BACKGROUND PAPER for the Broadband Platform Meeting
Hybrid meeting on *Interactio* and in room JDE 51
Friday, 6 May 2022
11.00-13.00

DIGITAL COHESION – towards closing the digital divides in the European Union

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 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 latest CoR and EU initiatives concerning digital transformation and connectivity. 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.

The Covid-19 pandemic has taught EU citizens several lessons: one of them being that technology is a key tool to help us adapt to challenging situations affecting all spheres of society. At the same time, the prominent role of digital technology in responding and building resilience to Covid-19 has highlighted shortcomings in digital infrastructure and literacy, and has made the digital divides in the EU even more pronounced.

Moreover, the rapidly worsening geopolitical context following the Russian invasion of Ukraine further strengthens the argument in favour of achieving digital cohesion within the European Union. 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 digital platforms.

In view of growing digital divides, the CoR is advocating to expand the definition of "economic, social and territorial cohesion" by the notion of "digital cohesion" as "an important additional dimension of the traditional concept of economic, social and territorial cohesion defined in the EU Treaty". The CoR

proposes an open debate on the future role of digitalisation in promoting "cohesion" in the European Union.

In this context, the CoR is currently working on an **opinion on Digital Cohesion** (Rapporteur Gaetano Armao, IT/EPP) that aims to look at reasons for the growing digital divide. Furthermore, we have commissioned a **foresight study on Digital Cohesion** that will feed into the political work of the CoR on digitalisation and the Digital Decade as horizontal themes. Moreover, CoR made a number of recommendations in relation to Digital cohesion through its Resolution to the ongoing **Conference on the Future of Europe**.

In addition, the CoR has analysed digital divides in the Barometer report 2021 and in the study The state of digital transformation at regional level and COVID-19 induced changes to economy and business models, and their consequences for regions.

Digital Cohesion: Presentation of the CoR opinion by Rapporteur Gaetano Armao

"**Digital divide**" is a term that refers to "different levels of access and use of information and communication technologies (ICTs) and, more specifically, to the gaps in access and use of Internet-based digital services"[1].

Digital divides can be linked to:
Well-connected urban areas vs rural areas
Knowledge of using the digital space vs not knowing how to use the digital space
Gender gaps
Age gaps
Skill level gaps
Vulnerable social groups
Size of enterprises
Quality of technology (for example 5G)

The availability, the actual use of technology and the ability to harness the vast opportunities of digital technologies are having a huge impact on cohesion across the EU. Given the crucial importance of digitalisation for the short, medium- and long-term future of the European Union, these digital divides can jeopardize the achievement of the targets of the EU's Digital Decade, which have been set until 2030.

Crucially, the widening digital gap is not recognised formally as a threat to the EU's cohesion. A public debate on how to close the innovation and digital gap is necessary, but should be focused on achieving a clear understanding of the 'Digital Cohesion' concept, which calls for the recognition of the essential

[1] OECD (2021), Bridging Connectivity Divides. *OECD Digital Economy Papers, No. 315, OECD Publishing, Paris.* Available online: https://doi.org/10.1787/e38f5db7-en

role that technology plays in our life, and requires the integration of Cohesion objectives (set out in the EU Treaty) in the digital rights, principles and policies of the Union.

The ongoing CoR opinion by CoR rapporteur Gaetano Armao (see working document) aims to look at reasons for the growing digital divide, the challenges facing cities, regions, businesses and citizens linked to the digital transition and the ways in which the EU can be more cohesive in terms of digital transformation. It is also reflecting on the ongoing proceedings and conclusions from the Conference on the Future of Europe and is seeking to promote digital cohesion as an important additional dimension of the traditional concept of economic, social and territorial cohesion defined in the EU Treaty.

Issues to be discussed in this session

1. Have you come across any digital divides at the local and regional level, for example in your constituency?

2. Is there a clear governance in terms of roles and responsibilities of national vs. regional and local authorities in providing the essential digital public services to citizens and businesses?

3. How can local and regional authorities be supported to ensure achievement of the targets set in the 2030 Digital Compass and its four key components mentioned above: i.e. infrastructure, skills, digitalisation of public services and digital transformation of businesses?

4. What role can the European Union play in promoting digital cohesion? Which actors would need to be involved?

Digital Cohesion: Presentation of the ongoing CoR Foresight study by FORMIT and Progress Consulting S.r.l.

The foresight study will feed into the political work of the CoR on digitalisation and the Digital Decade as horizontal themes. The study and the accompanying discussion process are also providing the evidence and the political momentum for ongoing foresight work of the ESPAS (European Strategy and Policy Analysis System) network.

Excerpt from the interim report of the CoR foresight study on digital cohesion (work in progress):

1.3 Main EU policy developments against the digital divide

There are several European policies in place aimed to increase the uptake of digital technologies by citizens, businesses and public administrations and to fight the digital divide in all its components in the medium to long term. Just to mention a few, there are the new Digital Education Action Plan 2021-2027 for digital skills, the deployment and take-up of very high capacity networks further to the implementation of an internal market in electronic communications networks and services (European Electronic Communication Code), the SME strategy for a sustainable and digital Europe to support the digitalisation of businesses and the new European data strategy for data interoperability and quality, especially needed at the level of public services' delivery, as well as for data use in the adoption

of innovations. There are also sectorial policies which are highly relevant to fight the digital divide, a main example being the 2021 EU long-term vision for rural areas that tackles stronger, connected, resilient and prosperous rural areas by 2040, and its Rural Action Plan which is instrumental to fill the gap between rural and urban areas, including in terms of connectivity and digital services.

This study aims at considering the issue of the digital divide in a forward-looking perspective in order to understand **what is needed to achieve digital cohesion across the Union**.

A first reflection is that digital cohesion is achieved by **simultaneously reducing the divide** in all the four cardinal points of the Digital Compass. As a simple example, it is not enough to provide very high-capacity network coverage if individuals do not connect (take-up), or if businesses are unable (because of low skills) to benefit from the services that may be derived from ultra-fast connectivity.

A second reflection concerns the **long-term effort already made by the EU to achieve cohesion** in the territorial, social and economic domains. There is a cause-effect relationship between cohesion in these domains and cohesion in the digital domain that indeed deserves further investigation. It is interesting to analyse if and how progress in the achievement of the former has positive side effects on the achievement of the latter and vice-versa.

A third reflection is that **several of the existing EU visions and strategies are already forward-looking**, but in most of the cases they serve multiple scopes while in this study we are called to assess how they may serve one specific scope, i.e., digital cohesion. This is done by scanning the horizon for the identification of weak signals and of wild cards that may affect the digital transition path commenced in the EU; and by exploring key long-term driving forces, or megatrends, capable to lead to large scale transformations that may, or may not, be favourable to digital cohesion. In parallel, this analysis is complemented by the development of scenarios where options related to the achievement of digital cohesion are assessed so as to derive reflections on actions needed by European policy makers.

The discussion at the Broadband Platform will provide an opportunity for its members to exchange on the most recent findings on weak signals, wild cards, megatrends and possible scenarios on how digital cohesion can be achieved, and considerpossible implications for the present. Experts from the contractor and experts from the EU institutions within the framework of ESPAS will also join the debate.

Issues to be discussed in this session

1. In which cases did the accelerated digital transformation as a result of the Covid-19 pandemic actually accentuate digital divides?

2. Where do you see a need for action, also in view of the medium and long-term?

3. Based on the knowledge available, how can local politicians make a difference to make the EU more cohesive also in terms of digitalisation? How can foresight work help in this endeavour?

5G Communities: Presentation by Eric Gaudillat, Head of Sector, DG CNECT, Investment in High Capacity Networks, European Commission

The Connecting Europe Facility is the European Commission's funding instrument to drive connectivity in Europe (watch video here: https://youtu.be/I3MchZIk1M8). In January 2022, the Commission launched a call as part of CEF Digital to select projects that constitute examples of concrete 5G use cases and that have the potential of sparking incentives for future 5G-based application developments in different sectors. The Commission grants funding for the early rollout of 5G networks that connect objects and enable use cases for healthcare, education and public services. This seeks to provide unprecedented opportunities to local communities to accelerate the take-up of 5G connectivity and allow its citizens and businesses to appreciate its benefits for services of general interest.

Some examples of 5G use in smart communities:

In **healthcare**, 5G-connected hospitals or ambulances can help monitor patients, make early diagnostics, and enable personalised medical advice and treatment.

In **education**, 5G in underserved areas will allow students to take part in classes from remote locations with virtual and augmented reality, allowing for increased interaction and making lessons more efficient and fun. The technology has the potential of spreading online learning, which has become more and more common during the pandemic.

The presentation by Mr Gaudillat will inform about the 5G for smart communities call, in particular about involvement by public authorities.

Issues to be discussed in this session

1. How can my region or municipality benefit from the current and future 5G for smart communities calls?

2. How should public authorities work together with telecom operators? Do you know any examples of innovative use cases?

3. How can I get involved as a representative of a local or regional authority?

Digital Global Gateways: Presentation by Thomas Küpper, Policy Office Broadband and Submarine Cable Systems, DG CNECT, European Commission

Another area of funding under Connecting Europe Facility (CEF) Digital concerns Digital Global Gateways and **backbone connectivity**. Did you know that most of the internet traffic today passes through submarine cables that are fundamental to connect Europe with its islands and Outermost Regions and the rest of the world? It is these same submarine cables that help provide backbone

connectivity, transporting big volumes of information across extended geographical areas. Backbone connectivity plays an essential role in ensuring very high capacity and performance (in terms of resilience, security, redundancy and latency) of digital connectivity throughout the EU, in particular for islands and Member States with coastlines, including the Outermost Regions and Overseas Countries and Territories. They are also crucial in providing efficient international connectivity of strategic importance such as linking the EU with its trading and research partners around the globe.

The capacity and resilience of this overall network of backbone infrastructure benefit all users – even those in landlocked Member States benefit from the routing of traffic via international submarine cable systems. It is therefore necessary for the EU to secure the competitive availability, reliability and resilience of such vital infrastructures. In particular, EU support is needed to address market failures and contribute to making specific projects possible, which would not be achieved by market forces alone.

Issues to be discussed in this session

1. How does backbone connectivity play a role for the connectivity in my region or municipality?

2. How can my constituency have access to funding through the Connecting Europe Facility (CEF) and where do the European Commission's priorities lie?

CoR initiatives on Digital Europe – on the agenda

In addition to the digital cohesion initiatives presented at the Broadband Platform meeting, the ECON secretariat currently has the following projects on its agenda:

- Opinion for the European Commission's Fit 4 Future Platform on the "Governments interoperability strategy", Rapporteur Anne Karjalainen (FI/PES)

- Questionnaire on Interoperability of Public Services for the RegHub network

- Opinion on the Data Act by Rapporteur Anne Karjalainen (FI/PES), for adoption at the ECON meeting of 12 May 2022

- We continue our work on the development of subnational indicators for digital transformation as part of the Living in EU network, together with the European Commission and ESPON. We also manage the Monitoring and Measuring Subgroup. Interested cities are welcome to join: Join us in building the European way of Digital Transformation for 300 milion Europeans | Living in EU (living-in.eu)