



**European Committee
of the Regions**

OULU BOOST EVENT: UPSCALING DIGITAL SOLUTIONS IN CITIES

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SPEECH FOR THE COR REPRESENTATIVE

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KEYNOTE SPEECH

OPENING SESSION

Ladies and gentlemen,

Introduction: the Committee of the Regions supports the draft declaration

On behalf of the European Committee of the Regions, I am pleased that the Finnish EU Presidency has given a priority to the smart cities initiative, as an EU innovation partnership. Digital solutions, addressing societal challenges and catering for the needs of citizens, are an important component in any smart city strategy.

The Committee of the Regions has a vision of 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. The Committee of the Regions shares a vision of Europe where digital technologies, innovation, and artificial intelligence can provide Europe's people with competitive jobs, better health, and better public services.

This is why the Committee of the Regions, in its Opinion on Digital Europe for All, has supported the draft declaration on 'JOIN, BOOST, SUSTAIN - Joining forces to boost sustainable digital transformation in cities and communities in the EU'.

Relevance of the local and regional level in the Digital Single Market

The Committee of the Regions has argued that EU must strongly support local and regional initiatives in the area of digital transition. This is because local and regional communities and governments have a key role in delivering the benefits of the digital transformation to the public. They are responsible for 50% of public investment in the EU. They receive 25% of tax revenues and are a major public employer. There are 74 regional legislative assemblies, around 280 regions, and 80 000 local authorities in Europe. All are directly involved in applying the Union's DSM on the ground and provide significant public services.

Local initiatives are rapidly developing in the area of using disruptive technologies: artificial intelligence (AI), internet of things (IoT), 5G, robotics, blockchain, and others. However, their capacity to manage change and deliver new solutions varies greatly.

For example in Rae parish, where I was the mayor for seven and half years before being elected to Estonian parliament, our emphasis was placed on developing e-services and building good IT infrastructure for all educational institutions such as kindergartens and schools. Over these years, almost all of the schools and kindergartens in the municipality have been connected to the fibre-optic network established by the Estonian state with the support from the European Regional Development Fund.

Another important goal was developing e-services for our citizens to establish fast and hassle-free communications between the people and government. All the services we were providing, starting from childbirth allowance and kindergarten queue to prescription allowance for senior citizens are available applying through online system. Besides from being convenient for our residents who don't need to leave home or fill endless amount of paperwork to apply for grants, it has helped us raising the working efficiency by making procedures more accurate and less time consuming.

Cohesive digital transformation

The Committee of the Regions supports the initiative to foster interoperable local platforms as a building block of European technological independence. At the same time, the Committee of the Regions has been looking into ways of making the Digital Single Market more inclusive and more focussed on services for the citizens. The draft declaration, which will inform our proceedings today, is a political commitment, and it is the position of the Committee of the Regions that this text should contain clear political messages, in addition to technical elements of implementing digital innovation.

Our contribution to the draft declaration is its emphasis on cohesive digitalisation, so that all social groups and all localities, however small and remote, can be included in this process and benefit from it. Local investment in digital platforms should have regulatory and financial public support, to foster regional cohesion.

In its Opinion on Digital Europe for All, the Committee of the Regions has considered that the term "digital cohesion" is an important additional dimension of the traditional concept of economic, social and territorial cohesion defined in the EU Treaty. The CoR therefore has proposed an open debate on the future role of digitalisation in promoting "cohesion" in the European Union.

Measuring progress locally and regionally

A particular interest of the Committee of the Regions is how to measure progress of digitalisation at the local and regional level. Such a measurement would allow for comparison between the situation of different local and regional authorities and may help policy makers to identify investment priorities. However, the Digital Economic and Society index so far is being measured only at the level of EU Member States and it does not capture disparities among local and regional authorities.

During the EU 2019 Digital Assembly, ideas to develop the local digitalisation index have been discussed. In autumn this year, the CoR has initiated a process of cooperation with the European research Programme ESPON and with the European Commission's Directorate-General CNECT to develop a methodology of the local digitalisation index and to test it in practice. This work is ongoing, but the first results could be reported already during the EU Digital Assembly in 2020.

Progress should be measured around three major clusters of activities: 1) e-democracy and e-government, 2) local services, public and private, and 3) digitalisation of local economy. Appropriate indicators should capture the situation without imposing disproportionate administrative burden on local and regional authorities for data collection and management.

The Committee of the Regions welcomes the commitments annexed to the draft declaration, which acknowledge the challenge of measuring progress of digitalisation. The Committee of the Regions will continue to be involved and cooperate with a number of partners and stakeholders to facilitate a solution to the challenge of measuring locally the progress of digitalisation.

An ambitious Digital Europe programme for the future

The CoR supports a strong and adequately funded Digital Europe programme as part of the EU's new Multi-Annual Financial Framework.

In general, the Committee of the Regions expects the new 'Digital Europe' funding programme to bridge the gap between the Horizon Europe programme (research) and the Connecting Europe Facility (physical ICT infrastructures). It can do so by supporting massively large-scale deployment, diffusion and uptake of key digital technologies through investment in information technology capacities. Such measures could facilitate the development of potential new clusters and centres of excellence enabled by digitalization.

The Digital Europe programme should contain measures to help local and regional authorities monitor their rates of innovation, share examples of good practice and scale them up throughout the EU.

In particular, the CoR has held that the network of digital innovation hubs should be promoted throughout the EU, with a view to ensuring that each NUTS2 region has one hub, established with the support of the Digital Europe programme.

The Digital Europe programme should give a particular focus to digital skills especially with regard to high performance computing, big data analytics, cybersecurity, distributed ledger technologies, robotics and artificial intelligence.

The Digital Innovation Hubs should become an instrument allowing the Digital Europe programme to support development of digital skills alliances with the education and training sector, to match the digital needs of local businesses. The Committee of the Regions has stressed that not only advanced skills should be supported, but also the skills of citizens as users.

Moreover, the Committee of the Regions would be pleased if the next Digital Europe programme of the organisation of around one hundred and fifty local dialogues on new digital solutions for local/regional digital services. This could be combined with a “roadshow” of digital solutions to take place throughout the EU, in close cooperation with members of the Committee of the Regions and in close association with the Digital Innovation Hubs. The Committee of the Regions believes that such an approach could help get on board smaller local and regional authorities and mobilise further critical mass in support of the urban initiatives.

Infrastructure: not only for cities, but also for sparsely populated areas

Local and regional infrastructure has been improved recently by means of such EU policy initiatives as the WiFi4EU voucher scheme. The Committee of the Regions has already expressed its views that this scheme should be continued and expanded.

The forthcoming roll-out of 5G infrastructure should similarly be supported by an accompanying voucher scheme and investment in projects bringing 5G infrastructure to more rural or less populated regions.

Moreover, voucher schemes such as these might be coupled with a requirement to take part in the Commission's implementation of the new DESI Local digitalisation index in order to boost participation and improve monitoring of regional digitalisation.

Following the lines of previously established practice, the European Commission could propose a new voucher scheme allowing local and regional authorities to audit fully their eGovernment capabilities. This would give currently disadvantaged authorities detailed tailored objectives on how to implement eGovernment solutions. Such a new voucher scheme for the local digital audit could be linked with participation and reporting under the initiative aiming to develop the local digitalisation index.

Conclusion

It is essential for EU policy to invest in the creation of innovative ecosystems enhancing innovation in crucial technologies like Artificial Intelligence, Internet of Things and deployment of 5G infrastructure at the local and regional level across the EU.

With support from an ambitious Digital Europe programme, local initiatives, could exploit more fully the potential of existing and emerging technologies in the public sector: these technologies can help us reduce administrative burdens and waste, accelerate efficiencies, and provide new solutions to societal challenges in such areas as climate change, demographic change, and labour market change.

A strong European cooperation between all levels of government in the EU is needed to achieve a better uptake, further enhancement and upscaling of a citizen-driven digital transformation in cities and communities, independently of their size and location, and all citizens should be able to benefit.

The European Committee of the Regions as an institution is a strong supporter of the declaration on boosting digital solutions in cities. Within the limits of its political competence, the Committee of the Regions could consider its participation in the governance process of this initiative, if the Bureau so decides.

End

[1567] words

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