



BACKGROUND PAPER for the Broadband Platform Meeting
Hybrid meeting on *Interactio* and in room JDE 70
Wednesday, 19 October 2022
11.00-13.00

Digital Transformation, Digital Resilience and Innovation: connecting regional and national programmes with EU initiatives

In 2017, the European Committee of the Regions (CoR) and the European Commission jointly launched the Broadband Platform with the aim to help high-speed broadband reach all European regions, including rural and sparsely populated areas where there is not enough market-driven development. Since then, the Platform has been a key instrument in making the voice of local and regional authorities heard through the important added value of the CoR and its members, feeding into the European Commission's policy-making process in this field. The mandate of the Broadband Platform is more important than ever today in view of the twin transformation on green and digital, the challenges posed by Covid-19 and by the Russian aggression in Ukraine, and hence the need for municipalities and regions to become digitally resilient.

Objectives and overall theme of the meeting

Following on from the Broadband Platform meetings in 2021, and taking into account the priorities mentioned by the Broadband Platform members, this meeting has been set up jointly with the European Commission DG Connect and will serve to inform Members about the latest CoR and EU initiatives concerning digital resilience and the integration of digital transformation and of innovation policy. The meeting will offer time for debate and give Members the possibility to directly inform Commission policy-makers about the situation and (digital) challenges they experience at local and regional level.

Whereas the Covid-19 pandemic has accelerated the digital transformation in Europe, the war in Ukraine and changes in the geopolitical environment have put a focus on **digital resilience** and strategic autonomy. Only a society without gaps in the access to and use of latest technology can provide its citizens with the latest information as well as key support tools for those in need, such as those provided through social media and digital platforms. Solid digital infrastructures and digitally skilled personnel serve to reinforce cybersecurity at the level of local and central administration, and contribute to making digital societies resilient against outside attacks.

A scenario depicted by the recent *CoR foresight study on digital cohesion*¹ presents a situation where the occurrence of cyberattacks is a major threat for society. Together with a greater interconnection given by the development of 5G/6G networks, a digital pandemic would likely spread fast and with

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<https://cor.europa.eu/en/engage/studies/Documents/Territorial%20foresight%20study%20in%20addressing%20the%20digital%20divide%20and%20promoting%20digital%20cohesion/DIGITAL-COHESION.pdf>



severe consequences, especially for public administrations and the general public lacking the right skills to manage cyberthreats the skills and to contain the damages and thereby unable to impede the increase in the infection of the malwares.

In this context, and based on results of the foresight study on Digital Cohesion (see above) and recommendations of the recent CoR **opinion on Digital Cohesion** (Rapporteur Gaetano Armao, IT/EPP) the CoR is commissioning a **study on Digital resilience**, whose objective will be to map the state of play in EU regions as regards investments in digital resilience, funding opportunities for regions and cities and their actual use, as well as potential steps to take at national and sub-national level to increase digital resilience.

In addition, the CoR has further analysed digital divides in the [EU Annual Report on the State of Regions and Cities 2022](#) and is working on the development of a tool to measure digital maturity of municipalities (LORDIMAS), based on Local and Regional Digital Indicators developed under the *Living in EU* initiative (www.living-in.EU).

How to integrate digital transformation and innovation policy approaches at the city level

Digital investments, including in local broadband infrastructure, equipment and human resources, are an important precondition for increasing the long-term competitiveness of European industries and efficiency of public administrations. The complex nexus between digital policy, on the one hand, and research and innovation policy, on the other, is also key to ensuring the future success and sustainability of entire sectors of the European economy, including the potential reversal of negative demographic trends and "brain-drain" at local level. Admittedly, this is a difficult process, operating at different levels of governance and involving a myriad of decision-makers and stakeholders, as well as a variety of funding instruments.

This panel will try to provide practical answers to some of these key issues, especially regarding how to mainstream digital innovation into regional Smart Specialisation Strategies (RIS3). The strengthening of local innovation ecosystems via the creation of Digital Innovation Hubs (DiHs/ EdiHs) has been a positive initial step in the right direction, but this capacity-building tool would need to be supplemented by other important measures to further link universities, companies, public administration and citizens to the ambitious goals of ensuring digital and green transformation at local level. The discussion will also touch upon a range of relatively new EU initiatives, having both a digitalisation and research/innovation focus, such as the Horizon Europe Missions, the EIT-Digital KIC, Interregional Innovation Investments (I3), the ERA Hubs and others.



[Examples include the **European Digital Innovation Hubs (EDiHs/DiHs)**^[1], the **EU Missions**^[2], the **Interregional Innovation Investments (I3)**^[3], the *New European Bauhaus (NEB)*^[4], the European Institute of Technology **EIT Regional Innovation Scheme**^[5], the nascent **ERA Hubs**^[6] and the forthcoming Regional Innovation Valleys and Deep Tech Valleys announced in the 5 July 2022 Commission communication on the *New European Innovation Agenda (NEIA)*.^[7]

Potential issues to be discussed in this session

1. What is the situation in your constituency?
2. Are there any examples of innovative solutions when it comes to digitalization of your city or region?
3. What next steps should authorities at EU, national or local/regional level take to boost innovation and successfully integrate innovation policy to digital transformation?
4. Based on the knowledge available, how can local politicians make a difference to make the EU more innovative?

Panel Debate: How to strengthen collaboration for collective digital resilience in Europe

The Digital Compass sets ambitious targets to be achieved by 2030 when it comes to digital transformation, evolving around four cardinal points: skills, infrastructures, government and business. In the area of public administration, the targets for 2030 include achieving 100% of key public services online, 100% of citizens having access to medical records and 80% of citizens using digital ID. Taking into account these ambitious targets and the competences of local and regional authorities in most Member States, their IT systems and staff must be digitally resilient. This implies the need for pre-emptive investments on this matter at local and regional level. A need for prioritisation of such investments over other actions is an issue that a large number of local representatives may not be aware of, hence the need to map the state of play in EU regions, potential *cost of digital non-resilience* (compare to "cost of non-Europe") and the ways how steps at national level could be coupled with actions at subnational level, including awareness-raising campaigns.

[1] [European Digital Innovation Hubs | Shaping Europe's digital future \(europa.eu\)](#)

[2] [EU Missions in Horizon Europe \(europa.eu\)](#)

[3] [Interregional Innovation Investments \(I3\) - Regional Policy - European Commission \(europa.eu\)](#)

[4] [New European Bauhaus: beautiful, sustainable, together. \(europa.eu\)](#)

[5] [EIT Regional Innovation Scheme \(RIS\) | EIT \(europa.eu\)](#)

[6] [Funding & tenders \(europa.eu\)](#) – Testing the ERA Hubs concept call.

[7] [New European Innovation Agenda \(europa.eu\)](#)



These findings are also confirmed by the European Commission's *2022 Strategic Foresight Report*², reporting the need to accelerate the twin [green and digital] transitions, reinforcing the EU's resilience and open strategic autonomy. The 2022 Strategic Foresight Report lists ten policy recommendations to strengthen opportunities and minimise potential risks related to the interaction between the green and digital transitions up to 2050. As one of the key areas for action, the report suggests that "a stronger cybersecurity and data sharing framework will be needed to unlock the potential of twinning technologies". More concretely, "the resilience of critical entities and infrastructures needs to be strengthened with an all-hazards EU framework to help Member States ensure that critical entities can prevent, resist, and recover from disruptions."

On 15 September 2022, when presenting the Cyber Resilience Act - new EU legislation to protect consumers and businesses from products with inadequate security features - Thierry Breton, Commissioner for the Internal Market, said:

When it comes to cybersecurity, Europe is only as strong as its weakest link: be it a vulnerable Member State, or an unsafe product along the supply chain. Computers, phones, household appliances, virtual assistance devices, cars, toys... each and every one of these hundreds of million connected products is a potential entry point for a cyberattack. And yet, today most of the hardware and software products are not subject to any cyber security obligations. By introducing cybersecurity by design, the [Cyber Resilience Act](#) will help protect Europe's economy and our collective security.

The recent act of “sabotage” targeting communications infrastructure that caused major disruption on the German railway network is a case in point, and demonstrates the vulnerability of critical infrastructure.

At the last Plenary session on 12 October 2022, the CoR adopted, by unanimity, its opinion on the **EU Chips Act**, with Thomas Gottfried Schmidt (DE/EPP) as rapporteur. In its opinion, the CoR is welcoming the Commission's proposal for an ECA as a crucial step towards strengthening the EU, its industry and its security. It is important for the Chips Act to address issues of EU strategic autonomy and technological leadership. The EU must remain a global player in the field of semiconductors, and, therefore, the ambitious target of increasing the EU's market share in semiconductors from the current 10% to 20% by 2030 is the right one.

In this opinion, the CoR also notes that LRAs have a strong shared interest in having a secure supply of semiconductors due to their local economies' high, indirect dependence on them; moreover, some of them have a direct stake in the semiconductors industry with their own regional ecosystems, these regions should be given a key role in implementing the ECA. It furthermore notes that designing and producing semiconductors in the EU can also contribute to the security and resilience of critical infrastructure in LRAs. Indeed, the CoR also suggests that greater focus should be placed on securing the availability of certain types of semiconductors and the joint purchase – where applicable – of critical raw materials and precursors necessary for this purpose.

²

https://ec.europa.eu/info/sites/default/files/strategic_foresight_report_2022.pdf



Moreover, a necessary political step is to increase awareness-raising among all actors as well as the accountability of Member States for the actions of non-state actors in their territories and for more effective sanctions for cybercrimes by the international community. There is a need to align the skills, strategies and solutions that are required to build transition frameworks across society. Public and private sector leaders should collaborate to build practical roadmaps for collective resilience that would contribute to economic growth and global innovation, thereby contributing to the ongoing efforts in the fields of energy security and green technology to increase the EU's strategic autonomy.

The extent of digital resilience is closely linked to the progress of digital transformation. The Digital Economy and Society Index (DESI) summarises indicators on Europe's digital performance and tracks the progress of EU countries. The European Commission has been monitoring Member States' digital progress through the Digital Economy and Society Index (DESI) reports since 2014. Each year, DESI includes country profiles which support Member States in identifying areas requiring priority action as well as thematic chapters offering a European-level analysis across key digital areas, essential for underpinning policy decisions.

Nevertheless, the progress of digital transformation at subnational level is hard to measure, as indicators of digital transformation at local and regional level are still missing (to map evidence of widening digital gaps in the four cardinal points of the Digital Compass, the CoR, in its EU Annual Report on the State of Regions and Cities 2022, has had to use several proxy indicators). Therefore, the CoR, in a close cooperation with DG CNECT of the European Commission, ESPON and active cities within the [living-in.EU](#) movement, has been developing a list of Local and Regional Digital Indicators to map digital transformation of cities and municipalities (LORDIMAS).

Issues to be discussed in this session

1. How relevant is the issue of digital resilience in view of the recent attacks on infrastructure (cyberattacks or attacks on physical infrastructure)?
2. What evidence of the EU supporting digital resilience can be given?
3. What does it mean at EU level to address digital resilience?
4. *Public and private sector leaders should collaborate to build practical roadmaps for collective resilience that would contribute to economic growth and global innovation, thereby contributing to the ongoing efforts in the fields of energy security and green technology to increase the EU's strategic autonomy.* What can be done at local level to contribute to this goal?