



A new era of public reform in Europe

March 2026



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The better the answer.
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Study goals

Contribute new thinking around how to reduce and reform public spending across Europe.

Provide a comprehensive and turnkey approach to help European governments implement spending reforms.

Detail levers that European governments can pursue with structural reform to deliver savings.¹



European countries continue to face post-COVID-19 deficits that are increasing the pressure for fiscal discipline and spending efficiency. With total deficits reaching €568 billion, the need for reform is clear. A transformation model that combines visible political commitment with deep structural and operational changes could deliver sustainable fiscal improvements.

While structural reform depends on political choices, there are managerial levers that decision-makers can use to deliver rapid and measurable impact. When combined with structural changes, these spending optimization levers could generate over €240 billion in cumulative savings by 2030:

Lever 1:

Digitalization, Artificial Intelligence (AI) and automation of administrative tasks

Lever 2:

Enhanced detection and prevention of social and VAT tax fraud

Lever 3:

Public investment optimization

Lever 4:

Public procurement optimization

This EY-Parthenon study explores the savings potential of implementing these levers and identifies success factors for public sector reform. The ideal? Long-term, politically supported efforts grounded in clear objectives, broad institutional buy-in and measures that protect service quality and economic performance.

1. We outline some specific levers that may only apply at the country level. We also discuss structural reforms that would require legislative action and may face notable political opposition.



1 A strong case for change

Post-COVID-19 deficits are forcing fiscal discipline across Europe

Slower economic growth and deficits from pandemic-fueled economic measures continue to impact countries across Europe three years after the European Union (EU) ended its crisis response to COVID-19.

EU governments have a combined deficit of €568 billion, and €174 billion of it exceeds the 3% of GDP threshold set by the Maastricht Criteria of the European Union (Figure 1). Persistent deficits above this threshold raise concerns about long-term debt sustainability. They may lead to increased scrutiny from EU institutions, fiscal consolidation measures or public pressure for lower and more efficient government spending.

There is no unique solution to tackle these public deficits. Governments need to combine structural and managerial levers that reflect their unique situations. Structural levers drive public policy reforms. Managerial levers optimize Ministries' and territories' budgets for meaningful and sustainable cost savings.

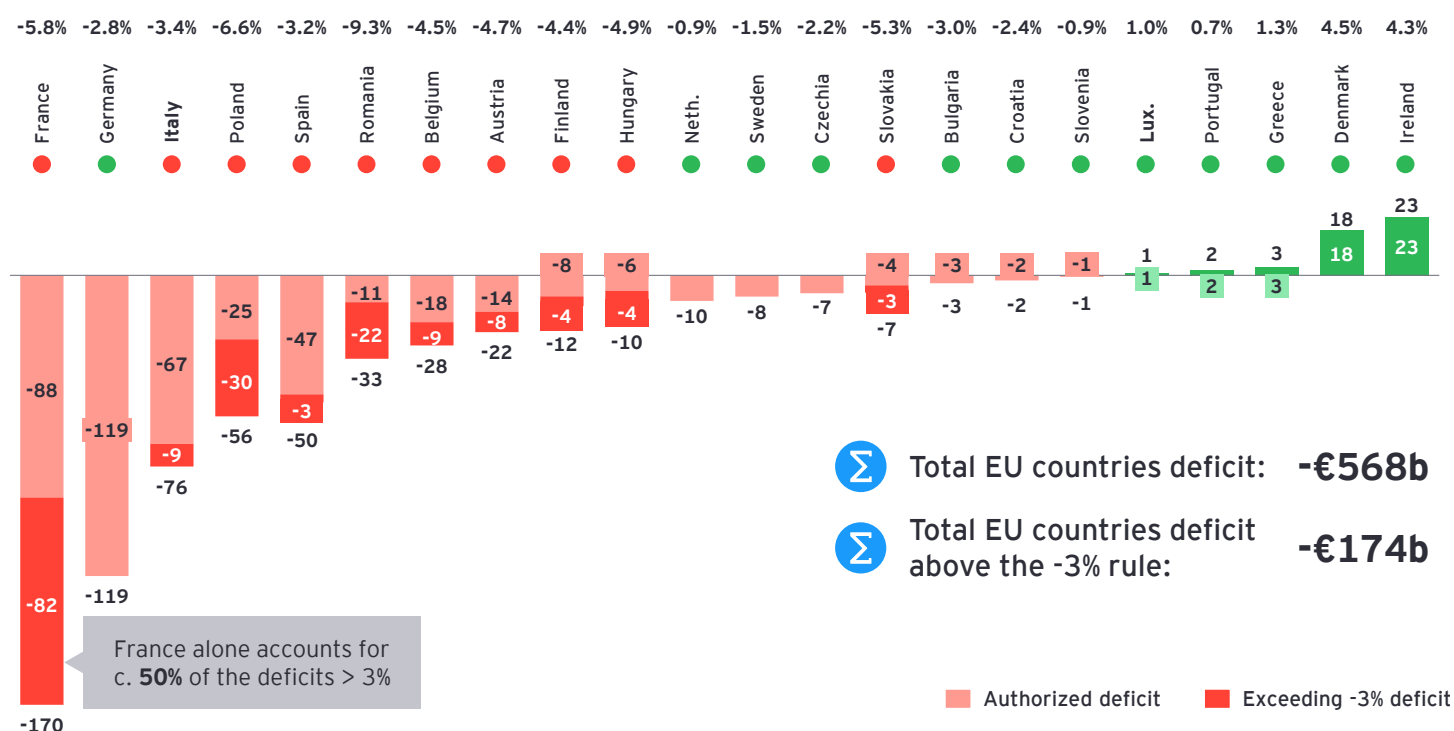


Figure 1: public deficit or public surplus in selected European countries (Source: Eurostat. 2025).

Managing reform, managing complexity: the Iceberg Framework

Reforming public sector spending requires systematic and strategic transformation. But as leaders look to drive change, what is the best model for manage such a complex undertaking?

The Iceberg Framework (Figure 2) is an excellent model to support reform and is aligned on two levels. On the first level, the Office of the Head of State and the Ministers are accountable and must effectively communicate the purpose

and value of the reforms to their primary stakeholders: the general public. These leaders must show vision and effective, long-term leadership to gain public support and trust.

On the second level, ministries identify and implement internal reform initiatives. While the public should be aware of these projects on the ministry level, communications about them should target the government employees who are most directly impacted by the reforms.

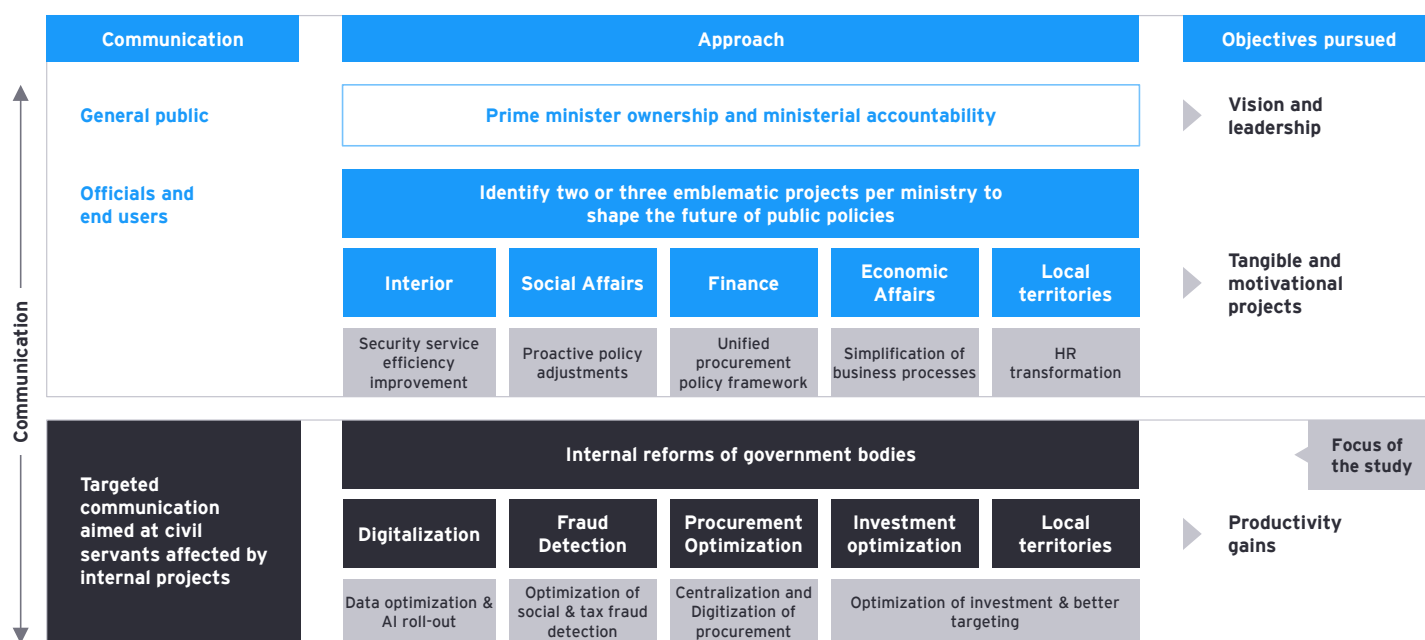


Figure 2: EY Iceberg Framework and examples (Source: EY-Parthenon. 2025).

Imagine the possibilities: sample projects coordinated between the ministry and agency level

- The Ministry of the Interior launches an enhanced security program that combines smart surveillance technologies (cameras with behavior recognition and predictive AI) with staff deployed to the field.
- The Ministry of Finance smartly centralizes public procurement by strengthening the role of the central purchasing agency or creating one in countries where they don't exist by encouraging other ministries to use the new platform.
- The Ministry in charge of territories develops a new centralized purchasing platform to streamline local public investment. It improves coordination between local authorities, encourages public-private co-investment in structural projects, and promotes inter-community pooling, particularly through joint funds or shared engineering. (Lever 3).
- The Ministry of Social Affairs reforms the welfare state based on predictive models of social needs. Aid is allocated according to the economic situation of households, regions and macroeconomic conditions.
- The Ministry of Economic Affairs implements large-scale administrative simplification reform, reviewing business processes in economic and tax administrations and digitizing and automating them.

Government reforms should never be implemented in isolation. Coordination across all levels of government and communication with the primary stakeholders affected by the reforms is essential. Because projects on the ministry level are highly specific to individual countries, this study focuses on internal reforms – the second level of the Iceberg Framework.

2 Spending optimization levers for Europe implemented

Zeroing in on spending reform: selecting the right levers

Any ambitious reform hinges on structural levers that involve clear political choices. However, more “transactional levers”—spending optimization levers—can be put into place to support these structural measures. Together, these managerial levers could deliver significant savings in Europe.

Based on the four quantified levers that EY studied, we estimate that savings could reach more than €221 billion by 2030. Spending reductions are more reliable for driving cost savings. They do not depend on external factors to the same extent that increasing revenues (through tax increases or price hikes for services) or restructuring public debt do.

Not surprisingly, there are many approaches to spending reductions. EY selected the spending optimization levers for this study based on three primary criteria listed below. By design, the levers are not overly specific to any one country.

Levers must be **apolitical** and implemented without significant need for policy or legislative changes



Levers must be **universally applicable** in EU countries



Levers must **have quantitatively measurable impact**

Four spending optimization levers

Lever 1

Digitalization, AI and automation of administrative task

While governments have been investing in digitalization for the last decades, technology is advancing fast. There are untapped opportunities to drive new value through automation, reducing the need for administrative human hours.

Lever 2

Enhanced detection and prevention of social and VAT tax fraud

Social and tax fraud make up a significant proportion of indirect costs to governments. However, by improving detection tools, simplifying processes and moving to electronic invoicing, governments could realize expansive cost savings.

Lever 3

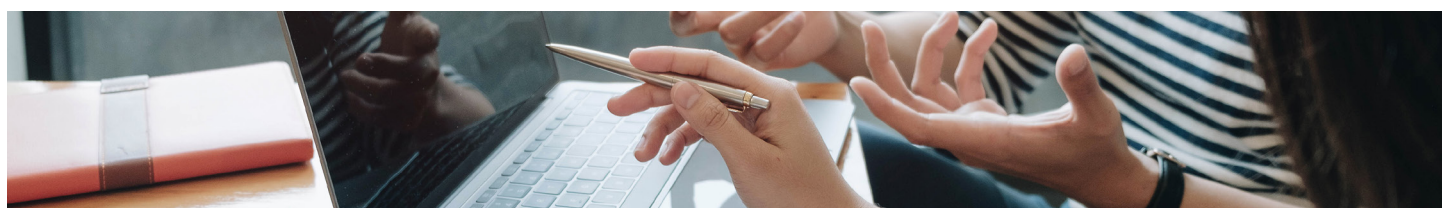
Public investment optimization

Government spending on investment is significant, but often allocated inefficiently. Better ex ante assessment of the socioeconomic impacts of transformation projects combined with public-private co-investment and pooling across local authorities could streamline investments and maximize efficiency.

Lever 4

Procurement optimization

Procurement is one of the most substantial types of government spending, but the buying process is often suboptimal. As such, there is potential to leverage scale to create savings through centralization and data improvements.



Not only are these levers universally applicable and measurable, but governments can also implement them without significant legislative involvement. However, these are not the only levers available to governments. The role of political influence cannot be underestimated. The reality is that the most powerful levers are tied to political decisions. For example, levers with massive potential to generate revenue, such as raising tuition costs or privatizing services, are subject to political action. This same is true of fundamental restructuring such as reducing of public missions.

Despite these limitations, implementing these levers can result in impressive budgetary improvements by 2030 (Figure 3). The savings potential represents a minimum range and is explained in detail in the following chapters.



Making a measurable impact: savings potential

Used in combination with the appropriate structural measures, the four levers could deliver meaningful savings for Europe in the near term. In fact, these levers² were selected for short-term results, with expected net savings of €221billion by 2030. This savings represents 39% of European countries’ public deficit and a cumulative €637 billion net savings between 2026 and 2030.

Governments often pursue massive political reforms to demonstrate their capacity to manage a budget. They underestimate the outcomes they can deliver by mobilizing managerial levers grounded in trust with the civil servants and efficient management. Because of this, meaningful savings remain untapped.

The net savings estimate includes US \$55 billion of investment, including IT (5% of gross savings), salaries (2%) and coordination expenses (1%), applying a principle of prudence to reflect the public sector’s complexity.

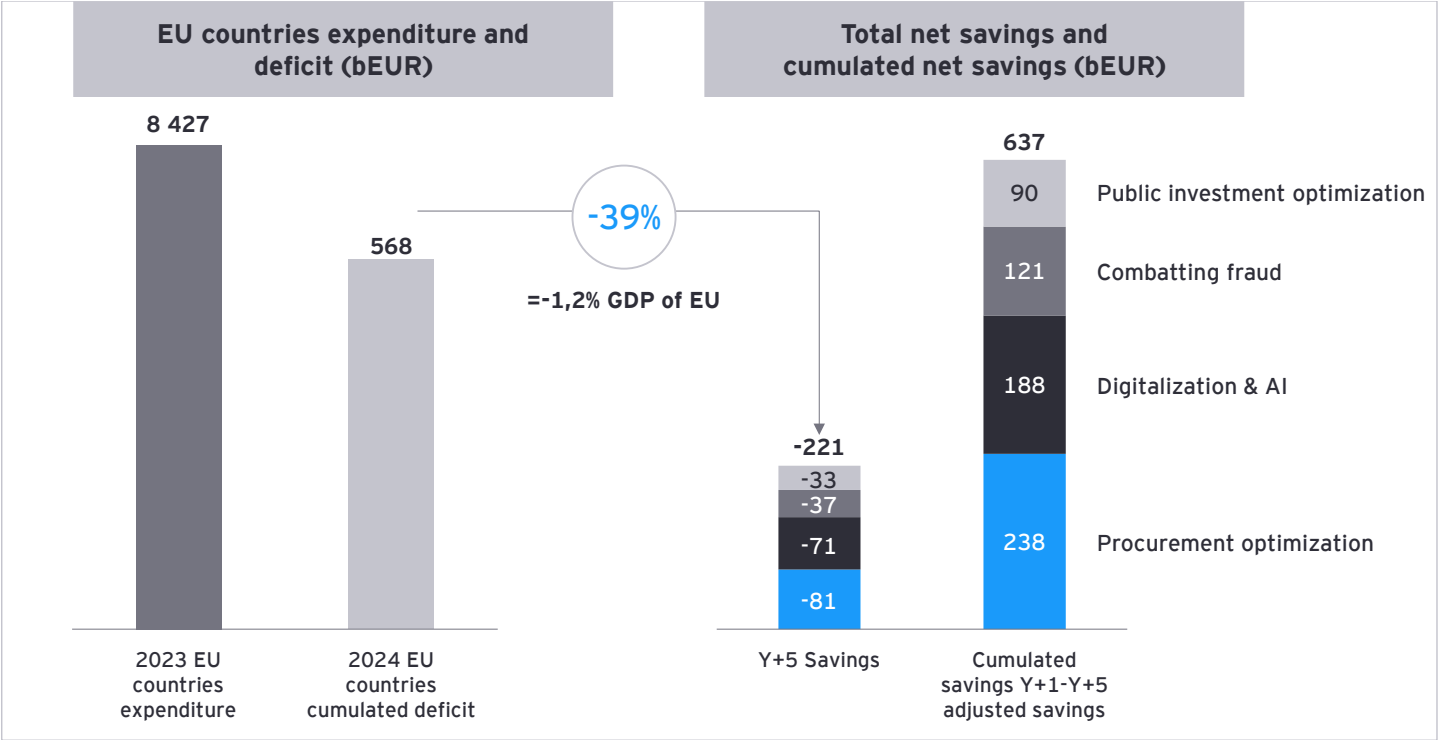


Figure 3: net savings overview by lever (source: EY-Parthenon analysis)²

2. 2024 public deficit (iso-baseline assumption) - net savings.

Taking a closer look: acting on the spending optimization levers

Lever 1: digitalization, AI and automation of administrative tasks

Savings potential: €71 billion in net savings, which is equivalent to 12% of EU public deficits

Background

There are large disparities in digital maturity across EU countries³, and opportunities exist to reduce costs by automating processes with AI. Although this lever may seem obvious given today's tech-forward focus, governments still tend to underestimate the real savings potential of digitalization. Recent advances in AI boost savings potential even more. This study has been adjusted to each country's digital maturity in this context.⁴

While digitalization efforts over the last decade partially offset the potential savings, ongoing process digitalization and AI deployment are one of the most powerful levers for reducing public sector costs today. Wide disparities in digital progress across EU governments (as shown by different rankings) support this contention. We have used these rankings in this study to adjust potential savings based on each country's situation.

AI and digitalization offer several important benefits for public administration: greater efficiency, lower administrative costs, improved service quality, better data security and easier coordination across government bodies.

Results and assumptions

Digitalization and applying AI to administrative functions could generate €71 billion in net savings across the EU by 2030. This is 12% of EU public deficits—and €188 billion in cumulative net savings between 2026 and 2030, driven mainly by not replacing retiring staff and related cost reductions.

- Core administrative staff make up 3% to 6% of the total EU workforce, which serves as the baseline for our analysis. We considered only administrative functions across all levels of government, based on Eurostat data.⁵
- Drawing on projections from the World Economic Forum's 2025 report, we estimate that digitalization could cut human work time in public administration by up to 29.5% over the next five years.⁶ This leads to efficiency gains, mostly by reducing the need to replace retiring or departing staff.

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Governments need to invest in AI and process digitalization to take full advantage of these levers. While CAPEX is required at first, the savings potential over time is significant.

Jérôme Fabry,
EY Partner, Ernst & Young Advisory

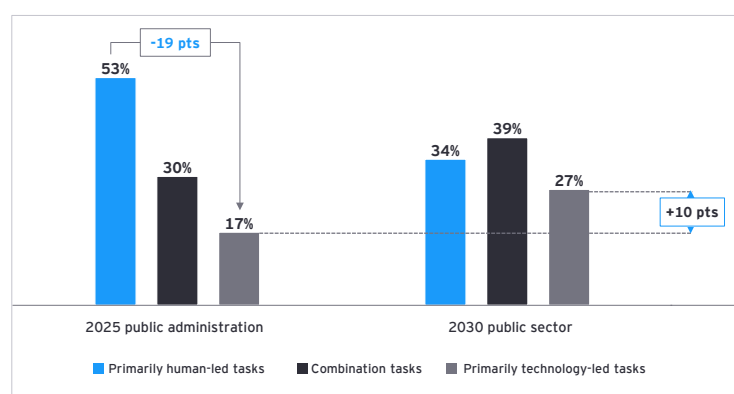


Figure 4: change to work demand in public administration (Source: WEF (2025), EY-Parthenon).

3. OECD/Oxford Analytics/European Commission rankings

4. EY index based on the OECD Digital Government Index (2023), the Oxford Analytics AI Government Readiness Index (2024) and the European Commission eGovernment Benchmark (2024)

5. Eurostat data is used based on the NACE classification. While around 10% of EU workers are public sector employees, only about 25% work in core administrative roles (isolated using NACE 84.1, covering all levels and functions of government). The relevant category, NACE 84.1, accounts for approximately 3 to 6% of the total EU workforce. Administrative personnel are estimated using NACE 84.1 data requested from Eurostat, with an average share of 3.8% and an average remuneration of €31,000 (+30% non-salary costs)

6. World Economic Forum, The study notably shows that primarily human-led tasks in public administration will decline at a faster-than-average rate in the coming 5 years. For simplicity, we assume that mainly human tasks represent 100% human-led work, combination tasks 50% and technology-led tasks 0% (see figure 5)

- To reflect the structural and public sector-specific complexities that vary from one country to another in implementing digitalization and AI in administrative functions, we scaled down the potential using three established digital maturity benchmarks⁷. This resulted in an average estimated savings of 23% and up to €73 billion savings by 2030, the equivalent of 12% of total public deficits or 0.4% of GDP.⁸
- Our analysis shows that EU countries could reduce 7% to 19% of their core administrative workforce over five years without resorting to forced layoffs. This is based on the assumption that roles will become redundant, and retiring staff will not be replaced.⁹ Eighty-five percent of the savings would come from workforce reduction, with the remaining share from related savings in real estate, IT and hardware costs.

Seventy-two percent of this savings potential is concentrated in just five countries due to the scale of their public administrations.

Segment	Values									
AI and digi.	Admin. staff expenditure (€b)	165	85	23	49	27	17	13	7	478
	Baseline savings 2030 (€b)	38 (23%)	19 (22%)	5 (22%)	11 (22%)	6 (22%)	4 (23%)	3 (23%)	2 (22%)	110 (23%)
	Percentage of baseline savings used	68%	59%	75%	68%	62%	70%	7%	63%	66%
Running cost (€b)		0.7	0.3	0.1	0.2	0.1	0.1	0.1	0.0	2.0
Adjusted net savings (€b)		24.8	11.0	3.8	7.3	3.7	2.7	1.9	1.0	71 (15%)
Share of 2024 public deficit (%)		21%	7%	5%	15%	36%	10%	9%	50% ¹	13%

Figure 5: estimated savings by country (2030)

Real-world view: recent AI and digitalization initiatives

- “Albert” is a generative sovereign AI tool that France is experimenting with to streamline public service advisors’ daily tasks so they provide more tailored support. The tool would ease access to information, handle frequently recurring requests (e.g., 16 million online requests submitted each fiscal year) and “pre-process” some projects.¹⁰
- The public employment service in Norway has used a chatbot called Frida since 2018 to provide information through conversational AI. During the pandemic, when queries rose by 250%, Frida handled the workload of 220 full-time staff, resolving 270,000 enquiries in the first weeks. It successfully managed 80% of requests without human help, easing pressure on staff and avoiding the need to hire more personnel.¹¹
- The Austrian Ministry of Finance’s Digitalization and E-Government Department has developed “Mona,” a conversational assistant for entrepreneurs. It facilitates access to information on public services and reduces agents’ workload by automating basic initial interaction tasks.¹¹

7. The OECD Digital Government Index, the Oxford Insights AI Readiness Index, and the European Commission’s eGovernment Benchmark.

8. To estimate the potential reduction in administrative staffing demand, we first calculate the maximum savings achievable based on the changes to human work demand, outlined in the recent WEF study, before reducing this savings potential based on the three normalized and equally weighted indicators the OECD Digital Government Index, Oxford Analytics AI Government Readiness Index and European Commission eGovernment Benchmark.

9. Based on the number of employees retiring annually in Germany (1,54 Mio. in 2023) and the amount of NACE 84.1 employees as a percentage of the total working population, approximately 346,000 administrative employees would retire between 2025-2030, assuming a consistent rate of retirement.

10. Sources: french Government Website Expérimentation d’un modèle d’assistance aux conseillers France services basé sur l’intelligence artificielle | France services; OECD Governing with Artificial Intelligence (EN); Le Monde Gabriel Attal mise sur l’intelligence artificielle pour « simplifier » les démarches administratives.

11. OECD Artificial Intelligence Papers.

Lever 2: enhanced detection and prevention of social and VAT tax fraud

Savings potential: €37 billion in net savings, covering 6% of EU public deficits

Background

Public finance fraud includes social fraud (unemployed benefit, housing subsidies, healthcare reimbursements, etc.) and tax fraud, particularly VAT fraud. Since fraudulent activities are concealed by definition, we can only approximate the total level of fraud using models or extrapolations.

Social fraud is typically estimated at between 2% and 5% of total annual social security expenditure in EU countries¹², while tax fraud is generally assessed at 5% to 10% of total tax revenues.¹³ These benchmark ranges helped to cross-validate our estimations of undetected fraud levels across EU states.

There are significant discrepancies across EU countries in fraud detection and prevention. The discrepancies reflect both deployed resources and results. Reform could be very beneficial for countries lagging in fraud control (Eastern Europe) and those with large tax revenues (Germany, Netherlands) or social budgets (France, Italy).

At the same time, structural changes in detection and prevention could generate substantial benefits. To achieve this, countries must pursue operational changes, such as digitalizing benefit and contribution systems, deploying fraud detection algorithms, and simplifying social security systems and electronic invoicing.

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Social fraud and VAT fraud represent a loss of revenue for European countries. Strengthening measures to prevent and detect fraud would generate significant revenue, particularly with the development of electronic invoicing.

David Lansky,

EY Senior Manager, Ernst & Young
Parthenon Management Consulting GmbH

Results and assumptions

Strengthening social fraud prevention and detection could deliver up to €12 billion in net savings, covering 2% of EU public deficits. At the same time, the widespread use of electronic invoicing for B2B and B2G transactions could reduce VAT fraud by €24 billion, representing 4% of EU public deficit.

- Social fraud is typically estimated at 2% of countries' total annual social security expenditure. We estimated social fraud detected in 2024 as a proportion of total fraud, based on detection rates observed in expert reports and in reference countries (approximately 25%). We projected these detected amounts to 2030, assuming constant annual growth of +5% without major reforms.
- We then assessed potential savings by estimating the increase in detection made possible by adopting new tools and devices, with a maximum detection target of 65% of total social fraud.

- Finally, to reflect differences in progress across countries, we adjusted these estimates using a maturity index¹⁴ developed by EY-Parthenon, which measures efforts to prevent and detect social fraud at the national level.

Our analysis of tax fraud focused on the savings possible by using electronic invoicing in the fight against VAT fraud. We estimate the potential gain at €24 billion by 2030, which is equivalent to 4% of European countries' cumulative public deficit, based on a reduction in the current VAT gap made possible by this reform.

12. RAND.

13. European Commission.

14. Index based on the combination of several indicators (use of e-ID (DESI, 2024), number of staff dedicated to fraud detection (Eurostat), share of automated social security declarations in countries, share of online social security declarations (Eurostat), AI maturity in public administration (Oxford Insights)).

- This estimate assumes a gradual rollout of electronic invoicing between 80% and 100% by 2030, adjusted according to the progress made in each country.

- We excluded the share of B2C transactions in VAT revenues, which is not significantly affected by the current European regulatory framework, from the estimate of gains.

Segment	Values										
Social fraud	Social protection budget 2024 (€b)	822	659	450	277	173	120	101	44	3 309	33%
	Net savings 2030 (€b)	3	3	2	1	1	0	0	0	12	
	Ratio	0.3%	0.4%	0.5%	0.4%	0.3%	0.4%	0.3%	0.4%	0.4%	
VAT Fraud	VAT revenues 2022 (€b)	286	199	139	92	70	36	36	23	1 185	66%
	Net savings 2030 (€b)	5	4	4	1	2	1	0	0	24	
	Ratio	2%	2%	3%	1%	3%	4%	1%	0%	2%	
Total net savings (€b)		7	6	6	2	3	2	1	0	37	100%
Share of 2024 public deficit (%)		6%	4%	8%	5%	25%	7%	3%	12%	6%	

Figure 6: estimated savings by country (2030)

Real-world view: recent initiatives to reduce fraud

- France's 2025 finance law introduces several measures to strengthen the detection and prevention of tax fraud. These measures include widespread use of electronic invoicing, which is estimated to generate additional revenue of nearly €3 billion by 2027. They also introduce a "flash procedure" for the next income tax campaign to quickly block unduly received refunds in cases of fraud (particularly in cases of identity theft or bank account details theft). The law creates an interministerial database that lists fraudulent bank account details and facilitates exchanges between tax and social security authorities.
- In 2018, finance law in Italy introduced the obligation to issue electronic invoices via the national Sistema di Interscambio platform for all B2B, B2G and B2C transactions. Nine months after its implementation in 2019, more than 1.4 billion invoices had been issued, which generated an increase of €2 billion in VAT revenue. More recently, this reform has contributed to a significant reduction in the VAT gap, from 25% in 2018 to 11% in 2022. This initiative has helped Italy achieve substantial savings while improving tax collection efficiency.



Lever 3: public investment optimization

Savings potential: €33 billion in net savings, equivalent to 6% of EU public deficits

Background

European countries' significant and steadily increasing public investments (+6% per year since 2019) represent a large share of their budgets. Both national governments and various local authorities drive these investments. European countries spend on average 0.5% of GDP on gross fixed capital formation¹⁵ (GFCF), with Italy exceeding 1%, and France and Germany at 2%.

These investments are evenly split between central and local governments, although some disparities exist across European countries. For example, Belgium and Spain have a more decentralized model, and Hungary and Iceland focus these expenditures centrally.

The savings potential is much higher at the local level, where many territorial levels and fragmented governance often lead to redundant or inefficient investments. Investment strategies are also limited by insufficient coordination and a lack of pooling between public actors.

Results and assumptions

Optimizing public investment at the national and local level could generate €37 billion in net savings in the EU by 2030, covering 6% of European countries' public deficits, mainly through improved efficiency and allocation.

- Countries can drive savings either through efficiency gains (achieving greater or equal results with less investment) or through better rationalization (directing funding to priority sectors without compromising service quality).
- Efficiency gains are estimated at 1% and 2% of gross fixed capital formation (GFCF). This is based on harmonized technical standards, more centralized asset and property management and enhanced local project engineering capacity.
- Rationalizing investments would generate gains of 1% to 4% of GFCF investments. These savings would be based on mandatory socioeconomic assessments for major investments, broader use of public-private partnerships and clear investment governance across government levels.

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Consideration must be given to streamlining and improving the efficiency of public investment, leading to reforms to improve its targeting and performance, especially at the local level where significant savings can be made.

Martin Bodensterfer,

EY Partner, Ernst & Young

Parthenon Management Consulting GmbH



15. Eurostat.

Segment	Values										
Central gov.	GFCF ¹ 2024 (€b)	60	53	28	14	19	4	10	4	285	40%
	Gross savings 2030 (€b)	3	2	1	0.4	1	0.2	1	0.1	13	
	Ratio	5%	5%	4%	3%	5%	5%	6%	4%	5%	
Local gov.	GFCF ¹ 2024 (€b)	67	65	33	29	18	14	8	3	315	60%
	Gross savings 2030 (€b)	4	4	2	2	1	1	0.4	0.2	20	
	Ratio	6%	7%	6%	6%	6%	7%	6%	7%	6%	
Total net savings (€b)		7	7	3	2	2	1	1	0.4	33	100%
Share of 2024 public deficit (%)		6%	4%	4%	4%	19%	4%	4%	18% ¹	6%	

Figure 7: estimated savings by country (2030).

Real-world view: recent initiatives to optimize public investments

- The Secrétariat Général Pour l'Investissement (SGPI) oversees France's socioeconomic assessment of public investment plans (such as France 2030). The assessment department analyzes projects upstream and during implementation. Counter-assessments are systematically carried with the support from independent experts for projects that involve more than €100 million in public funds. The SGPI coordinates between central and local government and private actors.
- Sweden launched a national transport plan of SEK 799 billion (c. €75b) for 2022-33 to modernize public infrastructures. Led by a central entity, this plan is based on long-term planning to avoid the effects of electoral cycles and adapt to regional needs. It limits redundancies for different levels of governance and optimizes resource allocation.



Lever 4: procurement optimization

Savings potential: €81 billion in net savings, equivalent to 14% of EU public deficits

Background

Procurement spending is one of the largest yet most overlooked types of government expenditure. It accounts for 14%¹⁶ of government spend across the EU countries.

Despite EU efforts to promote greater procurement efficiency since the 2000s, most government purchasing across member states is still decentralized (at the local or regional level). It is plagued by limited data quality, underdeveloped e-Procurement systems and insufficient competitiveness. While most EU countries have a central procurement agency (CPA), state and local governments often circumvent them.

That said, there are notable differences across EU countries in terms of procurement centralization. These differences in maturity influence countries' ability to effectively implement procurement reforms and generate savings. For instance, countries like Ireland and Hungary have relatively well centralized procurement functions. On the other hand, Belgium, Germany, Spain and Austria rely on very decentralized systems. Greater centralization can generate substantial benefits thanks to economies of scale, increased bargaining power and compliance savings.

Results and assumptions

Procurement optimization could generate €81 billion in net savings across the EU by 2030, equivalent to 14% of EU public deficits. This represents €238 billion in cumulative net savings between 2026 and 2030.

- Procurement represents a major area of public spending, estimated at over €1,000 billion across EU countries (based on intermediate consumption, Eurostat data). We narrowed the scope to the 70% considered addressable, based on EY-Parthenon's experience; only a portion of procurement can realistically be optimized.
- Recent studies highlight significant potential savings through procurement optimization. One of them estimates an average indirect gain of 22% indirect savings on procurement expenditures (Spagnolo and Lotti 2022). We selected this study as the basis for analysis.
- Based on EY-Parthenon experience, we adjusted this baseline downward to reflect the complexity of implementing such reforms in public administration, considering each country's maturity and market competitiveness as measured through several reference rankings¹⁷. This approach leads to an estimated average savings potential of around 8% of public procurement spending at the EU level.

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Optimizing procurement one of the potentially most significant cost savings levers, at a moderate level of investment.

Eléonore Guilliams,
EY Director, Ernst & Young Advisory



16. Eurostat.

17. Three indicators used: share of intermediate consumption by central government; European Commission issue rate per country (Q1 2023 – Q2 2025); GTI Public Procurement Composite Score per country (2020).

Segment	Values									
Procurement	Total procurement spend (€b)	264	155	120	86	67	25	33	14	1.045
	Addressable spend (€b)	185	108	85	60	47	18	23	10	732
	Baseline savings 2030 (€b)	41	24	19	13	10	4	5	2	161 (15%)
	Percentage of baseline savings used (€b)	51%	41%	66%	72%	48%	54%	78%	45%	51%
Adjusted net savings (€b)		20.5	9.6	12.1	9.4	4.9	2.0	3.9	0.9	81 (8%)
Share of 2024 public deficit (%)		17%	6%	16%	19%	50%	8%	18%	50% ¹	14%

Figure 8: net savings in 2030 (bEUR).

Real-world view: recent initiatives to optimize procurement

- Since 2014, Ireland has undertaken major public procurement reform. The Office of Government Procurement (OGP) was created to centralize sourcing, standardize procedures and improve cross-government coordination. Key milestones include developing a national framework for professionalization creating the 2021 Procurement Data Strategy, which is designed to strengthen evidence-based planning and transparency. These efforts have improved efficiency by reducing fragmentation, streamlining sourcing strategies and ensuring more consistent procurement practices across public organizations.
- A 2023 amendment in Lithuania requires the use of the national e-catalog (CPO LT) for all public purchases exceeding €15,000. This measure is designed to accelerate centralization of public procurement. Share of centralized procurement rose from 10% in 2020 to 34.6% in Q2 - 2023.





3 Toward successful implementation

1

Commit to the long term.

Public sector reform is a long-term initiative that requires commitment and engagement at all levels of public administration—from central authorities to frontline staff.

2

Define objectives holistically. Reform objectives must be clearly defined and broadly understood. The aim is not only to reduce public spending. It is also to articulate why savings are necessary, how they will be reinvested and what value they bring to citizens. Reforms must not compromise the quality of public services or have unintended long-term impacts on economic performance.

3

Prioritize leadership support and communication.

Highlighting visible, high-impact initiatives demonstrates progress and spurs momentum, while enabling more complex reforms to advance without excessive resistance.

4

Create a reform coordination organization.

This organization should operate at the highest level of government, with authority to make decisions, allocate resources and coordinate implementation across departments.

5

Invest now for results later.

Initial investment is crucial to enable long-term results. Targeted funding during the first two years can unlock significant efficiency gains and service improvements over a five-year horizon.

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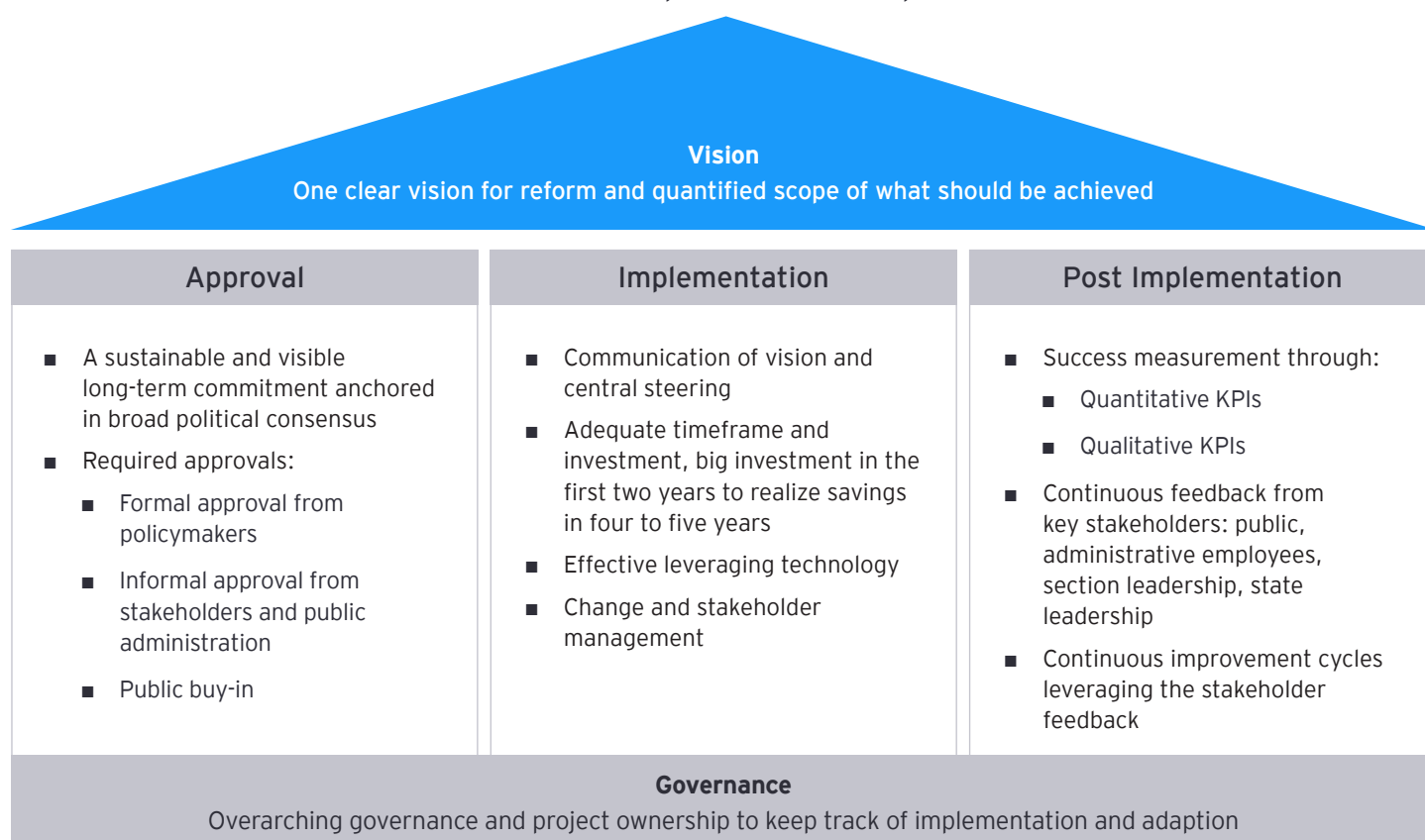
Design for consensus and collaboration. Reform must involve the full spectrum of public sector actors and be adapted to different operational constraints digital maturity levels.

7

Cultivate process and cultural change. Technology is an essential enabler, but not a solution on its own. Successful reform requires not only digital tools but also changes in organizational culture and working practices.

Fiscal discipline and public sector service quality do not have to be competing priorities. A new era of public reform in Europe is possible. It will take a commitment to combining structural reform with spending optimization levers. Together, they can drive billions in savings while improving service quality

A new era of public reform in Europe



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