

Results of a survey of the Europe 2020 Monitoring Platform on the Flagship Initiative `Digital Agenda for Europe`

Presentation by Markku Markkula, Member of the Espoo City Council, Finland, member of the Steering Committee of the CoR Europe 2020 Monitoring Platform

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Dear members of the Committee of the Regions,
Dear Minister,
Esteemed guests,
Ladies and gentlemen,

Since the launch of the Europe 2020 strategy in 2010, the Committee of the Regions has encouraged the Local and Regional Authorities to contribute to its design and implementation - also to take into account existing territorial socio-economic differences - and has campaigned for the different levels of government to work in partnership.

The CoR's Europe 2020 Monitoring Platform – which includes nearly 170 regions and cities from all Member States – has been monitoring developments on the ground, facing the present difficult economic situation and the impact of the economic crisis on employment and the social situation in the EU, as described in the 2013 Annual Growth Survey.

This conference is the fifth in a series of CoR events and monitoring activities, connected to each Flagship Initiative and leading to the mid-term review of Europe 2020 in 2014. And for the fifth time, the Europe 2020 Monitoring Platform contributes to the debate the results of a survey of EU cities and regions. I am pleased to present today these results, dealing with the important and stimulating topic of digitalisation and information technologies within the European Union.

The EU's ICT sector accounts for 6% of GDP and is responsible for one fifth of business spending on research and development. Recent evidence shows that a 10 percent increase in the broadband penetration rate increases annual per-capita GDP growth by some 1 to 1.5 percent. Goals such as universal broadband coverage, the development of cloud computing and the improvement of digital skills and literacy are of paramount importance in today's modern world and are key in the development of jobs and achievement of growth.

Local and regional authorities play an important role in implementing the Digital Agenda for Europe flagship initiative. They foster innovation and competitiveness through tailored solutions, including for broadband roll-out, the digital economy, e-inclusion and e-government. In general, two in three euros of public investment in the EU is implemented by regional and local authorities. Current and future EU funding also often depends on local implementation.

Let me draw your attention to an example of important financial linkages of the Digital Agenda and real life practice. Three years ago in our CoR opinion on “Digital Agenda for Europe” we stated:

“New developments in information management can play a crucial role in achieving the goal of establishing an ambitious new climate regime. Building Information Modelling (BIM) is actively used in facility management to provide a digital representation of the physical and functional characteristics of a facility. The concepts of BIM should be extended to regional and urban planning. It could then serve as a shared knowledge resource for an area, forming a reliable basis for life-cycle analysis, user-driven business process development and value-creating decision-making.

This development, which the CoR stressed three years ago, is now known as “regional information modelling” and it will have huge positive financial impacts at local level in cities. We should make extensive investments in R&D and also practical implementation for this. This development based on the BIM applications was one of the new discussion topics in the Digital Agenda Assembly two weeks ago in Dublin. These R&D issues with heavy financial impact on our build environment and property management should be taken in a high priority in Horizon 2020 and also in Digital Agenda.

Now let me go back to the CoR recent survey. The survey was aimed to assess the Flagship Initiative from the perspective of Local and Regional Authorities. The questionnaire focused on what is actually happening on the ground, key policies on a local/regional level, cooperation between different tiers of government, as well as funding issues.

We received 31 responses from 13 EU Member States whose findings I am now going to briefly illustrate, while reminding you that:

- the survey's full summary report, in English, is at your disposal on-line, in the Platform's website;
- the conclusions of the survey are available today both in a printed copy and in this website. In a few days, it will also be available in all EU languages.

Let me start off with the challenges faced by the respondent regions and cities. There was comparatively strong agreement across the responses received regarding the main challenges faced by local and regional authorities. For more than two thirds of the respondents, the biggest current challenges were how to extend the provision

of fast broadband internet and to upgrade to next generation networks. In their view, the provision of fast Internet connection of above 30 Megabytes per second for all citizens by 2020 remains difficult. A further 45% of respondents deemed E-governance a challenge that needs to be addressed urgently. Almost half of these explicitly referred to the lack of interoperability, in the sense of interconnection of different government platforms, which poses a challenge to implementing E-governance across the board.

Additionally, for almost three quarters of the survey respondents, digital literacy is seen as a growing challenge. Many local and regional authorities report that more training is needed for the wider population in order to avoid social exclusion of certain groups, including elderly and middle aged citizens with low computer skills. More than half of the participants reported that Research and Innovation in the ICT sector, while needed to maintain the EU's competitive edge, is insufficient, thus jeopardizing the goals of the Digital Agenda.

As a reaction to these challenges, many local and regional authorities are adopting specific policies in this field. Many survey respondents are setting up specific digital and ICT development plans in their political agendas: two thirds of the respondents are incorporating a local digital agenda in their local and regional initiatives.

The survey results lead to a number of conclusions concerning the strengths and the weaknesses of the `Digital Agenda for Europe`, as well as potential changes that could be implemented following the mid-term review of Europe 2020 in 2014.

The following survey results point at the perceived strengths of the flagship initiative.

- The definition of clear goals that need to be reached as part of the Digital Agenda for Europe is welcomed by most of the respondents.
- The promotion of innovation through a set of defined goals is appreciated by a number of local and regional authorities.
- The flagship initiative pushes forward the idea for a single digital market and universal internet access which is regarded as truly important by the respondents.
- The Connecting Europe Facility, which deals with new public digital service infrastructures as part of the Digital Agenda for Europe, is appreciated as a relevant action which bridge funding balances between urban and rural areas.

On the other hand, some discernible weaknesses and criticism has also emerged and must be highlighted.

- A number of respondents stated that they are not witnessing sufficient specification of clearer policy actions and guidance by the European Union.
- Some respondents consider the EU funded projects in this field as inefficient and over-bureaucratic.
- The proposed cut in the budget for digital infrastructure and services under the Connecting Europe Facility, from 9.2 billion to 1 billion euro will result in

even harsher conditions for European Regional and Local Authorities in the accomplishment of the goals set by the Digital Agenda for Europe.

In closing the survey analyses, let me turn your attention to the fact that the respondents have also highlighted several potential changes and recommendations in the Digital Agenda for Europe.

- Many local and regional authorities would welcome additional guidance on concrete actions by the EU in this field.
- A large number of respondents are reporting budgetary problems as result of the crisis which is jeopardizing numerous infrastructure projects and deterring the acceleration of cloud computing. There is a general call for a simplification of the procedural requirements for EU-funded projects.
- Some respondents raise the point that it is even harder for digitally deprived regions to be equipped with the necessary ICT infrastructure and equipment in order to keep up with the rest of the EU.
- Most of the respondents deem that the proposed cut in the EU budget for digital infrastructure and services will only contribute to the digital exclusion of some areas and the failure of some of the goals of the Digital Agenda for Europe. There is a general call for sufficient funding in the next multi-annual financial framework.

The survey conclusions bring a series of key points on the ground for discussion, which I am sure will enrich and stimulate reflections in the proceeding of the conference debate.

Let me conclude by stressing the importance of local digital agendas. Dublin Digital Masterplan, announced two weeks ago, is an excellent example of local commitment on taking the full advantage of potential of digitalisation. We – the local and regional decision-makers – should seize the opportunities available with reform of service processes topping the agenda. Digitalisation is the driver of change. We cannot address societal challenges through minor adjustments and conventional management methods. I challenge you all the participants, and especially the Commission through DG Connect, to develop further the new regional innovation ecosystem thinking with new value creation arenas, such as challenge platforms, innovation gardens and societal innovation learning camps focused and based on entrepreneurial discovery. These practical instruments taking further the smart specialisation strategies and increasing the renewal capital at the local and regional level are the drivers of change.

I look forward to our discussions today. This will help the Committee of the Regions to reflect on what can be done to improve the Digital Agenda for Europe, especially as a contribution to the mid-term review in 2014.

Thank you for your attention!

