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COMMUNICATION FROM THE COMMISSION TO THE EUROPEAN PARLIAMENT, THE COUNCIL, THE EUROPEAN ECONOMIC AND SOCIAL COMMITTEE AND THE COMMITTEE OF THE REGIONS

Enhancing the European Administrative Space (ComPAct)

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In a rapidly evolving world, faced with complex economic, social, technological and environmental changes, as well as multiple transitions, high quality public administrations are essential for good governance and for the effectiveness of EU and Member States action. The public sector needs to be action-oriented, tackle emerging challenges, while strengthening public trust. Besides dealing with severe external shocks such as the COVID-19 pandemic and Russia's aggression against Ukraine, it is paramount for the EU to continue addressing climate and environmental challenges, build resilient and sustainable economies and fair societies, foster the long-term competitiveness of the EU economy², shape the digital transformation of services and the work environment, promote democracy and play a strong role in the world.

The delivery of this policy agenda relies on high quality, capable, innovative and resilient public administrations at all levels in the Member States. Public administrations translate EU policies and legislation into well-designed, place-based, evidence-informed, digital-ready and future-proof domestic actions. They design and implement policies critical for the pursuit of climate-neutrality and the 2030 sustainability agenda. They have a key role in making the EU fit for the digital age by ensuring seamless, secure and interoperable digital public services for a fully functioning Single Market, ensuring the uptake of digital skills across the society, fostering the adoption of emerging technologies and strengthening accountability and public oversight of their use. Public administration, private sector, social partners and educational institutions shape the competitiveness of the labour force and business by promoting the skills of the future³.

Public administrations at central, regional and local level are responsible for ensuring the sound and sustainable management of EU and national budgets. They collect public funds and revenues and implement directly about one third of the EU budget, including Cohesion Funds, Next Generation EU and its centrepiece, the Recovery and Resilience Facility (RRF). Public administrations are crucial in designing and implementing reforms and investments under the National Recovery and Resilience Plans (RRPs), as well as regional development strategies that underpin an effective use of Cohesion Funds. Public administrations manage the public sector, which is responsible for 51.5% of EU GDP⁴, employs around 21% of the EU workforce⁵, accounts for 19.8% of EU total gross value added⁶ and creates every year a market worth about EUR 670 billion through contracts for public works and supply⁷.

Public administrations play a key role in promoting growth across regions⁸. Quality of public institutions at regional and local level is a prerequisite for place-based policies, regional competitiveness and attractiveness for investment⁹. This is important to avoid development traps, particularly in less developed and transition regions.

¹ European Commission, 2021 Strategic Foresight Report.

² COM (2023) 168 final on Long-term competitiveness of the EU: looking beyond 2030.

³ COM (2020) 274 final on European Skills Agenda for sustainable competitiveness, social fairness, and resilience.

⁴Data from Eurostat (2021).

⁵This includes data from the <u>EU Labour Force Survey</u> for public administration, defence, compulsory social security, education, and health sectors (2022).

⁶ Data from Eurostat (2020).

⁷ This figure refers to public tenders above specific contract values published in the Supplement to the Official Journal of the European Union (S series): https://simap.ted.europa.eu/en_GB/web/simap/european-public-procurement.

⁸ European Commission, 8th Report on Economic, Social and Territorial Cohesion.

⁹ COM (2023) 32 final on Harnessing talent in Europe's regions.

Public administrations are essential for democratic governance and upholding the rule of law. Public administrations need to preserve and improve public's trust and to uphold democracy¹⁰ through high standards of integrity, transparency, accountability and preventing and fighting against corruption¹¹. They ensure participatory policymaking, the quality, inclusiveness, and proximity of services¹², appropriate regulatory frameworks using the best available scientific knowledge and evidence, including the ethical use of AI and other digital technologies, and by safeguarding the sustainability of public finances. Well-functioning public administrations serve the needs of people, paying particular attention to the most vulnerable, and businesses by removing remaining barriers, reducing the administrative burden and deepening the functioning of the Single Market and the application of its four fundamental freedoms.

The quality standards of Member States' public administrations are also a reference point for enlargement countries, which align their laws and practices with those of the EU and face similar challenges, such as the twin transitions and demographic change. Quality public administration is already a fundamental requirement for accession, as is the rule of law.

Government effectiveness across the EU should be improved¹³. Public administrations generally succeeded in maintaining critical functions during the COVID-19 crisis¹⁴, but the latter did magnify gaps in the digital preparedness, inconsistencies in the strategic planning and crisis management capabilities. Important differences in terms of quality of services and policymaking remain across Member States¹⁵. Through the European Semester, particularly in the dedicated annex on public administration in the country reports, the Commission has increasingly focused its attention on the quality of public administration.

Better implementation of EU policy and better administrative performance could save EU taxpayers and businesses billions of euros every year. The Member States could save EUR 64.2 billion annually by improving their administrative performance. Companies could save EUR 2.2 billion annually at EU level if the administrative procedures and costs to establish a business were aligned with those of the best performing Member States¹⁶. In a recent Eurobarometer survey¹⁷, Europeans expressed their expectation that public administrations become less bureaucratic (48%), faster in delivering services (47%), more transparent and closer to the people. They also see the Commission as an enabler for better crises' reaction and an important facilitator of cooperation and knowledge exchange to make public administrations more efficient and effective.

Public administrations need to anticipate changes, in addition to responding to them¹⁸. To this effect they have to strengthen their ability to plan in a whole-of-government manner, to adapt their working methods to rapid technological change, and continuously review and innovate

¹⁰ European Democracy Action Plan.

¹¹ Anti-corruption package.

¹² For example, through one-stop-shops for the permitting of renewables and net-zero projects. COM (2023) 62 final on A Green Deal Industrial Plan for the Net-Zero Age.

¹³ The World Bank, Government Effectiveness Index.

¹⁴ OECD (2023), More resilient public administrations after COVID-19. Report from Technical Support Instrument project on 'Strengthening the resilience of public administrations after the COVID-19 crisis with CAF 2020'.

¹⁵ EU Single Market Scoreboard, EU Digital Economy and Society Index, OECD Regulatory Policy Outlook.

¹⁶ European Commission, Report on the cost of underperformance in public administration. Forthcoming.

¹⁷ Special Eurobarometer 523 Understanding Europeans' views on reform needs (April 2023).

¹⁸ The Horizon Europe sponsored <u>Observatory of Public Sector Innovation (OPSI)</u> of the OECD provides guidance and tailored advice on ways governments can support innovation, including anticipatory innovation approaches.

policymaking¹⁹ and citizen-oriented service delivery. At the same time, besides ongoing strategic planning in the frame of multiannual budget exercise or programming of EU Structural and Cohesion Funds, public administrations should promote forward-looking activities and capabilities, such as strategic foresight in cooperation with academia, researchers and dedicated think tanks.

Public administrations encounter growing difficulties in ensuring a professional and stable workforce²⁰. Only one in seven Europeans see public administrations as an attractive employer²¹. Less developed and populated regional and local administrations face even more obstacles to attract talent. Demographic data shows that ageing in several Member States will cause large retirement waves in their civil services in the next 10 years. With specific requirements and lengthy recruitment times, public administrations are exposed to serious risks to ensuring continuity, stability, adaptability and good performance. Adult learning is low in some Member States, limiting the skills pool that administrations can draw from²². Moreover, outsourcing expertise tends to reduce public administrations' ability to learn and build experience to manage more complex tasks.

Recognising the above challenges, the Commission has deployed a range of tools to support the administrative transformation of the Member States²³. The RRF supports a range of reforms and investments to improve the quality and accessibility of public services at all levels²⁴. The Technical Support Instrument (TSI)²⁵ provides expertise to design and implement a wide range of reforms. In addition, the Commission helps the Member States through country and thematic analysis, capacity building, guidance and facilitation of peer exchange²⁶. The Technical Assistance and Information Exchange instrument of the Commission²⁷ extended its support to the public administrations of the Member States for the application and enforcement of EU legislation as well as for the sharing of EU good practices.

The Commission has a **steady engagement with peer administrations** notably through two complementary networks, the Expert Group on Public Administration²⁸ and the European Public Administration Network (EUPAN)²⁹, that aim at **sharing knowledge and practices**. This collaboration was strengthened through regular meetings of the Expert Group and more frequent informal Ministerial meetings, leading to conclusions on the common challenges faced by public administrations, notably the Conclusions of the Lisbon informal Ministerial Meeting³⁰ and the

¹⁹ European Commission, SWD (2022) 346, <u>Supporting and connecting policymaking in the Member States with scientific research</u>.

²⁰ OECD (2023), Strengthening the attractiveness of the public service in France: Towards a territorial approach.

²¹ See footnote 17 (Eurobarometer).

²² Focus topic of the European Education Area. <u>Council Resolution 2021/C 66/01 on a strategic framework for European cooperation in education and training towards the European Education Area and beyond (2021-2030).</u>

²³ European Parliament (2016), Public Sector Reform: How the EU budget is used to encourage it.

²⁴ Recovery and Resilience Scoreboard.

²⁵ Regulation (EU) 2021/240 of the European Parliament and of the Council of 10 February 2021 establishing a <u>Technical Support Instrument</u>.

²⁶ European Commission, SWD (2021) 101, <u>Supporting public administrations in EU Member States to deliver</u> reforms and prepare for the future.

²⁷ TAIEX.

²⁸ European Commission, C(2021) 9535 final, <u>Setting up the group of experts on public administration and governance.</u>

²⁹ EUPAN – European Public Administration Network.

³⁰ Informal meeting of EU Public administration Ministers (2021).

Strasbourg Declaration³¹. The exchanges address several key areas such as increasing the overall attractiveness of public administrations and revamping their branding as modern employers, digital and green transformation, the development of capacity in the public administration at all levels or the fostering of synergies between projects implemented under the TSI, the RRF and other EU or nationally funded programmes.

RRF support for reforms and investments in public administrations

The modernisation of public administrations features prominently in several RRPs for an estimated budget of EUR 1.8 billion. Flagship reforms and investments address among others digitalisation of public administration, cybersecurity (Bulgaria, Czechia, Spain, France, Greece, Italy, Lithuania, Poland, Romania, Slovenia, Slovakia), justice systems and the quality of the legislative process (Bulgaria, Greece, Spain, Cyprus, Czechia, Croatia, Latvia, Italy, Malta, Slovakia, Romania, Slovenia), the fight against corruption and protection of whistle-blowers (Estonia, Greece, Cyprus, Croatia, Spain, Finland, Luxembourg, Latvia, Romania, Slovakia).

Experience from EU programmes, including the TSI, as well as the aforementioned Conclusions of informal Ministerial meetings under the EUPAN, indicate the interest of the Member States for a wider and deeper cooperation among themselves and with the Commission. The Commission is therefore putting forward in this Communication a set of actions (hereafter the 'ComPAct') to better assist Member States' administrations in preparing for current reform needs and anticipating future trends, based on a common set of public administration principles.

Enhancing the European Administrative Space

Despite a large variety of institutional set-ups and legal traditions, Member States' public administrations share a set of values, tasks and understanding of good administration³², forming a **European Administrative Space**³³.

A common set of overarching principles³⁴ underpin the quality of public administration:

- Strategic vision and leadership that ensures capability, resilience and sustained public trust.
- Coherent, anticipatory, evidence-informed, participatory, digital-ready, and inclusive policymaking.
- An impartial, professional, merit-based, collaborative, and effective civil service, performing in good working conditions.
- High-quality, innovative, human-centric, and accessible public services.
- Subsidiarity, coordination, accountability, openness of public administration, integrity, and oversight of administrative processes.

³¹ Strasbourg Declaration on the Common values and challenges of European Public Administrations (2022).

³² Study of the Swedish Agency for Public Administration conducted within the EUPAN (2023), <u>Good administration</u> in European countries.

³³ Term used to describe an increasing convergence of administrative practices among the Member States based on shared values and principles, towards common standards and approaches of operation.

³⁴ Based on the Principles of Public Administration, <u>SIGMA</u> (EU – OECD collaboration). Forthcoming revised 2023.

• Sound and sustainable public finances, underpinned by integrated and comprehensive accruals-based public accounting systems.

With the ComPAct, the Commission aims to enhance the European Administrative Space by promoting these principles and reinforcing its support for the administrative modernisation of the Member States. The ComPAct respects and does not affect the competence and specific characteristics of the Member States. The actions will be financed within the existing EU funding mechanisms and through existing cooperation networks. The ComPAct will make best use of the experience already gained through EU programmes, including the TSI as well as the existing exchanges in the context of the Commission's Expert Group for Public Administration and Governance and the EUPAN, and will offer new and enhanced opportunities for administrations at all levels in Member States to cooperate and learn from each other. The ComPAct also elaborates on the experience of the Commission through the deployment of its Human Resources, Digital and Greening strategies³⁵.

The ComPAct is a response to calls by the Member States³⁶, the European Parliament³⁷ and the Committee of the Regions³⁸ for the Commission to foster cooperation and policy dialogue as well as to help improve the capacity and the quality of public administrations at central, regional and local level in Europe.

The ComPAct will also help EU enlargement countries on their path to building better public administrations by providing opportunities for them to increase their involvement in peer exchange and learning. This can also be done by facilitating the access to TSI for enlargement countries.

Accelerated integration: Participation of enlargement countries as observers in TSI projects

Developing a professional and well-performing public administration is one of the fundamentals for EU accession. In the context of an initiative on 'accelerated integration', EU enlargement candidates can now participate in several Member States projects, tackling common problems together. For example, Albania participates as an observer in a project with Portugal, Spain and the Netherlands on managing better *civic participation and emergent technologies*. Bosnia and Herzegovina and Moldova are observers in a project with Estonia on *strategic and sustainable public procurement policy*.

The ComPAct comprises three pillars:

• Pillar 1. The Public Administration Skills Agenda

Foster administrative cooperation between public administrations at all levels to help develop their workforces for current and future challenges.

• Pillar 2. Capacity for Europe's Digital Decade

Strengthen the capacity of public administrations for their digital transformation.

³⁵ European Commission, C(2022) 2229 final, <u>A new Human Resources Strategy for the Commission</u>; C(2022) 4388 final, European Commission digital strategy; C(2022) 2230 final, Greening the Commission.

³⁶ See footnote 31 (Strasbourg Declaration).

³⁷ European Parliament (2019), <u>Resolution on assessing how the EU budget is used for public sector reform</u>.

³⁸ Committee of the Regions (2019), <u>Improving administrative capacity of local and regional authorities to strengthen</u> investments and structural reforms in 2021-2027.

• Pillar 3. Capacity to lead the green transition

Strengthen the capacity of public administrations to lead the green transition and build resilience.

Pillar 1. The Public Administration Skills Agenda

Labour markets are undergoing structural transformations, notably due to demographic change³⁹ and the twin transitions. Against this background, public administrations face a strong competition for talent, especially in areas requiring new sets of skills, knowledge, and competences. Digital transformation also requires a substantial increase of the participation of civil servants in adult learning activities⁴⁰, as well as the rethinking of work processes to harness the potential of automation, data and interoperability. It should lead to considering new ways of cooperation with the private sector, particularly with start-ups and SMEs⁴¹. Leading the green transition requires a multidisciplinary approach to policymaking, strong coordination and planning capacities across all levels of public administration and strong communication skills. These changing needs and requirements for the workforce, as well as the evolution of the workplace, require targeted actions to create an attractive working environment. The dialogue with social partners, both at central and regional level, contributes to create an enabling environment to address these various challenges.

The Public Administration Skills Agenda will support Member States in their efforts to build resilient, attractive, transparent and high performing public administrations by equipping them with a wide range of tools to upskill and reskill their workforces. It will complement measures implemented under the RRPs, where the digitalisation of public services is often accompanied by digital upskilling, including to improve skills on data analytics, AI and cybersecurity. Some RRPs contain reforms aiming at establishing competence centres for civil servants and improving human resource management in public administrations.

The actions under this pillar will deliver on and be consistent with the EU Skills Agenda and the actions under the European Year of Skills. They can contribute to reaching the 2030 EU headline target of at least 60% of all adults in training every year and to the national targets⁴². The actions under this pillar will be implemented primarily through the TSI. The Commission will also leverage cooperation with peer administrations within the Expert Group for Public Administration and Governance and the EUPAN network, the Network of Directors of Institutes and Schools of Public Administration (DISPA) and the European School of Administration. Other relevant EU and international networks and bodies will be associated.

³⁹ European Commission, COM(2023) 577 final, <u>Demographic change in Europe: a toolbox for action</u>.

⁴⁰ Eurostat, <u>Labour Force Survey 2021.</u>

⁴¹ See, for instance, the <u>European GovTech platform</u>.

⁴² Commission welcomes Member States' targets for a more social Europe by 2030.

1. Public Administration Cooperation Exchange (PACE)

Member States have called for 'strengthened mobility of public workers in Europe'⁴³, encouraging cooperation among administrations and the creation of communities of practice. Several EU instruments already support sectoral exchanges of experience and mutual learning⁴⁴.

To further promote the exchange of experience between the public administrations of the Member States and sharing of knowledge and best practices, the Commission is ready to scale up and consolidate its support to PACE. The latter builds on a positive experience, i.e. a pilot exchange programme for middle managers set up in 2021 by the Member States and the Commission as a deliverable of an EUPAN informal Ministerial meeting under the Portuguese Presidency⁴⁵. These exchanges will support, on a demand-driven basis, specific organisational needs of the public administrations such as the implementation of reforms, the development of policy initiatives or the introduction of new management approaches. They will contribute to creating a European community of civil servants.

Exchanges between the Member States' public administrations

Under the TSI 2023 PACE flagship⁴⁶, over 300 civil servants take part in more than 70 planned exchanges facilitated by TAIEX. 18 Member States participate in the exchange experience on new ways of working, on implementing green policies, on reinforcing digitalisation in the public administration, on strategies and models for attracting talent and for career development, on modernising their human resources' function, on promoting leadership, organisational learning, ethics and anti-corruption. The Commission closely supports, contributes to the knowledge sharing and may participate as a peer administration⁴⁷. The exchanges build on previous bilateral projects and allow Member States to expand cooperation and mutual learning.

The Commission will:

• Scale up **PACE to an annual exchange programme** as part of the TSI, to facilitate the mobility of European civil servants across the Member States, with the support and participation of the Commission. The PACE will provide a common operational framework and adequate funding for targeted exchanges, during which the civil servants will be embedded in another administration for a set period. [from Q1 2024]

Member States are encouraged to participate actively in PACE and other EU peer exchange tools by prioritising and coordinating needs, hosting exchanges, and providing feedback on ways to improve. They can widen participation in exchanges by promoting training in foreign languages for their civil servants.

⁴³ See footnote 31 (Strasbourg Declaration).

⁴⁴ In sectors such as customs and taxation (<u>Common Learning Event Programme</u>), public employment (<u>European Network of Public Employment Services</u>), management of the ERDF, Cohesion Fund and Just Transition Fund (<u>REGIO Peer2Peer +</u>), implementation of Single Market legislation (<u>Internal Market Information System</u>), implementation of data strategy and AI (<u>European Digital Innovation Hubs Working Group on AI in public administrations</u>), research and innovation (<u>Mutual learning exercises on R&I policy challenges</u>), official publications (<u>European Forum of Official Gazettes</u>).

⁴⁵ See footnote 30 (informal meeting public administration ministers).

⁴⁶ 2023 PACE flagship.

⁴⁷ Through its administrative expenses budget.

2. Cooperation for training and capacity building

Reskilling and upskilling are massive tasks in public administrations, given the estimated 9 million staff in central, regional, and local administrations across the Member States and the approximately 41 million employees in the EU-wide public sector⁴⁸. National institutes, schools of public administration or dedicated training institutions play a key role in most Member States in developing the competencies and capacities of civil servants for improved management of public policies. Training and capacity building are often challenged by a combination of high competition for funding, heavy workload, and the scarce availability of training opportunities. Moreover, the large variety of novel topics makes it difficult to cover all aspects at the national level. Reinforced cooperation between national authorities and the Commission can address some of these challenges, as well as active exchanges with international partners on good practices.

The EU Customs training Programme – Building Customs Management Expertise together.

Under the Customs training Programme, the Commission and the Member States recognise the Centres of Training Expertise on specific customs topics in a partnership agreement. The Member State(s) concerned provide training to other Member States annually, keep up to date on the topic and work with trainers and training departments from other Member States. Since 2014, around 1.000 customs officers have been trained and around 130 common learning events have been organised.

The promotion of e-learning on public administration topics will enable the direct access of all civil servants across the Member States and will also facilitate self-paced learning. The outreach of the training courses and materials could be significantly extended thanks to translation into the EU languages, thus enabling a wider access for smaller administrations.

The Commission has already developed e-training opportunities, for example on interoperability, digital transformation, entrepreneurship, financial and sustainability competence, learning networks⁴⁹ and communities of practice⁵⁰.

The Commission will:

- Set-up a **Network of Centres of Excellence** for the provision of thematic training for civil servants across the EU. The network will create a common training catalogue and facilitate the training offer to civil servants through the Centres of Excellence in the Member States on specific topics, such as customs, rule of law, corruption prevention and integrity, green transition, innovative public procurement, use of scientific evidence in policymaking or AI. This model will contribute to providing a larger catalogue of high-quality training to the public administrations across the EU and to the financial sustainability of training while increasing the investment efficiency. In this context, the Commission will further support national training organisations in developing their **capacity to assess training needs and strengthen their training policies** for civil servants. [from Q1 2024]
- Establish an EU Public Administration Leadership programme focused on senior managers in the public administrations of the Member States. An EU-wide approach that includes the design of common curricula, mutual learning exercises and sharing of good

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⁴⁸ The staff of public administration at central, regional, and local level is estimated based on national reports. This number is not based on a harmonized methodology on the scope of public administration. The public sector staff is calculated using Eurostat data from the EU Labour Force Survey (2022).

⁴⁹ Such as the EU Civil Protection Knowledge Network.

⁵⁰ Such as the Public Buyers Community Platform.

- practices will enable managers to be better prepared for the complexity of public leadership, especially as they have a crucial role in bringing forward and implementing reforms in public administration, harnessing talent and driving innovation. [from Q1 2024]
- Develop a public administration section on the EU Academy platform⁵¹ with dedicated training courses and programmes, ranging from horizontal ones, such as policymaking, cocreation and deliberation methods to engage citizens in planning, rule of law, corruption prevention and integrity, project management to more specialised ones, such as managing the green transition, interoperability or cyber-threat management. E-learning courses could be complemented with existing guidance and training materials prepared by the Commission on EU topics and include links to national and international sources. [from Q2 20241

The wider uptake of training opportunities could be complemented by the Member States with resources for upskilling and capacity building under the Cohesion Policy.

3. Cooperation for administrative capacity at regional and local level

Regional and local public administrations are the closest to people and play a key role in delivering proximity services. They implement 70% of all EU legislation, 90% of climate adaptation policies, and 65% of the Sustainable Development Goals⁵². They drive the public innovation agenda, plan, and implement investments using EU funds through place-based solutions, and are at the forefront of climate change impacts, civil protection and social cohesion. They are also the closest to the local needs and concerns, in terms of environmental protection, housing, mobility, culture, and education⁵³.

Regional and local public administrations share most of the challenges of the central public administrations but also have their own specificities. Most local administrations are relatively small, are often under-resourced and lack experts⁵⁴. A range of responsibilities requires direct contact with people. Professional mobility and access to training and knowledge tend to be relatively limited, careers tend to be longer, and the skills pool depends on the overall level of local development and economic activity. Given these limitations, as well as the different socioeconomic and geographical contexts, regional and local administrations require specific support to prepare them design policies tailored to local specificities, as well as develop strategies at the right territorial scale addressing complex issues such as urban-rural interaction, permitting, green procurement, innovation, and other driving factors of balanced local development. Limited capacity and capabilities of Member States' public administrations at regional and local level can also hinder the effective use of available funding, including that made through the Cohesion Policy.

⁵¹ EU Academy.

⁵² Resolution of the European Committee of the Regions - <u>The Green Deal in partnership with local and regional</u> authorities (2020/C 79/01).

⁵³ Expenditure by EU local governments in these sectors in 2021 represented respectively 71% (environmental protection), 70% (Housing and community amenities), 53% (Recreation, culture and religion), and 36% (Education) of the total expenditure by the general government.

⁵⁴ 69% of municipalities reported suffering from a lack of experts with environmental and climate assessment skills and staff with technical and engineering expertise. EIB Municipalities Survey 2022-2023.

The Commission will:

- Continue to **expand the access of regional and local entities to the TSI**, on a demand-driven basis, including through initiatives such as the TSI flagship on 'Overcoming barriers to regional development'⁵⁵. [from Q4 2023]
- Organise an annual **Local Public Administration Day** in the context of the European Week of Regions and Cities, co-hosted by the Commission. The event will give regional and local administrations an opportunity to discuss their specific governance challenges. The Committee of the Regions and EU umbrella organisations of regional and local administrations will be involved in contributing to the discussions and mutual learning. The event will identify specific and practical ways in which the Commission can support regional and local administrations in their modernisation efforts and capacity building. In addition, the Commission will explore further ways to facilitate the creation of consortia and partnerships of local authorities that could pool the competences needed to handle large-scale projects. [from Q3 2024]
- Deepen its research into the limitations and opportunities of the administrative capacity of the regional and local administrations; and carry out targeted studies and surveys, which will inform the next editions of the Cohesion report. [from Q3 2024]

4. Human resource management tools in public administration

To ensure a stable capacity and professionalism, public administrations need to anticipate the long-term development of their workforce and the skills that they will require. However, workforce planning, systematic HR data analysis and anticipation of job profiles are still relatively limited. A reference catalogue of competency frameworks, the 'Passport of core competences', would help address these needs and improve recruitment and career development approaches.

The 'Passport' will be based on existing EU and national competency frameworks⁵⁶, such as policymaking, management of funds, public procurement, taxation, customs, public sector interoperability and project management. It will be extended to new areas⁵⁷ such as digital skills, entrepreneurship skills, leadership skills, managing investments, as well as innovation.

The 'Innovative Policymaking' competence model for policymaking

This competence framework was developed by the Commission and covers cross-cutting competences relevant for policymakers throughout the policy cycle. It sets out a future oriented perspective for different roles in policymaking. 36 competences are divided into 7 clusters: advise the political level, innovate, work with evidence, be futures literate, engage with citizens and stakeholders, collaborate, and communicate. This framework complements the framework targeting researchers ('Science for policy'), whose competences are divided into 5 clusters: understanding policy, participating in policymaking, communication, engaging with citizens and stakeholders, and collaborating.

⁵⁶ Corresponding order: Competence frameworks for policymakers and researchers, EU Competency Framework for the management and implementation of the ERDF and Cohesion Fund, EU Competency framework for public procurement professionals, EU Competency Framework for Taxation, EU Customs Competency Framework, Public Sector Interoperability, and Project management methodology.

⁵⁵ TSI 2024 flagship- Overcoming barriers to regional development.

⁵⁷ Taking into account the <u>Digital Competence Framework for Citizens</u>, the <u>European Entrepreneurship Competence</u> Framework and the EU sustainability competence framework.

Based on existing competency frameworks, the Commission has developed several tools to assess the necessary skills for different areas of competence and will explore the need of Member States for similar tools.

In addition, public administrations need data and thematic information to better inform their training needs and competences development. Comparative data on public administration is still relatively limited.

The Commission will:

- Develop a 'Passport of core competences' applicable to jobs and roles in public administrations, including leadership skills. The 'Passport' will help the public administrations to design modern and advanced policies to develop their human resources, prepare for future skills needs and help intra-EU mobility of civil servants. [from Q1 2024]
- Support the Member States in **modernising their HR policies**, with guidance and piloting the transfer of competency frameworks and HR tools (for example, to identify skills gaps in their workforce) into their organisational context. [from Q1 2024]
- Update and expand the **Quality of Public Administration Toolbox**⁵⁸ to guide the modernisation of public administrations. [from Q1 2024]
- Develop **methodologies for relevant public administration indicators**, help improve existing tools for data production, **conduct cross-EU studies** on relevant topics, such as attractiveness of public administration, the effects of the demographic changes and the future of jobs in public administration. It will promote on a **Public Administration Portal** a wide range of data and information capturing the status and performance of the public administrations across the EU. [from Q1 2024]

Pillar 2. Capacity for Europe's Digital Decade

The Digital Decade sets out the targets, by 2030, of having 100% of key public services accessible online for people and businesses, granting all people access to their medical records online and to a secure electronic identification means (eID) recognised throughout the EU while taking into account the needs of people who do not have full access to digital services or have limited capability. Digitalising administrative procedures, engaging in technical preparations for providing EU Digital Identity Wallets by 2026, increasing the automated exchange of evidence and information⁵⁹ to deliver user-centric digital public services and improving the digital skills of staff are important prerequisites for public administrations to achieve these targets. Public administrations can generate efficiency gains amounting between EUR 439 million and EUR 1.3 billion a year by increasing the use of digital public services by up to 80 % by 2030⁶⁰. Improving cross-border interoperability of digital public services could lead to efficiency gains up to EUR 6.3 million for people and between EUR 5.7 and EUR 19.2 billion for businesses⁶¹. The objectives

⁵⁸ Quality of Public administration Toolbox (2017 edition).

⁵⁹ Commission Implementing Regulation (EU) 2022/1463 setting out technical and operational specifications of the technical system for the cross-border automated exchange of evidence and application of the 'once-only' principle.

⁶⁰ See footnote 16 (Report on the cost of underperformance in public administration).

⁶¹ European Commission, SWD (2022) 721, Impact Assessment Report for the Interoperable Europe Act proposal.

of the Digital Decade guide public administrations through their own digital transformation and support their adaptation to technological changes.

The fast evolution of digital technologies and their use require active adaptation of the legal framework⁶²: from the use of digital tools to data availability and exchange, to interoperability, and the ethical use of AI and other digital technologies. Further to digital upskilling and reskilling, public administrations need to embrace interoperability, leverage the increased availability of large amount of data, digitalise administrative procedures, and become AI-ready. They should also strengthen their cooperation on digital governance in the EU to share and jointly develop solutions, avoid fragmentation, pool data processing resources, and improve data sharing. This would diminish the digital divide by rendering public services more inclusive and accessible to all.

The actions under this pillar will be implemented primarily through the TSI and other EU funding mechanisms, such as the Digital Europe Programme, the Single Market Programme and Connecting Europe Facility 2.

5. Future-proof digital public administration

Public administrations need to adopt digital technologies while changing the way in which they operate. They are expected to provide services in a seamless and user-friendly manner for people, businesses, and their own staff. This often entails a profound (digital) transformation to re-design current processes or change policies, simplify the daily life of people and improve the business environment by reducing bureaucracy.

Through the enforcement of EU digital legislation, public administrations can collaborate more effectively, align their efforts with EU-wide objectives, and establish more resilient and sustainable digital and data infrastructures and services. EU legislation provides the framework for effective and secure data exchange and interoperability between public administrations. A structured cooperation mechanism between the digital transformation offices of the Member States, usually the Chief Information Officers, is critical for the EU public sector interoperability. This facilitates joint innovation projects, allows for reuse of tested technologies, and reduces investment cost and risk, allowing faster and safer roll-out of connected digital public services⁶³. Moreover, the NIS2 Directive⁶⁴ requires public administrations to take appropriate and proportionate cybersecurity measures and ensure the secure provision of their services. In 2023, EUR 30 million were allocated in the Digital Europe Programme to support the implementation of EU legislation on cybersecurity and national cybersecurity strategies.

The Commission is monitoring the impact of digital transformation on public governance across the EU by gathering and analysing data, from existing or emerging monitoring mechanisms⁶⁵, and

⁶² The digital-related regulatory framework includes the proposed <u>Data Act</u>, the <u>Open Data Directive</u> and related <u>Implementing Regulation on high-value datasets</u>, the <u>Data Governance Act</u>, the proposed <u>Artificial Intelligence Act</u>, the proposed <u>Interoperable Europe Act</u>, the <u>Digital Markets Act</u>, and the <u>Digital Services Act</u>.

⁶³ European Commission, COM/2022/710 final, A strengthened public sector interoperability policy,

⁶⁴ <u>Directive (EU) 2022/2555</u> of the European Parliament and of the Council of 14 December 2022 on measures for a high common level of cybersecurity across the Union.

⁶⁵ Following recent work on landscaping the monitoring of interoperability and digital transformation and identifying opportunities for streamlining European monitoring of digital policies by the European Commission's Joint Research Centre.

by sharing findings and recommendations. It is also studying the impact, risks and opportunities of AI and emerging technologies for public administrations⁶⁶.

The TSI has already supported 180 digital transformation reforms across the Member States to develop strategies for the uptake of new digital technologies, strengthen digital governance, create prototypes, or test new solutions. At the same time, RRPs support the digital transformation of public administrations, with 37% of the digital expenditure, or EUR 53 billion, devoted to digital public services and e-government. Reforms aim at introducing or improving e-government solutions, such as eID deployment, at ensuring the interoperability of digital public platforms, as well as at improving data collection and management. Investments aim to integrate advanced technologies in government processes, as well as strengthening cybersecurity. Planned investments in Cohesion Policy 2021-2027 supporting digital transition amount to more than EUR 39 billion. This includes EUR 11.2 billion envisaged for digital services and digitalisation of business and public administrations.

The Commission also supports public-private 'GovTech' cooperation that stimulates public sector innovation and helps make public services more accessible, inclusive and efficient. A knowledge hub and a virtual space showcasing experiences promotes the uptake of emerging technologies, such as virtual worlds and Web 4.0, in the public sector (Public Sector Tech Watch)⁶⁷. The Commission co-funds AI Testing and Experimentation Facilities for Smart Cities and Communities through a five-year long and EUR 40 million project focusing on climate, environment, mobility and other local infrastructures.

Better synergies can be established between the provision of technical support and the ongoing actions for the implementation of the Digital Decade. To this end, the Commission will continue to share good practices and actively promote the piloting and operational uptake under the TSI of models and prototypes developed under various other EU programmes (notably Horizon 2020 and Horizon Europe, Digital Europe Programme, Justice).

The Commission will:

- Support public administrations in implementing digital and data-related legislation and increasing their readiness to integrate AI technologies into their operations in a safe and trustworthy way, supervising AI technologies, strengthening cybersecurity and designing and implementing public policies, including to support convergence of public procurement practices. [from Q1 2024]
- Promote the **sustainable and effective use of emerging technologies by public administrations**, for example through the development of open standards or support for cross-border public services using decentralised technologies such as distributed ledger technologies (e.g., blockchain). [from Q1 2024]

The Member States are encouraged to use existing and new opportunities to increase their digital readiness, including through technical support and participation in communities of practice. They are also encouraged to promote these opportunities within their administrations and support the secure integration of AI and other digital technologies in their operations. In particular, the AI-on-

⁶⁷ See JoinUp.

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⁶⁶ European Commission, Joint Research Centre, <u>AI Watch. European landscape on the use of Artificial Intelligence</u> by the Public Sector, European Landscape on the Use of Blockchain Technology by the Public Sector and <u>Next generation virtual worlds: opportunities, challenges, and policy implications.</u>

Demand Platform will support the uptake of trustworthy, ethical and transparent AI technologies by industry and the public sector. Additionally, they can actively participate in existing and future European Digital Infrastructure Consortia for emerging trends and programmes such as virtual worlds, Language Technologies and CitiVerses.

6. Frameworks, guidelines, and tools for digital transformation

The EU aims to ensure that services are accessible to all people without discrimination, in line with agreed values and principles in the digital area⁶⁸ such as the 'once-only' principle and humancentricity. Increasing interoperability is essential in this regard, as it enables legal, organisational, semantic, and technical harmonisation for cross-border data exchange, as recommended by the European Interoperability Framework. Interoperability is also crucial to eliminating barriers to the Single Market and delivering interconnected digital public services. Specific interoperable solutions have been developed in various areas⁶⁹, such as customs, public procurement, or legislation⁷⁰. Furthermore, the Commission has proposed specific actions to improve the coordination of social security systems through further digitalisation⁷¹. With its participation in the Living-in.EU movement, the Commission encourages cities and communities to scale up commonly agreed, interoperable digital solutions to provide more informed, innovative and highquality services to people and businesses.

Efforts towards interoperability are multifaceted and include the interconnection of relevant infrastructures, such as cloud infrastructures, the upcoming legal framework around digital identity, providing for common specifications for EU Digital Identity Wallets, and the data spaces for public administration⁷².

The Once-Only Technical System

The Single Digital Gateway Regulation⁷³ provides the legal framework for the creation of Common European data spaces for public administrations to share information in a trusted way. By December 2023, a government-to-government data space, known as the Once-Only Technical System, will be established by the Commission and Member States. It will significantly ease and speed up cross-border administrative procedures to share data and documents covered by the Single Digital Gateway. It will thus be easier for people to study, move, work, retire and for companies and SMEs to do business across the EU. The system will connect public authorities across the EU so that they can exchange official documents and data needed for these administrative procedures at the citizen's or companies request.

The Commission will:

Support the delivery of **fully accessible online administrative services** by using the Single Digital Gateway, the eGovernment initiative to digitalise public administration and the

⁶⁹ Joinup platform.

⁶⁸ Berlin Declaration on Digital Society and Value-based Digital Government.

⁷⁰ The EU Single Window Environment for Customs streamlines the electronic exchange of documents and information required for the goods clearance process; The Public Procurement Data Space facilitates a more comprehensive overview of public procurement in the EU; Identification schemes such as EU European legislation or case law identifiers, for cross-border exchanges in the legal domain.

⁷¹ European Commission, COM(2023) 501 final, Digitalisation in social security coordination: facilitating free movement in the Single Market.

⁷² European Commission, SWD(2022) 45 final, Common European Data Spaces.

⁷³ Regulation (EU) 2018/1724 establishing a single digital gateway to provide access to information, to procedures and to assistance and problem-solving services and amending Regulation (EU) No 1024/2012.

automated exchange of evidence managed with the Once-Only Technical System and verification of authenticity of evidence through the Internal Market Information System⁷⁴. It will continue to facilitate the interoperation of Common European data spaces and further promote the electronic exchange of information between public administrations across borders, enabled by the Internal Market Information System and the Electronic Exchange of Social Security Information. [from Q4 2023]

- Develop tools for **increased interoperability** and for the **provision of seamless services**, notably it could set up an Interoperable Europe Support Centre, supporting public administrations in setting up interoperability assessments and promoting the European Interoperability Framework, as well as its specialisation, such as the one for smart cities and communities. [from Q1 2024]
- Publish an **overview of the funding opportunities** for public administrations' digital transformation and the synergies between them. [from Q4 2024]
- Support the **federation of cloud capabilities across public administrations** to foster their technological basis and enhance their delivery of public services⁷⁵. To do this, the Commission will procure an open-source Smart middleware platform, publish guidance on the public procurement of cloud services and foster interconnection and interoperability of public administration cloud services. [from Q4 2024]

Member States are encouraged to use opportunities supporting their digital transformation, such as the TSI and other EU funding mechanisms, as well as targeted training and tools. They can actively participate in the Commission's efforts to facilitate the electronic exchange of data between public administrations across borders and to improve their interoperability. They can also use the Commission's support to digitalise their justice systems through legislation, funding, development of IT tools and promotion of national coordination and monitoring instruments.

Pillar 3. Capacity to lead the green transition

The EU has committed to become climate neutral by 2050 and to boost the efficient use of resources while ensuring social justice and inclusiveness. The fast decarbonisation of the electricity production and the energy use is a critical first milestone, that needs to be complemented by more profound changes in sectors such as construction, transport, commerce, agriculture, waste and water management. Cities are crucial for achieving the climate targets as they represent 70-80% of EU greenhouse gas emissions and 80% of EU population. Climate change requires boosting resilience of infrastructure, as well as capacity to deal with challenges like extreme weather, frequent natural disasters, water shortages, etc. These are anticipated to negatively impact the biodiversity, with profound effects on the environment, and in turn on food production and carbon sinks.

Public administrations have a key role in shaping the conditions for economies and societies to deliver on the ambitious 2030 climate and energy targets and should lead by example.

⁷⁴Currently, the system supports 95 administrative cooperation procedures in 19 different single market related policy areas.

⁷⁵ Announced in the European Strategy for Data and reiterated in the 27 Member States' Declaration on Building the next generation cloud for businesses and the public sector in the EU.

They need to mainstream the green transition across all policy areas and governance levels, based on integrated planning, robust evaluations and impact assessments, and wide consultations to ensure that no one is left behind. They need to adapt the public finances to support the green transition and social fairness via appropriate tax policies, green public procurement, sustainable finance, and investments which respect the 'do no significant harm' principle. They should promote the systematic integration of measures to support healthy ecosystems, green infrastructure, and nature-based solutions in public and private decisions. They need to ensure adequate capacity for green reforms and investments across all levels of government⁷⁶.

The actions under this pillar will be implemented primarily through the TSI.

7. Shaping the green transition

The Commission has consistently made efforts to build up a comprehensive framework to achieve climate mitigation and adaptation, environmental protection and energy efficiency in the EU. For example, the Commission, together with the European Environment Agency, offers technical assistance to Member States on ex-post assessments of policies and measures, and reporting and monitoring of emissions. The Commission supports the preparation of National Energy and Climate Plans and long-term strategies, the implementation of the just transition, green budgeting and 'do-no-significant harm' principle. It builds capacity to identify and share good practices of policies and measuresand to set up multi-level climate and energy dialogues⁷⁷.

Public administrations need to ensure the effective implementation of transformative changes in the energy systems. Moreover, given the emerging threats in the security and resilience of critical energy infrastructures, they need adequate emergency-response capacity. To do so, they should improve their cooperation, notably by enhancing the sharing of knowledge and good practices, facilitating the analysis of cross-sector and cross-border interdependencies and conducting testing exercises⁷⁸. More widely, they need to step up reforms for energy efficiency and renewables, mobility, circular economy, biodiversity and nature-based solutions, waste and water management, air quality, climate risk assessments and scenario building, land use and forestry.

The Commission will:

- Support Member States in **updating their national Climate Adaptation Strategies and plans**, in line with the guidelines⁷⁹, as well as in fulfilling new obligations, such as those stemming from the Energy Efficiency Directive recast. [from Q1 2024]
- Promote the implementation of the 'do-no-significant harm' principle, including the **uptake of climate proofing guidance and other environment-relevant guidance**. This will help build capacity and tools for green public budgeting, greening public investments and green procurement (for example, by strengthening the use of approaches that reflect

⁷⁶ Several Member States have RRP measures addressing green budgeting, green taxation and green public procurement.

⁷⁷ European Climate Adaptation Platform; EU Mission: Climate-Neutral and Smart Cities; Covenant of Mayors initiative; Climate and Energy Dialogue Platforms.

⁷⁸ The stress tests of entities operating critical infrastructure in the energy sector pursuant to Council Recommendation 2023/C 20/01 should be completed by the end of 2023.

⁷⁹ Guidelines on Member States's adaptation strategies and plans.

long-term societal and environmental costs and benefits, including the values of natural capital, and energy efficiency criteria). [from Q1 2024]

- Promote tools and methods for climate risk assessments and risk prevention, such as sector or policy-specific risk assessments (the National Risk Assessment for Disaster Management under the Union Civil Protection Mechanism; macro-financial risk assessments) and local risk assessments (as in the Climate-Adapt toolbox). [from Q1 2024]
- Support Member States to develop capacities to **plan**, **design and implement ecosystem restoration measures and nature-based solutions**, as cost-effective and environmentally positive measures to maintain essential ecosystem services. [from Q2 2024]
- Use the **Environmental Implementation Review**⁸⁰ to identify the root causes of inefficient **implementation of environmental legislation and policy** by Member States with a view to designing support measures to improve environmental governance. [from Q2 2025]

8. Promoting the greening of the public administration

In addition to shaping the green transition, public administrations at all levels should lead by example, by adapting their own organisational management and promoting staff awareness on greening⁸¹. Greening the public administration can include practices for sustainable use resources and management of assets, including climate-resilient buildings and working spaces, minimum life-span standards for the use of IT and other equipment, recycling, green procurement, reducing own carbon emissions and using renewable energy. The RRF and Cohesion policy widely support energy renovation of public administration buildings and some Member States included measures on greening their fleets and promoting flexible ways of working for civil servants in their RRPs.

In the context of the EU Green Deal, the Energy Efficiency First principle⁸² requires energy efficiency solutions, for example, to be considered in energy system and non-energy sectors planning, policy and investment decisions. The application of the Energy Efficiency Directive sets targets for annual energy consumption reduction for all public administrations, for the renovation of public buildings, as well as for energy and resource efficiency requirements in public procurement.

Moreover, practices can promote fair trade and sustainable food, and participation in projects that promote biodiversity and sustainability in urban and non-urban contexts; and encourage environmentally friendly behaviour of their employees (e.g., when commuting or business travelling).

The EU Eco-Management and Audit Scheme (EMAS)

The Commission established this scheme to help organisations improve their environmental performance by saving energy and other resources, while focussing on legal compliance and promoting staff participation. It provides a method to evaluate and reduce their environmental impacts and a governance system with independent third-party verification for greater credibility. 286 public administrations

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⁸⁰ Environmental Implementation Review.

⁸¹ European Commission, C(2022) 2230 final, Greening the Commission.

⁸² Regulation (EU) 2018/1999 on the Governance of the Energy Union and Climate Action and the Directive (EU) 2023/1791 of the European Parliament and of the Council on energy efficiency.

throughout Europe have already made a commitment to reduce their environmental footprint and are registered in the scheme.

The Commission will:

- Develop further guidance on the use of the EU Eco-Management and Audit Scheme, to step-up the reduction of organisations' environmental footprint, and support public administrations in adopting the scheme. [from Q4 2023]
- Promote and support the deployment of **methodologies for the assessment of organisational carbon footprint**; facilitate the exchange of good practices on ecological transition. [from Q2 2024]
- Facilitate access to technical support and guidance for decarbonisation and improving overall sustainability of buildings, as well as efficient heating in public administrations, particularly at local level. [from Q2 2024]

The way forward

The ComPAct puts forward actions to be implemented gradually, primarily through the TSI and other EU funding mechanisms with a view to promote knowledge-sharing between public administrations across Europe and facilitating the uptake of principles which are at the heart of European integration. The Commission will report on the implementation of the ComPAct under the TSI reporting requirements. Lessons learned will guide the Commission in targeting even better EU tools to support public administrations in the future.

Member States can participate in the ComPAct at their own pace and according to their respective needs and institutional settings. They may choose from the actions put forward by ComPAct, which are demand-driven. The tools, methodologies, peer support, experience and exchanges of practice put forward will help the public administrations to learn, innovate and improve practice and performance.

The ComPAct will complement and add value to other existing forms of cooperation among the EU Member States, such as the European Public Administration Network (EUPAN), the Network of Directors of Institutes and Schools of Public Administration (DISPA), as well as in international fora and between expert networks.

The ComPAct will only be able to deploy its full potential through a strong engagement of all actors and stakeholders of the European Administrative Space. For the implementation of the ComPAct, the Commission will interact with authorities in the Member States who manage the public administration development at different levels, institutes that provide training, other entities as appropriate, as well as stakeholders such as the social partners, academia, and experts. This continued engagement will also be fundamental to identify relevant themes and future actions where EU support to public administrations can bring an added value. The Commission's Expert Group for Public Administration and Governance will continue to be a key platform for dialogue. The Commission continues to be committed to contribute to the political dialogue at the ministerial meetings organised under the EU Presidencies. The active involvement of Member States and their reinforced willingness to share their public administration reform experiences, to learn from and to support others will be decisive to deliver on the ComPAct's goals and ambition.