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NOTE

From: Presidency
To: Permanent Representatives Committee/Council

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Subject: Proposal for a Decision of the European Parliament and of the Council
establishing the 2030 Policy Programme “Path to the Digital Decade”
- Progress report

I. INTRODUCTION

1. The Commission adopted the proposal for a Decision establishing the 2030 Policy Programme “Path to the Digital Decade” (PtDD) on 15 September 2021¹. The policy programme aims to ensure that the EU achieves its objectives and targets towards a digital transformation of our society and economy in line with EU values, reinforcing its digital leadership and resilience as well as promoting human-centred, inclusive and sustainable digital policies empowering citizens and businesses.

¹ doc. 11900/21.

2. The proposal recalls the concrete digital targets which the Union as a whole is expected to achieve by the end of the decade, as set up in the Digital Compass Communication of 9 March 2021. It then sets out a novel form of governance with Member States (MS), through a mechanism of annual cooperation between the Unions institutions and the MS to ensure that the Union jointly achieves its ambition.

More specifically, the aim is to obtain:

- Basic digital skills for at least 80% of the population and 20 millions of highly skilled digital professionals;
- Secure and performant sustainable digital infrastructures (Gigabit for every household, 5G in all populated areas, higher semiconductors production, secure cloud edge nodes and quantum acceleration computers);
- Digital transformation of businesses (3/4 of EU companies using Cloud/AI/Big Data, financing of unicorns, digital intensity for SMEs);
- Digitalisation of public services (100% online availability of public services and medical records, 4/5 of EU population using eID).

To this end, the Commission proposed a mechanism of continuous cooperation between the Union's institutions and the MS to identify ways to address deficiencies in areas where the most recent annual report points to significant gaps and shortcomings. The monitoring and reporting on digital progress would be presented in an annual report on the “State of the Digital Decade” and submitted to the European Parliament and Council.

3. In the European Parliament, the proposal was assigned to the Committee on Industry, Research and Energy (ITRE). The Rapporteur for the file is Martina Dlabajová (Renew Europe, Czechia). The ITRE Committee has not yet adopted its report.
4. On 27 October 2021 the European Economic and Social Committee was requested to provide its opinion on the proposal, which is expected in the first quarter of 2022. The European Committee of the Regions was consulted on 10 November 2021 and its opinion requested by the end of January 2022.

II. WORK WITHIN THE COUNCIL

5. In the Council, the examination of the proposal has been carried out in the Working Party on Telecommunications and Information Society (hereinafter: WP TELECOM). Discussions were initiated by the SI Presidency during the meeting of 28 **September** 2021. Delegations warmly welcomed the initiative as well as the importance to step up efforts on digital transformation in a post COVID crisis context. They also praised the flexibility accorded to MS in achieving digital targets. At the same time, the timeline set by the Commission was considered as very ambitious (in the context of preparation of national roadmaps) and some delegations flagged their preference for a non-binding Commission-MS cooperation rather than a binding full-fledged monitoring - cooperation mechanism.

Then the discussion also focussed on the need to address the risk of fragmentation between more and less technologically advanced EU areas, spanning various industries and population groups. Finally, there were some inquiries about available EU funding and some fear of duplicating efforts in relation to the introduction of the European Digital Infrastructure Consortia (EDICs), a new instrument intended to facilitate the implementation of Multi-Country Projects (MCPs).

6. The meeting on 19 **October** was dedicated to the first four articles of the Decision, covering the subject, definitions, general objectives and targets. Questions revolved around the legal form chosen, the need to reinforce the green/digital transition dimension among the objectives, the consequences of non-compliance, and a potential increase in administrative burden for the public sector and SMEs.

7. On 16 **November** the meeting opened with remaining comments and questions on Article 4. In view of the digital gaps across and within MS, the level of ambition was judged both as too high or too low, sometimes depending on the targets considered. Some delegations emphasized the need to clarify that targets are not legally binding and that their non-achievement should not entail sanctions vis-à-vis the Member States, while others argued that some formulations would need defining for the sake of implementation and overall coherence. Finally, there were inquiries regarding certain figures used by the Commission in relation to the various targets.
8. The Commission already gave preliminary replies to the above mentioned concerns, noting notably the ambitious but balanced approach of the proposal giving the priority to flexibility and cooperation. The Commission also stressed that digital targets would not be binding neither at EU nor at national level, while the cooperation mechanism will be binding in order to ensure the achievement of objectives and targets by 2030. The Commission presented in more details the value of the EDIC at a workshop organised on 22 November. Finally the Commission recalled Member States of the importance of finalising the adoption of the file if possible in the first half of 2022 to enable a first annual monitoring cycle as well as the first EDIC by 2023.
9. The SI Presidency will strive to successfully conclude the first reading of the proposal still during its term. In collaboration with the incoming FR Presidency, the SI Presidency will ask for official comments and suggestions from delegations before the end of the year, with a view to facilitating the drafting of the first compromise proposal by the FR Presidency in early 2022 as a priority file.

III. CONCLUSION

10. The COREPER is invited to take note of this progress report from the Presidency, with a view to submitting it to the TTE Telecom Council at its meeting on 3 December 2021.