

# FIT FOR FUTURE Platform Opinion

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<b>Topic title</b>	The Digital Europe Programme
	AWP 2023
	<a href="#">Regulation (EU) 2021/694 establishing the Digital Europe Programme</a> <i>Legal reference</i>
<b>Date of adoption</b>	28 November 2023
<b>Opinion reference</b>	2023/2
<b>Policy cycle reference</b>	<input type="checkbox"/> Contribution to ongoing legislative process  <i>Commission work programme reference</i>
	<input checked="" type="checkbox"/> Contribution to the (ongoing) evaluation process  <b>Mid-term evaluation of the Digital Europe Programme</b> <i>Title of the (ongoing) evaluation</i> <p>The <a href="#">Digital Europe Programme</a> (DIGITAL) is an EU funding programme under the Multiannual Financial Framework (MFF) 2021-2027. The programme is implemented by means of work programmes. Its first main biannual <a href="#">work programme</a> was adopted for the years 2021-2022. 2023 is the third year of the programme's implementation, warranting sufficient information for the Commission to carry out its interim evaluation, as stipulated in art. 26 of the programme regulation. The interim evaluation, amongst other, will serve as a basis for adjusting the implementation of the programme, as appropriate, also considering new relevant technological developments. The Platform's opinion can contribute to this evaluation with an in-depth and first-hand feedback from stakeholders using the programme's opportunities, including local and regional authorities, which could serve as an opportunity to find ways how to accelerate its use and reduce administrative burden for beneficiaries.</p>
	<input type="checkbox"/> Included in Annex VI of the Task force for subsidiarity and proportionality  -

	<input type="checkbox"/> Other <hr/> -
<b>Have your say: Simplify!</b>	<i>No relevant suggestions on this topic have been received from the public.</i>
<b>Commission follow up</b>	REFIT Scoreboard: <i>pending</i> Have your say portal: <a href="#">Digital Europe Programme – interim evaluation</a> Annual Burden Survey: <a href="#">The EU's efforts to simplify legislation (2023)</a>

## SUGGESTIONS SUMMARY

- Suggestion 1:** Introduce measures to speed up implementation of the DEP
- Suggestion 2:** Use of voluntary benchmarking tools, such as LORDIMAS, in applications for DEP funding
- Suggestion 3:** Include a strong digital resilience focus in the forthcoming DEP work programmes and relevant calls
- Suggestion 4:** Incentivise notable achievements in digital transformation through awards: example of financing a digital resilience award under the DEP
- Suggestion 5:** Factor the demand side into the evaluation and next steps of the European Digital Innovation Hubs (EDIHs)
- Suggestion 6:** Improve synergies between the DEP and other supporting programmes and funds by making DEP more flexible, by aligning applicable rules and by coordinating their management
- Suggestion 7:** Increase communication and transparency of DEP
- Suggestion 8:** Increase the predictability of DEP budget
- Suggestion 9:** Include a strong citizen and consumer focus in the forthcoming DEP work programmes and relevant calls within Specific Objective 4

## SHORT DESCRIPTION OF THE LEGISLATION ANALYSED

The Commission has presented its strategy on shaping Europe's digital future on 19 February 2020. The [Digital Europe Programme](#), whose proposal was put forward by the Commission on 6 June 2018 as part of the Digital Single Market Initiative and a proposal for the next Multiannual Financial Framework (MFF) is an EU funding programme under the MFF 2021-2027. The general objective of the new Digital Europe Programme is to support and accelerate the digital transformation of the European economy, industry and society, to bring its benefits to citizens, public administrations and businesses across the Union, and to improve the competitiveness of Europe in the global digital economy while contributing to bridging the digital divide across the Union and reinforcing the Union's strategic autonomy, through holistic, cross-sectoral and cross-border support and a stronger Union contribution, thus contributing to the twin green and digital transition.. The Digital Europe Programme provides strategic funding to answer these challenges, supporting projects in 5 key capacity areas: supercomputing, artificial intelligence, cybersecurity, advanced digital skills, and ensuring a wide use of digital technologies across the economy and society, including through European Digital Innovation Hubs.

With a planned overall budget of EUR 7.5 billion (in current prices), it aims to accelerate the economic recovery and shape the digital transformation of Europe's society and economy, bringing benefits to everyone, in particular to small and medium-sized enterprises. Along with Cohesion policy and the Recovery and Resilience Facility, it plays an instrumental role in the twin green and digital transformation.

## Sources:

[Regulation \(EU\) 2021/694 establishing the Digital Europe Programme](#)

[Digital Europe Programme](#) website

[CoR Study on Digital Resilience](#)

[RegHub consultation on the Digital Europe Programme](#)

## SUGGESTIONS

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### **Suggestion 1: Introduce measures to speed up implementation of the DEP**

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**Description:** Although funding is considered a main obstacle for advancing in digital transformation, the Digital Europe Programme (DEP) is only one supporting instrument among many others, contributing to achieving targets of the Digital Decade. It is expected that supporting instruments under the MFF will follow generally the same implementation pattern as the DEP, except for shared managed funds under Cohesion policy. In addition, the Recovery and Resilience Facility, as a new instrument outside the MFF, will considerably boost digital transformation of Member States, with its minimum earmarking of 20% of total expenditure targeting digital transformation already reached<sup>1</sup>. Its implementation mode, focusing on achievement of milestones rather than individual projects, favours rapid disbursement of funds during the early years of the 2021-2027 programming period.

The Digital Europe Programme regulation entered into force in May 2021, with an important amount of EUR 7,5 billion to spend. Given the delays in its entry into force due to a late adoption of the MFF 2021-2027, its implementation is still in its early phase. With four work programmes for 2021-2022 adopted in 2021 and the Main Work Programme and the Cybersecurity programme, both for 2023-2024 adopted very recently, the Commission is accelerating the implementation and disbursement rates of the DEP.

The Commission is invited, within the framework of the mid-term evaluation of the programme, to consider several measures to speed up its implementation:

- the DEP evaluation could consider what factors affect the number of applicants and response rate, for example, by analysing the appropriateness of the 50% co-funding requirement.
- the process of reviewing and confirming necessary security guarantees is oftentimes time-consuming, leading to delays in implementation. The Commission could evaluate the efficiency of its internal procedures and identify room for improvement. It could also review the necessary exchange of information with Member States to speed up the security review pursuant to Article 12 of the DEP Regulation.
- consider introduction of multiannual projects for all support actions as some of them currently span for one year only. The evidence suggests that several calls for support actions (e.g. on data spaces for smart cities or the Local Digital Twins toolbox) are only

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<sup>1</sup> 2023 State of the Union Address by President von der Leyen, available at: [https://ec.europa.eu/commission/presscorner/detail/en/speech\\_23\\_4426](https://ec.europa.eu/commission/presscorner/detail/en/speech_23_4426)

for one year, which risks to be too short a project period to tackle an enormous challenge and to pave the way of a long and complex deployment process (for the next calls). Therefore, both speeding up of the implementation and an introduction of multiannual project period rather than annual could be considered.

- it is also suggested to consider a similar model as in Horizon Europe for the approval of guarantees or measures proposed by controlled entities. More concretely, an assessment should be made on whether the security guarantees are quicker and more easily assessed by the Commission first, and eventually supplied by further checks from Member States at a later stage. This would also streamline the approval of the measures proposed by controlled entities between Digital Europe and Horizon Europe.
- consider providing coordinated and streamlined guidelines on the application of State aid rules on relevant calls in the programme across Member States, and/or consider how to further assist Member States in this endeavour. This would also ensure that Member States are not disincentivized to disburse or provide new public national funding, due to the possibility of eventually running into unintended state aid issues at a later stage (as currently the case with the financing of testing and experimentation facilities for artificial intelligence).
- consider whether increased use of the Financial Support to Third Parties (FSTP)-mechanism along with a streamlined process for approving entities to handle FSTP-resources could improve the efficiency with which SMEs are able to access DEP-funds.

**Expected benefits:** regular distribution of available financial resources over the whole 2021-2027 programming period, benefitting synergies of the DEP with other instruments under and outside the MFF.

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**Suggestion 2: Use of voluntary benchmarking tools, such as LORDIMAS, in applications for DEP funding**

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**Description:** The (Local and Regional Digital Maturity Assessment tool) LORDIMAS, developed within the framework of the [living-in.eu](https://living-in.eu) movement under the supervision of the European Commission and financed from the ESPON 2030 Programme, will serve – upon its launch in October 2023 – to make potential applicants (public authorities of cities or municipalities) aware of their digital maturity. It will be useful for benchmarking against other cities and municipalities and will provide concrete policy recommendations (recommendations for actions to take) which will help to improve digital maturity. Its use for project applicants in the context of the application process under the DEP may help to map the needs of the applicants and can improve the description in the application form. The Commission is invited to incentivise project applicants to make best of use of this tool and similar tools to increase quality of their applications and to prove usefulness of their projects. Given their voluntary nature, their use will in no case be obligatory and their use or not in the application process would have no impact on admissibility or eligibility of applications.

This tool – and similar tools where applicable – may be also used to assess usefulness of a DEP-funded project and to measure its impact. Therefore, applicants may be invited to use it throughout the whole life of their projects – as an ex-ante and ex post quality tool.

To note that ENISA (the European Union Agency for Cybersecurity) provides a similar tool for small and medium-sized enterprises to assess their cybersecurity maturity: <https://www.enisa.europa.eu/cybersecurity-maturity-assessment-for-small-and-medium-enterprises/#/>.

Similar tools could be explored to support application process for beneficiaries from private and public sector, too.

**Expected benefits:** by incentivising use of voluntary-based tools for applications to the Digital Europe Programme, applicants and eventually also the European Commission would gain a comparative measuring tool for the digital maturity of applicants. This can help in the selection of beneficiaries (by better understanding policy choices applicants have had to take) while propagating the tool and making a free digital maturity assessment available to applicants. When further fed with additional input, aggregated data at regional and national level will make it possible for relevant national and/or EU authorities adjust DEP work programmes to address the most pressing needs of cities and municipalities, in parallel to the use of Digital Economy and Society index (DESI)

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**Suggestion 3: Include a strong digital resilience and digital sovereignty focus in the forthcoming DEP work programmes and relevant calls**

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**Description:** In light of the ongoing Russian aggression on Ukraine and growing concerns regarding China's increasing strategic influence in the EU, the EU should consider addressing forthcoming challenges of digital resilience and digital sovereignty through the launch of specific calls under suitable funding programmes such as the Digital Europe Programme (specifically the [Cybersecurity Work Programme](#)) and Horizon Europe (e.g., innovation actions or coordination and support actions in work programmes 2025-2027). Future calls under the Cybersecurity Work Programme should also focus on current and future needs of local and regional authorities (LRAs) with respect to digital resilience and require LRAs' active involvement not only as test beds, but also as implementers in identifying and adopting innovative solutions and practices for digital resilience. This could foster links to cybersecurity smart regions and the National Coordination Centres (NCCs) in order to specifying calls focusing on digital resilience.

**Expected benefits:** In this context, the European Commission could consider measures including supporting facilitators of the development of cybersecurity ecosystems in all European regions sufficiently endowed with cybersecurity industry, innovative start-ups, research and academia by further using the Network of National coordination centres for cybersecurity according to Regulation (EU) 2021/887 and links with the 'Cybersecurity Smart Regions' partnership. This would generate positive externalities for municipalities belonging to the ecosystem.

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**Suggestion 4: Incentivise notable achievements in digital transformation through awards: example of financing a digital resilience award under the DEP**

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**Description:** The European Committee of the Regions, in agreement with the European Commission, could consider creating a voluntary award for small- and medium-sized local authorities having pursued independently but successfully their digital resilience, with scores adjusted to the priorities and objectives of relevant work programmes/ongoing calls. This would motivate participating cities to increase their competitiveness in open calls and access funds that may consolidate their digital resilience path. This example could be followed by similar awards focusing on other areas upon discretion of the Commission based on achievement or not of selected key performance indicators.

Such award(s) could follow an example of the [European Entrepreneurial Region \(EER\) award](#), co-organised by the European Committee of the Regions and by the European Commission, and could – with very low initial costs – contribute to selected objectives of the DEP. The participation of any EU-based entity in such an award process would be solely voluntary and would not in any case be considered as a "preferential mark" for calls.

Although this suggestion not being entirely in line with the programme's funding architecture of subsidising forward-looking projects and leveraging investment, it could be implemented relatively cost-effectively.

**Expected benefits:** incentives for applicants to pursue selected objectives using their own resources ahead of or in parallel to applying for support from the DEP.

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**Suggestion 5: Factor the demand side into the evaluation and next steps of the European Digital Innovation Hubs (EDIHs)**

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**Description:** make sure that, before future actions are taken in view of selecting additional European Digital Innovations Hubs (EDIHs), an evaluation of the performance of the European Digital Innovation Hubs established pursuant to Article 16 of the DEP Regulation as a funding instrument covers the perspective of its clients and ideally run a user survey. Thoroughly examine the take-up of the EDIH services on the ground in order to define the expected impact for potential extensions of the EDIH Network after the first three years. In order to support such take-up and to create and grow relevant ecosystems, the European Committee of the Regions and the RegHub contacts in EDIH cities could assist in creating synergies with their networks.

It should be noted that each established EDIH will measure their performance in relation to their expected impact and objectives achieved as defined in their project's description of actions.

As referred to in a separate consultation of EU regions and cities run via the network of Regional Hubs (RegHub consultation) executed in April and May 2023, no comprehensive assessment of the functioning of EDIHs could be made due to their start-up phase. However, besides clarifications needed regarding the selection procedure of EDIHs or the lack of a clear strategy at national level in some Member States as regards digital innovation centres, RegHubs

provided already a large number of recommendations what the EDIHs should focus on in the future, such as:

- providing expert advice on specific needs of their clients when developing effective digital transformation strategies;
- development and integration of tailor-made software solutions;
- cyber-security advice;
- digital training and skills development;
- technical support and maintenance;
- EDIHs to remain one-stop shops to respond efficiently to the digital challenges of their clients, especially in the areas of circularity and sustainability;
- awareness-raising of programme objectives for municipalities;
- fostering use of sandboxes to boost public-private collaboration;
- organization of communication events to be organized at municipal level in order to bring together demand (e.g. small businesses) and supply (the services of the European Digital Innovation Hubs).

**Expected benefits:** EDIHs are a critical factor for the DEP reaching its targets and for enabling actors from the private and public sector cooperate and providing access to technologies, know-how and sharing practices on accessing EU financing. With the network of EDIHs growing and reaching to areas closer to border and/or regions lagging behind, the network and activities of EDIHs should reflect the relevant needs of their actual and potential beneficiaries.

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**Suggestion 6: Improve synergies between the DEP and other supporting programmes and funds by making DEP more flexible, by aligning applicable rules and by coordinating their management**

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**Description:** As per Article 13 of the DEP Regulation, the programme shall enable synergies with other Union programmes, in particular through arrangements for complementary funding from Union programmes where the management arrangements allow it. Funding from other programmes may be deployed in sequence, in an alternating way, or through the combination of funds, including the joint funding of actions. However, to date, these provisions on synergies have not been exploited to their maximum extent. The Commission is therefore advised to step up its efforts in ensuring that potential complementarities are fully used through a number of actions:

- further clarify and align applicable rules on State aid granted to undertakings under the Digital Europe Programme and under other Union programmes, in particular under the Regulation 1060/2021 (Common Provisions Regulation on ERDF, ESF Plus etc.) in order to streamline and simplify procedures for project applicants and for programme managers coordinating their management;



- improve sequencing of support deployment from the DEP and other Union programmes, in order to ensure that project proposals are drawn up and actual projects are implemented seamlessly and without undue delays;
- strengthen coordination mechanisms between managing authorities of Union programmes - including under shared management - and the DEP to ensure that conditions for support are aligned between programmes/relevant calls, that eligible expenditures are complementary and do not overlap in terms of content and that support policy areas are closely linked to each other;
- facilitate flexibility mechanisms applicable to relevant calls to match corresponding support from other Union programmes and/or allow for flexibility in the creation of consortia and entities that group interests in the administrations;
- improve visibility and availability of funding opportunities for potential project applicants, publish examples of best practices in manuals accompanying relevant calls, bundle competence centres and hubs providing support to project applicants and beneficiaries, in particular to SMEs having little or no experience with project funding (see also Suggestions n. 5 and 7).

**Expected benefits:** funding instruments are available at the same or right time, preventing overlapping and/or lack of complementarity due to non-alignment of applicable rules, awareness-raising about best examples of complementary support from various sources of funding.

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### **Suggestion 7: Increase communication and transparency of DEP**

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**Description:** In order to increase the relevance and potential impact of DEP and DEP funded projects, there is a need to increase communication and transparency of DEP for both potential applicants as well as for end-users of services provided by DEP funded projects, especially SMEs. DEP is still challenged by being a new programme and is still unknown to many stakeholders. Thus, it is important that the European Commission ensures a centralized communication of the opportunities of the program as well as related initiatives and events such as information and brokerage events – also for events held by DEP funded activities such as the Data Space Support Center, Testing and Experimentation Facilities for AI or the Digital Transformation Accelerator.

Furthermore, many of the DEP calls have a lot of legacy which needs to be more explicitly shown in the calls, such as relevant background information on different Commission-led working groups, EU projects in the previous funding period, European industrial networks and communities and other EU initiatives. Having the full map of these initiatives and their relation to the DEP would be essential to increase the relevancy of DEP to the right applicants and potential end-users.

In addition, the role and the tasks of the National Contact Points, which have neither been included in the Commission’s first proposal for the regulation nor the final text itself, would also need some further reflection and a clear legal basis. A network of National Contact Points was launched just recently, while there is no secure funding and the division of labour between the Commission and the Member States would benefit from more clarity.

**Expected benefits:** Increased and centralised communication on DEP will make it easier to get a clear overview for potential applicants and end-users to participate or make use of DEP funded activities and thus increase the relevancy and impact of DEP. More transparency in terms of legacy for the different projects will make it easier for new entrants and participants to understand how and why they should participate in projects.

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**Suggestion 8: Increase the predictability of DEP budget**

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**Description:** The success of the programme depends on predictable conditions and stable budget. Ad-hoc redirection of funding to other EU-initiatives should only be done under exceptional circumstances, based on well-coordinated procedures involving Member States. The case with the work programme for 2023-24 not having a final budget for 2024 calls does not ensure the necessary predictability of the programme.

This is exacerbated by lack of detailed description or content of the calls making it very difficult for potential applicants to prepare consortia and secure the necessary co-funding.

**Expected benefits:** A more stable and predictable budget will make it easier for both applicants to prepare applications and secure co-funding that are in line with national processes in terms of availability of national co-funding, thus increasing successful participation, buy-in from member states and thus the success of DEP funded activities.

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**Suggestion 9: Include a strong citizen and consumer focus in the forthcoming DEP work programmes and relevant calls within Specific Objective 4**

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**Description:** The Digital Europe Programme, although addressing major challenges towards digital transformation and technology shifts, such as artificial intelligence, cyber-security, lack of digital skills, etc, does not include the citizen/consumer perspective. Where both public sector and businesses are targeted to help them more easily uptake digital solutions and new technologies, the interests, needs and expectations of citizens and consumers have hardly been taken into account. The impact on citizens and consumers should be an evaluation criterion for relevant grants awarded under Specific Objective 4 and the contribution to and compliance with the EU's digital principles should be systematically integrated into the application evaluation.

**Expected benefits:** increasing Europe's talent pool, bridging the digital divide between different groups of citizens, fostering greater professionalism in the field of digital.