

PAUL TIMMERS AT UN/FIN/EC CONFERENCE
"LEADING THE WAY IN eGOVERNMENT DEVELOPMENT"
KEYNOTE SPEECH PUBLIC SECTOR INNOVATION

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SPEECH

Ladies and Gentlemen,

- It is a great honour and privilege to address such a distinguished audience. I would like to thank the UN and Finland for giving me the chance to be here.
- It is very encouraging to find so many stakeholders from all over the world committed to improving our public services.
- As we all know, this is no easy task. But it is essential that we get it right. We are all painfully aware that the public sector is currently under fire from all sides.
- On the one hand it is considered a hindrance to economic recovery, if not a direct culprit of the economic and financial crisis.
- On the other hand, public perception of governments and public institutions is low, and likely to worsen.

The need for Public Sector Innovation

- Today I would like to briefly share with you my views on this, and why I cannot accept that the public sector is considered to be at the root of the problem.
- Indeed, I believe that we have the expertise and the technologies to place the public sector at the heart of the solution. To transform the public sector into a driver for growth and innovation.
- What is needed is a desire and a willingness to re-think how government serves its citizens and businesses. This will certainly require a smart use of the new Information and Communication Technologies.
- But it will also need new processes, new ways of organisation, new skills.
- And here we would do well to look closely at how the private sector is using ICT. Business fully realise that they need ICT to improve performance, efficiency and provide ever better services to their customers. Thanks to ICT they are now able to access new customers, and engage with them in ways that were unthinkable only a decade ago.

- **Right now, the public sector needs to innovate if it is to function more effectively and more efficiently.**
- Public Sector Innovation can create a virtuous circle, in contrast to the vicious circle in which we find ourselves right now.
- Investing in innovation in the public sector makes financial and political sense: It brings down the costs of government while increasing the quality of service. Administrations become more accountable and gain legitimacy in the eyes of the citizens.
- **President Barroso rightly recognises it as one of the key factors that will help Europe overcome the current crisis.**
- At this stage it is fair to say that eGovernment works quite well in the EU. The latest benchmarking survey published yesterday confirms this.
- However, it also shows that we can do much more to improve. Citizens demand more personalised, user-friendly and transparent services. More needs to be done to make eGovernment work well across borders.

Vision for Public Sector Innovation

- Our vision of innovative public sector includes the following three key features:
- 1) Firstly, governments must be **open, transparent and collaborative**. A second generation of eGovernment services and applications is fast emerging. It is fit to address the challenging economic circumstances of the day, and in line with the Digital Society we see developing around us.
- Citizens and businesses must feel empowered. Always an equal partner with administrations. And as often as possible the user must be in the driving seat.
- There is also a growing acceptance that a significant amount of eGovernment takes place outside the walls of government. As public bodies, we should open our doors, and our minds, to third party involvement. That applies to the design, the production and indeed the delivery of government services.
- It completely alters the relationship between citizens and government. This is good for legitimacy, accountability and trust in government.
- It is also good for business: by including third party users in the design, development and delivery of eGovernment services, there are countless business opportunities for businesses and citizens alike. The market value of Open Public Data is estimated at 140 billion euros per year in the EU.
- 2) Secondly, our public administrations should be **Digital by default**. Whenever possible, interaction with public administrations must be done through electronic channels.

- This saves time and money for everyone. Plus, it is good for the environment as it cuts down the need for paper, and the need for travel and transport.
- Denmark is a good example. All communications between businesses and public authorities are now conducted on-line. For them, on-line is 30 times less expensive than face to face.
- Other figures to illustrate this:
 - The UK has estimated savings of nearly 2 billion pounds per year thanks to the introduction of on-line service delivery by default
 - Contracting authorities that have made the transition to e-procurement commonly report savings of between 5 and 20% of their procurement expenditure.
- 3) Thirdly, public services must be **Cross border by default**. Because it has a clear impact on the functioning of the Single market, European cooperation in eGovernment is a must.
- One in ten of our citizens have worked in a different EU member state.
- Within the EU, one million people work outside, and 11 million are not nationals of, their country of residence;
- Half a million EU students study in another member state.
- Is eGovernment making their lives easier?
- The availability of cross border egovernment services is still too limited. Member States have made progress in transforming their administrations thanks to ICT. But they did so in an uncoordinated way, unwittingly erecting new, digital barriers to the single market.
- We must now tear down these barriers. So that citizens and businesses can access services seamlessly across borders making the most of the Digital Single Market and achieve unprecedented efficiencies and opportunities.
- eProcurement is a prime example. Whereas 84% of businesses used eGovernment services in 2011, still very few companies are willing to apply to tenders in another country.
- The Commission and the Member States have been investing significant financial and political capital to address these challenges. Mainly through a number of Large Scale pilots in key areas for the single market.
- These Pilots are laying the building blocks so that citizens, businesses and administrations can access and benefit from digital public services regardless of their geographical location.

- Tomorrow you will hear more about this important work from my colleague Mechthild Rohen.
- Ladies and gentlemen. I have talked about the growing need for Public Sector Innovation. I have also described the importance we in the Commission attach to the subject. Finally, I have shared with you what we consider to be the three main pillars for Public Sector Innovation.
- I now look forward to making the most of the wealth and depth of knowledge gathered in this room. I am sure I will leave Helsinki a wiser man than when I arrived.
- And more committed to help lead the way in eGovernment development.

Thank you very much for your attention

End

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