



CONTRIBUTION OF THE EUROPEAN STRUCTURAL AND INVESTMENT FUNDS TO THE 10 COMMISSION PRIORITIES DIGITAL SINGLE MARKET





HOW ARE THE EUROPEAN STRUCTURAL AND INVESTMENT FUNDS (ESI FUNDS) CONTRIBUTING TO THIS COMMISSION PRIORITY 2014-2020?

The digital revolution is changing the world we live in. However today's online barriers mean citizens don't have access to certain goods and services, internet companies and start-ups are limited in what they can offer, and businesses and governments cannot take advantage of the digital tools available. There is an urgent need to make the EU's single market fit for the digital era. This means removing regulatory walls and merging the existing 28 national markets into one robust market place. This move is vital as it could add EUR 41.5 billion to the EU's economy annually, while creating hundreds of thousands of new jobs.

HOW CAN THE EUROPEAN STRUCTURAL AND INVESTMENT FUNDS HELP?

Information and communications technology (ICT) is the **most important driver of innovation and growth** globally. It encourages the spread of innovation, sustainability and economic competitiveness, as well as social inclusion. In Europe, the digital economy is the fastest growing sector and its huge potential has only been partially exploited.

The Digital Single Market (DSM) ensures the free movement of goods, people, services and capital, allowing individuals and businesses to seamlessly access and exercise online activities. This freedom is made possible under conditions of fair competition and a high level of consumer and personal data protection, irrespective of nationality or place of residence. This is why ICT investments are part of the European Structural and Investments Funds' (ESI Funds) key investment areas to enhance growth in the regions.



ESI FUND ACTIONS: 2014-2020

ICT INVESTMENTS

Approximately **EUR 21.4 billion** from the ESI Funds is available for ICT investments over the 2014-2020 funding period:

- ESI Funds will mean better access for consumers and businesses to **online goods and services** across Europe. The Funds will benefit **e-government services and applications** including e-procurement, e-inclusion, e-accessibility, e-learning and e-education services. They will also improve access to public sector information such as open data and help modernise the public sector. To fully unlock their cost and time-saving potential, including the 'only once' principle for e-government applications, the focus will be on inter-operability at both national and European level.
- ESI Funds will also help create the right conditions for digital networks and services to flourish by **rolling out broadband** mostly for high- and very high-speed networks, and through other types of ICT infrastructure and large-scale computer systems. In particular, rural and peri-urban areas will benefit from these investments. The European Commission aims to improve coordination between different Funds at the national, regional and local levels, while capitalising on all cost-saving measures for broadband roll-out.
- Finally, the Funds will help maximise the growth potential of the **European Digital Economy**. This will be done by supporting ICT Services and applications for SMEs, opening up business opportunities for digital companies regarding intelligent transport systems, and introducing Intelligent Energy Distribution Systems and ICT solutions to address the challenge of healthy active ageing.



DIGITAL STRATEGIES

Smart Specialisation Strategies are helping the shift from a classic ICT sector approach to a comprehensive local/regional/national 'digital agenda', meaning that regions will be able to identify ICT investment priorities relevant for their territory.

In order to optimise the impact of ICT investments under the ESI Funds, Member States and regions were obliged to develop two **strategies** before making any digital investments using the Funds:

- For 2014-2020, national and regional authorities devised a **strategic policy framework for digital growth** within their broader research and innovation strategies in order to receive funding for investments in ICT products and services.
- Each Member State planning to use the Funds for broadband investments also developed a **Next Generation Network Plan** that identified where public intervention was necessary to provide broadband access.

TRAINING AND EDUCATION

EUR 2.2 billion from the European Social Fund (ESF) will be accessible to support **human capital development in ICT**. Investments will focus on ICT skills, support for business creation, e-justice, as well as ensuring cross-country and cross-entity inter-operability of systems. Funds are also available for streamlining and integrating systems and processes to improve transparency, simplification and burden reduction.



STRENGTHENING ADMINISTRATIVE CAPACITY

The Funds will also [help develop administrative capacity for the effective application of this Digital Single Market \(DSM\) legislation](#) and to [leverage national public and private funding](#) to enhance and quicken the positive impact of the DSM across the regions. For example, technical assistance funds from the [European Agricultural Fund for Rural Development \(EAFRD\)](#) will help establish a so-called Broadband Contact Point which will guide decision makers and local actors towards the appropriate source of funding for extending broadband deployment.

HEALTHY AGEING

16 Member States (Hungary, Czech Republic, France, Germany, Greece, Hungary, Italy, Latvia, Lithuania, Malta, Poland, Portugal, Romania, Slovak Republic, Spain and Sweden) will invest more than EUR 950 million of ERDF funds for ICT solutions in addressing the [healthy active ageing challenge](#) and improving [e-health services](#) by promoting technological development, e-infrastructures and connectivity.



EXPECTED RESULTS



14.6 million additional households will have access to high-speed broadband with ERDF support.



77 500 companies will receive ERDF support to enhance the use of quality ICT services and develop ICT products.



18.8 million people in rural areas will benefit from improved access to ICT services or infrastructures under EAFRD.



€ 850 million from EAFRD will be used to roll out broadband in remote areas, reaching 15% of Europe's rural citizens.



Under the EAFRD, the **€ 12 billion investment** to modernise farms will also be used to introduce precision farming and ICT.



41.7 million people will benefit from improved health services, including investments in e-health.



PROJECT EXAMPLES

- A **major digital communications project** in one of Poland's less developed regions has the potential to provide an additional 220 000 people with access to broadband services. The construction of the broadband network infrastructure helps to eliminate the digital divide in areas that have previously been deprived of basic broadband services.
<http://europa.eu/!mK38wr>
- **New business models and incubation support** helps entrepreneurs in the Scandinavian gaming industry establish viable companies and survive in a highly competitive business environment of one of the biggest digital industries in the world.
<http://www.scangame.dk>
- **Estonia** is one of the most advanced e-societies in the world. Its latest innovation is an e-residency card for non-nationals. Much of Estonia's e-government infrastructure has benefitted from investments under ERDF.
<http://europa.eu/!mV87uB>
- **In Croatia**, an integrated information system for the Croatian Health Insurance Company is being developed with ESI Fund support to include services such as e-directives, e-drug prescription as well as an online payment system. A standardised, integrated and interoperable information system in Croatian public hospitals will also be introduced.
<http://bit.ly/1kUhn0>



- The ESF can help in achieving the economic and employment opportunities the Internet offers: in **Germany** at the University of Dresden, the ESF supported young researchers who worked at the frontier of R&D in the field of IT Technologies. The **ResUbic Lab project** comprised 19 young researchers working on cyber-physical systems, software for decision planning, and architectures for cloud computing.
<http://europa.eu/!Xk43Xx>

More factsheets on how ESI Funds contribute to Commission priorities are available at http://ec.europa.eu/contracts_grants/funds_en.htm
Other factsheets in the series: Jobs, Growth and Investment • Energy Union • Internal Market • Economic and Monetary Union • Justice and Fundamental Rights • Migration