Overview on Digital Strategy with focus on EDIH

Smart Anything Everywhere - Vision, Opportunities and Success Stories

15 October 2020
Addressing the shifted needs

Investing in a green, digital and resilient Europe

Supporting Member States to recover
- Recovery and Resilience Facility
- Recovery Assistance for Cohesion and the Territories of Europe - REACT-EU
- Reinforced rural development programmes
- Reinforced Just Transition Mechanism

Within European Semester framework
- Supporting reforms and public investments
- Supporting a just transition

Kick-starting the economy and helping private investment
- Solvency Support Instrument
- Strategic Investment Facility
- Strengthened InvestEU programme

Learning the lessons from the crisis
- New Health programme
- Reinforced rescEU
- Reinforced programmes for research, innovation and external action

Supporting key sectors and technologies
- Investing in key value chains
- Solvency support for viable companies

Supporting key programmes for future crises
- Supporting global partners
SMEs are central to the recovery: in total 99.8% of all enterprises are SMEs and they are the fabric of the ecosystems.

SMEs’ needs in the recovery phase
- Sustainability
- Digitalisation
- Resilience
- Liquidity support

Capacity-building and support for the twin transition (green/digital):
- EEN advisory services
- EIC innovations
- Digital Innovation Hubs
- Equity financing in areas of special EU policy interests

- Combatting late payment
- Cutting red tape
- Better access to markets
- Rapid alert function for supply chain disruptions

Better access to finance:
- ESCALAR
- InvestEU
- Horizon Funds

Clusters and EEN to ensure SMEs access to ecosystem

Strengthening the ecosystems though the implementation of the SME Strategy
“I want European businesses and our many SMEs to access high quality data and create value for Europeans – including by developing Artificial Intelligence applications.”

Thierry Breton, Commissioner for the Internal Market
Europe has everything to play for

- Data can transform all sectors of the economy and is crucial for AI
- Personal and non-personal data can be a source of innovation for new products and services
- Data can contribute to tackle societal challenges such as climate change, health, mobility, etc.
- Data can make our lives and work easier and better

33 zettabytes of data produced

80% of processing in cloud

20% of processing in IoT devices

2018

2025

80% of processing in IoT devices

175 Zettabytes of data produced

Europe has everything to play for
Deploying the strategy through 4 Pillars

A cross-sectoral governance framework for data access and use
including a legislative framework for the governance of European data spaces and other cross-sectoral measures for data access and use

Enablers
Total investments of €4-6 billion in a High Impact Project on European data spaces and federated cloud infrastructures

Competences
Empowering individuals, investing in digital skills & data literacy and in dedicated capacity building for SMEs.

Rollout of common European data spaces
in crucial economic sectors and domains of public interest, looking at data governance and practical arrangements.

International Aspects
Digital Europe Programme: why?

**Compete globally**
Other regions of the world invest huge amount of public capital in advanced technologies. For example, the US and China spend €10-20 billion annually on AI alone.

**Better address Europe’s economic and societal challenges**
E.g. climate, health, mobility and public services.

**Achieve scale through collective co-investments**
Given the size of investments needed, scale required and risks involved Europe needs to pool the resources together.

**Ensure broad take-up of digital technologies across all regions of EU**
In deploying latest technologies to offer best services to citizens and business.

**Regain control over Europe’s value chains**
and ensure Europe’s technological sovereignty.

**Support SMEs to acquire or access the latest technologies and skills**
More than 400,000 EU vacancies in these fields.
Revised Orientations

• In full respect of the priorities identified by the Regulation

• Revised to better reflect main Commission priorities:
  • Digital Strategy for Data and AI
  • Green Deal
  • Industrial and SME strategy
  • Recovery plan

• Focus on big tickets which have an impact

• Co-investment with Member States
European Digital Innovation Hubs provide technological expertise and experimentation facilities to enable the digital transformation of the industry and the public sector. Trans-regional collaboration supports shared use of expertise and strengthens Pan-EU value chains.

Up to 240 Digital Innovation Hubs advising SMEs how to integrate digital innovations into their products, business models and processes and improve digital skills.
Reduction in budget

• **Reduction of 17,5% is the most likely option** (after discussions with Council and German Presidency).

• Option 1: Reduce the number of hubs to be paid from DEP linearly over all countries. Fund the gap by using national RRF funds, using the Seal of Excellence. These hubs can have the label “EDIH” as well and would be full members of the network and be equal to the others.

• Option 2: Less hubs

• Option 3: Less funding per hub
The “EU-local” approach

One EDIH “within working distance” for every business in EU

A network to put any company in contact with the competence they need, wherever in the EU

A network where every EDIH can learn from and collaborate with other EDIHs and other projects supported under Digital Europe Programme

Supported by the Digital Transformation Accelerator
## EDIH Focus

<table>
<thead>
<tr>
<th>DEP</th>
<th>Other Technologies</th>
<th>Application areas</th>
<th>Sector</th>
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<tbody>
<tr>
<td>AI, HPC, or</td>
<td>Simulation, Supply chain integration, Blockchain,</td>
<td>Industry 4.0, Circular economy</td>
<td>Manufacturing</td>
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<tr>
<td>Cybersecurity</td>
<td>Advanced Materials, …</td>
<td></td>
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<td></td>
<td>Remote sensing, Photonics, Life-Science Technologies, …</td>
<td>Precision farming</td>
<td>Agri-food</td>
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<tr>
<td></td>
<td>Robotics, Simulation, …</td>
<td>Exo-skeletons, Automated building</td>
<td>Construction</td>
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<tr>
<td></td>
<td>Digital solutions for governments Blockchain, …</td>
<td>Services for citizens, once-only</td>
<td>Public administration</td>
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<td>…</td>
<td>principle</td>
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Given the importance of Artificial Intelligence and its wide applicability in all sectors, at least one of the hubs selected in each country will be specialised in AI.
European added value

### Exporting / Importing EDIH excellence

#### EDIH capacity building:
- Exchange of experience, good practices
- A more mature DIH helps a less mature
- Learning from specialists in HPC, Cy, AI
- Advanced training, train-the-trainer
- Use new solutions developed by the HPC & Cyber Competence Centres and AI world class reference sites

<table>
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<tr>
<th>Local added value</th>
<th>European added value</th>
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<tbody>
<tr>
<td>Hub will improve competitiveness of local economy by stimulating digital transformation</td>
<td>Hubs will improve their offer by acquiring new knowledge and capacities through their participation in Digital Europe on HPC, AI, Cybersecurity, Advanced digital skills and public sector solutions</td>
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<td>Hub has specialisation which is based on local strengths and addresses local needs</td>
<td>Networking of the hubs will stimulate knowledge transfer between hubs and rationalisation of investments because facilities are opened up for use outside the local boundaries. It reduces duplication and optimises investments in infrastructure</td>
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<td>Hub is near their customers and they speak the same language</td>
<td>Hubs will learn from other hubs by sharing best practices, and by collaboration of hubs in case of missing expertise/facilities.</td>
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<td></td>
<td>The hub network will be a means to promote excellence developed locally to other regions in Europe; it will open new markets for the companies involved in the innovations</td>
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## New draft timeline Digital Europe Programme

<table>
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<tr>
<th>Event</th>
<th>Date/Period</th>
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<tbody>
<tr>
<td>Adoption of the next MFF</td>
<td>Mid-November</td>
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<tr>
<td>List of candidate EDIHs from Member States</td>
<td>1 December 2020</td>
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<tr>
<td>Adoption of the Digital Europe Programme Regulation</td>
<td>Mid-December</td>
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<td>First Workprogramme adopted</td>
<td>28 January 2021</td>
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<td>Expression of interest and restricted call launched</td>
<td></td>
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<td>Deadline for submission</td>
<td>27 April 2021</td>
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<td>Signatures of contracts</td>
<td>From October 2021 onwards</td>
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<tr>
<td>Second restricted call launched</td>
<td>Q4 December 2021</td>
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**Note:** These dates are NOT official.
GEARING UP TOWARDS EUROPEAN DIGITAL INNOVATION HUBS – on-line event

Objectives:

• Explain the role of European Digital Innovation Hubs for Europe’s economic recovery

• For regions and Member States: Understand how they can co-finance the hubs and ensure that regional and national needs are satisfied. Member States and Regions may decide to invest together in common EDIHs serving different regions in different countries.

• For individual hubs
  • Understand how they can fulfil the 4 functions of an EDIH.
  • To learn on how to set up an EDIH, practical questions
  • To understand and shape the cooperation models possible between EDIH
  • The role of EDIHs in Digital Europe Programme

• Understand the role of the Digital Transformation Accelerator to animate the network of EDIHs – first of all between EDIHs, but also with other ecosystems
Keep in touch

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