

Proposal for the strategic agenda of the next European Commission

“Digital Europe for all”

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Key points after Broadband Platform discussion

With a view to the renewal of the European Commission’s mandate in the field of the Digital Single Market, the president and first vice-president of the European Committee of the Regions hereby present a proposal for a strategic agenda of the next European Commission. The proposal was discussed at the meeting of the Broadband Platform for the DSM on April 3 2019, and this revised version will now be put forward for discussion with other stakeholders at the end of April and finally presented to the Digital Assembly on 13-14 June 2019. It will provide the basis for a strong plea from cities, regions and all relevant stakeholders in Europe for a “Digital Europe for all” with a strong territorial focus.

Objective:

Over the coming years, the European Union will continue to power the “digital revolution” by supporting cities and communities in their digital transformation and in accelerating the delivery of the Digital Single Market’s economic and social benefits to all local communities and to their (e-powered) citizens. Three areas of action – scaling up, sharing and monitoring of digital innovation – are proposed as engines for delivering those benefits to local economies, services and democracy.

Context:

The digital revolution is already underway; its disruptive power will affect the way we work, learn and communicate for years to come. While the previous European Commission focused on the legal framework for a Digital Single Market and on promoting connectivity and smart solutions, it is now time for the benefits of this revolution to be co-created and felt **throughout the whole European Union**.

Europe has a great record of inventing new, smart solutions for its citizens. However, these solutions often stay small in scale and are at best shared with a number of other European cities and communities through exchange of good practices, with the result that they do not scale and are often pushed out of the market by solutions from globally dominant players. These solutions do not involve the citizens nor focus on their needs and they often lock our cities and communities into small non-scalable and non-interoperable applications.

Europe needs to develop new ways to deploy smart digital solutions that are not necessarily dominated by large players or engineered by state sponsors. This will help Europe to increase its global competitiveness and at the same time close the European digital divide.

Local and regional communities and governments have a key role in delivering the benefits of the digital transformation to the public. They are responsible for **50% of public investment in the EU**,

¹ The proposals made in this paper do not necessarily reflect the views and opinions of the CoR or the European Commission.

receive **25% of tax revenues** and are a major public employer. There are **74 regional legislative assemblies**, around **280 regions**, and **80 000 local authorities** in Europe². All are directly involved in applying the Union's DSM on the ground and provide significant public services³. For example, regions have demonstrated great success in designing and applying strategies to promote connectivity and improve digital employment opportunities, thus taking concrete steps towards the implementation of the Digital Single Market. Local initiatives are rapidly developing in the area of using disruptive technologies: artificial intelligence (AI), internet of things (IoT), 5G, robotics, blockchain, and others.

However, their capacity to manage change and deliver new solutions varies greatly. So far, the main beneficiaries of the digital revolution have been larger cities, more prosperous regions and a few local communities with strong local leadership. Others – particularly in rural areas – have no option but to turn to large, turnkey solution providers.

This is why the EU has invested heavily in establishing a marketplace for smart solutions for cities and communities, and has implemented a number of successful lighthouse and large scale pilot projects in research, creating common Minimal Interoperability Mechanisms⁴. **For the digital transformation to realise its full potential it should be applied consistently across different services and sectors of economy.**

The way ahead:

Digitalisation, integrated with the changing role of cities and city-driven regions, is of key importance in defining the Europe 2030 Strategy, which focuses on implementing the Sustainable Development Goals⁵. The potential of and expectations for the Finnish Presidency are high.

In order to make the most of AI solutions, the IoT, data platforms, distributed ledger technologies, the need for cybersecurity arrangements, 5G connectivity, etc., we need to experiment and work together to create ecosystems that are interoperable and citizen-centred. Within these ecosystems, enabling local and regional governments and other key actors to jointly drive, the digital revolution **will take a holistic and multi-faceted approach**, with **dedicated actions** in policy areas relevant for them.

The proposed approach can be organised into three main **dedicated actions** (in addition to other cluster specific actions):

1. **Scaling up** proven open standard based digital solutions in smaller settings and pilots, supported by the relevant regional, national and European funds and programmes and by checking the regulatory fitness of the existing regulation.
2. **Sharing and transferring** proven open standard based digital solutions and services by jointly establishing a repository of validated digital solutions for both individuals and organisations (*EuBoutique of Community Apps*).
3. **Monitoring and demonstrating the benefits of digital** solutions and innovation in a consistent and comparable way across EU, using a set of **meaningful indicators**⁶ (*DESI*⁷ –*Local*) that can measure

² https://stats.oecd.org/Index.aspx?DataSetCode=SNGF&_ga=2.87768600.1217880353.1549180216-453941911.1510425364

³ https://joinup.ec.europa.eu/sites/default/files/document/2016-11/egov_ap_implementation_-_session_2_-_h2020_sc6.pdf

⁴ <https://cordis.europa.eu/project/rcn/199624/brief/en>

⁵ https://ec.europa.eu/info/strategy/international-strategies/sustainable-development-goals/eu-approach-sustainable-development_en

⁶ Based on the set of recommendations set by the OECD on digital government: <http://www.oecd.org/gov/digital-government/Recommendation-digital-government-strategies.pdf>

⁷ Based on EU's DESI: <https://ec.europa.eu/digital-single-market/en/desi>

the progress made in achieving DSM roll-out at local/regional level with the involvement of local and regional authorities.

These actions will focus on **delivering proven benefits** to local communities and their citizens. In order to effectively implement these areas of action, all interested cities and communities are advised to consider taking **preparatory steps** such as:

- establishing a **local/regional digital innovation ecosystem** of relevant actors and stakeholders
- describing their most **pressing challenges and existing bottlenecks**
- mapping **ongoing initiatives** as well as the **funding instruments** and opportunities
- creating a list of existing and proven digitally enabled **solutions or services** (urban platforms, ontologies, open standards, EU boutique of apps)
- developing a jointly agreed set of indicators – **DESI-Local index** – including data available from the JRC, DG Regio, EUROSTAT, ESPON and OECD, that will be measured periodically, are comparable across EU and effectively demonstrate the progress made towards goals set on the basis of an inclusive bottom-up process. These indicators will be designed to provide actionable data helping LRAs to achieve their socioeconomic development objectives.

The European Committee of the Regions and its Broadband Platform can facilitate stakeholder dialogue and exchange with EU policy makers on the digital transition at the local and regional level, especially with a view to sharing and scaling, and establishing synergies both within and across sectors and regions.

Although cities and communities are encouraged to take a holistic and cross-thematic approach, they could consider **three main DSM action clusters**:

- I. Local Economy cluster (connectivity and interoperability with open standards; digital skills; fair data economy and business development)**
- II. Local Services cluster (sustainable transport, health and energy efficiency, circular economy, etc. in an integrated and synergistic manner – not as silos)**
- III. Local Democracy cluster (e-government and citizen engagement and participation; consumer protection)**

I. DSM Local Economy Action Cluster
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Challenge:

The digital revolution presents opportunities and threats for economies at local and regional level. Connectivity, interoperability through open standards, a strong skills base, a human-driven fair data economy, and close interaction between businesses, research institutions and civil society are all essential success factors for an effective innovation ecosystem.

It is likely, however, that the benefits of the digital revolution will not be evenly spread throughout the EU. Dedicated support for local economy initiatives is therefore decisively important if we wish to reverse this trend in years to come. Furthermore, stakeholders suggest that the implementation of the digital transition should be environmentally sustainable.

Existing solutions and instruments:

The EU already offers a number of instruments for fostering smart local economies:

- Investment via the Structural Funds and the European Fund for Strategic Investments is geared towards supporting broadband connectivity; a recent initiative from the Connecting Europe Facility 2 (WIFI4EU) allows 2 800 communities to offer free wifi to their citizens;
- Smart specialisation strategies have been designed to make the local and regional level more resilient within the Digital Single Market;
- The European Innovation Partnership (EIP) on Smart Cities and Communities has drafted a Leadership Guide and Reference Framework to enable city and community leaders to take informed decisions; it also agreed on a joint investment plan; similarly, the EIP on Active and Healthy Ageing has developed a strategy for age-friendly homes and cities;
- The Open & Agile Smart Cities have approved, through their Council of Cities, the first Minimal Interoperability Mechanisms⁸ (MIMs), based on key open standards and validated by the SynchroniCity EU Large Scale Pilot;
- The Digital Transition Partnership under the EU Urban Agenda has developed a common action plan⁹ including specific recommendations for access to and reuse of private sector data of general interest by the public authorities and setting out a European roadmap on “MyData”.

Mainstreaming measures:

- Develop **local digital transformation strategies**¹⁰ as part of the smart specialisation strategies each Member State and region must develop for the next Structural Funds programming period, with strong involvement from (regional) **Digital Innovation Hubs**¹¹ and the option of taking part in **networked solutions to scale urban platforms**; make use of Minimal Interoperability Mechanisms; use synergies between the funding instruments to optimise impact;
- Boost the roll-out of **broadband connectivity**, particularly for local businesses in rural areas as well as public schools and hospitals, by using the funding instruments of the ERDF, CEF and Invest EU to continue the work on a **Broadband platform**¹²;
- Work towards meeting the three strategic objectives of the 2016 Commission Communication “Towards a European Gigabit Society”, namely: access to gigabit connectivity for all socio-economic drivers; uninterrupted 5G coverage for all urban areas, major roads and railways; and access to a download connectivity speed of at least 100 Mbps for all European households, upgradable to gigabit speed. These objectives can be achieved using available European funding such as the ERDF, CEF, Invest EU and the Connecting Europe Broadband Fund (CEBF) as well as policy instruments such as the Joint Broadband platform; (*received from NP, CNECT B5*);

⁸ <https://synchronicity-iot.eu/tech/>

⁹ https://ec.europa.eu/futurium/en/system/files/ged/digital_transition_action_plan_for_dgum_300818_final.pdf

¹⁰ Similar to the one developed in the Digital Transition Partnership of the European Urban Agenda: https://ec.europa.eu/futurium/en/system/files/ged/digital_transition_action_plan_for_dgum_300818_final.pdf

¹¹ The proposed Regulation on the Digital Europe Programme allows for the establishment of regional digital hubs to support this strategy: https://ec.europa.eu/commission/sites/beta-political/files/budget-june2018-digital-transformation_en.pdf. The CoR advocates, in its opinion on the Digital Europe Programme, that the aim should be to have a Digital Innovation Hub in every region: <http://webapi.cor.europa.eu/documentsanonymous/cor-2018-03951-00-01-ac-tra-en.docx>

¹² Created as an action in the Communication on "Connectivity for a competitive Digital Single Market - Towards a European Gigabit Society", COM(2016) 587, 14.9.2016.

- Develop **regional digital skills alliances**¹³ with the education and training sector to match the digital needs of local businesses, including a **regional pledge tracker**¹⁴;
- Promote a broad **peer-to-peer learning strategy**¹⁵ and **European-wide networked solutions** to exchange smart city and community concepts, approaches to a fair data economy and knowledge of successful digital transitions as a concerted effort by local government, local chambers of commerce and local business associations, particularly in small and mid-size cities;
- Develop single access apps for citizens, tailored to cities;
- **Agree on key indicators** regarding this action cluster that could become part of the overall (DESI-Local) index, including those related to employment and vacancy types.

II. DSM Local Services Action Cluster

Challenge:

Many of the services provided or sponsored by local and regional governments provide substantial public services that are directly affected by the digital revolution, including social protection, street lighting, education, health and collective transport. The emergence of platforms and the availability of data and information fundamentally transform the way citizens use these services.

Existing solutions and instruments:

The EIP SCC Marketplace, and the SynchroniCity data and services marketplace within Open and Agile Smart Cities (OASC), bring together stakeholders from the demand and supply sides to find common solutions. EURO CITIES has been leading on local and regional initiatives in the context of digital transition in such areas as action on access and reuse of private sector data. Through cooperation and networking under the URBACT programme and Horizon 2020, cities and communities are working together to develop scalable solutions.¹⁶

Mainstreaming measures:

Further measures are needed to scale up and optimise existing solutions. The following actions are proposed:

- Use the **revision of the public procurement directive** to promote the easy roll-out of smart services in close association with the **Digital Innovation Hubs**; make optimal use of **collective purchasing arrangements**; work with the EIB to make collective purchasing easier;

¹³ In addition to the European Skills Alliance <https://ec.europa.eu/digital-single-market/en/digital-skills-jobs-coalition>

¹⁴ Similar to the pledge tracker at EU level <http://pledgeviewer.eu/>

¹⁵ Building on the experience made by TAIEX Peer to Peer Learning on regional development: https://ec.europa.eu/regional_policy/en/policy/how/improving-investment/taix-regio-peer-2-peer/

¹⁶ Furthermore, the Digital Transition Partnership, supported by EURO CITIES, OASC and CEMR, is helping to develop a financial framework supporting cities and regions in the digital transition. This should involve large-scale coordinated investment in existing and emerging technologies, digital skills, and IT infrastructure.

- Further develop the actions on promoting **smart model villages and regions**¹⁷ in each Member State, through a **call to choose model cities/regions in each Member State** combined with dedicated training and mainstreaming actions to inspire replication;
- Develop a series of (150) **local dialogues on new digital solutions for local/regional digital services** combined with a “roadshow” of digital solutions to take place throughout the EU, in close cooperation with members of the Committee of the Regions and in close association with the **Digital Innovation Hubs**, included in the Digital Europe Programme;
- **Agree on key indicators** regarding this action cluster that could become part of the overall (DESI-Local) index.

III. DSM Local Democracy Initiative

Challenge:

Growing concerns about data protection and security coincide with citizens’ demands for better access to and participation in local decision-making. The digital transition should take into account the requirements of personal data protection. Moreover, ethics, values and principles (security and privacy as part of them) should be given a particular attention in the context of digital transition.¹⁸ Since local politicians are more trusted than those at higher levels of government, they can play a key role in generating support for the digital transition. Furthermore, public administrations can play a key role in demonstrating the benefits of the digital revolution.

Existing solutions:

There are numerous initiatives for stronger citizen participation in local politics using digital tools.¹⁹ Various declarations have been made in favour of e-government solutions.

Mainstreaming measures:

However, further efforts need to be made to promote citizen participation and e-government solutions. The following mainstreaming actions are suggested:

- Using new digital solutions at local level for an **app for permanent dialogue with the citizen at local level** on matters ranging from cybersecurity to digital public services, involving CoR members and local and regional authorities and coordinated by DG CNECT;
- Setting up a **forum for local e-government solutions** as a platform for support and exchange, including Member States’ local government associations and promoting an exchange programme for local elected politicians²⁰;

¹⁷ Taking also into account the ideas raised in the proposal for a Smart City Investment Programme https://eu-smartcities.eu/sites/default/files/2018-06/EIP-SCC_TOWARDS%20A%20JOINT%20INVESTMENT-Paper.pdf

¹⁸ Initiatives like the “Cities Coalition for Digital Rights” <https://citiesfordigitalrights.org/> and like the “EUROCITIES citizen data principles” <http://www.eurocities.eu/eurocities/documents/EUROCITIES-principles-on-citizen-data-10-data-principles-for-the-common-good-WSPO-BAXFRH> reflect this reality.

¹⁹ These include the Cities Coalition for Digital Rights, which aims to safeguard democratic values and human rights on the internet. <https://citiesfordigitalrights.org/>

²⁰ This forum would also make it possible to develop meaningful engagement with the initiatives associated with EIP-SCC https://ec.europa.eu/info/eu-regional-and-urban-development/topics/cities-and-urban-development/city-initiatives/smart-cities_en

- Providing a **European voucher scheme for e-government audits for 700 small and mid-size cities**²¹, under which experts in local government would – at the invitation of the city's mayor – provide a 15-day consultancy service, on condition that the findings were presented to the City Council;
- **Agree on key indicators** regarding this action cluster that could become part of the overall (DESI-Local) index.

IV. Accompanying Initiatives

So far, implementation of the DSM is largely monitored at Member State level. However, this national aggregation of data is not sufficient to assess the uptake and roll-out of digital solutions at local/regional level. It would also be valuable to set a benchmark for cities that would allow them to grow into a “power community” as a brand for what a smart city or community can be.

Therefore, the following measures are suggested:

- Work on an inclusive **quality label** for “power communities”; such a label should allow communities of all sizes to be part of the ecosystem and thus allow for a certain degree of differentiation;
- In addition to setting up a DESI Local index, facilitate the expansion and mainstreaming of the **generation of regular statistics** on digital uptake beyond the existing household and business statistics towards the **local/regional level** (at least NUTS 2 level), by **including the public sector**²² and by engaging the local authorities involved in this field;
- Publish – together with the European Committee of the Regions – a regular **report on the state of play of the local/regional dimension of the DSM**²³;
- Use the annual Digital Assembly to discuss policy regarding the regional dimension of the digital single market.

Timeline for further discussion of this strategic agenda:

- DA 2019 13-14 June – presentation of the non-paper and commitments from stakeholders to implement the actions, including the DESI-Local index.
- 11 July, discussion point at the CoR SEDEC meeting.
- Other major events during the Finnish Presidency including the European Days of Regions and Cities.
- Possible referral from the Finnish Presidency with a view to the next Commission.
- CoR opinion by the end of 2019.
- Promotion and progress at key events at the end of 2019 and the beginning of 2020, such as the Connected Smart Cities & Communities conference, led by OASC, Brussels, 23 January 2020.

²¹ https://ec.europa.eu/regional_policy/sources/docgener/focus/2012_01_city.pdf

²² So far Eurostat does not systematically capture e-government solutions offered by local/regional public administrations: <https://ec.europa.eu/eurostat/web/digital-economy-and-society/data/database>

²³ Similar to the monitoring report the CoR has published for the last decade on implementing the Europe 2020 strategy and the European Semester: <https://portal.cor.europa.eu/europe2020/Documents/publi-file/9th-monitoring-report/9thMonitoringReport.pdf>