innovation** and **transformation of public services**.

However, using public funds to support innovation presents **risks** that need to be addressed at political and bureaucratic levels, for example by **sandboxing**.



A range of approaches can be taken to support procurement of innovation, such as the **design contest** approach, but success requires **skill in implementation** and a strong **understanding of the market** and required **outcomes**.

An **EU digital platform for GovTech** could generate benefits for many stakeholders. If the platform is established on a "**Government-as-a-Platform**" basis, it will be important to understand how **building blocks** support **public sector transformation** and **citizen engagement**.

Risks and challenges include that the platform may lead to a **reduced incentive** for public administrations to develop **in-house solutions**. The platform may lead to **unfair and/or inefficient competition** between SMEs and large companies.

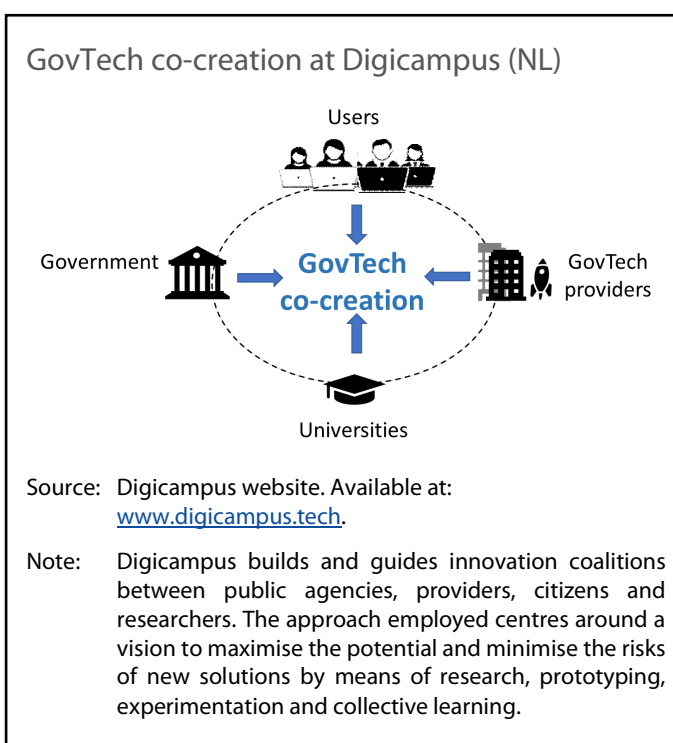
Recommendations

GovTech is a **recent concept** and a **novel EU policy field**. At present, governing organisations are not adapted to the characteristics of GovTech. There is an opportunity to address the **institutional void** identified in the study, either through widening the responsibilities of an existing body or establishing a new one.

Governments experimenting with GovTech should consider **risk of failure** and **invest in redundancy**, as well as ensure a **well-developed preparatory phase**. There is much to be learned from **collaboration** and **sharing lessons**. Access to **skilled procurement and ICT professionals** is essential.

Current procurement processes need revision to meet the characteristics of GovTech. Approaches such as civic **hackathons**, **incubation**, **acceleration labs**, **pre-commercial procurement solutions** and **design contests** can help.

The proposed EU GovTech platform should be **driven by user requirements**. It should navigate **challenges regarding public platformisation** carefully, in particular with regards to risks of **market dominance** and **anticompetitive behaviour**. It should also ensure that processes, specifications and requirements are made **as simple as possible**. Finally, the proposed EU GovTech platform should engage a **diverse population of citizens and businesses** to gain their feedback.



¹ Hoekstra, M., Chideock, C., et al., 2022, *The Digital Single Market and the digitalisation of the public sector*, Publication for the committee on Internal Market and Consumer Protection, Policy Department for Economic, Scientific and Quality of Life Policies, European Parliament, Luxembourg. Available at: [https://www.europarl.europa.eu/RegData/etudes/STUD/2022/703356/IPOL_STU\(2022\)703356_EN.pdf](https://www.europarl.europa.eu/RegData/etudes/STUD/2022/703356/IPOL_STU(2022)703356_EN.pdf).

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Administrator responsible: Christina RATCLIFF; Editorial assistant: Mina DRAGANSKA

Contact: Poldep-Economy-Science@ep.europa.eu

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