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

**eEurope 2005 Mid-term Review**

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***e*Europe 2005 Mid-term Review**

**1. INTRODUCTION**

The *e*Europe Action Plan is part of the strategy set out at the Lisbon European Council to modernise the European economy and to build a knowledge based economy in Europe. The *e*Europe 2002 Action Plan was adopted in 2000 and by the end of 2002, the majority of its 65 targets had been met. Nearly all business and schools were connected to the Internet; the number of households connected had nearly tripled and Europe had the fastest research network in the world<sup>1</sup>

However, by the end of 2002, there was little evidence to show that the success in getting Europe on-line had been translated into new jobs and services. Nor were there the increases in productivity observed elsewhere, notably in the USA. Connectivity was there, but use was lagging behind.

Stimulating use and creating new services therefore became the central goal of *e*Europe 2005, which was endorsed by the Seville European Council<sup>2</sup>. The overall aims are that, by the end of 2005, Europe should have modern online public services (e-government, e-learning, e-health) and a dynamic e-business environment, based on the a widespread availability of broadband access at competitive prices and a secure information infrastructure.

The Member States gave their commitment to implement the Action Plan in the *e*Europe Resolution<sup>3</sup> of February 2003, which also welcomed the intention of the Commission to hold a mid-term review of the action plan “in advance of the Spring European Council 2004”.

This mid-term review Communication provides the Commission’s analysis of political and concrete developments, responses by Member States and Candidate Countries to a survey in autumn 2003 and inputs from an online questionnaire and a public hearing held in October 2003. The main outcome of the consultation was to confirm the relevance of *e*Europe objectives and their adequacy to the challenges of information society in the acceding countries. A consensus was expressed on the need to focus the mid-term review on updating and fine-tuning the initiatives and strengthening the implementation mechanisms. The Communication follows closely the structure of the Action Plan and is supported by a more detailed working paper providing further background on policy developments and benchmarking in each domain.

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<sup>1</sup> See *e*Europe 2002 Final Report, COM(2003) 66 and *e*Europe 2002: Progress made in Achieving the Targets SEC(2003)407.

<sup>2</sup> *e*Europe 2005 Action Plan, COM(2002)263.

<sup>3</sup> Council Resolution on the Implementation of the *e*Europe 2005 Action Plan, 2003/C 48/02.

## 2. SERVICES FOR CITIZENS AND BUSINESSES

### 2.1. e-government

It is now widely acknowledged that e-government is a key tool for public sector reforms. The strong political support in Member States is indicated by all of them having active e-government policies. ICT is seen as a catalyst for administrative modernisation and service improvement. e-Government is at the core of national policies for the Information Society. Benchmarking shows that government basic services fully available online grew from 17% to 43% between October 2001 and October 2003, although wide differences persist between Member States, ranging between 72% to 15% of services fully available online in October 2003.<sup>4</sup> There is, meanwhile, a noted need for better ICT tools and interoperability, better skills and integration of back and front office.<sup>5</sup>

The eEurope 2005 targets for e-government remain valid and Member States have agreed on a number of new joint initiatives at the EU level since the adoption of the Action Plan. Good progress is being made in most Member States on the number of broadband connections for administrations, interactive public e-services, and Public Internet Access Points (PIAPs), as well as e-procurement availability.

Responses to the consultation called attention to the following issues for the review of the eEurope 2005 Action Plan:

- Benchmarking, it is important that e-government is not only about implementing technologies and supplying services but that it provides solutions. Supply is growing but demand lags behind<sup>6</sup>. The factors that will drive demand need to be better understood. This calls for increased efforts to measure the social and economic impact of e-government and the drivers of demand for e-government. Complementary quantitative and qualitative measures are needed to meet these concerns.
- Exchange of good practices: accumulated experience permits the identification of good practices and success factors. In addition to instruments such as conferences and awards, more structured exchange on best practice and transferability of lessons is required. Some Acceding and Candidate Countries requested guidance on e-government implementation.
- Reinforced co-operation at EU level on policy orientation and financial support: areas cited were trust and security (& identity management), standardisation and open source software, inclusive accessibility (& multi-platform access) and innovation. Many Member States also identified interoperability (e.g. common citizen identifiers, e-authentication and data vocabularies). Interoperable pan-European services might be targeted for development where there is a match with EU policy objectives and the needs of European citizens.

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<sup>4</sup> *Web based Survey on Electronic Public Services*, Cap Gemini Ernst & Young, December 2003.  
[http://europa.eu.int/information\\_society/eeurope/2002/action\\_plan/egov/index\\_en.htm](http://europa.eu.int/information_society/eeurope/2002/action_plan/egov/index_en.htm)

<sup>5</sup> *Reorganisation of government back offices for better electronic public services – European good practices*, Danish Technological Institute, December 2003.

<sup>6</sup> *Management A/S, Top of the web – Survey on quality and usage of public services*, PLS Ramboll, November 2003. <http://www.topoftheweb.net/en/index.htm>

## **2.2. e-learning:**

Connectivity to ICT infrastructures continues to rise in the education and training sector. There is increasing awareness of the factors that make its use a success. e-Learning requires reliable technology with high bandwidth connectivity, the support of highly qualified teachers/trainers and tutors, high quality content and services as well as new approaches to learning. High policy commitment is expressed through national plans and the recently adopted eLearning Programme.

For the review of the Action Plan:

- There is a need to systematically evaluate the lessons that have been learnt from all the initiatives and pilot actions in order to set a course for e-learning in the future. As with the eLearning Programme, the priority is to learn the lessons from all the experience in the field and to scale fast to an operational roll-out, as well as to promote new approaches to learning. The Action Plan could contribute in this respect with increased efforts to encourage co-operation share results and exchange practices.

## **2.3. e-health:**

With its dependence on bandwidth, security and privacy, and user-centred service provision, e-health encapsulates all main themes of eEurope. e-Health is becoming a central aspect of health policy at regional, national and European level. Most Member States now have developed e-health plans many of which call upon an expenditure of more than 3% of the health budget on e-health tools and applications. At European level both the research framework programme and the public health programme put considerable emphasis on e-health.

For the review of the Action Plan:

- The consultation reaffirmed the need to continue work on the three e-health actions proposed in eEurope: electronic health cards; online health services and health information networks by Member States and the Commission.
- In addition, in line with the recommendations of the EU ministerial conference in 2003, strong political leadership and commitment is needed to create European wide interoperability in e-health guaranteeing citizen-centred continuity of healthcare and patient mobility. Challenges identified include: interoperability and standards for health products, systems and services; safety and security issues at human and technical level (including training needs); legal certainty and privacy; measurement and dissemination of benefits of e-health solutions through agreed EU wide benchmarks and cost-benefit analyses; patients' mobility.

## **2.4. e-business:**

To meet the goals of the eEurope 2005 Action Plan achievements in the e-business field should extend beyond e-commerce, for which surveys show a steady increase in buying and selling on-line, to encompass the full integration of ICT into business processes.

The main action lines of the Action Plan (legislation, standardisation, skills and the stimulation of e-business use by SMEs) remain valid. The legal framework for e-business is consolidating, with the transposition of the e-signature, e-commerce and Copyright Directives

and the adoption of the legislative package of procurement directives, which introduce e-procurement to the public sector. Furthermore, the e-business legal conference, to be held in Dublin in April 2004, will present and discuss the results of an on-line consultation on persisting legal barriers for enterprises doing e-business. In addition, the Commission will prepare a Communication on fair trade in B2B Internet trading platforms, in April 2004, in order to stimulate and facilitate the participation of SMEs.

A Communication from the Commission on unsolicited commercial communications, or 'spam', in January 2004 identifies actions for public and private stakeholders to reinforce the new EU-wide 'ban on spam' included in the e-privacy Directive<sup>7</sup> Also, most Member States and many European regions have launched initiatives to stimulate the take-up of e-business by SMEs.

For the review of the Action Plan attention is needed on implementation, especially:

- **Monitoring progress:** The full support of Member States for large-scale surveys is essential. Quantitative targets for e-business policies should be implemented in the Enterprise Policy Scoreboard in line with the eEurope 2005 targets.
- **Interoperability and standardisation:** The insufficient interoperability of business applications impedes the adoption of new forms of collaboration. Support from the Member States is needed to ensure that interoperability issues can be addressed. Relevant mechanisms for this include the forthcoming European e-Business Interoperability Forum and relevant workshops to be established by CEN and a conference on interoperability in 2004.
- **The take-up of the .eu Top Level Domain:** All Member States and acceding countries support the establishment of the .eu Top Level Domain. Some regard it as a determining factor to instil confidence in e-commerce in the EU. Thus the eEurope Action Plan should focus on implementation of the Regulation and its availability to all in the EU by 2004.
- **Secure and effective e-payment systems:** Confidence and trust in online ordering and payment is essential to stimulate e-business and m-commerce and in particular efforts to establish effective procedures for micro-payments and address policy issues relating to m-payments are needed.

### **3. A FASTER, MORE SECURE INTERNET FOR ALL**

#### **3.1. Broadband:**

Broadband is at the top of the political agenda. At the 2003 Spring European Summit, Member States agreed to put in place broadband national strategies by the end of 2003. The Commission will report to the European Council on the State of the telecom Sector in March 2004 and in detail on strategies in June 2004.

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<sup>7</sup> Unsolicited Commercial Communications or 'spam', COM(2004) 28. More information is available at: [http://europa.eu.int/information\\_society/topics/ecom/highlights/current\\_spotlights/spam/index\\_en.htm](http://europa.eu.int/information_society/topics/ecom/highlights/current_spotlights/spam/index_en.htm)

The broadband market is expanding; availability and take-up are increasing across the EU. There were 19.5 million connections in the EU at the end of October 2003 compared to the 10.6 million in October 2002, 72.5% being DSL lines and most of the rest being cable modem access. Wider coverage and use is expected through a multi-platform approach based on the coexistence and exploitation of a variety of technologies. The EU approach to infrastructure development is technology-neutral, both in terms of regulation and policy.

With the new regulatory framework for electronic communications coming into force, a full, effective and timely transposition of EU legislation in each Member State and Acceding Country is very important to create the correct and predictable environment for investment to occur. The Commission's 9th Report on the implementation of the EU Electronic Communications Regulatory Package, adopted on 19 November 2003, points out that competition in the broadband market is still weak, and that a number of Member States have not yet implemented the new regulatory framework. Moreover, in light of the fact that the consumer access to broadband is mainly via DSL lines it is of concern that the 9<sup>th</sup> Report also states that competition in broadband remains weak.

The EU is confronted with two main challenges to reap the full benefits of broadband and responses are being developed at the EU Level to overcome the bottlenecks:

Where private investment in the information infrastructure in less favoured areas is held back by fears for its profitability, there is a risk that eEurope will not meet its goal to develop an "information society for all". To this end, specific actions have been taken, articulated around the use of the Union's structural funds, to overcome shortfalls of demand in rural and remote regions and economically disadvantaged urban areas. Indeed the Commission recently adopted revised "guidelines on criteria and modalities of implementation of structural funds in support of electronic communications".<sup>8</sup> To give further impetus, new Digital Divide "Quick-start projects" will accelerate provision of broadband in under-served areas through a technology-neutral approach.<sup>9</sup>

The second issue is that the take-up of broadband lags behind availability in all Member States. The lack of attractive broadband content is one of the bottlenecks for greater use of broadband. Broadband allows a broad range of new services, in particular multimedia services, but the emergence of new business models requires a range of issues to be addressed. For example, making copyright protected content available on-line is highly dependent on the implementation of Digital Rights Management (DRM) technologies.

For the review of the Action Plan issues include:

- Monitoring: Wider technological choice and multi-platform environments calls for more detailed monitoring efforts for example on national level Digital TV Switchover Plans.
- Shift from supply to usage patterns: The shift from concern with simple connectivity to stimulating the use of broadband requires an assessment of how people integrate broadband into their daily activities. A better knowledge is needed of barriers to providing open and interoperable digital content and public services on all platforms.

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<sup>8</sup> SEC (2003) 895

[http://europa.eu.int/comm/regional\\_policy/sources/docoffic/working/doc/telecom\\_en.pdf](http://europa.eu.int/comm/regional_policy/sources/docoffic/working/doc/telecom_en.pdf)

<sup>9</sup> See COM(2003) 65 'Road to the Knowledge Economy' and COM (2003) 690 A European Initiative for Growth.



- Digital Rights Management (DRM): should be addressed at the EU level. The legal framework for the protection of DRMs is set by Directive 2001/29/EC, currently being transposed by Member States. But more transparency is required on the criteria that Member States use or will use to take into account the application of DRMs in determining remuneration schemes. The market is at a critical point of development. On the one hand, the absence of an interoperable DRM infrastructure may lead to further fragmentation of the market. On the other hand, a successful implementation of DRM technologies in systems and services will help to ensure the development of important new on-line content markets, a vital factor in the roll-out of broadband, as well as to support the economic vitality of the content industries more generally.

### **3.2. Security:**

Network and information security is a prerequisite for the information society. Almost 80% of the European citizens were inhibited in buying over the internet because of security fears, while only 54% of companies have a formal security policy. Some Member States are developing national strategies on information security that cover legal responsibilities, awareness campaigns, management and technical standards, improvement of incident response and cybercrime strategy. All Member States and Acceding Countries emphasised the implementation of the electronic signature Directive as an important step in this field.

The new EU legislative framework also includes provisions on secure electronic communications. High priority on security issues at the EU level is reflected by the fast political agreement to establish a European Network and Information Security Agency (ENISA). Its main objectives are to provide assistance and deliver advice to the Commission and Member States on issues related to network and information security in order to help ensure the smooth functioning of the internal market. It will help to achieve an increased co-ordination and information exchange between stakeholders on information security. The Agency will provide the mechanism for the development of a culture of security.

Issues to be considered in the review are:

- Achieving wider market acceptance of e-signatures by promoting at European level the use of interoperable standards and promoting all forms of electronic signatures regardless of the technology used.
- The role of standards and certification in creating trust in the information society.
- Identifying priorities for co-operation at the EU level in the field of network and information security, in particular in the framework of ENISA (development of public private partnership at the EU level, inventory of activities and organisations in the Member States, best practices in the field of awareness raising and risk assessment).

### **3.3. e-inclusion:**

ICT developments do not diffuse uniformly across all regions and socio-demographic groups, thus “e-inclusion” or the “digital divide” is a horizontal concern for all areas of eEurope 2005. The consultation showed broad awareness of these issues and a consensus on the need for further action.

In particular, a greater focus is needed on the future potential of new platforms to increase accessibility and to encourage a wider range of people on line, this would include looking at local area and wide area wireless solutions and the switchover to Digital TV.

For the review of the Action Plan attention is needed on:

- Data to assess the extent of regional imbalances, perhaps alongside the review of the policy orientations for the structural funds.
- EU level e-accessibility standards, including e-procurement, on implementation of Web Accessibility Initiative (WAI) guidelines and common labelling for accessible web pages.
- Improved accessibility for excluded groups and disadvantaged regions by further promoting multi-platform ICT access (PC, digital TV, 3<sup>rd</sup> Generation Mobile, etc)
- Uptake and use of ICTs by groups at risk of exclusion to be stimulated by awareness and digital literacy actions and provision of appropriate content and services

## **4. IMPLEMENTATION**

### **4.1. Benchmarking:**

Following the guidelines set in the Council Resolution on *eEurope*<sup>10</sup>, the benchmarking exercise is largely based on official statistics. Surveys of households and enterprises were organised by Eurostat and carried out by National Statistical Institutes (NSI). These surveys supply 26 of the 37 indicators. By January 2004, results had been made available for 12 enterprise surveys and 11 household surveys.

To ensure regular and comparable data provision in Member States and to enable greater use of official statistics on the information society, in August 2003 the Commission proposed a European Parliament and Council Regulation concerning statistics in the Information Society.

The Council Resolution on *eEurope* requested pilot work on the e-business and e-health indicators. The methodological analysis for an e-business readiness indicator was undertaken by Commission services and proposals will be presented when data for 2003 is available. This indicator could be included in the benchmarking exercise from 2004. Results from the pilot work on e-health should be available in spring 2004.

Both the mid-term review survey responses and discussions in statistical working groups have stressed the need to review the indicators. For the review of the Action Plan the issues were:

- The current indicators focus too much on readiness and not enough on intensity and impact<sup>11</sup>.
- Indicators do not show to what extent the targets of *eEurope* have been achieved.

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<sup>10</sup> 2003/C 48/02

<sup>11</sup> The categories of readiness, intensity and impact were defined by the OECD in 'Defining and Measuring e-Commerce: A Status Report' OECD-DSTI 08/10/1999.

- There is a need to provide comparative figures for third countries; eEurope should be benchmarked against the best in the world.
- It is too early to provide an assessment of the eEurope 2005 benchmarking exercise. A benchmarking report with all available data for 2003 will be presented in June 2004. Initiatives additional to the current benchmarking exercise could be taken immediately as part of the mid-term review outcome to address the need for more analysis and a more policy relevant and comprehensive set of indicators.

#### **4.2. Exchange of good practice:**

The exchange of good practices is complementary to the efforts on benchmarking and is an underlying principle of the Open Method of Co-ordination. A wide range of instruments are available to support good practice. These include forums and conferences, such as the second e-government conference in 2003, organised with the Italian Presidency, and the e-health conference during the Greek Presidency; competitions and quality awards; support networks to promote mutual learning such as the e-Business Support Network (eBSN) and European Schoolnet<sup>12</sup>; the codification of lessons into guidelines, checklists, roadmaps or technical working documents; adoption of voluntary codes of good practice and open standards based upon codification of practices.

These instruments are widely deployed in support of eEurope. However, in order to facilitate a more effective exchange of experience more thought is needed on how to target their use to achieve a greater impact than in an ad hoc manner. The need is to balance the mix of these policy instruments in each domain to optimise exchange, depending on the level of consensus, experience and maturity in the field.

## **5. CONCLUSIONS**

At mid-term of the eEurope 2005 Action Plan important progress has been made.

The eEurope 2005 targets remain valid, in the context of the enlargement of the EU to 25 members and the consultation revealed that it has acted as a stimulus to many national and regional efforts. Significant developments in the areas of broadband and e-government have been supported by increased political support at the national and EU levels.

Achieving the goals of eEurope 2005 requires strong political leadership and commitment at all levels. There are many areas of success – broadband connectivity is rising, government services are increasingly fully on-line.. However, in many fields progress is still supply driven, concentrating on technology, applications and initiatives. A concerted effort is needed from all sides if we are to achieve the productivity gains and job creation expected from eEurope. This push to maturity means emphasising the delivery of solutions and on scaling up fast from success stories to critical mass.

Specific areas that require greater focus and will be important in the revision of the action plan are:

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<sup>12</sup> <http://community.eun.org/>

- Interoperability, standards and multi-platform access emerged in all areas as requiring greater focus. In many cases the key requirement is not technical solutions but the setting up of multi-party or institutional agreements.
- Reinforcement of the pan-European dimension. Most initiatives remain nationally or regionally focused. The possibilities for cross-border learning and exchange are widely recognised but less often acted upon. Difficulties of interoperability persist or are even multiplied by the profusion of efforts. Opportunities to close the gap between leaders and followers through a more effective exchange of practices are missed.
- A move to a demand-driven approach that emphasises service delivery, end-user value for all and functionality. In e-business, e-government, e-health and e-learning it is clear that there are many good initiatives, but so far the ways to bring really effective services on-line or their adequacy to the end-user are not fully understood.
- A prerequisite for further development of broadband is a greater availability of attractive content. This requires attention to the protection of copyrighted content and the implementation of interoperable DRM solutions, whilst respecting the legitimate expectations of users
- Experimentation with new business and service delivery models that get more value out of the shift to e-services. e-Services generally yield more productivity and efficiency gains when embedded in effective re-organisation of processes and service delivery.
- Respond to the need for greater monitoring and quantification of e-inclusion, especially in order to assess the extent of regional imbalances, the potential for and the potential for multiplatform delivery of e-services to widen accessibility.
- Finally, the impact of e-services in terms of efficiency or productivity gains and quality of work and life should be measured, taking into account effects on citizenship and governance. In particular, there is a need for structured analyses of lessons to develop complementary quantitative and qualitative indicators as part of the benchmarking exercise. Common work is required to identify the obstacles to progress and guidance on implementation. Also needed are more evaluations of initiatives so that policy can be guided by evidence.

The Commission recommends the continuation of the existing lines of the 2005 Action Plan. The review found that the existing goals are still valid and that the Acceding Countries are open to accepting them. Furthermore, it is to be expected that the 6<sup>th</sup> Framework Programme for Research & Development will contribute to the implementation of the eEurope Action Plan mainly through the Information Society Technologies part of the Programme.

A thorough evaluation of the impact of eEurope 2005 will take place to be discussed and agreed with Member States during 2004. The Commission requests the Member States and Acceding Countries should give comments upon the document and play an active role in the process of revising the Action Plan until June 2004.