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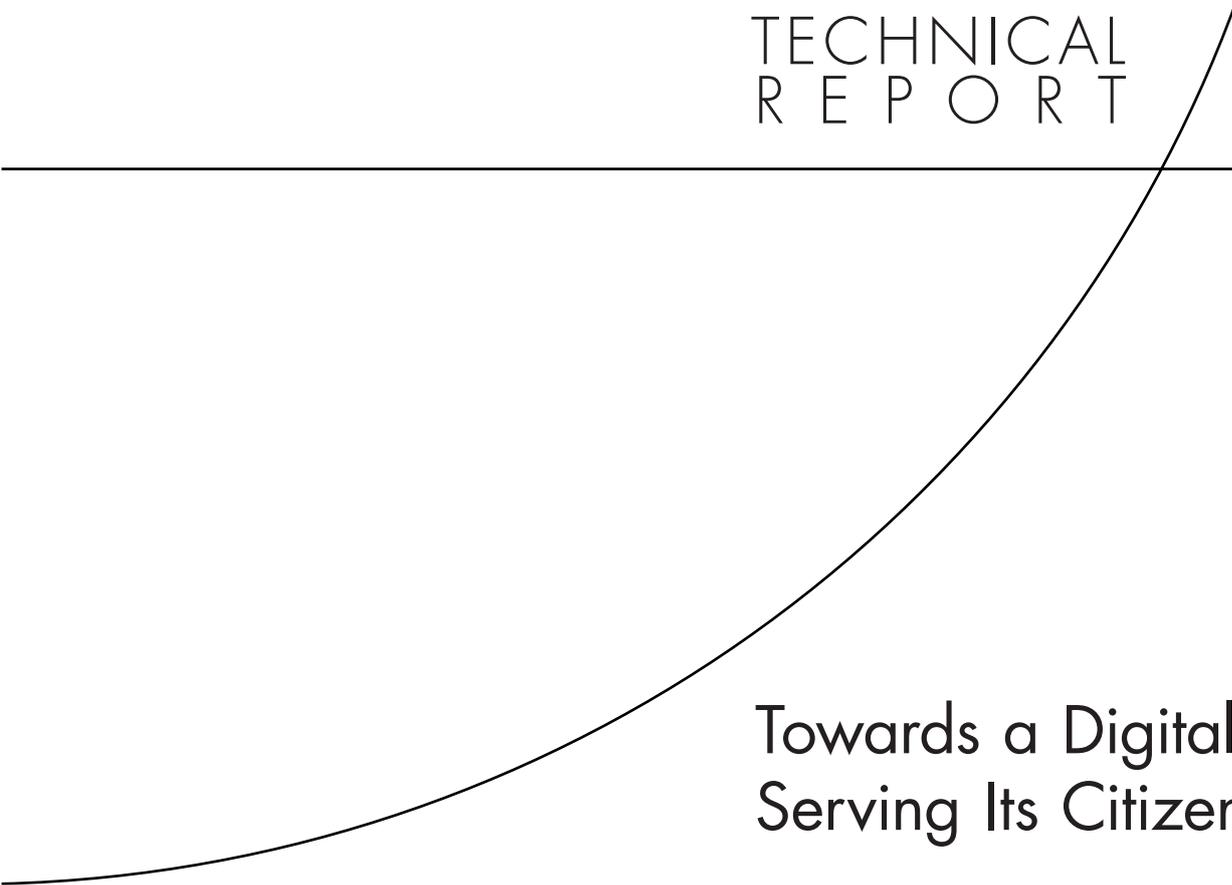
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TECHNICAL
R E P O R T



Towards a Digital Europe, Serving Its Citizens

The EUREGOV Synthesis Report

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Prepared for the European Commission,
Directorate General for Information, Society and Media

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Executive Summary

Purpose, scope and considerations of this report

1. This report aims to pull together different pieces of work carried out by RAND and UNU Merit in the EUREGOV project and also builds on other RAND Europe projects (Securegov, eTEN Final Evaluation and eGov Vision 2020), in order to deliver the most comprehensive report on pan-European eGovernment services for citizens (PEGS) available to date. The topic of PEGS is often discussed but not well defined, and PEGS are frequently not seen for what they really are. More than services, they are policy instruments of a cross-cutting nature (between policy areas, European Commission Directorates General and different Member States).

The goal of this report is to:

- provide the first comprehensive review of PEGS and existing barriers to their development
- inform the European Commission, as well as the current and future EU presidencies, in developing the successor to the eGovernment Action Plan
- advise the European Commission on how to strengthen its role in supporting PEGS development
- share lessons learned with public authorities contemplating or in the process of setting up a PEGS.

The role, nature, and context of PEGS

2. The role, impact and nature of pan-European eGovernment services (PEGS) for citizens and businesses are not yet fully understood. PEGS can directly improve the quality of life of (mobile) citizens and residents in Europe by facilitating cross-border administrative procedures, such as the registration of work permits, residency, and cars; healthcare provision and health insurance; payment, tracking and management of employment benefits and social security; student exchanges and recognition of papers, certificates and diplomas; and also the exchange of information on property rights and land registry. The list of potential services and associated benefits to the users and providers of eGovernment services in an integrating Europe with an ever stronger internal market is long.
3. At least as important is the role PEGS could play as a policy instrument in supporting strategic EU policy objectives, such as growth and competitiveness, mobility and the internal market, participation and inclusiveness. They hold the potential to directly affect

private individuals and economic actors and to improve the socio-economic climate in Europe. In addition they are an instrument to ensure effective cross-boundary (between government departments and crossing geographical borders) integrated policy development. As such they have internal as well external benefits. However this potential is not exploited yet.

4. The interest of Member State policymakers and of practitioners in cross-border and pan-European eGovernment services (PEGS) is growing. As European cooperation and integration deepens in all policy areas, the awareness of (administrative) barriers to this cooperation and integration is increasing – simply because increased cross-border activity leads to increased confrontation with administrative borders. In addition, the policy area itself is becoming more mature; PEGS (or more generally the need for cross-border cooperation of public services in Europe) have been on policy agendas for several years now and are gaining momentum as an instrument for strengthening the internal market and providing better services to the citizens of the EU. Furthermore, support tools such as the ePractice portal, the CIP ICT PSP programme Pilots and the interoperability observatory are improving. Consequently, the discussion is becoming richer, more sophisticated, visionary and future-oriented, and the knowledge of PEGS is growing, even though implementation is in many ways still in its infancy.

Current PEGS practice

5. However, there is still an important gap in the appreciation of PEGS as integrated policy tools for supporting EU policy objectives such as the internal market, competitiveness and growth agenda, connecting the EU with its citizens, administrative burden reduction, healthcare delivery standards, etc. Also, Member States, in developing national eGovernment strategies, rarely take account of the European perspective and the potential for wider benefits of cross-border services. The report will argue that the main contribution of PEGS should be found in the secondary impacts or ‘outcomes’ related to the wider policy objectives noted above, such as increased mobility, network effects and economies of scale and scope.

Defining PEGS

6. Until the current date the number of PEGS for citizens is limited. When defined as centrally run services (possibly using a federated structure) for all EU residents and accessible from everywhere in the EU, there is only SOLVIT, which provides citizens with solutions concerning the faulty national implementation of EU law. To capture current developments in any meaningful way the definition needs to be broadened to cross-border services and possibly even wider: those services that contribute to the permeation of a European perspective in eGovernment, which includes services for national citizens wherever they are in the EU and national services which are seamlessly accessible for non-national residents. Even the effective cloning of national eGovernment services across the EU through active good-practice sharing must be considered in this context.
7. Taking a wider perspective allows adopting a typology of different categories of PEGS.

Type 1 PEGS develop as a top-down pan-European initiative. They are supra-national (beyond MS level) rather than international (between MS), in the sense that an extra

supra-national layer is developed in which services are integrated. These services can be either:

- a) centrally managed and implemented by the Commission, or
- b) facilitated by the Commission by linking existing services in Member States.

Type 2 PEGS evolve in a bottom up manner on the basis of existing eService initiatives at the Member State, the regional or the municipal level.

- a) on the basis of eServices built by some leading actor in one of the Member States who seeks out counterparts to develop a joint or linked-up service, or
- b) by a consortia of national actors and with support of the European Commission (as in the case of NETC@RDS).
- c) PEGS can also develop bottom-up as a single national eService opens its doors to citizens at home and abroad.

In *Type 3 PEGS*, the ‘pan-Europeanisation’ takes place not via top-down or bottom-up coordination, but via the exchange, spread, and take-up of good eGovernment practices throughout Europe.

For these three types of PEGS, cases were selected and studied to identify the critical lessons that can be learned in developing PEGS; what the driving and enabling factors are; and what the barriers and concerns might be.

Common features of existing PEGS

8. The existing PEGS and cross-border services show a remarkable set of *common features*. Most PEGS develop bottom-up, driven by a few champions based on an existing network of similar organisations in MS that share a degree of trust. This trust, combined with a common goal or vision, is necessary to overcome the inevitable coordination challenge for participating partners. EULIS, a European land registry service, is a good example of an existing community of national land registries coming together to develop a common European eService. The development process is characterised by trial and error, remaining open for new applications, and solutions and new partners from other MS to join, as has been the experience in Netc@rds.
9. The *design* is usually based on the principle of user centricity, applying existing standards, and a portal structure, providing a neutral interface with the underlying national solutions, which need to be sufficiently mature to participate – including the availability of critical building blocks. Case-owners emphasise the need to ensure simplicity in design.
10. *Setting up and managing a PEGS* requires a responsible lead actor, project-management and public-finance skills, a project secretariat, a roadmap and clear milestones. This is the same for public and private cross-border services, as is shown in the case of SEPA (Single Euro Payment Area). Starting a PEGS is financially challenging as national or local organisations rarely have a budget for this kind of (external) activities. In most cases Commission funding proved pivotal in the start-up, although no case-owner suggested that the Commission should provide a sustained financial base. The services are governed by dedicated boards that tend to be large and inclusive, while acknowledging the need for effective decisionmaking (clear mandates, voting rights, instead of purely consensus-based).

In general it proves critically important to think about the long-term sustainability (management, financing, adaptation, etc) of the service early on in the process. For this it is important to also engage the private sector early in the process of designing the system as well as in developing the business model.

11. As the development of PEGS is cumbersome, the study sought to identify the factors that may be *drivers* in the process to overcome persistent barriers. Obviously there should be a clear user need that the service aims to address. Then it seems important to have high-level political backing in a ministerial declaration, Commission communication or EU regulation – as in the case of eEHIC/Netc@rds. This provides a justification and a framework for collaboration. A number of indirectly related policies are speeding up PEGS, like the Services Directive (requiring a one-stop-shop treatment for businesses, through electronic means), and targets for administrative burden reduction. There are also other more existential motives for developing PEGS, like the desire to provide better public services, more justice and security, the environment, but also the ambition to be a leader among European peers, and to show off (and share) best practices. The expected pressure from (potential) users who would benefit from the service has been limited and fragmented across Europe. More support and drive for developing pan-European solutions may be expected from banks, health insurance companies and other actors with strong pan-European interests such as law enforcement agencies. These may either set up their own platforms or decide to use public platforms to support their services, if these are suitable and accessible.
12. PEGS face a number of *obstacles*, not least the obvious ones like the complexity of trying to cooperate among dispersed organisations in different countries, with different cultures, jurisdictions, legal traditions, incentives and concerns. But there are also more subtle systemic problems that impede cooperation and actual integration of services. The lack of a clear EU mandate means that the EC is not in a position to lead; in most cases it can only support and facilitate the actions of national governments. Also, cross-border activity is rarely budgeted for within national public agencies, and the project-management skills of qualified IT personnel to run multinational, multi-stakeholder initiatives are a scarce resource. At the same time the risks of failure are high and the rewards for success are not always apparent, in part because the costs and benefits are not always well aligned – the benefits accruing elsewhere and/or after a considerable time lag. This is exacerbated by the not-invented-here-syndrome and a tendency of overstating national specifics, which are hampering effective exchange of good practice, and lead to resistance at the shop floor level. There are also technical challenges, such as achieving interoperability between very different legacy systems; however, most practitioners indicate that these are the least of their concerns. Achieving full interoperability has many more aspects that are more intangible, such as overcoming differences in semantics, administration, operations and legal constructs. Technical, legal and organisational issues are also at the heart of achieving sufficient security levels to ensure system resilience, quality of service and the protection of privacy.

Role of the Commission and recommendations for possible policy options

13. As stated, in most relevant policy areas the Commission has only a limited or no formal Treaty mandate. Its instruments are largely those of the Open Method of coordination.

Still, the Commission is a central actor in all aspects of PEGS policymaking and its involvement is actively sought by stakeholders. It is at times a facilitator, enabler, initiator and executor of PEGS and/or related activities; and it does this in the political strategic domain, as well as through financial support, organisational and technical involvement, and legal and regulatory intervention. The most appropriate form of intervention will depend on the type of service (e.g. healthcare, law enforcement, etc.), the phase of development (preparatory research, improving national building blocks, enabling infrastructures, development of business plan, the design of delivery mechanisms, implementation of services), and the degree of collaboration (harmonisation, centralisation, federation, or best-practice exchange) appropriate to each different type of actionable activity needed to achieve the desired service.

14. As a development strategy for PEGS the Commission should combine quick wins for short-term momentum and visibility with the establishment of a roadmap for addressing more complex issues in the mid- to long-term. Quick wins can be obtained, for example, by focusing on relatively easy target groups that are likely to act as “early adopters” of PEGS. Examples are citizens and organisations that are “e-ready”, already making extensive use of information and communication technology, and which have a clear need for cross-border eGovernment – think of organisations in the justice system (crime knows no borders) and of mobile citizens. The degree to which PEGS will be accepted as integrated policy instruments in a greater variety of EU policy domains – beyond the narrow field of ‘eGovernment’ – will determine how the Commission and MS prioritise the long list of possible policy interventions.

Measuring PEGS development: Impact-Assessment and Benchmarking

15. One specific concern of the EUREGOV study was the development of a framework for measuring readiness of MS and impact of PEGS. The first is intended to allow PEGS to be integrated in regular benchmarking of eGovernment activity in the EU and the second to prioritise in the choice of supporting different PEGS based on “high impact” potential – and also to scope what the overall benefits of PEGS could be for the EU as a whole. To be able to benchmark existing activity, a composite indicator for PEGS readiness and accessibility was designed, which captures some of the critical building blocks for PEGS, or at least factors that help enable the development of PEGS. The indicator serves to signal the importance of PEGS and create awareness, as well as actually measuring progress. In this initial stage where hardly any real PEGS exist, the emphasis will be on the first objective. To achieve this it will initially be a rather simple and crude instrument, which can evolve to become a more sophisticated tool once PEGS reach a higher level of maturity.
16. Building an impact-assessment framework for PEGS faces a similar challenge, given the limited number of actual PEGS available. Before developing a framework it must be clear what it should be used for. The study therefore explored different objectives of impact-assessment and selected the frameworks that are most suitable for that purpose, and adjusted them to suit the specific character of PEGS: ex ante or ex post, for assessing monetary returns and cost benefits or providing an evidence base for the wider policy relevance of PEGS, to select the “next big thing” or to justify expenditure. Most important in assessing PEGS is to look beyond the direct results or “outputs” and focus on capturing

the wider second-order impact or “outcomes”. These can be very large, but are often difficult to determine and to isolate, due to the many other factors that play a role in the realising of these more complex effects. It is the challenge of impact-assessment, regardless of what system, methodology or model is chosen, to include these effects in the case of assessing the impact of PEGS. Only if this is recognised and made visible, real informed decisionmaking on PEGS can take place. Other critical factors that have to be taken into account while conducting an impact-assessment of a PEGS are:

- domain specificity (only assess PEGS within their specific policy domain)
- integrated nature of PEGS
- context of the overall policy package; involvement of stakeholders
- use of scientific tools and methods.

Models for impact-assessment

17. For more fine-grained ex ante and ex post assessment the most appropriate framework would be the eGEP, developed at the request of the Commission. To incorporate the specific nature of PEGS and capture the outcomes with wider European relevance it is suggested to add two more channels of economic impact: 1) the deepening of the single market; 2) leverage effects of cross-border eGovernment on existing eGovernment trajectories. An important function of impact-assessment is to support decisionmaking – for example, to help select and prioritise potential PEGS within a certain policy domain. In order to be useful for decisionmaking, a certain degree of simplification may be advisable, making eGEP less appropriate. For this we suggest using the ImPACT model (taken from IPAT which is used in the area of environmental impact-assessment) given its great heuristic value in unpacking impact issues and communicating these. IPAT consists of a simple equation $I = P \times A \times T$; Impact = People x Activity x Time; for the purpose of ex ante evaluation of PEGS initiatives in their broader socio-political context the meaning of the variables P, A, and T have been expanded and reinterpreted, and m (mobility and modifiability) and c (complementarity) have been added to get $I = m \times P \times A \times c \times T$. Capturing PEGS within these impact-assessment frameworks remains a challenge in which accuracy, simplicity and user-friendliness need to be balanced. Both eGEP and ImPACT need further refinement to achieve the right balance for their specific purposes.

Composite indicators for Benchmarking

18. PEGS challenges us to look ahead. The underlying policies in support of EU-wide solutions to interoperability, eIDM, eSignatures, eDocuments, data protection and security, etc. are all long term. At the same time, initiatives on the ground have their endogenous development trajectories, following their own objectives and constraints. Whatever common frameworks the EU can deliver now and in the future they will have to deal with the legacy of current and past development. If we assess these more bottom-up trends, there is a clear risk of fragmentation by individual services, policy areas, and geographical scope. However, it is not realistic to block developments until the pan-European frameworks are in place. Moreover it is better to harness and exploit the energy, drive and experience generated by first movers, whilst at the same time actively stimulating a convergence of good practices and solutions, as well as creating momentum and trust to establish effective common frameworks over time. This gradual and multi-pronged

approach will also allow the notion of PEGS as integrated policy instruments and potential drivers of European integration to evolve. At this stage any composite indicator for benchmarking PEGS should take these concerns into account, by applying realistic measures of PEGS potential (readiness) and progress (accessibility) at MS level. At a later stage it could become appropriate to focus on PEGS-specific performance, such as the number of PEGS, the level of sophistication, the volume of traffic, user-friendliness, etc.

A future perspective

19. Finally, in the future – depending on the level of EU integration and political desirability – it may become possible to provide PEGS as parallel services specifically targeted to the mobile citizen. This would be a voluntary system conceived as a virtual Member State providing social security, healthcare, employment benefits and pension rights. Such a system would avoid the complexity of linking MS social security systems, or needing to fit mobile workers in different systems as they move across the EU. This prospect is still far off. In the meantime PEGS are here to stay and are developing in a fragmented and diverse manner, while the EU is trying to catch up in developing the necessary supporting infrastructure such as eIDM, eDocuments, eSignatures, EIF, to allow pan-European interoperability. The potential of PEGS as provider of services to mobile citizens and as integrated EU policy tools remains largely untapped.