



**European Committee
of the Regions**

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OPINION

Local and regional perspective on promoting public sector innovation via digital solutions

THE EUROPEAN COMMITTEE OF THE REGIONS

- points out that, at a time when most public administrations are facing the need to cut back on overall expenditure, the digitisation of administration provides a way to provide a better quality of service whilst making substantial savings;
- underlines the considerable capacity for innovation and experimentation demonstrated by local and regional authorities across the Union, especially in matters pertaining to access to information, energy efficiency, sustainable mobility, waste processing, administrative simplification, health and security;
- emphasises the importance of open administration giving access to its data and services in a secure manner so as to improve transparency and efficiency; approves the principle according to which public administrations should exchange information amongst themselves and with the public as well as with businesses, in a transparent, inclusive fashion;
- affirms the goal of building up transnational public services by using digital solutions; in this connection welcomes, with great interest, initiatives allowing for better interoperability between different administrations and the development of solutions such as eID and e-signatures;
- recommends that the continuous training of public operators in new digital solutions become a priority for both local and national administrations and urges these administrations to take on board this culture of transparency, communication and the exchange of experience;
- underlines that innovation in the public sector can be facilitated by cooperation and the exchange of good practice between administrations and across borders;
- urges the public sector to commit to innovation focused on users' needs and incorporating the principles of: indiscriminate access to digital services for everyone and every business; strong protection for sensitive data; "digital by default"; "once only"; "co-production"; and interoperability.

Rapporteur

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Reference document

Opinion of the Committee of the Regions - Local and regional perspective on promoting public sector innovation via digital solutions

I. POLICY RECOMMENDATIONS

THE EUROPEAN COMMITTEE OF THE REGIONS

General comments

1. notes that the public sector has a crucial economic role to play as regulator, service provider and employer and that, in a changing world, this sector also needs to develop in order to meet society's expectations;
2. points out that local and regional authorities, as administrations operating at a level close to the public and responsible for the direct provision of services in everyday life, have a decisive role to play in modernising public services;
3. underlines the key role that digital solutions could have in building a new model of government which is more transparent, simpler, more efficient, more inclusive and thus more in tune with users' aspirations;
4. points out that at its meeting in October 2013, the European Council concluded that the modernisation of public administrations should continue through the swift implementation of e-services (e.g. e-health, e-invoicing, e-procurement) and that open data constituted an untapped resource with huge potential;
5. notes that neither the public nor business uses the potential of online public services to the full yet, and that e-government has developed patchily in the different Member States and regions of the Union;
6. considers that the modernisation of the public sector by means of digital solutions opens up new economic prospects for businesses and thus helps strengthen the Union's competitiveness and that of its Member States;
7. points out that, at a time when most public administrations are facing the need to cut back on overall expenditure, the digitisation of administration provides a way to provide a better quality of service whilst making substantial savings;
8. consequently welcomes the priority that the Estonian presidency of the Council attaches to building up a digital Europe and the free movement of data, as well as the goal of gradually putting cross-border digital public services in place, designed to make everyday life easier;
9. underlines its support for the priority the Commission is attaching to both the digitisation of the public sector as part of moves to complete a digital single market and the 2016-2020 eGovernment Action Plan;

10. fully subscribes to the Commission's vision - as part of the 2016-2020 eGovernment Action Plan - according to which, by 2020 at the latest, public administrations and institutions ought to be open, efficient and inclusive, providing the European public and businesses with user-friendly, personalised and border-free digital services;
11. welcomes the observer status allocated to it on the eGovernment Action Plan Steering Board and would suggest, in view of the role played by local and regional authorities in modernising the public sector, that its status be changed to one of full member;
12. points out its wish to see local and regional authorities involved in the design of measures and tools for achieving this goal and not just in the implementation and use thereof;
13. underlines the considerable capacity for innovation and experimentation demonstrated by local and regional authorities across the Union, especially in matters pertaining to access to information, energy efficiency, sustainable mobility, waste processing, administrative simplification, health and security;
14. points out that public sector innovation is one of this year's themes for the joint Knowledge Exchange Platform of the CoR and DG RTD. The activities of the platform are intended to result in interested cities and regions being declared pioneers of innovative renewal of public administration and innovative procurement in order to disseminate best practice effectively. With the help of the pioneering cities and regions, and in cooperation with the Commission, more effective provision of services and economies of scale should be achieved across the EU;

Vision and underlying principles

15. considers it to be the responsibility of public administrations to construct ecosystems favourable to innovation, be it within or outside the public sector;
16. emphasises the importance of open administration giving access to its data and services in a secure manner so as to improve transparency and efficiency; approves the principle according to which public administrations should exchange information amongst themselves and with the public as well as with businesses, in a transparent, inclusive fashion;
17. reiterates its support for the "digital by default" principle, also for cross-border application, for services provided by public administrations, as long as it is backed up by measures for ensuring digital inclusion¹;
18. endorses the "once only" principle, which entails public administrations only asking for a piece of information once from people and businesses. Such an approach would mean contacts between the general public, businesses and public administration could be simplified;

¹ CoR opinion on the eGovernment Action Plan 2016-2020 (COR-2016-02882).

19. supports the principle of interoperability by default, which is a key factor for harnessing the potential of the digital society;
20. endorses the "co-production" principle² and the growing involvement of users in all the processes for changing public services. This is also in line with the CoR's proposal that the principle of co-production be used to ensure that the EU's next Framework Programme for Research and Innovation is developed with the full involvement of the regions³;
21. welcomes, therefore, the harmonisation of the legal framework thanks to the General Data Protection Regulation, which - in keeping with the proportionality principle - allows the fundamental right to the protection of individuals with regard to the processing of personal data to be reconciled with all the other relevant fundamental rights; points out that the fragmented implementation of the protection of personal data in the Union does give rise to legal uncertainty, jeopardising the free movement of data throughout the Union. The development of the MyData initiative during the Estonian Council presidency offers new opportunities for improving the management of personal data in a people-orientated way;
22. emphasises the pivotal role that local and regional authorities can play, particularly cross-border, in identifying, trying out and developing relevant, effective and sustained cross-border services;
23. underlines that the private sector has a role to play in putting a comprehensive approach in place. Innovation allows consumers to access a plethora of services - both public and private - by means of simplified procedures. Consequently the private sector should be deemed to be a full player and partner with public administrations in matters pertaining to innovation;
24. points out that, inasmuch as it entails new patterns of consumption, work and connecting, the digitisation of the economy also creates new expectations on the part of the public with regard to public services. In this context, public sector innovation and better use of eGovernment also present an opportunity to respond more effectively to those changes, particularly with respect to the development of the collaborative economy and to related issues such as registration procedures, tax and employment;

A. *Structural dimension*

25. considers it a priority to consolidate digital inclusion and disseminate digital services: the issue is the same as that for the digital single market, entailing steps to reduce the number of areas not yet covered by reliable, high performance, affordable networks at the same time as continuing to develop support measures for deploying these digital cooperative networks and developing their content;

² <https://www.oecd.org/governance/observatory-public-sector-innovation/blog/page/citizenpoweredcitiesco-producingbetterpublicserviceswithcitizens.htm>

³ CoR opinion on the Local and Regional Dimension of Horizon 2020 and the New Framework Programme for Research and Innovation (COR-2017-00854).

26. believes that public administrations, in the same way as all organisations processing sensitive data, must systematically give thought to classifying data and ensuring the security thereof. Given that computer hacking, cyber attacks and cyber terrorism can do great damage, in some situations solutions need to be devised which ensure that data - and even an entire system - are physically separate from the internet;
27. highlights the European Commission's role in creating the conditions required for interoperability and harmonisation, enabling the exchange of information on which these principles are founded;
28. affirms the goal of building up transnational public services by using digital solutions; in this connection welcomes, with great interest, initiatives allowing for better interoperability between different administrations and the development of solutions such as eID and e-signatures;
29. calls for a comprehensive approach to the development of digital infrastructures, where different administrations find interoperable solutions and share a common technical base as much as possible while devising applications specific to their needs. Such an approach would do away with the need to develop infrastructures individual to each service, thus reducing costs while enabling gains to be made in efficiency. Moreover, this would help prevent the single market being fragmented along regional lines;
30. reiterates, however, in this context its call for projects for the development of broadband to be recognised as services of general economic interest⁴;
31. supports initiatives for improving the public's and businesses' access to public services. Simplification and steps to refocus on users' needs should be the guiding principles behind each initiative;

B. *Human dimension*

32. thinks that, for the public sector to be genuinely innovative, far-reaching changes in organisational culture are needed; emphasises the role that operators of the various public services can play as catalysts of innovation;
33. recommends that the continuous training of public operators in new digital solutions become a priority for both local and national administrations and urges these administrations to take on board this culture of transparency, communication and the exchange of experience;
34. calls for high-level multidisciplinary teams to be set up in the various administrations, able to involve users tasked with proposing innovative solutions to public decision-makers;

⁴

CoR Opinion on the European Cloud Initiative and ICT standardisation priorities of the Digital Single Market (COR-2016-02880).

35. considers that fully harnessing the potential of e-government presupposes that efforts be made beforehand to boost public and business confidence in the use that is going to be made of the data they will be passing on, and feels that for such confidence to be warranted, some data needs to be covered by a high level of harmonised protection. In this connection, is interested to note that confidence increases when the public and businesses have the right to see the use that administrations make of their data;
36. believes that steps to modernise administrations by means of digital solutions must also allow the public to participate more in public decision-making and that there should be initiatives specifically dealing with this challenge, which is particularly important for local democracy;
37. therefore emphasises the value of the principle of "co-producing" public procedures, involving users in the design and development of public services. This new way of cooperating between public authorities, the public and businesses makes it possible to meet users' needs and also to identify the public's skills and abilities, and to match these in such a way that those concerned can work together and thus develop the quality of the service delivered. It suggests that existing instruments be used, such as the OECD Toolkit and that they be promoted at local and regional level;
38. proposes that networking of European innovation centres be effectively promoted in order to give an impetus to innovation by cities and regions;
39. considers that the digitisation of administration requires that everyone be guaranteed digital access, whatever their level of education and age, whatever disability they might have and wherever they are in Europe;
40. stresses that raising awareness and educating the public and businesses, especially SMEs, about the use of digital public services will be key to acceptance of the digital transformation of the public sector, particularly by those sections of the public which are furthest removed from these technologies;
41. furthermore considers that such a change in mentality is based on education and training, and therefore advocates the promotion of IT courses in schools so as to allow the new generations to benefit from a genuine digital culture, allowing them to become active members of the knowledge society of tomorrow. Suitable lifelong learning structures should also help adults of all ages to acquire or improve digital skills;

The benefits of greater cooperation

42. underlines that innovation in the public sector can be facilitated by cooperation and the exchange of good practice between administrations and across borders;

43. welcomes and is interested in experiments in exchanging data between local authorities, along the lines of the pilot project developed between Estonia and Finland⁵, and suggests supporting this type of collaboration as part of interregional cooperation;
44. suggests that initiatives be developed for identifying innovation by local and regional authorities, the exchange of experience and the dissemination of good practice;
45. emphasises the value of closely involving local and regional authorities in all policies aimed at stimulating innovation in the public sector by means of digital solutions;

Recommendations

46. affirms the key role that local and regional authorities must play in modernising the public sector;
47. welcomes the involvement of the European Committee of the Regions in existing platforms such as the 2016/2020 eGovernment Action Plan Steering Board. Nevertheless feels that full membership of this board, as well as partnership with the OECD Observatory of Public Sector Innovation, would allow the European Committee of the Regions to make a stronger contribution to promoting innovation in the public sector;
48. also suggests the establishment of a partnership between the Committee of the Regions and the Open Government Partnership (OGP);
49. suggests that concrete indicators be developed to allow reliable comparisons to be drawn between public administrations as regards their openness to digital solutions;
50. urges the public sector to commit to innovation focused on users' needs and incorporating the principles of: indiscriminate access to digital services for everyone and every business; strong protection for sensitive data; "digital by default"; "once only"; "co-production"; and interoperability;
51. proposes that interested cities and regions be declared pioneers of the innovative renewal of public administration and innovative procurement in order to achieve more effective provision of services and economies of scale for the whole of Europe;
52. supports the European Parliament's call for the European Commission to lead by example in this domain;

⁵ Estonia and Finland are currently intensifying their cooperation on the development of X-Road, a system which ensures the direct and secure exchange of data between its members. The Nordic Institute for Interoperability Solutions, newly set up and implemented jointly by the two countries, will play a key role in the further development of the X-Road interoperability platform. (http://vm.fi/en/article/-/asset_publisher/suomi-ja-viro-perustavat-yhteisen-instituutin-kehittamaan-x-road-teknologiaa)

53. suggests that an event be developed that would make it possible, at regular intervals, to promote best practices developed by local and regional authorities in the field of innovation via digital solutions.

Brussels, 30 November 2017

The President
of the European Committee of the Regions

Karl-Heinz Lambertz

The Secretary-General
of the European Committee of the Regions

Jiří Buriánek

II. PROCEDURE

Title	Local and regional perspective on promoting public sector innovation via digital solutions
References	N/A
Legal basis	Article 307 TFEU
Procedural basis	Own-initiative opinion (Rule 41(b)(i) of the Rules of Procedure), Estonian Presidency referral
Date of Council/EP referral/Date of Commission letter	12 July 2017 (referral letter from the Presidency)
Date of President's decision	3 July 2017
Commission responsible	SEDEC
Rapporteur	Frank CECCONI (FR/ALDE)
Analysis	July 2017
Discussion in commission	28 September 2017
Date of adoption by commission	28 September 2017
Result of the vote in commission (majority, unanimity)	Unanimity
Date adopted in plenary	30 November 2017
Previous Committee opinions	<ul style="list-style-type: none"> – Smart Specialisation Strategies (RIS3): impact for regions and inter-regional cooperation (CdR 6963/2016) – 2016-2020 eGovernment Action Plan (CdR 2882/2016) – Digitising European Industry (CdR 2884/2016) – European cloud initiative and ICT standardisation priorities for the digital single market (CdR 2880/2016) – Digital Single Market (CdR 2646/2015)
Date of subsidiarity monitoring consultation	