



# Governance of large scale EU projects

## Trends, challenges and solutions

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Governance of the EU and its institutions is one of the single most debated topics within Europe, keeping many academics and think-tanks actively at work. However, given that the EU is the largest and most prosperous trading bloc in the world, the attention is warranted. Whether it be the acceptance or establishment of new members, directives, new institutions, political decisions at EU level, typically incur some level of practical integration. This can range in complexity from establishing a new office (e.g. a new agency) to the creation of pan-EU networks to be integrated with existing member state infrastructure (such as those in use for taxation under the European Commission's DG TAXUD). What are the trends for the future and what do they mean for IT governance?

### Megatrends in the EU

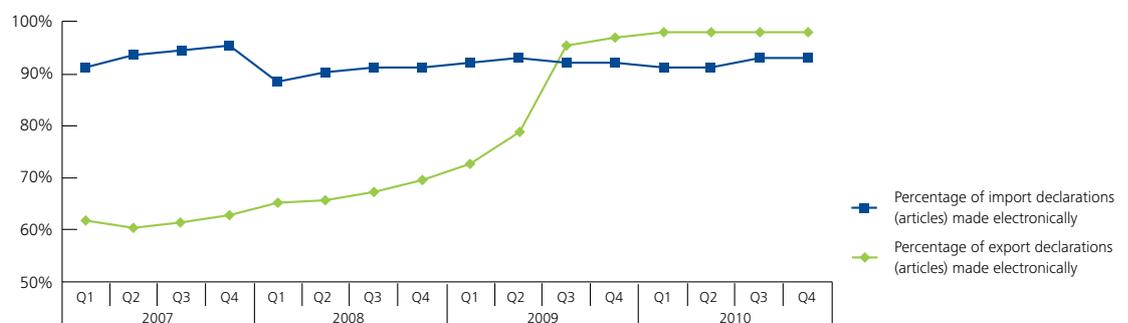
According to the Copenhagen Institute for Future Studies<sup>1</sup>, of which Deloitte is a member, megatrends are great forces in societal development that will affect all areas—state, market and civil society—for many years to come. Globalisation is one such megatrend, with EU integration possibly the most visible example of globalisation occurring in a regional context. EU member states are committed not just to sharing and centralising authority in certain areas, but also to actively cooperating with the subsequent framework. However, as the EU system evolves, so does the underpinning electronic infrastructure which supports it.

A good example of this has been the development of the EU's statistical gathering system, under the supervision of Eurostat. Prior to the 1990s, EU statistical gathering was concentrated in the two areas where the EEC had 'genuine Commission policies'<sup>2</sup>: agriculture and external trade. However, the situation changed as more EU policies became grounded directly in statistics, such as the convergence criteria for EMU of the Maastricht Treaty. This development greatly contributed to the general expansion of statistical legislation, resulting in the investment of statistical systems<sup>3</sup>.

A second megatrend is the general acceleration and sophistication of technological development within our society. Not only is the EU faced with integrating member state systems, but it must also respond to a societal pressure to make information sharing more available through a wider range of channels. The Commission has been successful in many cases, with major achievements in a number of tax and custom IT platforms introduced by DG TAXUD. From 2008 to 2011, the rate of electronic input increased mainly for export, due to the deployment of the trans-European Export Control System (ECS) which involved the automation of export in all member states since the beginning of 2008<sup>4</sup>.

However, such initiatives do not come cheap. The IT investments carried out under DG TAXUD cost EU member states €320 million during 2008, 2009 and 2010<sup>5</sup>.

Figure 1: development rate of electronic input—normal and simplified procedures together (27 member states)



<sup>1</sup> Copenhagen Institute for Future Studies, 'Why Mega Trends Matter?' Futureorientation 5/2006 See: <http://www.cifs.dk/scripts/artikel.asp?id=1469>. The Institute listed 10 megatrends, being: 1. Ageing, 2. Globalisation, 3. Technological development, 4. Prosperity, 5. Individualisation, 6. Commercialisation, 7. Health and environment, 8. Acceleration, 9. Network organising and 10. Urbanisation

<sup>2</sup> COM(2009) 404 final

<sup>3</sup> COM(2009) 404 final

<sup>4</sup> COM(2011) 922 final

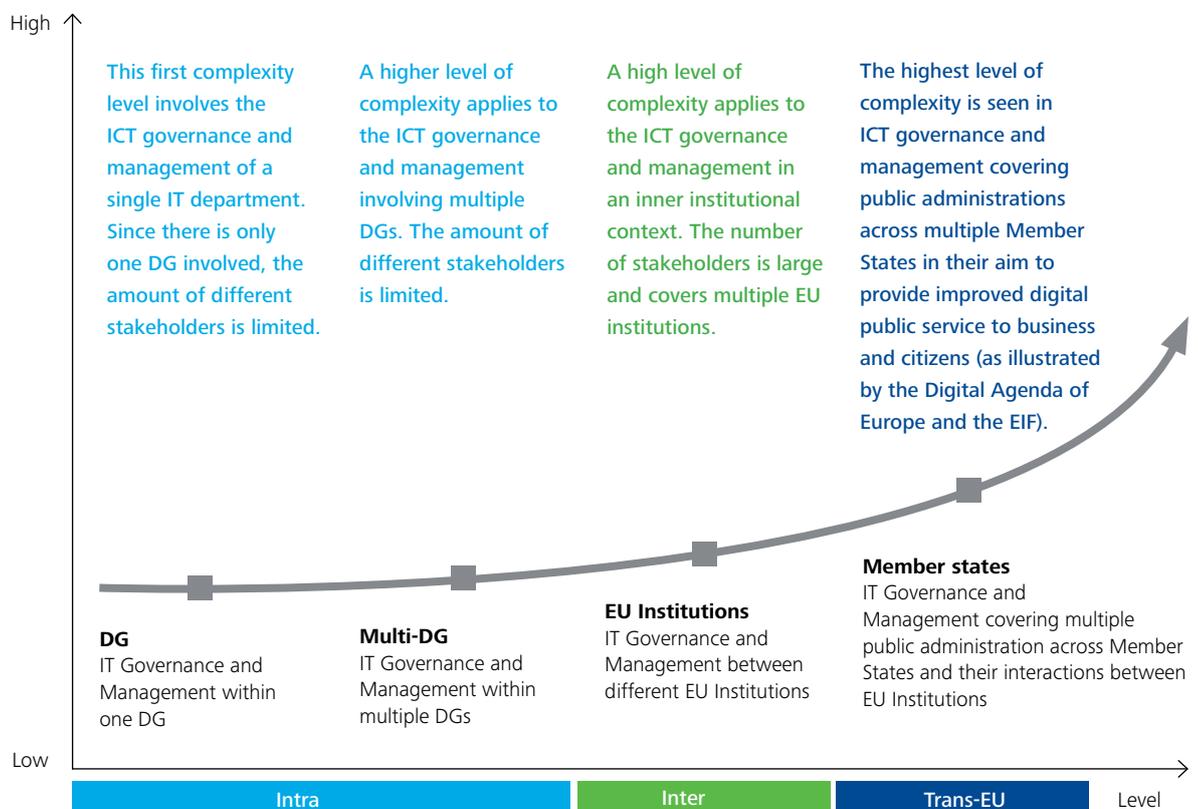
<sup>5</sup> COM(2011) 922 final

### Challenges faced in large-scale EU projects

ICT governance and management in the European public sector faces one of the most demanding environments conceivable. The multiple dimensions (trans-European, intra- and inter-institutional) have different organisational structures and interactions with a growing level of complexity. This can range from one to multiple DGs to multiple institutions, trans-European organisations and interactions. The graph below illustrates that the level of complexity in the governance and management of ICT increases with each additional dimension.

This growing level of complexity is further influenced by a number of challenges and opportunities. These can be grouped into three main topics that have an impact on ICT governance and management in the public sector today:

- ICT leadership: how do you increase the efficiency and effectiveness of the ICT organisation as a whole to improve the quality of the services you provide?
- Interoperability: how do you reply to the ever growing need to ensure a seamless and secure data exchange across DGs, EU institutions and member states?
- Post-digital era: how do you cope with the emerging trends in technology that are reshaping the way public administrations in Europe are operating internally and providing services to citizens and businesses?





### ICT leadership

The most formidable and immediate challenge for the European Commission and public administrations at all levels is how to do more with less. With budgets remaining static or declining and personnel costs rising steadily along with the demand for services, EU institutions need to react promptly to operational efficiency opportunities. Over the past decades, the ability of IT to automate the delivery of services has been a powerful factor in achieving better performance at lower cost. But IT operations have often evolved in a fragmented manner that has created its own inefficiencies. With a multi-year plan to improve operations, IT has the opportunity to optimise its operations independent of the annual budget cycles. A common approach is to revise the current ICT governance structures and management processes in order to start operating in a more business-like way. To do so, IT organisations of the different DGs in the European Commission and other EU institutions should understand where opportunities exist to eliminate unnecessary expenses, streamline their operations (e.g. convergence of solutions) and provide improved services to their users using new delivery mechanisms (e.g. cloud computing). These three activities are fully in line with EU policies.

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