

EU Service Directive – A Tale of 25 Member States

Study on the EU Member State's
implementation of the
EU Service Directive

CSC Management Consulting



PARTNER DES VORHABENS



DEUTSCHLAND-ONLINE
DIENSTLEISTUNGSRICHTLINIE

Management Summary

- CSC conducted interviews in 25 EU-Member States (EU-MS)
- The EU Service Directive projects **differences** are based on
 - the **existing regulatory environment and practices** of registering a business online
 - the **entities defined responsible for its implementation**
 - the **technical/ IT approach**
 - the **status of implementation** on the respective levels
- The EU-SD facilitates **administrative reforms/modernization**
- Many EU-MS are **concerned** that the EU-SD makes it **easier for fraudulent businesses to enter domestic markets**
- A highly federalized government structure (e.g. Germany) makes implementation of the EU-SD particularly difficult

Service Directive

General Information



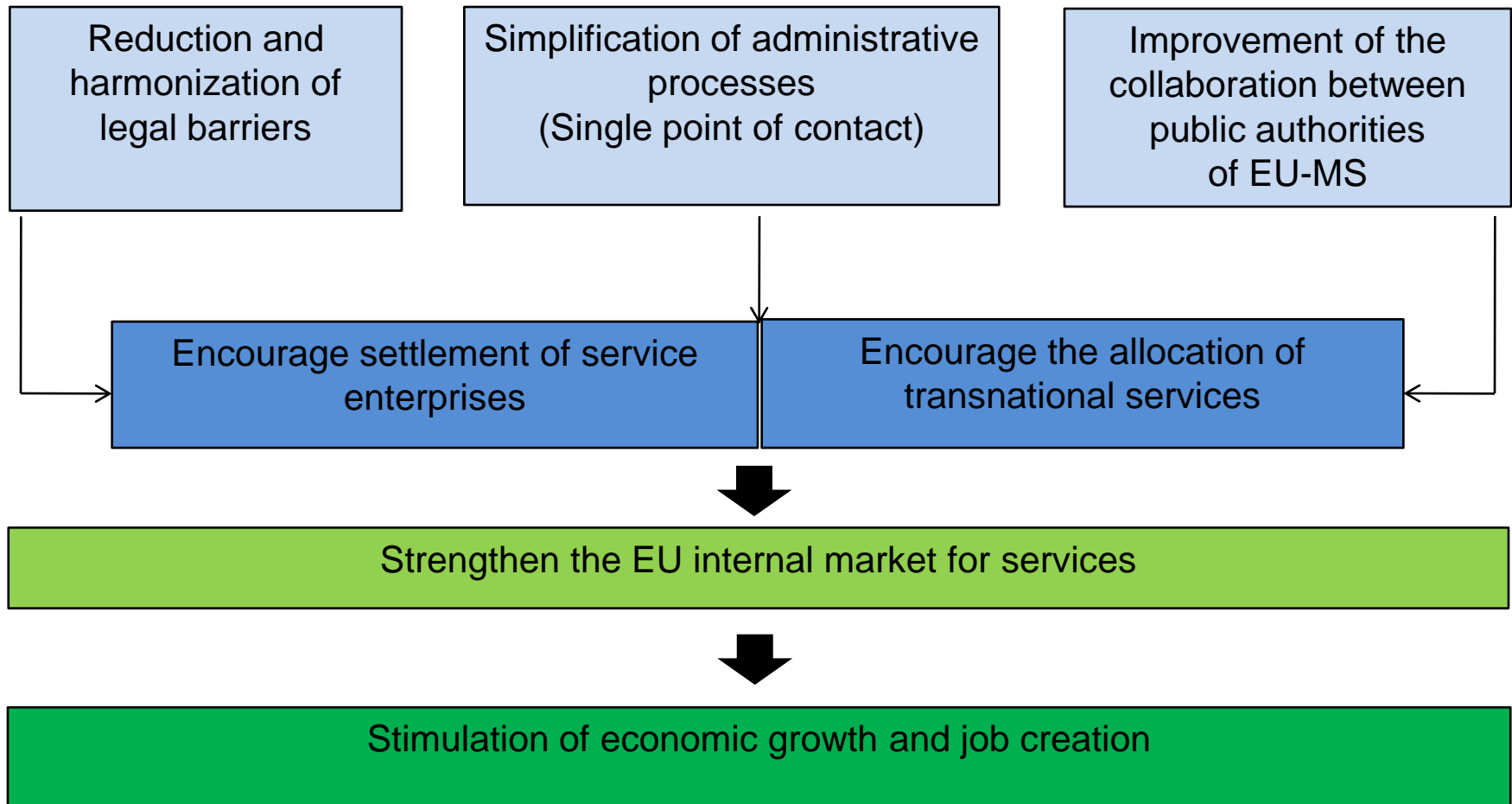
CSC-Study concerning the EU Service Directive

- CSC conducted survey supported 90-minute interviews (N=40) in 25 EU-MS
- Topics:
 1. Starting position / Country background
 2. Project organisation
 3. The EU-SD and Identity Management
 4. Solution strategies
 5. Challenges and obstacles
- Timeframe: June – January 2008
- Authors:
Dr. Oliver Ziehm, Dr. Alexander Schellong, Thomas Langkabel
with support of CSC EMEA for interviews

Interview Partners

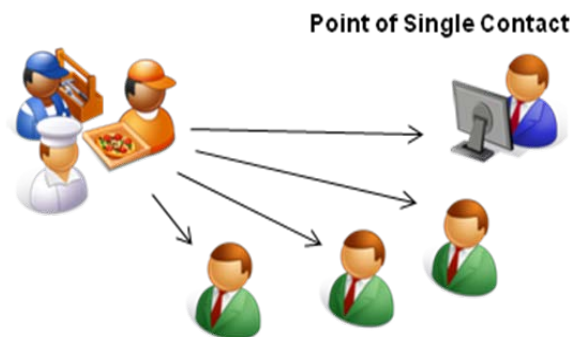
- Austria, Bundeskanzleramt
- Belgium, Dienst Administratieve Vereenvoudiging
- Bulgaria, Ministry of Economy and Energy
- Cyprus, Directorate for Economic Relations with the EU
- Czech Republic, Ministry of Economy
- Denmark, Danish Enterprise & Construction Agency
- Estonia, Ministry of Economic Affairs and Communication
- Finland, Ministry of Employment and the Economy
- France, Ministère de l'Économie, de l'Industrie et de l'Emploi
- France, Assemblée des Chambres Françaises de Commerce et d'Industrie
- France, DGME (Direction Generale de la Modernisation de l'Etat)
- Germany, State of Hesse
- Germany, State of Rhineland-Palatinate
- Germany, State of North Rhine-Westfalia
- Germany, State of Saxony
- Hungary, Ministry of Foreign Affairs
- Ireland, Department of Enterprise, Trade and Employment
- Italy, Ministero dell'Economia e delle Finanze
- Latvia, Latvijas Republikas Ekonomikas Ministrija
- Lithuania, Ministry of Economy
- Luxembourg, Ministère de l'Économie
- Malta, Ministère de l'Économie et du Commerce extérieur
- Netherlands, Ministerie van Economische Zaken
- Poland, Ministry of Economy
- Portugal, Ministeria Economia
- Romania, Departamentul pentru Afaceri Europene Guvernul României
- Slovakia, Ministry of Economy
- Slovenia, Ministry of the Economy, Internal Market Directorate
- Spain, Secretaría General de Política Económica y Economía Internacional, Ministerio de Economía y Hacienda
- Sweden, Foreign Ministry
- United Kingdom, Department for Business, Enterprise & Regulatory Reform

The Lisbon Agenda aims at making the EU the most competitive and dynamic knowledge-based economy in the world. One step to reach that goal is the EU-SD – a chance amid the crisis.



The EU-SD makes high demands on administration

B2G (Business to Government)



- ...§7 all information has to be accessible electronically
- ...§8 all processes have to provide the possibility to be carried out remotely and electronically

G2G (Government to Government)

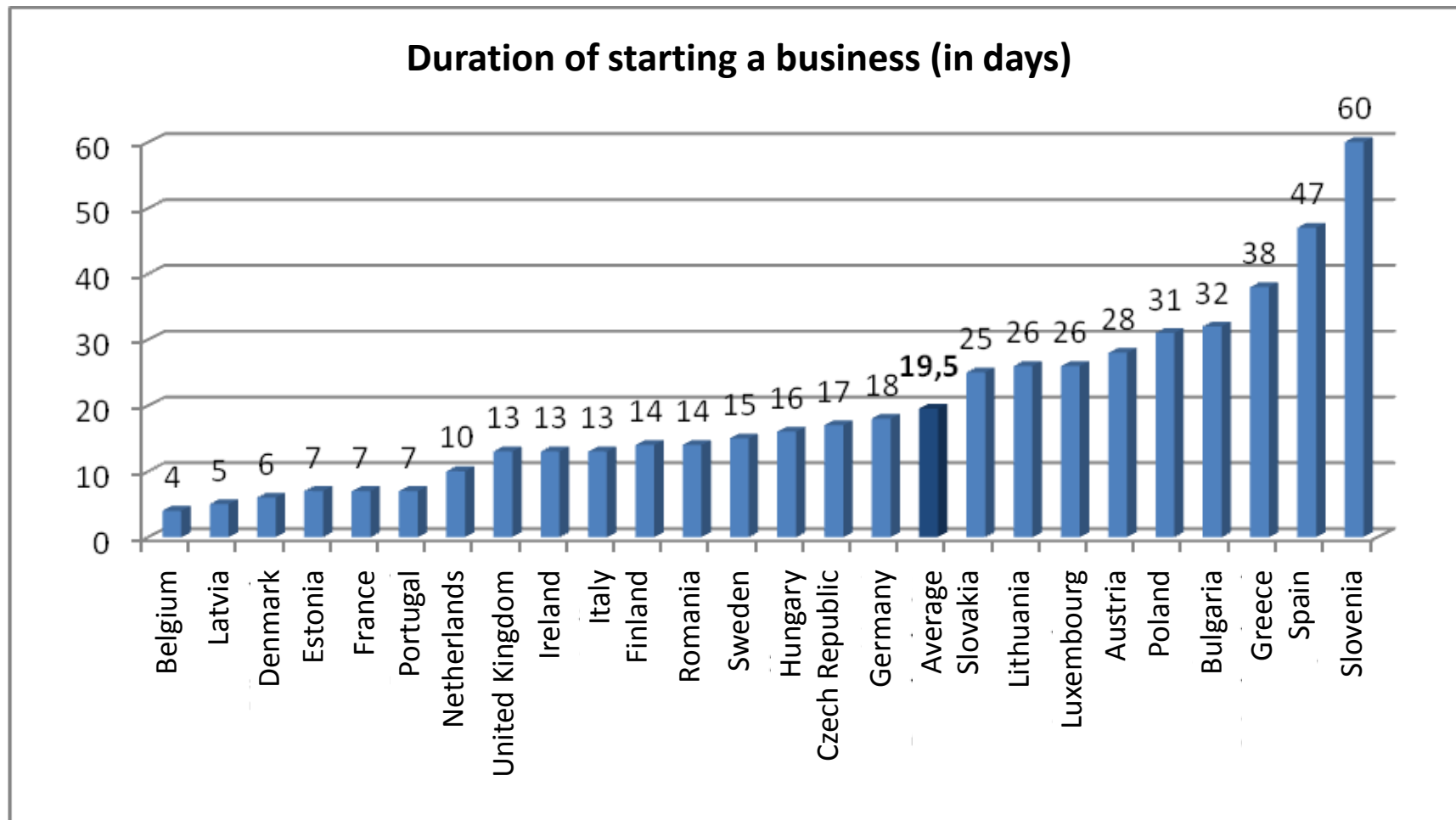


- ...§8/3 the committee issues implementation requirements to facilitate interoperability between information systems of EU-MS
- ...§28/6 mutual support of the EU-MS is given via electronic channels
- ...§32/2 there is a European alarm network for public authorities
- ...§34 the Commission establishes an electronic system for information exchange between the EU-MS (IMI)

Service Directive Results



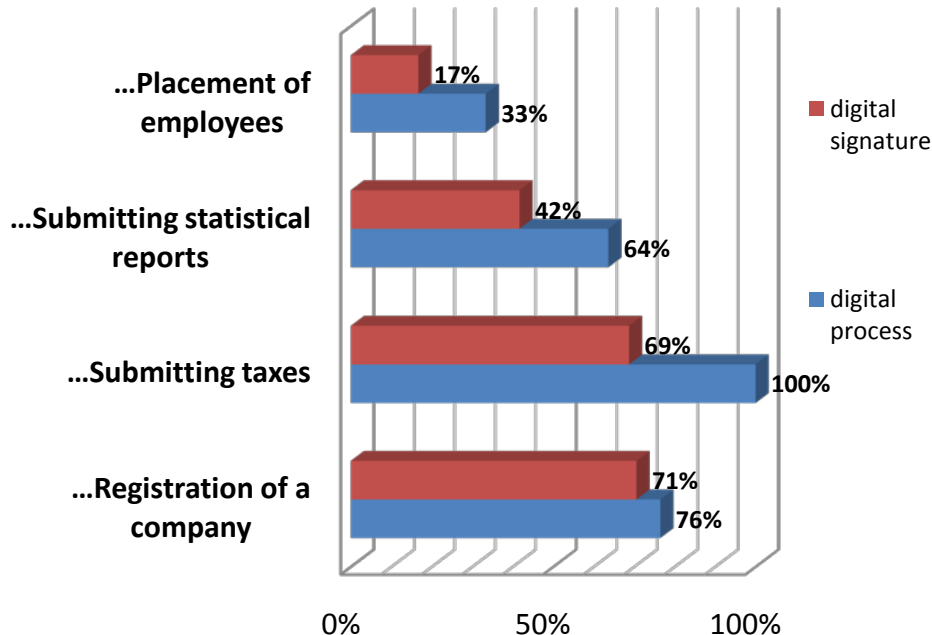
Most EU-MS reduced the duration of starting a new business in the last years



Worldbank 2008; <http://www.doingbusiness.org/ExploreTopics/StartingBusiness/>

All EU-MS already have experience with digital processes and signatures – especially in the area of taxation

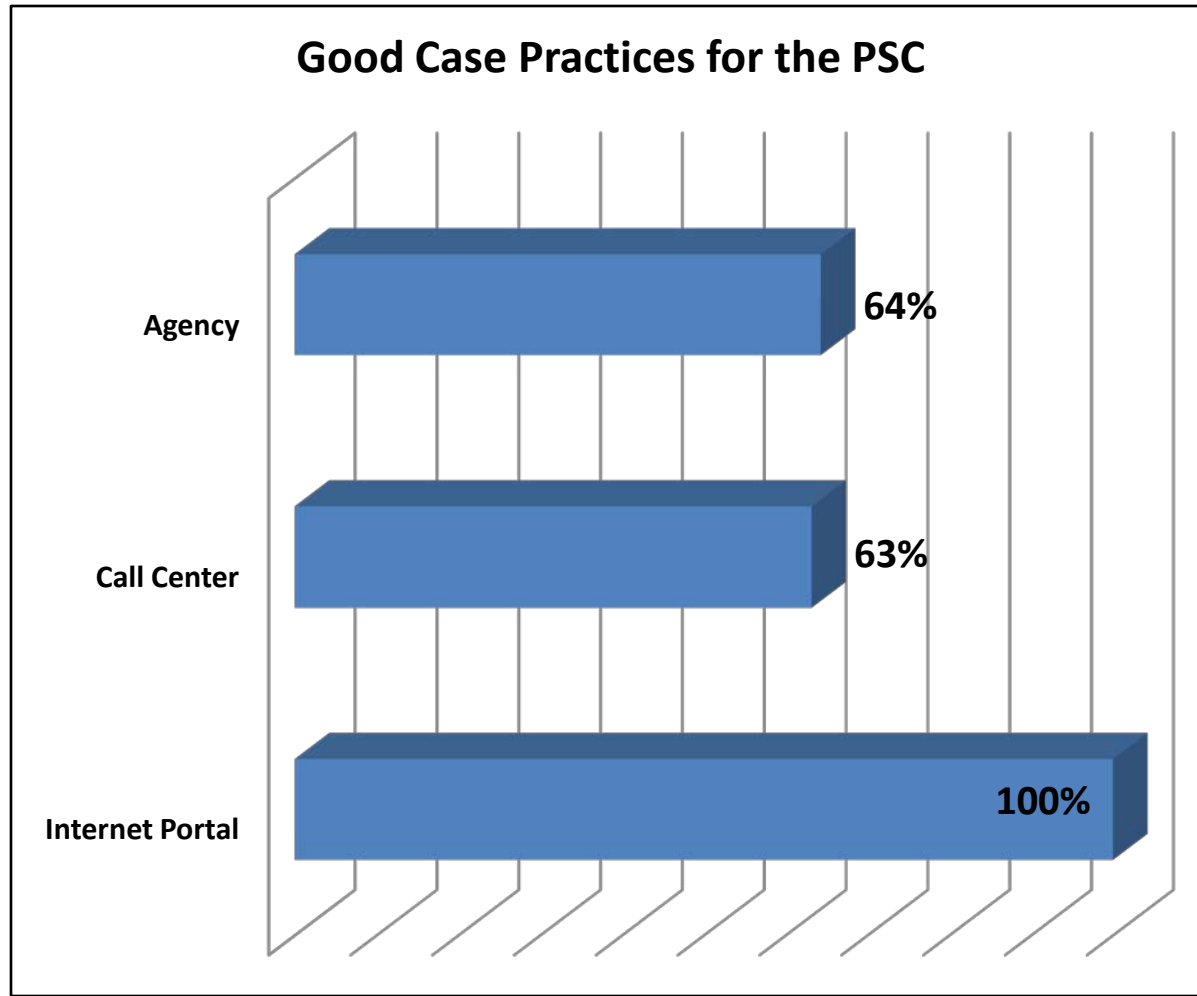
Experience with digital processes and signatures in the field of...



Among the shown steps of starting a business...

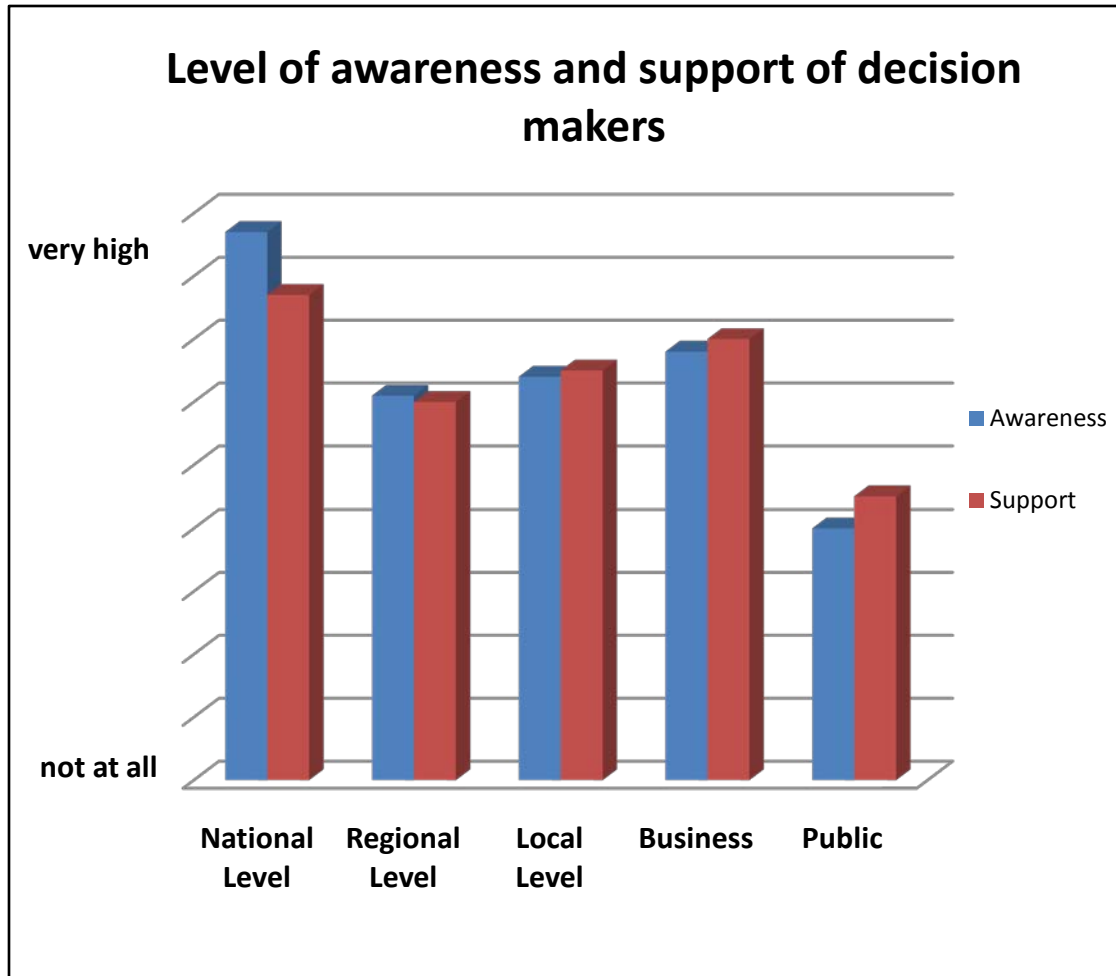
- ...there are many EU-MS that use digital processes and signatures for submitting taxes
- ...69% of EU-MS have experience with digital processes and signatures in the area of enterprise registration.
- ...60% of EU-MS use digital processes and 40% use digital signatures for transmission of statistics
- ...30% of the EU-MS use digital processes and 20% use digital signatures for job service

All EU-MS have experience in planing, implementing and operating a single point of contact.



- 100% have experience with planing and operating internet portals.
- 64% have experience with agencies that function as single point of contact.
- 63% have implemented government call centers as a single point of contact.

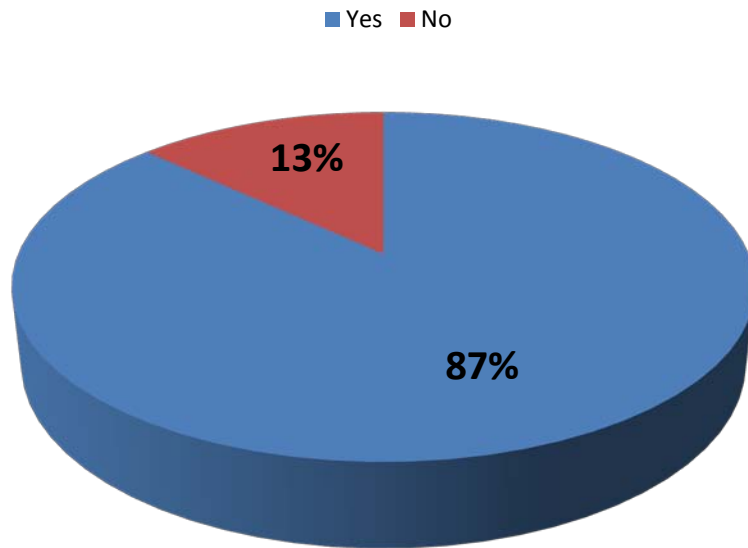
Despite a high awareness for the EU-SD on the political level persons in charge for the implementation wish for more support.



- On **national level** the awareness and support is felt to be very high
- On **regional and local level** there is high awareness but less support than on national level.
- **Business sector** shows high awareness for the EU-SD and also supports it.
- The lowest awareness/ is perceived to be among the **general population**.

Nearly all of the EU-MS cooperate in the implementation of the EU-SD with other states. The cooperation facilitates its implementation.

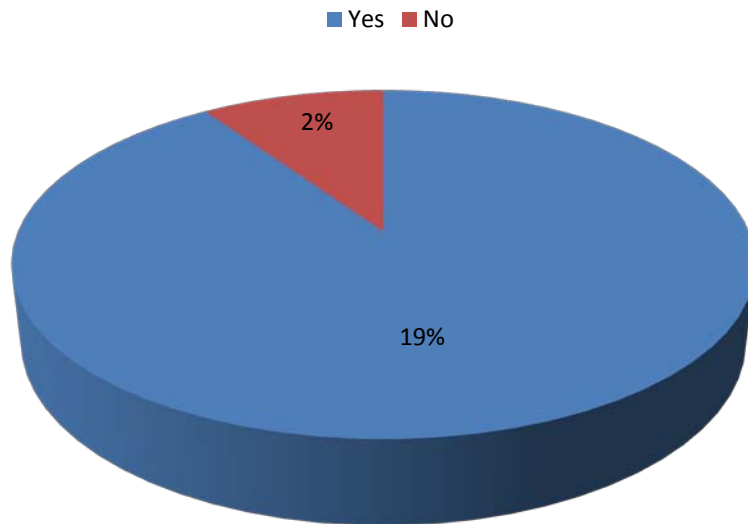
Cooperation with other MS on implementation



- 83% of the states work together with other states on the implementation through bilateral contacts or regional work groups.
- Only about 10% of EU-MS do not cooperate with other states.
- Additional exchange takes place during EU-level expert meetings.

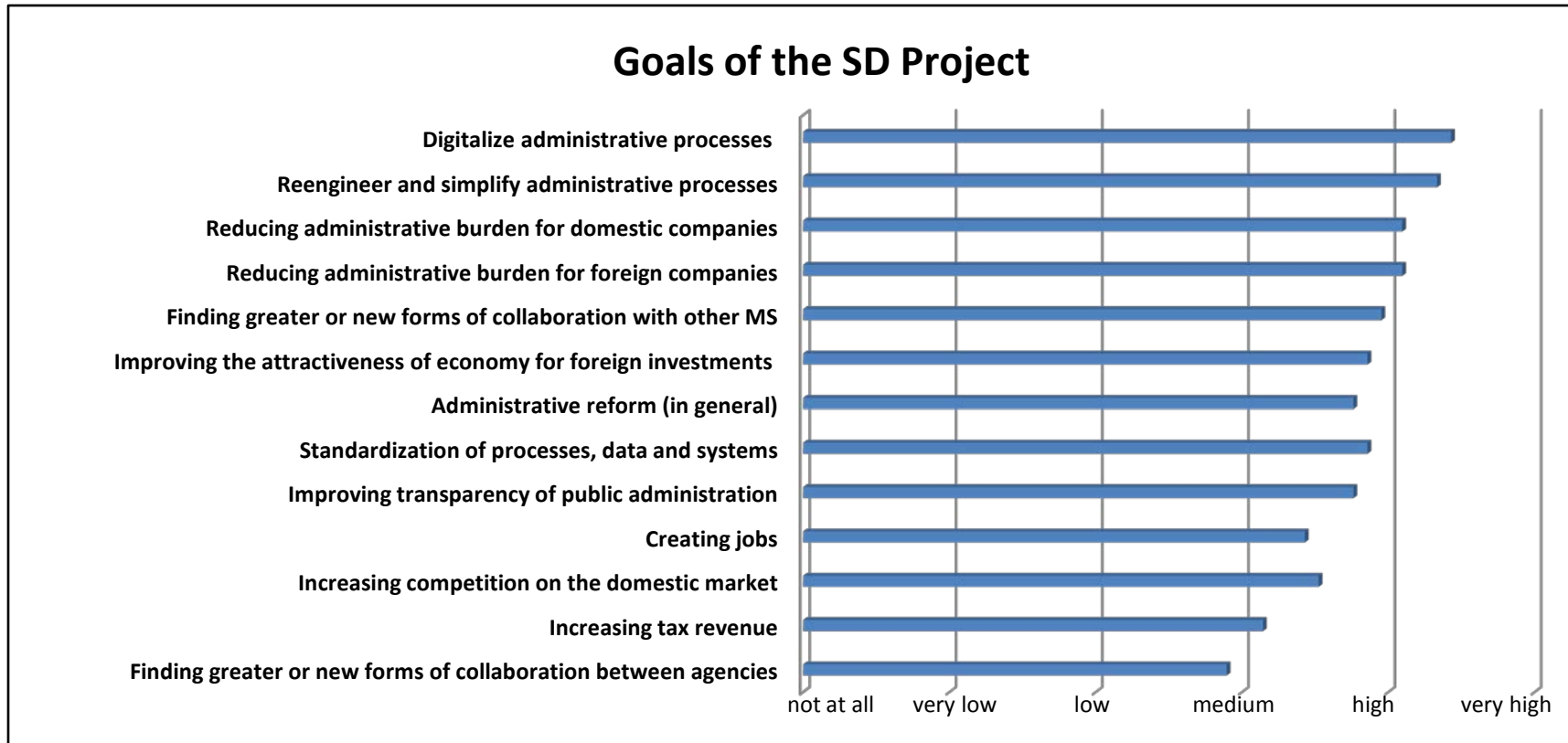
Only two EU-MS lack a master plan for the EU-SD

MS with national Master Plan for implementation of the SD



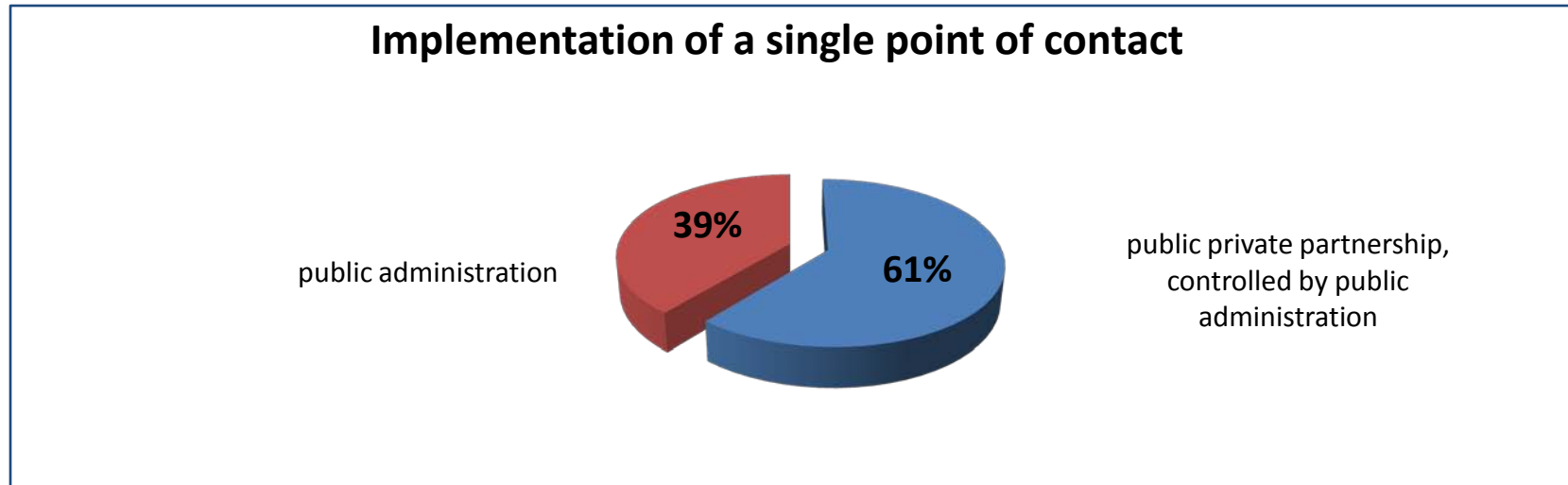
- 88% have a master plan for the implementation of the EU-SD.
- Two EU-MS intend to publish their master plan in mid-2009.

The goals of the EU-MS related to EU-SD projects are versatile.



- Key goals of EU-SD projects are the simplification and digitalisation of administrative processes.
 - Administrative obstacles shall be removed for domestic as well as for foreign businesses
- ➔ The EU-SD facilitates most EU-MS's administrative reform efforts.

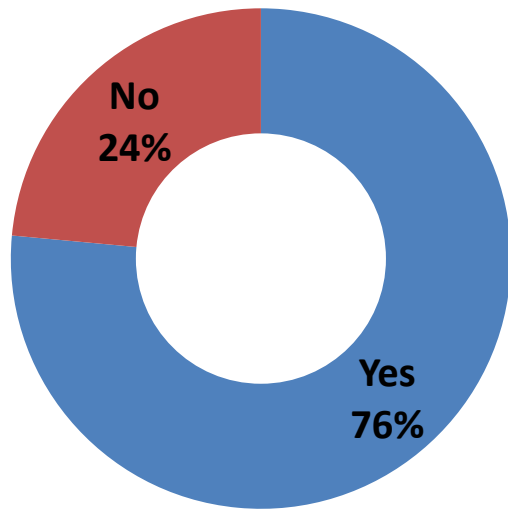
The implementation of a single point of contact is organised in different ways.



- In every EU-MS the EU-SD is organised and generally implemented on the highest level of government
- 61% of EU-MS implement the single point of contact without external help (e.g. PPP or outsourcing).
- The remaining 39% get support by the private sector (e.g. *Business Link* in UK)

The majority of EU-MS has a strategy for identity management.

Nationwide strategy for Identity and Access Management

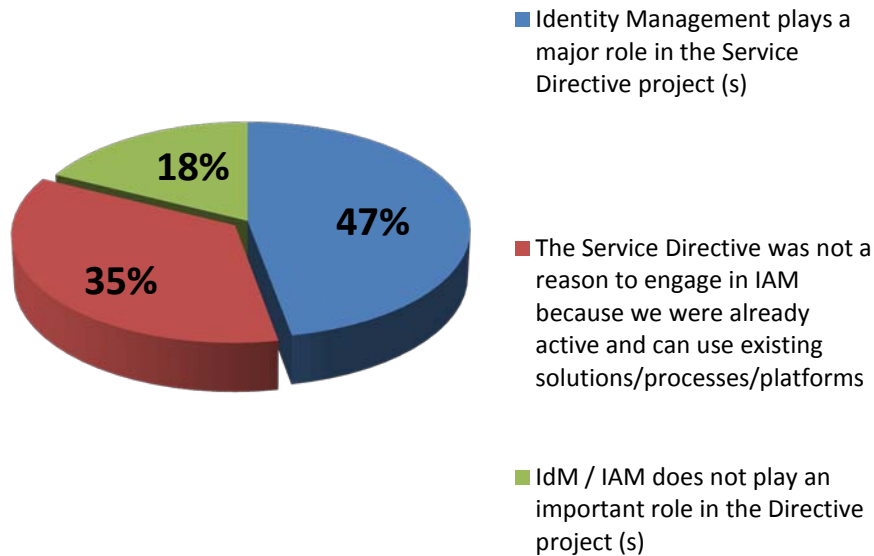


- 73% of EU-MS have a strategy for identity and access management.
- 19% of EU-MS have no nationwide strategy for identity and access management.

➔ Partly high expectations towards a European wide identity management in 2011!

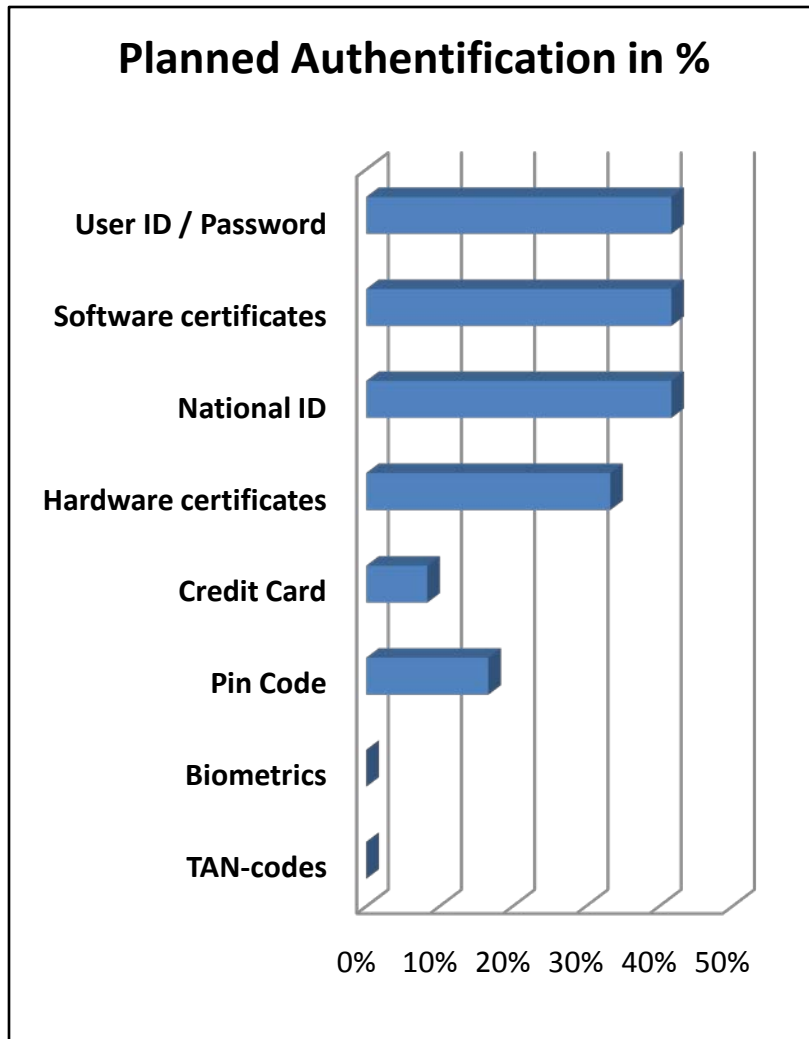
For nearly half of EU-MS, identity management (IdM) was of importance before the EU-SD.

The role of Identity and Access Management (IdM / IAM) in the SD



- For 47% EU-MS, IdM was of importance before the EU-SD.
- For 33% EU-MS IdM is playing a key part of the EU-SD project.
- For 22% EU-MS IdM does not play an important role in the EU-SD project.

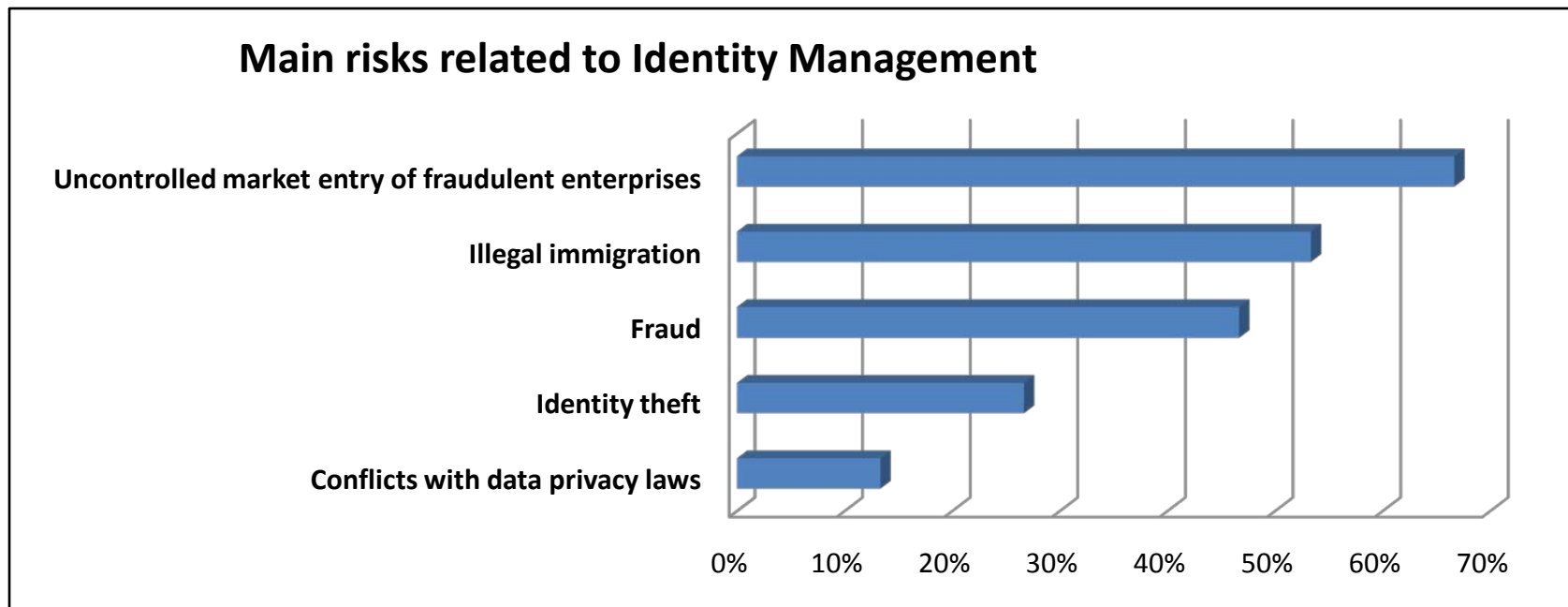
Most common medium for authentication is User ID / password.



- 50% EU-MS plan to use User ID / passwords for authentication.
- 42% EU-MS plan to use software certificates and 25% plan to use hardware certificates for authentication.
- 33% EU-MS plan to use identification card (copies) for authentication.
- 17% of EU-MS plan to use Pin-codes.
- None of the EU-MS plan to use biometric data or TAN-codes for authentication.

➔ Until the creation of an EU identification card, authentication via credit card could be an alternative.

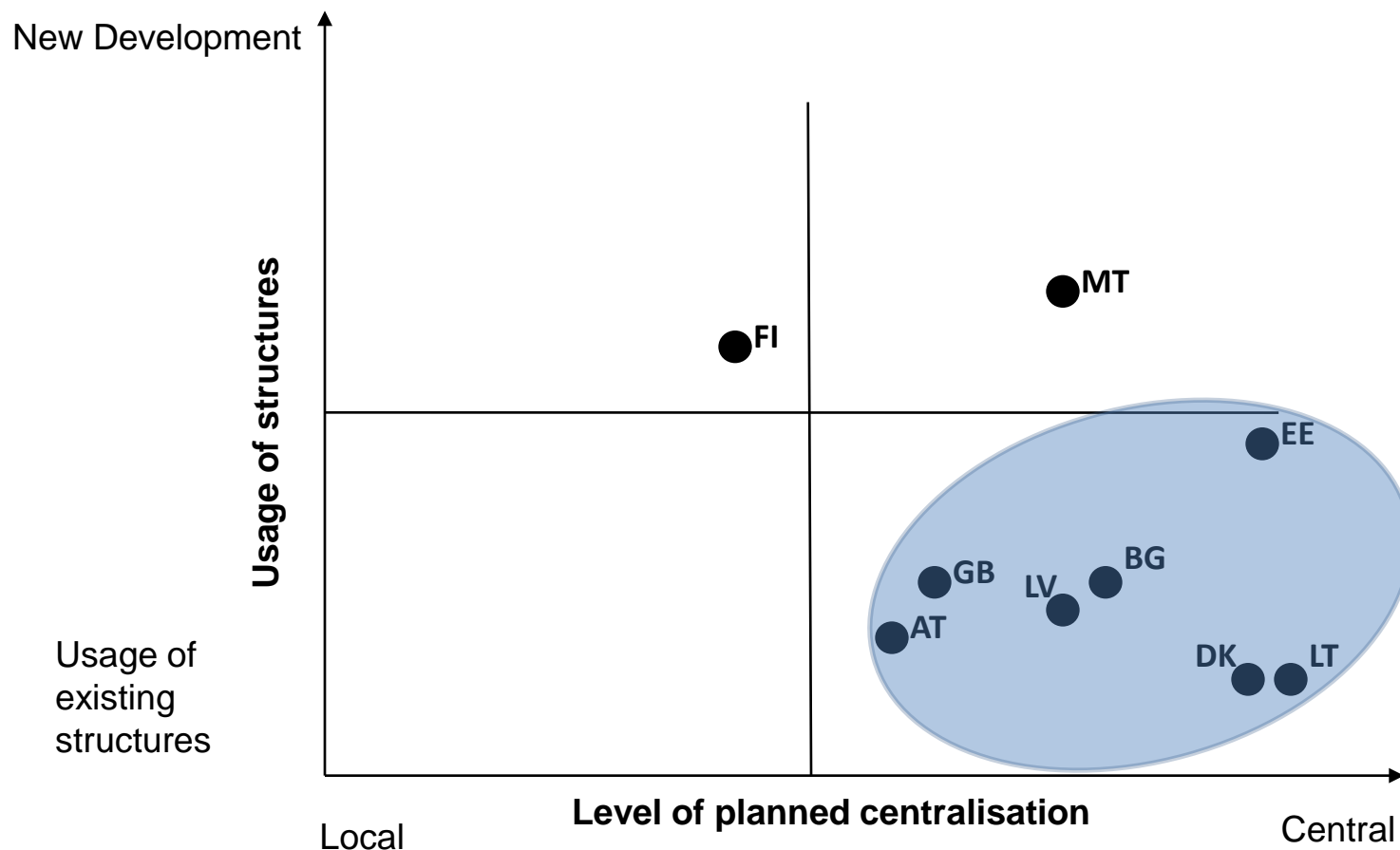
EU-MS see uncontrolled market entry of fraudulent businesses as the key risk of the EU-SD and reason for IdM practices



- 69% of EU-MS name the uncontrolled market entry of fraudulent businesses as a key risk related to identity management.
- 50% illegal immigration.
- 30% and identity theft.
- 13% conflicts with data privacy laws.

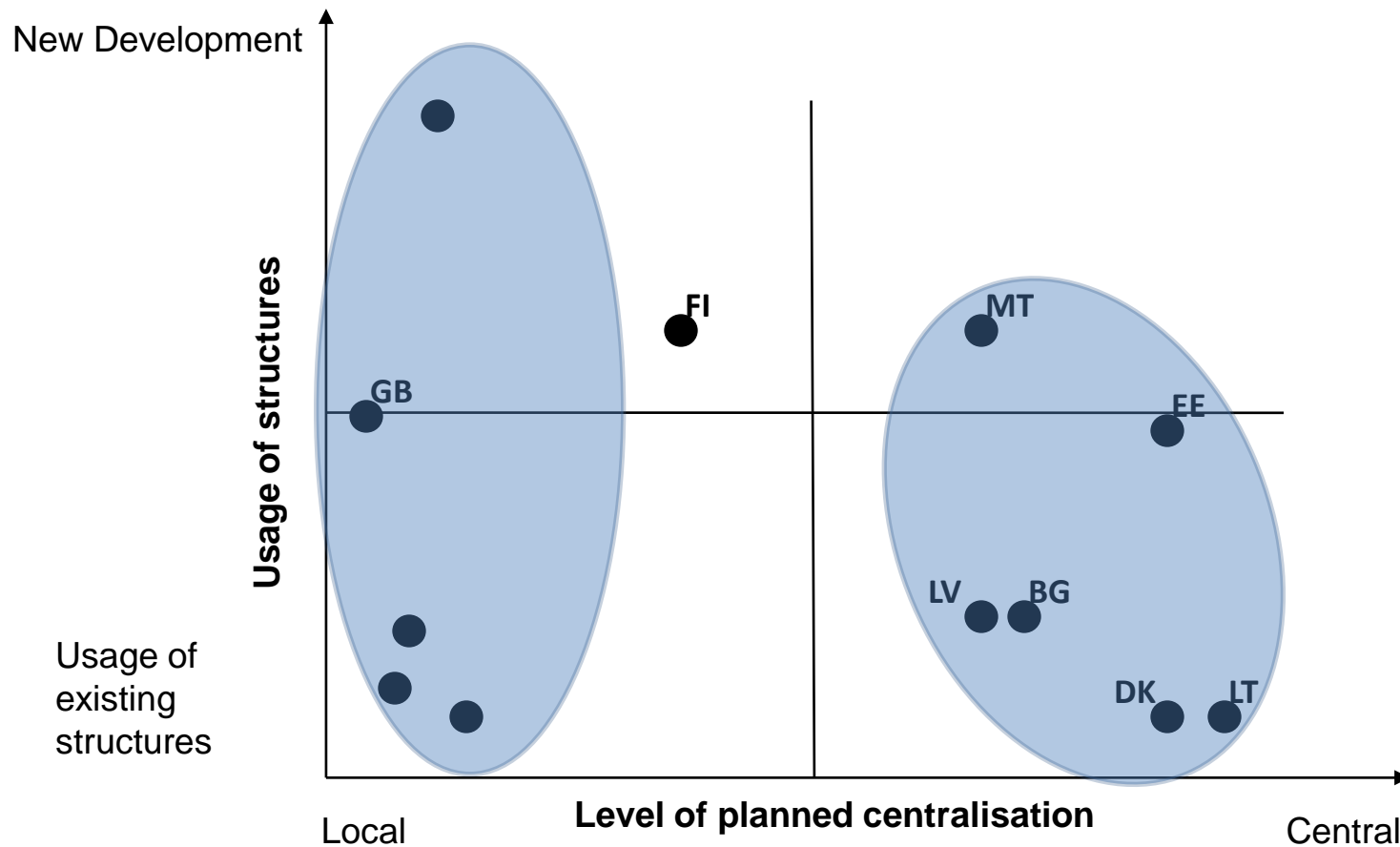
Front-office: Already existing structures are used. In most EU-MS the front office will be located centrally.

Set up and location of front office



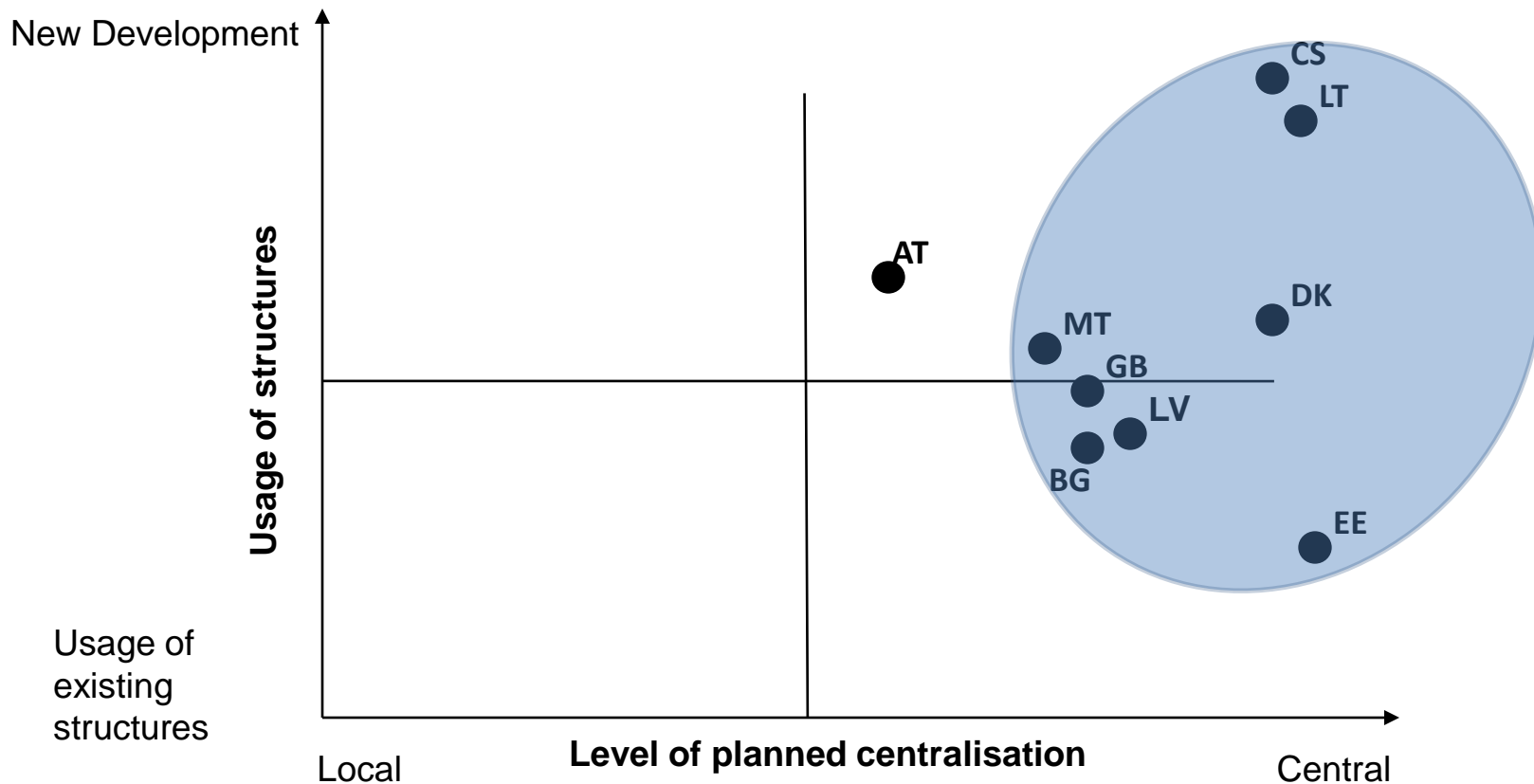
Backoffice: Already existing structures are used. In most EU-MS – especially the smaller ones - the backoffice will be located centrally.

Set up and location of backoffice

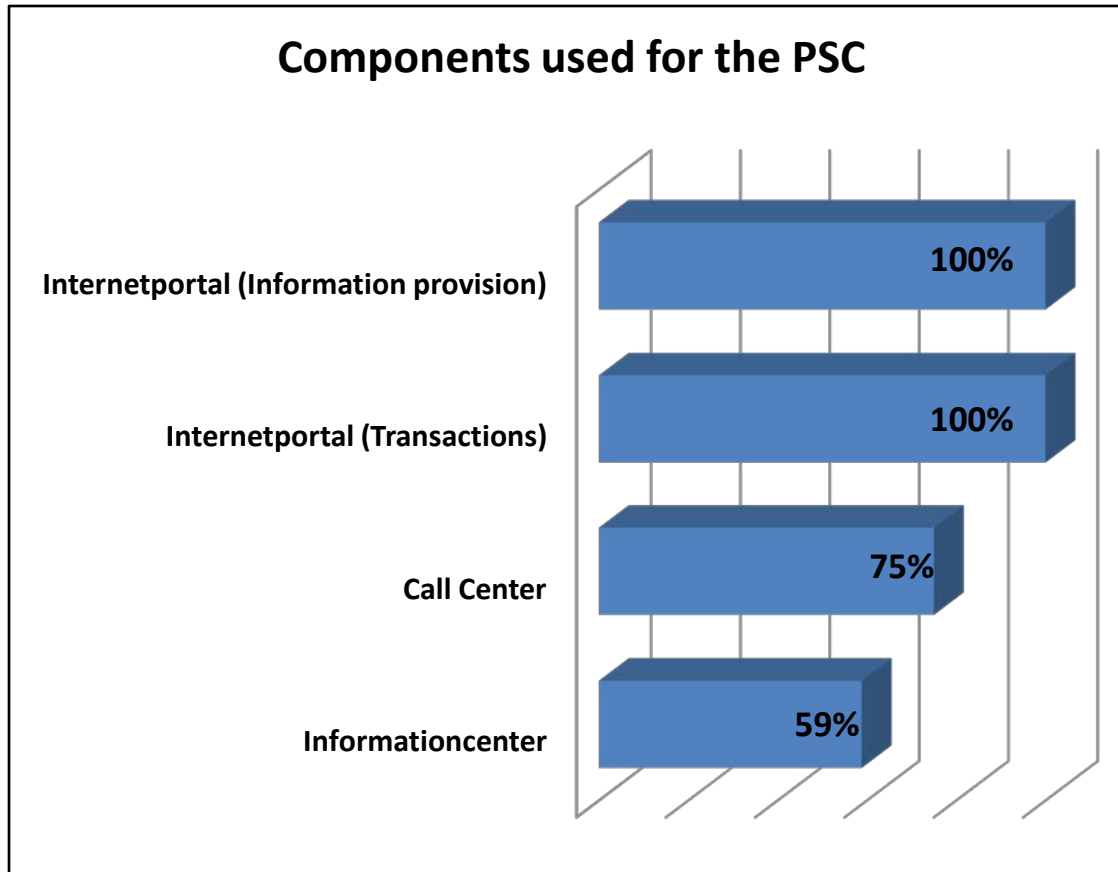


**It is often necessary to develop new IT systems structures.
The development is never carried out locally.**

Set up and localisation of IT systems structure



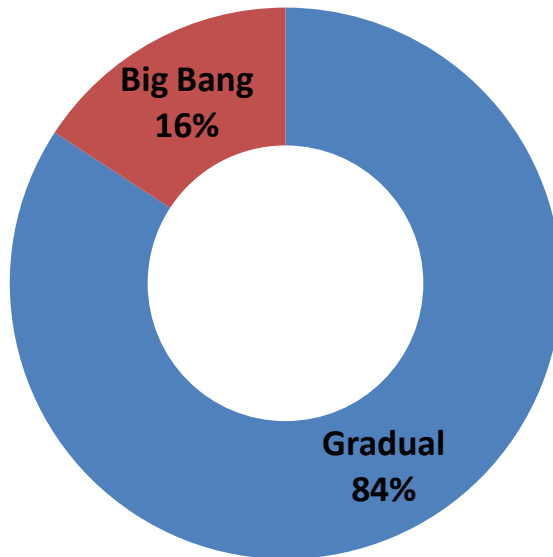
Every EU-MS will implement the single point of contact as internet portal. The portal always allows transactions and information spreading.



- Every EU-MS will implement an internet portal for information sharing and transactions
- 82% EU-MS will also set up a call center
- 74% EU-MS will set up an information center (over the counter services)

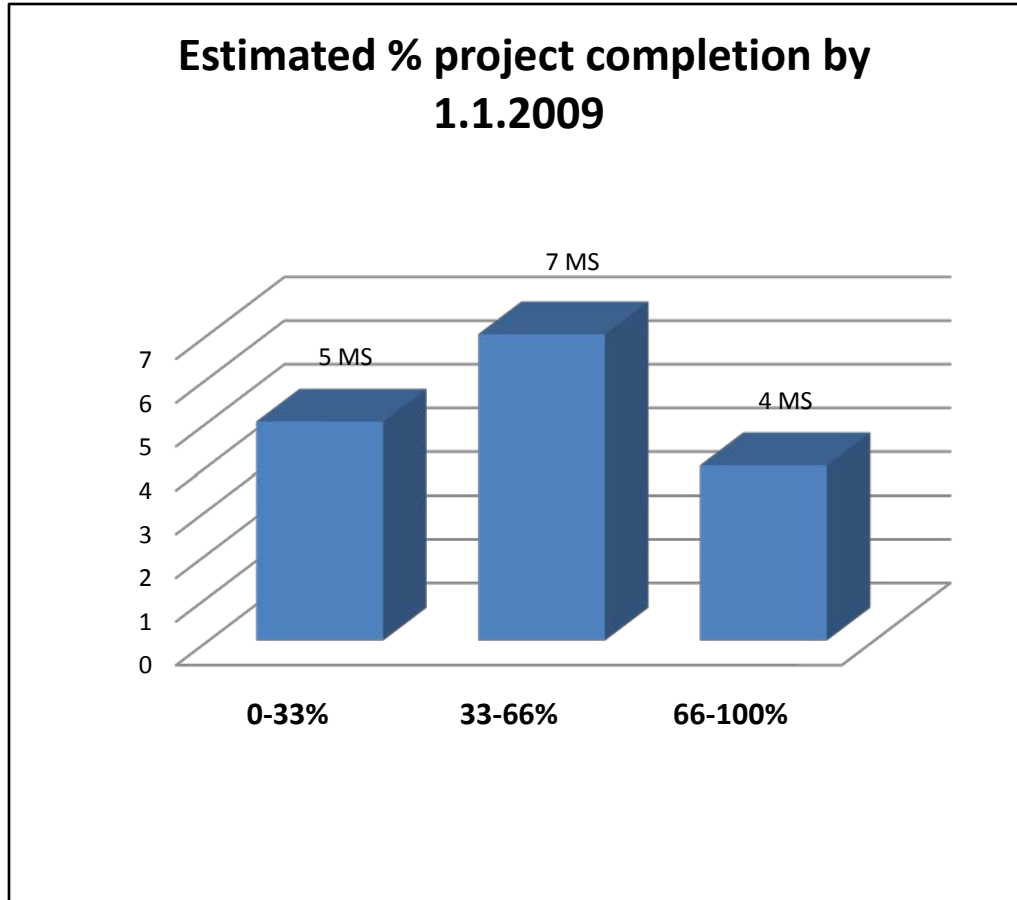
90% of EU-MS chose a gradual approach for implementing the single point of contact.

General implementation approach



- 90% of EU-MS implement the single point of contact gradually. The single point of contact will be offered amongst others as internet portal. Its functions will also grow gradually.
- 10% of EU-MS prefer a „big-bang“ approach. They want to implement the single point of contact all at once with all of its functions.

The level of completion to January 1, 2009 varies between EU-MS

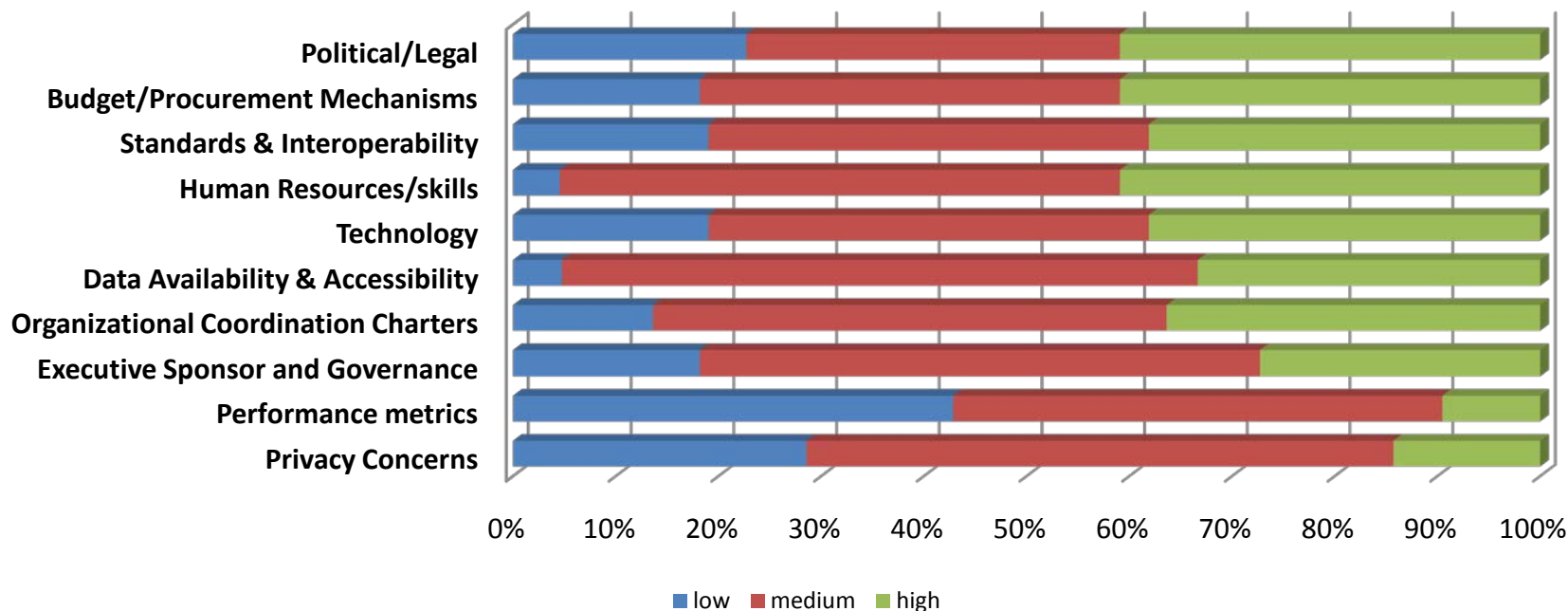


By January 1st 2009...

- 0-33% of the EU-SD projects will be completed by 20% of EU-MS
- 34-66% of the EU-SD projects will be completed by 20% of EU-MS
- More than 66% of the EU-SD projects will be completed by 15%

For the individual member states, a huge part of challenges lies in the implementation of the EU-SD.

Biggest challenges and barriers in the implementation of the EU-SD



- The political/ legal is the biggest challenge.
- Many EU-MS mention „a lack of resources (e.g. experts)“ and „tight budgets“ as a significant challenge.
- Technical (e.g. IT) challenges are seen as manageable.

What to do now?!



Strategic and organizational commitment as an active economic policy.

- How do we want to systematically facilitate settlement of businesses and where appropriate business branches?
- How do we position ourselves in the regional competition for domestic and foreign businesses?
- How do we present ourselves to citizens and the businesses sector (foreign & domestic)? What service do we offer specifically?
- How do we harmonize the EU-SD offerings with comparable, already existing service offerings (business start-up consulting, promotion of economic development, etc.)?
- Should we harmonize economic development efforts? If yes, how could this be done?



Cooperation with partners has to be close and effective!
(time pressure)

From strategic goals results marketing planning

Creation of a marketing concept to increase usage of the single point of contact with the following goals:

- Attractive information on the single point of contact portal
- User-friendly navigation structure
- Smart linking concept
- Promotion in relevant Media
- Continuous communication
- Strategic cooperation



A marketing concept including a communications strategy has to be set up and implemented immediately!

Development of a „Business Case“

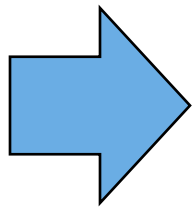
- What user numbers are expected short-/ mid-term?
- What does the pricing model look like? Is there a connection between level of fees and usage?
- How much personnel is needed?
What tasks do they have? How are they trained?
- Physical equipment
- IT project costs
- Hardware, software, services
- If necessary, resources for liabilities or judicial conflicts
- Marketing and communications expenditure
- What cost & resource allocation has to be calculated?



For calculation of a cost-covering fee rate, cost transparency is necessary!

Conclusion

- EU-SD is an important impulse as well as facilitator for administrative reforms
- Europe shows that there are various options for the implementation of the EU-SD
- 8 months to go: tight for many divisions



(Nearly) everything is still possible – good luck!

Thank you for your attention!

Dr. Oliver Ziehm
oziehm@csc.com

