



## **2<sup>nd</sup> Broadband Platform Meeting**

**Virtual meeting on Interactio**

**Tuesday, 15 June 2021**

**10.00-11.30 and 12.00-13.00**

### **Background Note**



Commission for Economic Policy (ECON)

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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 ongoing debate on the Digital Decade, digital principles and the challenges posed by Covid-19.

### **Objectives of the meeting**

Following on from the kick-off meeting of the Broadband Platform last January and taking into account the priorities mentioned by the Broadband Platform members, this June meeting has been set up jointly with the European Commission DG Connect and will serve to inform Members about key 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.

### **Opening remarks: Achieving Digital Cohesion in the European Union**

The opening remarks will be presented by Broadband Platform Member Anne Karjalainen (FI/PES) who is a member of Kerava City Council and chair of the CoR Commission for Social Policy, Education, Employment, Research and Culture (SEDEC). As Rapporteur for the CoR2019 opinion *Digital Europe for all: delivering smart and inclusive solutions on the ground*, Ms Karjalainen framed the term "digital cohesion" as an important additional dimension of the traditional concept of economic, social and territorial cohesion defined in the EU Treaty. With the experience of the pandemic, the concept and debate around digital cohesion have even increased in relevance.

Further points that the CoR raised in this opinion:

- a call for strong European cooperation between all levels of government in the EU to achieve better use, further enhancement and upscaling of a citizen-driven digital transformation in cities and communities;
- promotion of the network of digital innovation hubs throughout the EU, with a view to ensuring that each NUTS2 region has one hub, established with the support of the Digital Europe programme;
- support for a "local DESI index" to complete the existing Digital Economy and Society Index (DESI) that is produced every year at national level;
- the need to address the crucial issue of data and the way it is handled by local and regional authorities. The CoR could contribute in this regard by facilitating the exchange of best practices and deepening the reflection on the management of personal and public data by local and regional authorities.

In her opening remarks, Ms Karjalainen will reflect on the achievements and challenges that remain since she has tabled her opinion, introducing the topics to all participants.

### 10.15-11.30 The Digital Decade and LORDI

As explained in the forthcoming CoR study *‘The state of digital transformation at regional level and COVID-19 induced changes to economy and business models, and their consequences for regions’*<sup>1</sup>, there is no standard definition of digital transformation. In its 2020 communication on ‘Shaping Europe’s digital future’, the European Commission (EC) underlines that ‘connectivity is the most fundamental building block of the digital transformation’ and that ‘improving education and skills is a key part of the overall vision for digital transformation’ (EC, 2020). Digital transformation is therefore defined by means of its components, such as connectivity and competencies. The outline of these components is further detailed by the EC in its recent communication [‘2030 Digital Compass: the European way for the Digital Decade’](#) (COM(2021)118). Here, Europe’s digital transformation is described to encompass

- 1) **a digitally skilled population and highly skilled digital professionals**
- 2) **secure and performant sustainable digital infrastructures**
- 3) **digital transformation of businesses, and**
- 4) **digitalisation of public services** (EC, 2021).

The communication sets up a vision for the digitalised economy and society by 2030 that is based on four cardinal points and outlines very ambitious targets. The targets are set at EU level; therefore, they need to be translated into more granular and detailed objectives to be achieved at national, local and regional levels.

But how do we actually measure the degree of digitalisation of cities and regions? Not only for infrastructure, but also for, for example, services provided online? Which factors would distinguish a digitally literate, or so-called smart, city or region from a ‘beginner’ city or region in terms of digital transformation? The CoR has been tackling these questions since the beginning of 2020, together with the European Commission and statistical experts of the ESPON 2020 Cooperation Programme. In this respect, we are jointly developing the local and regional digital indicators framework LORDI that will help cities and regions to develop and steer relevant policies, meet commitments and support access to different financing opportunities. This framework maps cities and regions in five broad categories: (1) local digital infrastructure, (2) local digital skills and capacity building, (3) local digital economy and services, (4) governance and (5) digital single market and context indicators. In addition, the CoR is actively participating in the development of the ESPON Digital Innovation in Governance and Public Service Provision project as a member of the Strategic Advisory Group. The project aims to analyse digital innovation in governance and public service provision in 150 cities across Europe.

As part of the framework of this cooperation and within the initiative of [Living-in.EU](#) – a movement to boost sustainable digital transformation in cities and communities in the EU – ESPON, Open & Agile Smart Cities, the European Commission and the CoR have been developing a joint DIGISurvey to map the current state of play of digitalisation in cities. The aims of this (replicable) survey are to provide policymakers with comparable information on digital transformation in their constituencies and to inspire digital transformation processes. It will look at different aspects of digitalisation, divided into four parts, by gathering information on digital innovation strategy and procurement, data management,

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<sup>1</sup> Survey and study results will be presented during the [webinar](#) *Making digital transition work for all SMEs* on 23 June 2021.

citizen engagement and the impact of the COVID-19 pandemic. The DIGISurvey will become available in June.

### **\*Opportunity to provide input**

On 12 May 2021, as a follow-up to its Digital Decade Communication of 9 March, the European Commission launched a public consultation on the formulation of a set of principles to promote and uphold EU values in the digital space. The consultation, open until 2 September, seeks to open a wide societal debate and gather views from citizens, non-governmental and civil society organisations, businesses, administrations and all interested parties. These principles will guide the EU and Member States in designing digital rules and regulations that deliver the benefits of digitalisation for all citizens.

The proposed digital principles include:

- Universal access to internet services
- Universal digital education and skills for people to take an active part in society and in democratic processes
- Accessible and human-centric digital public services and administration
- Access to digital health services
- An open, secure and trusted online environment
- Protecting and empowering children and young people in the online space
- A European digital identity
- Access to digital devices, systems and services that respect the climate and environment
- Ethical principles for human-centric algorithms

All interested parties have been invited to share their views on the principles set above via an [EU Survey](https://ec.europa.eu/eusurvey/runner/DigitalPrinciples2021) (<https://ec.europa.eu/eusurvey/runner/DigitalPrinciples2021>) and, if appropriate, to propose alternative formulations or elaborate on other possible principles. The contributions to the public consultation will feed into a proposal from the Commission for a joint inter-institutional declaration on Digital Principles of the European Parliament, the Council, and the Commission. The proposal is expected by the end of 2021.

First responses to the DIGISurvey, its links to the 2030 Digital Compass, and the new digital principles will be presented and discussed during session 1 with members of the CoR who represent local and regional authorities. ESPON experts will participate and illustrate the significance of achieving digital cohesion.

During this session, the speakers will provide detailed information on the initiatives that are ongoing in the area of measuring digital transformation in cities and regions, and show how these can be applied in practice. Broadband Platform Members will be invited to inform about developments in their regions and cities, and applicability of the measuring initiatives.

### **Questions to explore with the speakers in session 1**

1. How is good practice on measuring digital transformation exchanged among regions and cities?
2. What data are available at local and regional level that could be used for measuring digital transformation at national/EU level? Which indicators could be added to get a full picture of digital transformation?
3. The targets proposed appear very ambitious. In what time horizon are the objectives achievable (or are they achievable at all?) and how should LRAs be involved in their achievement?

4. The Commission's digital principles, outlined in the Digital Decade Communication, should serve to design digital rules and regulations at EU level. What other principles should be introduced and which aspects should be defined rather at local/regional or national level? What other legislation should be introduced?

## **12.00-13.00 The contribution of the Connectivity Toolbox and the review of the Broadband Cost Reduction Directive to better connectivity at local level**

When referring to digital infrastructures, connectivity is the essential aspect to be considered. Nowadays, fast or ultrafast connectivity is the necessary precondition to use the latest available technologies and services. Lack of adequate connectivity generates a digital divide and, in turn, less competitive areas. During this session, the European Commission will present two ongoing key initiatives: the Connectivity Toolbox and the Review of the Broadband Cost Reduction Directive.

### **1) The Connectivity Toolbox**

Following the agreement on a Connectivity Toolbox on 25 March 2021 pursuant to the Connectivity Toolbox Recommendation of September 2020, EU Member States have prepared and shared with the Commission their national roadmaps to implement the [Connectivity Toolbox](#), matching in a timely way the finalisation of Member States' recovery and resilience plans. The Toolbox consists of a set of best practices that are considered as the most efficient in allowing and encouraging operators to roll out very high capacity networks. These cover both cost reduction for electronic communications network deployment and timely access to 5G radio spectrum.

Ms Rita Filipe Silva of the Portuguese Presidency of the Council and co-Chair of the Connectivity Special Group will provide an overview of the best practices included in the Toolbox, and on the next steps for its implementation.

### **2) Review of the Broadband Cost Reduction Directive**

In parallel, the Commission is working on reviewing the [Broadband Cost Reduction Directive](#), which will further help Member States in targeting the right measures and market stakeholders in incentivizing investments to reach the Gigabit Connectivity objectives across the EU. The Broadband Cost Reduction Directive (2014/61/EU) aims to facilitate and incentivise the roll-out of high-speed electronic communications networks by lowering the costs of deployment with a set of harmonised measures. The Commission has recently carried out a number of initiatives as part of the related consultation activities, including a public consultation and two workshops with institutional and market stakeholders. Michael Murphy, chair of the Broadband Platform, has participated in these consultations.

The [responses to the public consultation](#) complement and update the evidence gathered so far by the Commission, including the report on the implementation of the Broadband Cost Reduction Directive (COM(2018) 492) and the continuous monitoring of its implementation in the Member States as well as market and technological developments since its adoption.

The public consultation has collected views on:

1. the evaluation of the overall functioning of the Directive;
2. possible adaptations to technological, market and regulatory developments and other improvements with a view to fostering a more efficient and fast deployment of sustainable very high capacity networks (VHCN), including fibre and 5G;
3. the need for alignment with the European Electronic Communications Code (EECC);
4. how the revised instrument might contribute to the sustainability of the electronic communications sector, in line with the 'European Green Deal' (COM(2019) 640);
5. the possible reduction of the administrative burden and the potential for simplification.

Replies to the stakeholders consultation by DG Connect show that the majority of the respondents indicate that the following aspects have a significant impact on the timely and efficient deployment of electronic communications networks: permit granting procedures (84%) and permit granting fees (54%); access to existing physical infrastructure of electronic communications networks (77%), to existing physical infrastructure of electricity supply networks (56%) or to other elements and facilities suitable to install network elements (55%); coordination of civil works and other co-investment or joint roll-out mechanisms (62%); as well as information about existing physical infrastructure (79%), about other elements and facilities suitable to install network elements (71%) or about on-going or planned civil works (68%) and access to in-building physical infrastructure (69%).

**\*Opportunity to provide input**

On 16 and 18 June 2021, DG CONNECT will hold two [public online workshops](#) during which the preliminary findings from the study evaluating the Directive will be presented and options for the revision of the Directive will be discussed. Interested Members are invited to register, participate and provide input.

The Commission is expecting to make a proposal for the revised directive in Q1 2022. Ms Miriam Mendioroz, Head of Sector for the review of the Broadband Cost Reduction Directive at the European Commission DG Connect, will inform the Broadband Platform Members about the review of the Directive and explain the involvement of local and regional actors.

**Questions to explore with the speakers in session 2**

1. Where is the regional dimension in the Connectivity Toolbox?
2. How can Broadband Platform Members support the implementation of good practices included in the Connectivity toolbox and the measures under the Broadband Cost Reduction Directive?
3. What are the preliminary conclusions of the evaluation of the Broadband Cost Reduction Directive? Which additional measures will be required to further improve connectivity?

## Current CoR initiatives on Digital Europe

- As part of the twin transformation on green and digital, digital policy is a key priority for the Committee of the Regions. We look forward to the July 2021 CoR plenary session, where a debate will be hosted with Commission Executive Vice-President Margarete Vestager for the opinion on the **Digital Services Act and Digital Markets Act**. The rapporteur for this opinion is Ms Rodi Kratsa (EL/EPP). The [draft opinion](#) was adopted by the last ECON meeting on 20 April 2021.
- We are currently working with the European Commission and ESPON on a measuring framework for digital transformation of cities as part of the Join Boost Sustain initiative. Interested cities are welcome to join: [Join us in building the European way of Digital Transformation for 300 milion Europeans | Living in EU \(living-in.eu\)](#)
- The CoR has just finalised a study and a survey on changing business models, in particular with regard to small and medium-sized enterprises, as a result of the pandemic, and on how local and regional authorities can support businesses in their recovery. The study includes case studies on successful cooperation between businesses and local and regional authorities from eight European regions, which the CoR hopes can inspire other regions. The survey aims to reflect on the perceptions of regions, cities and/or chambers of commerce on the situation and needs of small and medium-sized enterprises with regard to digital transformation and to collect evidence on the challenges that business and local and regional authorities are facing. The survey was run in cooperation with Eurochambres. The study and survey results will be presented at a [webinar](#) on 23 June 2021. Interested parties are invited to register on the website.