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Proposal for a

DECISION OF THE EUROPEAN PARLIAMENT AND OF THE COUNCIL

establishing the 2030 Policy Programme “Path to the Digital Decade”

(Text with EEA relevance)

{SWD(2021) 247 final}

EXPLANATORY MEMORANDUM

1. CONTEXT OF THE PROPOSAL

Reasons for and objectives of the proposal

On 9 March 2021, the Commission adopted the Communication “The 2030 Digital Compass: the European way for the Digital Decade” (‘Digital Compass Communication’)¹. The Communication presented a vision, targets and avenues for a successful digital transformation of the European Union by 2030. This transformation is also critical to achieve the transition towards a climate neutral, circular and resilient economy. The EU's ambition is to be digitally sovereign in an open and interconnected world, and to pursue digital policies that empower people and businesses to seize a human centred, sustainable and more prosperous digital future. This includes addressing vulnerabilities and dependencies as well as accelerating investment. The Communication responded to the European Council's call for a ‘Digital Compass’, and built on the Commission's digital strategy of February 2020². The Communication proposed to agree on a set of digital principles, to launch rapidly important multi-country projects, and to prepare a legislative proposal setting out a robust governance through a monitoring and cooperation mechanism with Member States, to ensure progress – the Policy Programme “Path to the Digital Decade (‘Policy Programme’)”.

In its conclusions of 25 March 2021, the European Council stressed the importance of the digital transformation for the Union recovery, prosperity, security and competitiveness and for the well-being of our societies. It underlined the need to enhance EU’s digital sovereignty in a self-determined and open manner, by building on its strengths and reducing its weaknesses and through smart and selective action, preserving open markets and global cooperation. It identified the ‘Digital Compass Communication: the European way for the Digital Decade’ as a step towards charting the EU’s digital development for the next decade. It invited a swift review with a view to the preparation of the envisaged Policy Programme “Path to the Digital Decade”. In addition, it invited the Commission to widen the European Union’s policy toolbox for digital transformation, both at the European Union and national level, and to use all available instruments from industrial, trade and competition policy, skills and education, research and innovation policy and long-term funding instruments to facilitate the digital transformation.

The Digital Compass Communication also announced that the Commission would present a set of digital principles and rights in an interinstitutional solemn declaration between the European Commission, the European Parliament and the Council, based on a proposal from the European Commission. The proposal will build on the experience of the European Pillar of Social Rights, and on Member States’ recent initiatives in the area, in particular the “Lisbon Declaration – Digital Democracy with a Purpose” initiated by the Portuguese Presidency of the Council.

¹ Communication from the Commission to the European Parliament, the Council, the European Economic and Social Committee and the Committee of the Regions 2030 Digital Compass: the European way for the Digital Decade, COM/2021/118 final/2, 9. 3. 2021.

² Communication from the Commission to the European Parliament, the Council, the European Economic and Social Committee and the Committee of the Regions: Shaping Europe’s Digital Future, COM(2020)67 final, 19. 2. 2020.

The “Path to the Digital Decade” aims to ensure that the European Union achieves its objectives and targets towards a digital transformation of our society and economy in line with the EU’s values, reinforcing our digital leadership and promoting human centred, inclusive and sustainable digital policies empowering citizens and businesses. The objective is to deliver the EU’s digital transformation in line with this vision by establishing a clear, structured and collaborative process to achieve such result.

To this end, the “Path to the Digital Decade” sets out the concrete digital targets which the Union as a whole is expected to achieve by the end of the decade, as first delineated in the Digital Compass Communication. It then sets out a novel form of governance with Member States, through a mechanism of annual cooperation between the Unions institutions and the Member States to ensure that the Union jointly achieves its ambition. The digital targets for 2030 are based on four cardinal points: digital skills, digital infrastructures, digitalisation of businesses and of public services.

In the world of tomorrow, digital skills, basic and advanced, will be essential to reinforce our collective resilience as a society: only digitally empowered and capable citizens and a highly skilled digital workforce can be the masters of their own destiny, confident and assertive in their means, value and choices. While of course aiming at endowing the whole population of the European Union with basic digital skills, following the European Pillar of Social Rights Action Plan, and Digital Education Action Plan³, the “Path to the Digital Decade” projects the target for those aged 16-74 with at least basic digital skills to 80% in 2030. Moreover, digital training and education should support a workforce in which people can acquire specialised digital skills to get quality jobs and rewarding careers. In addition, addressing the major shortage of cybersecurity skills in the EU workforce will be essential, as an important component of protecting the EU against cyber threats. Therefore, in addition to the target on basic digital skills established in the European Pillar of Social Rights Action Plan, the EU shall have a target of 20 million employed Information and Communication Technologies specialists in the EU, with convergence between women and men.

If skills are a necessary prerequisite, essential enablers for taking advantage of the benefits of digitisation, for further technological developments and for Europe’s digital leadership is a sustainable digital infrastructure for connectivity, microelectronics and the ability to process vast data. Excellent and secure connectivity for everybody and everywhere in Europe including in rural and remote areas⁴ will allow all European citizens and businesses to fully enjoy the opportunities of the Digital Decade. Societal needs for download and upload bandwidth are constantly growing. By 2030, networks with gigabit speeds should be available at accessible conditions for all those who need or wish such capacity, and with all populated areas covered by 5G. The same way, microprocessors are at the start of most of the key, strategic value chains such as connected cars, phones, Internet of Things, high performance computers, edge computers and Artificial Intelligence. Therefore, the production of cutting-edge and sustainable semiconductors in Europe including processors should be by 2030 at least 20% of the world production in value (meaning manufacturing capacities below 5nm nodes, aiming at 2nm, and 10 times more energy efficient than today). In addition,

³ Digital Education Action Plan 2021-2027 Resetting education and training for the digital age COM/2020/624 final.

⁴ Long-term Vision for the EU’s Rural Areas. COM(2021) 345 final

10,000 climate neutral highly secure edge nodes⁵, should be deployed in the EU by 2030, in a way that guarantees access to data services with low latency wherever businesses are located.

Beyond enablers, all the mentioned technology will be at the core of new products, new manufacturing processes and new business models based on fair sharing of data⁶ in the data economy. In this context no businesses can be left behind. The transformation of businesses will depend on their ability to adopt new digital technologies rapidly and across the board, including in industrial and services ecosystems that are currently lagging behind. This is particularly important for the small business which constitute the backbone of the European economy. This is why by 2030 at least 75% of European enterprises should have taken up cloud computing services, big data and Artificial Intelligence; and more than 90% of European SMEs should have reached at least a basic level of digital intensity. Specific attention should be given to cutting-edge and disruptive innovation aiming at doubling the number of unicorns in Europe by 2030, through growing the pipeline of EU's innovative scale ups and improving their access to finance.

Last, but not least, democratic life and public services online by 2030 must be fully accessible for everyone, and everyone must benefit from a best-in-class digital environment providing for easy-to-use, efficient and personalised services and tools with high security and privacy standards. Government as a Platform is the new way of building digital public services⁷. The ambition is that by 2030 all online provision of key public services are available for European citizens and businesses, that all European citizens have access to their medical records (e-records) and that 80% of citizens will use a digital ID solution⁸.

Achieving these targets requires a joint effort by all Member States and at the Union level, with, where necessary, joined up investments. It will only happen in a harmonious, inclusive and sustainable way, through a purposely coordinated convergence at Union level. This is the objective of the novel governance system established in the “Path to the Digital Decade”.

It entails the monitoring and reporting on digital progress which will be presented in an annual report on the “State of the Digital Decade”, to be submitted to the Parliament and Council. On that occasion, the Commission would share its strategic assessment of the EU's digital transformation with Council and Parliament, and would provide recommended actions and measures to Member States or discuss joint commitments undertaken between the Commission and the Member States.

To deliver the European vision for the Digital Decade, digital capacities are needed in the four areas of the Digital Compass, which can only be delivered if Member States and the EU pool resources. Investment in Multi-Country projects that have the necessary scale, and critical mass is essential to enable the industry to be at the cutting edge of innovation and compete globally, and for the Union to enhance its digital sovereignty. The challenge is however to facilitate coordination and provide efficient and speedy processes, including “through

⁵ ‘Edge nodes’ are computers connected to the network and located close to (or in) the physical endpoint where the data is generated. Edge nodes offer distributed data processing and storage capabilities with low latency, without having to transmit data to remote centralized data centre or cloud infrastructure.

⁶ The FAIR data principles stipulate that such data should, in principle, be findable, accessible, interoperable and re-usable. <https://www.force11.org/group/fairgroup/fairprinciples>.

⁷ See also 2020 Berlin Declaration on Digital Society and Value-Based Digital Government.

⁸ The forthcoming proposal on the European Health Data Space will help to achieve this objective.

appropriate vehicles to support multi-country projects” as called for by the European Council, to create incentives for Member States to pool their strengths together. While a number of instruments exist, there is a gap in the EU’s toolbox to combine funding from Member States, the EU budget and private investment for the purposes of deploying and operating infrastructures and services of common interest, outside the research area.

To this end, the “Path to the Digital Decade” aims to support and coordinate deploying and operating Multi-Country Projects. It provides for a legal structure enabling the swift and flexible set-up and implementation of projects co-funded by several Member States, the Commission, EIB Group, public and private investors, and other private parties, in particular for the deployment across countries of large-scale digital infrastructures and/or services, while ensuring that they remain open to all interested Member States and parties.

Consistency with existing policy provisions in the policy area

The present Policy Programme “Path to the Digital Decade” complements, fulfils and implements the vision, targets and actions envisaged in the Digital Compass Communication and aims to consolidate and ensure that the actions defined in the 2019 Strategy for Shaping Europe’s digital future⁹ are effectively implemented. This proposal is also consistent with the Commission’s Communication updating the 2020 new industrial strategy¹⁰, which identifies areas of strategic dependencies that could lead to vulnerabilities such as supply shortages or cybersecurity risks. This proposal is also consistent with the objectives of the Observatory for Critical Technologies, which aims to help identify the Union’s current and possible future digital strategic dependencies and contribute to strengthening its digital sovereignty.

Consistency with other Union policies

This Decision also builds on existing policy proposals (e.g. the Data Governance Act¹¹, the Digital Services Act¹², the Digital Markets Act¹³ and those under the Cybersecurity Strategy¹⁴), and Union budget instruments (e.g. Cohesion programmes, the Technical Support Instrument, the Digital Europe Programme¹⁵, Horizon Europe¹⁶ and InvestEU¹⁷) and on the

⁹ Communication from the Commission to the European Parliament, the Council, the European Economic and Social Committee and the Committee of the Regions: Shaping Europe’s Digital Future, COM(2020)67 final, 19. 2. 2020.

¹⁰ Communication from the Commission to the European Parliament, the European Council, the Council, the European Economic and Social Committee and the Committee of the Regions, “Updating the 2020 New Industrial Strategy: Building a stronger Single Market for Europe’s recovery” COM(2021) 350 final.

¹¹ Proposal for a Regulation of the European Parliament and of the Council on European data governance (Data Governance Act), COM(2020) 767 final.

¹² Proposal for a Regulation of the European Parliament and of the Council on a Single Market For Digital Services (Digital Services Act) and amending Directive 2000/31/EC, COM(2020) 825 final.

¹³ Proposal for a Regulation of the European Parliament and of the Council on contestable and fair markets in the digital sector (Digital Markets Act), COM(2020) 842 final.

¹⁴ Joint Communication to the European Parliament and the Council: The EU’s Cybersecurity Strategy for the Digital Decade, JOIN/2020/18 final.

¹⁵ Regulation (EU) 2021/694 of the European Parliament and of the Council of 29 April 2021 establishing the Digital Europe Programme and repealing Decision (EU) 2015/2240, OJ L 166, 11.5.2021, p. 1.

¹⁶ Regulation (EU) 2021/695 of the European Parliament and of the Council of 28 April 2021 establishing Horizon Europe – the Framework Programme for Research and Innovation, laying down its rules for participation and dissemination, and repealing Regulations (EU) No 1290/2013 and (EU) No 1291/2013, OJ L 170, 12.5.2021, p. 1.

minimum 20% earmarking for digital transition of the Recovery and Resilience Facility¹⁸. This proposal is also consistent with the Security Union Strategy¹⁹, the Skills Agenda of the EU, the Digital Education Action Plan²⁰, and builds on the 2021 Strategic Foresight Report²¹, which underpins EU's global leadership on the path towards 2050.

This proposal is also consistent with the initiatives presented by the Commission under the Green deal package²².

While the Policy Programme “Path to the Digital Decade” concerns only EU Member States, cooperation with third countries will continue in parallel, also as set out in the Digital Compass Communication. In particular, cooperation with the EU neighbourhood and enlargement partners will also address relevant aspects of the Policy Programme “Path to the Digital Decade” and be informed by it, paving the way for full integration, where relevant.

2. LEGAL BASIS, SUBSIDIARITY AND PROPORTIONALITY

Legal basis

The legal basis for this decision is Article 173(3) of the Treaty on the Functioning of the European Union (TFEU).

Article 173(3) TFEU provides that the Parliament and the Council, acting in accordance with the ordinary legislative procedure and after consulting the European Economic and Social Committee, may decide on specific measures in support of action taken in the Member States to ensure that the conditions necessary for the competitiveness of the Union's industry are in place. This legal basis is appropriate given that this decision aims to accelerate the digital transformation of EU industry, reinforce digital sovereignty, boost industrial capacities, facilitate the development of innovative start-ups and small and medium-sized enterprises (SMEs), and encourage new investments in innovation, research and technological development.

In this context, it is particularly relevant that the Recovery and Resilience Facility Regulation provides for reforms and investments in digital technologies, infrastructure, skills and processes to improve the Union's global competitiveness and help make it more resilient, more innovative and less dependent by diversifying key supply chains. In particular, reforms and investments should promote the digitalisation of services and the development of digital and data infrastructure, clusters and digital innovation hubs, and open digital solutions. The digital transition should also incentivise the digitalisation of SMEs. Investments in digital technologies should respect the principle of interoperability, energy efficiency and comply with personal data protection, allow for the participation of SMEs and start-ups, and promote the use of open-source solutions.

¹⁷ Regulation (EU) 2021/523 of the European Parliament and of the Council of 24 March 2021 establishing the InvestEU Programme and amending Regulation (EU) 2015/1017, OJ L 107, 26.3.2021, p. 30.

¹⁸ Regulation (EU) 2021/241 of the European Parliament and of the Council of 12 February 2021 establishing the Recovery and Resilience Facility, OJ L 57, 18.2.2021, p. 17.

¹⁹ Communication on the EU Security Union Strategy. COM(2020) 605 final.

²⁰ Communication on Digital Education Action Plan 2021-2027. COM/2020/624 final.

²¹ COM(2021) 750 final of 8.9.2021 – “2021 Strategic Foresight Report - The EU's capacity and freedom to act”.

²² https://ec.europa.eu/info/strategy/priorities-2019-2024/european-green-deal_en.

Subsidiarity (for non-exclusive competence)

The initiative is in an area of shared competence in which relevant cross-border and transnational problems should be addressed.

The digital transformation concerns all policy areas and requires joint action from a variety of stakeholders, and the involvement of Member States, including across borders. The challenges in achieving the objectives and targets will require a rapid and coordinated EU-level response. Subscribing to common principles and targets, pooling resources, building capacity and deploying broadly across the Union can strengthen the entire EU economy, and allow the Union to compete globally and shape a global digital transformation anchored in European fundamental values and rights. Failure to invest and deploy technologies and to develop digital skills of citizens to empower them to benefit fully from digital technologies could limit the EU's ability to address the pressing climate and other sustainability challenges.

Action at EU level is clearly the best means of driving European actors to achieve common visions, objectives and targets, and adopt common technological roadmaps that provide a basis for global standards and norms. This is key to generate economies of scale and of scope, and the critical mass necessary for cutting-edge capacities, thus limiting (if not avoiding) a fragmentation of efforts in the EU and suboptimal national solutions.

It is expected that this novel form of governance, through the reporting framework and a functional monitoring and cooperation mechanism between the Member States and the Commission, will bring broader economic, social and environmental benefits for the Member States and for stakeholders. The robust monitoring and cooperation mechanism will help ensure that the EU and its Member States collectively achieve the Digital Decade objectives and find coordinated and effective solutions to common challenges in an affordable manner. Broad reporting activity will ensure transparency for all stakeholders. This is imperative in view of the considerable investment needs of digital transformation over the next decade.

Proportionality

This proposal builds on existing policy initiatives and legal frameworks and is proportionate to achieve its objectives and targets. First, this Policy Programme complements the Digital Compass Communication, which announced its preparation and is fully endorsed by the European Council.

In addition, it does not go beyond what is necessary to reach its objectives and targets since it establishes a novel mechanism for structured and transparent cooperation among the Member States and the Commission, which should lead to agreed policies, measures and actions to be put in place at national and at Union level. Furthermore, this proposal provides that the Commission may recommend to the Member States policies, measures and actions to be taken at Union and at national level, in particular to those Member States where progress towards the set objectives and targets is insufficient or gaps have been identified based on the report on the state of the Digital Decade and the subsequent cooperation process. Where a Member State fails to adopt adjustments to its national Digital Decade strategic roadmap taking into account the Commission recommended policies, measures and actions or where the reasons provided for failing to do so are considered to be insufficient, the Commission may adopt a recommendation, including a specific analysis of how this failure could impact the achievement of the objectives and the digital targets at Union level. Member States should take utmost account of such recommendations and, where they decide not to address a recommendation or a substantial part thereof, they should provide their reasons and make them public.

Choice of the instrument

The Digital Compass Communication includes a reference to a Digital Compass in the form of a digital policy programme to be adopted by the European Parliament and the Council via the “ordinary legislative procedure”.

Given that the Policy Programme “Path to the Digital Decade” is mainly addressed to Member States and establishes a cooperation mechanism between the Commission and the Member States, the most appropriate legal instrument is a Decision. A Decision will render binding a monitoring and cooperation mechanism involving the Commission and the Member States with a view to support and achieve the indicative EU targets set out in the Decision. A Decision produces immediate direct effects towards those to whom it is addressed.

Therefore, it is proposed to adopt the Policy Programme “Path to the Digital Decade” in a form of a Decision based on Art. 288(4) TFEU. Such decision shall be binding in its entirety and specify those to whom it is addressed and it shall be binding only on them.

3. RESULTS OF EX-POST EVALUATIONS, STAKEHOLDER CONSULTATIONS AND IMPACT ASSESSMENTS

Stakeholder consultations

The Commission encouraged stakeholders and citizens to provide input on the purpose and scope of the Policy Programme; the concrete measures under the Programme and took into account the feedback received. The Commission published a roadmap²³ for a four week feedback period (between 24 June and 22 July 2021). Moreover, the Commission launched a six week targeted public consultation²⁴ (from 22 June to 3 August 2021) to allow all interested stakeholders to provide input and to measure and generate multi-stakeholder support for the development of the policy programme. A space on the Futurium platform²⁵ was also created to interact with stakeholders on specific issues. In order to ensure the widest engagement possible of all relevant stakeholders, including representatives of industry, society, of the European Parliament and Member States, the Commission also organised a high level event (Digital Assembly on 1 June), engaged in inter-institutional discussion with the co-legislators (European Parliament and Council), and carried out a consultation with European Economic and Social Committee and European Committee of the Regions.

Consulted stakeholders were overall supportive of the Commission’s initiative and its intention to operationalise the EU’s digital ambition into a concrete monitoring and reporting mechanism. They support the Commission taking this next step of setting out a dedicated monitoring and cooperation mechanism to organize the cooperation among the Union institutions and the Member States. Existing structures, monitoring, reporting, should be aligned and reinforced at the EU level, therefore a structured cooperation and progress monitoring and reporting on the Union level would add significant value to a common vision for a Europe fit for the digital age.

²³ https://ec.europa.eu/info/law/better-regulation/have-your-say/initiatives/13089-Policy-programme-Digital-Decade-Compass_en.

²⁴ <https://digital-strategy.ec.europa.eu/en/consultations/consultation-and-discussion-forum-eus-2030-digital-decade-vision>.

²⁵ <https://futurium.ec.europa.eu/en/digital-compass>.

Many respondents pointed out that the success of the digital transformation is closely linked to the technologies identified in the digital compass. The chosen cardinal points are relevant and well balanced and concrete enough. They consider that the upcoming Policy Programme will introduce a new monitoring and cooperation mechanism for close cooperation and effective coordination between the Commission and Member States. This strategic approach is essential to create appropriate links between Member States at political and expert level for the successful implementation of multinational projects. Besides targets, respondents consider that Member States and the Commission should do more on the inducement and coordination of investments at EU level around a few priorities stemming from the EU's wider digital agenda. To ensure a full and successful digital transformation across the EU and to the benefit of European citizens, businesses and public administration, a comprehensive and adapted regulatory framework is needed. It will bring the required visibility and security for private and public actors to implement the levers to achieve the common EU digital targets for 2030. Many respondents consider the support and promotion of the exchange of cooperation and sharing of best practices across Member States as a priority action to accelerate the progress towards the Digital Decade targets.

Some respondents also underlined that the contribution to higher order societal objectives should be prioritised making sure that the impact of the digital transformation to societal objectives should be regularly assessed as the quality and direction of the digital growth is also important, and needs to be ensured through strategic priorities and principles that will be used alongside quantitative indicators. Many underlined that it is important to take into account and have a better assessment of the environmental impacts of digitalisation in the digital transformation, in order to reduce them while at the same time making digital technologies supportive of the green transition.

Collection and use of expertise

The Commission relied on a solid and wide set of evidence in support of the approach proposed in the Digital Compass Communication and concretised by way of this Policy Programme “Path to the Digital Decade”.

On targets and indicators, the Policy Programme relies notably on an enhanced Digital Economy and Society Index (DESI), which is a composite index that monitors Europe's digital performance and tracks the evolution of EU Member States in digital competitiveness, including the analysis of national digital policies. Key studies collecting data for DESI on broadband coverage and prices, e-government benchmarking and business survey also contribute to the process of gathering the relevant data. A holistic perspective of the EU's digital vulnerabilities and capacities, also linked to other dimensions of resilience (green, social and economic, and geopolitical), is provided by the digital Resilience Dashboards²⁶.

Along many other studies referenced to in the Communication, a study released by McKinsey in September 2020²⁷ presents an up-to-date and in-depth analysis of the challenges ahead for the EU on its digital transformation and of the actions needed to make the best of it.

²⁶ Resilience Dashboards | European Commission (europa.eu).

²⁷ McKinsey report, [Shaping the digital transformation in Europe, September 2020](#).

Impact assessment

Following the guidelines in the Better Regulation Toolbox, the Commission did not consider an Impact Assessment as necessary and instead provided a SWD to accompany the proposal of the Decision. The 2030 Digital Compass: the European way for the Digital Compass Communication, which had been endorsed by the European Council, had already outlined a detailed monitoring and cooperation mechanism that has been closely followed in the proposal of the Decision. As a number of elements had been firmly set in the Communication (e.g. targets, monitoring and cooperation mechanism, framework for the implementation of Multi Country Projects), a very limited room remained for manoeuvre in terms of policy options, the analysis of which is at the core of an Impact Assessment.

In line with the Communication, the proposed Decision lists common digital targets along four cardinal points to translate the EU's ambition for a successfully digitalised Union by 2030 into common concrete objectives. The proposed Decision specifies only how the targets will be measured. Furthermore, the novel form of governance, through the monitoring and cooperation mechanism, relies notably on the already existing DESI, a composite index monitoring the EU's digital performance that will be enhanced to reflect the new targets. While the proposed Decision provides for a monitoring and cooperation mechanism that aims to enable the monitoring of the progress towards the achievement of the targets, possible concrete actions that may be suggested as a result of the monitoring will only be an outcome of an iterative and cooperative process between the Commission and the Member States to take place subsequently, in the form of recommended actions. Since the concrete actions will necessarily only be identifiable following the establishment of the monitoring and cooperation mechanism, and in particular as outcome of the monitoring process, the precise impact of the Programme in this particular aspect cannot be identified ex ante.

Since spectrum is an essential enabler for progress towards the Digital Decade targets, in particular for the achievement of a secure, performant and sustainable digital infrastructure, Member States should also report on their adopted and future policies and measures regarding the availability and possibility to use radio spectrum for existing users and prospective investors and operators. The Commission could provide guidance on how best to organise such policies and measures in order to meet the general objectives and digital targets of this decision. This is without prejudice to the possibility for the Commission to propose new strategic spectrum policy orientations or mechanisms under Article 4 (4) of Directive (EU) 2018/1972 of 11 December 2018.

The Policy Programme "Path to the Digital Decade" also foresees a mechanism for a legal structure enabling the swift and flexible set-up and implementation of Multi-Country projects, in particular for the deployment across countries of large-scale digital infrastructures and/or services. The combination of the funds from centrally managed Union programme with resources committed by Member States should be possible, including, under certain conditions, contributions from the Recovery and Resilience Facility, as explained in Part 3 of the Commission guidance to Member States on Recovery and Resilience Plans²⁸. The legal structure will provide for standard arrangements governing common issues such as governance of the project, liability, ownership, and management of data as well as the pooling of multiple funding sources, which may include i.a. directly and indirectly managed Union programmes, Member States' contributions and private funding. This will constitute an option

²⁸ Brussels, 22.1.2021 SWD (2021) 12 final.

for implementing Multi-Country Projects, and the mechanism will remain voluntary for Member States. The precise details regarding funding, implementation and participation in particular projects, as well as the specific areas, will not be set out in this Policy Programme. These will only be available in the years to come and depend on the support from Member States.

As evident from the above, the proposal does not provide for concrete substantive policy choices, but rather for a methodological and governance framework, which is agnostic to future concrete measures based on it. Details regarding the impacts of the suggested framework are dependent on its further implementation (and therefore operationalisation) at the EU and national level. Based on above, the Commission consolidated the existing evidence in a SWD that accompanies the proposal. With regard to Multi Country Projects in particular, the SWD shows that, firstly, a procedural framework for the acceleration of the implementation of MCPs is necessary and, secondly, that it is necessary to provide Member States with an option of implementing MCPs through a new instrument which can be used where no existing instruments are suitable for a given Multi-Country Project. This new instrument, the European Digital Infrastructure Consortium (EDIC), does not involve the actual setting up of a new Union body and is not targeted at one specific Multi-Country Project, but addresses a gap in the EU's toolbox to combine funding from Member States, the EU budget and private investment for the purposes of deploying and operating infrastructures and services of common interest, outside the research area.

4. BUDGETARY IMPLICATIONS

The proposal has no implications for the EU budget. In particular, new tasks of the Commission related to its role as Multi-Country Project Accelerator will be performed using resources that would have been expended otherwise to provide ad hoc support to Member States' projects in the areas covered by Multi-Country Projects. By pooling these scattered resources, efficiency gains will be achieved without extra costs to the Union's budget.

5. OTHER ELEMENTS

Implementation plans and monitoring, evaluation and reporting arrangements

Monitoring of the implementation, evaluation and reporting is set out in more detail in the description of the specific provision below. In essence, the Commission will annually report on the progress of the "Path to the Digital Decade" to the European Parliament and the Council via the "**Report of the state of the Digital Decade**". That report in turn triggers a monitoring and cooperation mechanism between the Commission and the Member States that is described in more detail in the description of the specific provisions below.

Detailed explanation of the specific provisions of the proposal

The subject matter and scope of the Decision is laid out in **Article 1**, which establishes the Policy Programme "Path to the Digital Decade" including a related monitoring and cooperation mechanism and monitoring. **Article 2** describes the general objectives of the Decision which consist in the promotion of a human-centred, secure and open digital environment; in the reinforcing of Member States' collective resilience; in ensuring a secure and accessible digital infrastructure; in the promotion of the deployment and use of digital capabilities; in ensuring the accessibility of democratic life and online public services; in ensuring that digital infrastructures and technologies become more sustainable and energy- and resource efficient as well as in ensuring that all existing policies which are relevant to the

achievement of the digital targets are taken into account to fully contribute to the digital transition.

Article 3 contains definitions of certain terms used in the Decision.

Article 4 sets out the targets in regard to which the Union institutions and Member States should cooperate, set out along four “cardinal points”, i.e. a digitally skilled population and highly skilled digital professionals; secure and performant sustainable digital infrastructures; digital transformation of businesses; digitalisation of public services. The four cardinal points are made of a variety of dimensions and sub-dimensions. The targets are to be reviewed by the Commission by June 2026 to take account of technological, economic and societal developments.

Progress towards the targets at Union level will be monitored (**Article 5**) via the Digital Economy and Society Index (DESI). To that end, a part of DESI’s dimensions and indicators will be aligned with the targets set out in the Decision. Monitoring for the attainment of the 2030 targets is based on key performance indicators, defined by the Commission in the DESI on a yearly basis, in consultation with Member States, as well as on projected EU level trajectories, identified by the Commission in close cooperation with Member States. The Commission is empowered to establish the list of the KPIs necessary to monitor each of the digital targets via an implementing act, when necessary for effective monitoring or to take account of technological developments. The monitoring could also include a ‘score of traffic lights’: a reporting system by which the colors of traffic lights (i.e. green, yellow and red) indicate whether the actual trends monitored at Union level are on track to achieve the target of a given key performance indicator compared to the projected trend.

As described in **Article 6** the Commission will annually report to the European Parliament and the Council on the progress on digital transformation of the Union via a Report on the “State of the Digital Decade”. DESI will be included in this report. The report will cover the digital transition, in particular the progress towards the 2030 vision and corresponding digital targets, as well as the more general state of compliance with the general objectives and the digital principles enshrined in the [insert title of solemn Declaration]. The report will also include recommended policies, measures and actions addressed to Member States, as well as joint commitments proposed and undertaken by the Commission and the Member States. In the report, the Commission may identify recommended actions in terms of policies, measures and actions to be undertaken by Member States regarding areas where progress towards the digital targets is deemed insufficient, which should also be included in Member States’ national Digital Decade strategic roadmaps. Any such recommended action will take account of the outcome of the cooperative dialogue, including the comments made by Member States, following the previous report. In particular, the Commission may suggest to implement specific regulatory measures or public interventions to foster additional investments in digital technologies and capacities, including through the development of Multi-Country Projects.

Article 7 foresees that at the latest five months before the issuing of the report on the state of the Digital Decade, Member States should submit to the Commission national Digital Decade strategic roadmaps (‘national Digital Decade strategic roadmaps’). The Member States will outline in their roadmaps the main existing and planned policies, measures and actions to achieve the Digital Decade objectives and targets; projected national trajectories based on guidance provided by the Commission in close cooperation with the Member States; a timeline for the implementation of the planned policies, measures and actions, including an assessment of when those policies and measures are expected to produce effects with respect

to the achievement of the targets; a general overview of the investment needed to achieve the objectives, targets and contributions set out in the national roadmaps, as well as a general assessment on the sources of that investment. The national Digital Decade strategic roadmaps may also include a proposal for Multi-Country Project(s). If needed, in order to take into account the findings of the annual report on the state of the Digital Decade, Member States should submit an adjustment to their national Digital Decade strategic roadmaps consisting of policies, measures and actions which they intend to undertake to foster progress in the areas concerned by the digital targets. The Commission will provide guidance to help Member States prepare their national Digital Decade strategic roadmaps, including the articulation between Union and national projected trajectories and how Union projected trajectories should be translated by Member States into national trajectories that take into account different national starting points, resources, comparative advantages and other relevant factors.

Article 8 provides for annual cooperation between the Commission and the Member States to ensure that the Digital Decade objectives and targets are achieved through a combination of Union initiatives and relevant national policies, taking into account the cross-border dimensions of digital policies and Union-wide targets, in particular the development of the internal market. Member States and the Commission will cooperate closely to identify ways to address deficiencies in areas where progress has been insufficient to achieve one or more digital targets or where the most recent progress report and available data point to significant gaps and shortcomings. In that context, Member States will be obliged to present the policies and measures they have planned, adopted or implemented.

As part of the cooperative dialogue, the Commission and the Member States will also examine how they have collectively and individually implemented recommended policies, measures and actions included in the previous year's report. The assessment will cover the impacts of Member States' actions and measures and/or estimate when such effects are likely to be produced. It will also cover the need to adopt measures or actions, adjusting or complementing those already in place.

At any point during the annual cooperation, the Commission and one or more Member States will be able to undertake joint commitments, including establishing MCPs, and agree on measures and actions at Union and national levels, taking account *inter alia* of the implementation of other digital policies and initiatives. These joint commitments and other measures will be undertaken with a view to progressing towards achieving the Digital Decade targets, in alignment with the projected trajectories referred to in the Report of the State of the Digital Decade. The Commission and individual Member States will be able to request a meeting between the Commission and Member States. Such a meeting will be held in particular in the case where a Member State proposes to undertake a new Multi-Country Project or a joint action requiring the participation of other Member States. The Member States concerned or the Commission will also be able to request a peer review process to be launched.

Article 9 enables the Commission to adopt distinct recommendations in the case a Member State does not amend its national Digital Decade strategic roadmaps in accordance with recommended policies, measures and actions, nor provide sufficient explanations as to why it intends not to address the recommended actions. The Member State concerned will be required to take such a recommendation into utmost account, and explain how it intends to implement it. The recommendations issued by the Commission will be transmitted to the European Parliament and the Council. The Commission recommended policies, measures and

actions contained in the report and the Commission distinct recommendations should be complementary to the latest country-specific recommendations issued in the context of the European Semester.

Cooperation between the Commission and the Member States will be open, effective and transparent through an appropriate structure set up by the Commission (**Article 10**). Such structure will also serve as a forum for peer review between Member States. Moreover, to ensure transparency and public participation, the Commission and Member States will also engage with all interested stakeholders (including at national, regional and local level, notably Member States' public sector digital transformation bodies, and with social partners, citizens and civil society) (**Article 11**).

Opening a block of provisions on Multi-Country Projects, **Article 12** sets out the aims that characterise a Multi-Country Project. At the highest level, these aims include the contribution of the project to the targets for digital transformation of the Union by 2030. This is then translated into more operational requirements. Article 12 empowers the Commission to issue a recommendation to set up a Multi-Country Project or invite a Member State to participate in a Multi-Country Project, as well as the possibility of setting up or joining a Multi-Country Project as a joint commitment. The indicative list of possible areas of activity in which Multi-Country Projects could be established is provided in **Annex**.

Rules on the selection and implementation of Multi-Country Projects are provided in **Article 13**. Firstly, this article provides that the Commission will include an annex to the report of the state of the Digital Decade in which it will provide the strategic principles and priorities in the implementation of Multi-Country Projects and up-to-date list of these projects selected for implementation. Secondly, an open list of potential implementation instruments is provided. If existing implementation instruments are chosen, the rules applicable to such instruments are not modified by this Decision and must be respected in their entirety.

The procedural framework to accelerate the implementation of Multi-Country Projects is provided in **Article 14**. A two-step coordination mechanism is envisaged, to be implemented in close cooperation between the Commission and Member States. As a first step, all Member States are invited to express their interest in the implementation of specific Multi-Country projects. As a second step, provided that there is sufficient interest from Member States, the Commission will provide guidance on the implementation mechanism that it considers as the most suitable for the implementation of a given project as well as other strategic aspects of its implementation. Technical assistance and other support may also be provided throughout the implementation of the project.

Article 15 provides an implementation mechanism in the form of European Digital Infrastructure Consortium (EDIC). It is expected that EDIC will be used mainly in case of Multi-Country projects that cannot be implemented under existing implementation mechanisms. As further provided in this Article, EDIC will have legal personality. This means that when applying for a Union grant, the EDIC itself is the applicant and eventually needs to apply itself by submitting its proposals to a call or invitation by the granting body. With the exception of a multi beneficiary grant agreement, the application cannot be submitted by a third party, e.g. by a Member State on behalf of the EDIC.

Article 16 provides EDIC may be established upon Member States' request by a Commission decision adopted under comitology procedure.

Subsequent articles provide for the rules necessary for smooth and agile operation of an EDIC. **Article 17** deals with membership rules, whereby Member States that provide financial or non-financial contribution are voting members and other Member States may be observers. **Article 18** provides for a governance mechanism subject to the Commission veto rights in narrowly described circumstances. **Article 19** provides minimum requirements that must be met by Statutes.

Finally, the liability rules applicable to an EDIC are provided in **Article 20**, applicable law and jurisdiction in **Article 21**, the rules on winding up in **Article 22** and on reporting and control in **Article 23**.

Proposal for a

DECISION OF THE EUROPEAN PARLIAMENT AND OF THE COUNCIL

establishing the 2030 Policy Programme “Path to the Digital Decade”

(Text with EEA relevance)

THE EUROPEAN PARLIAMENT AND THE COUNCIL OF THE EUROPEAN UNION,

Having regard to the Treaty on the Functioning of the European Union, and in particular Article 173(3) thereof,

Having regard to the proposal from the European Commission,

After transmission of the draft legislative act to the national parliaments,

Having regard to the opinion of the European Economic and Social Committee¹,

Having regard to the opinion of the Committee of the Regions²,

Acting in accordance with the ordinary legislative procedure,

Whereas:

- (1) In its Communication “2030 Digital Compass: the European way for the Digital Decade” of 9 March 2021³ (“Digital Compass Communication”) the Commission laid out its vision for 2030 to empower citizens and businesses through the digital transition. The Union way for the digital transformation of economy and society should encompass digital sovereignty, inclusion, equality, sustainability, resilience, security, improving quality of life, respect of citizens’ rights and aspirations and should contribute to a dynamic, resource efficient, and fair economy and society in the Union.
- (2) In its statement of 25 March 2021, the European Council considered the Digital Compass Communication as a step towards charting Europe’s digital development for the next decade and confirmed the vision there set, including the idea of a Policy Programme with a robust governance structure and a framework to facilitate the implementation of multi-country projects that are necessary for Europe’s digital transition in critical areas. It also invited the Commission to widen the European Union’s policy toolbox for digital transformation, both at the European Union and national level, and to use all available instruments from industrial, trade and competition policy, skills and education, research and innovation policy and long-term funding instruments to facilitate the digital transformation.

¹ OJ C , , p. .

² OJ C , , p. .

³ Communication from the Commission to the European Parliament, the Council, the European Economic and Social Committee and the Committee of the Regions “2030 Digital Compass: the European way for the Digital Decade” COM/2021/118 final/2.

- (3) As outlined in the Commission's Communication updating the 2020 new industrial strategy⁴, it is necessary for the European Union to identify systems of critical technologies and strategic sectors, to address strategic weaknesses and high-risk dependencies which could lead to supply shortages or cybersecurity risks, and to foster digital transition. This underlines the importance for Member States to join forces and to support industry's efforts to address these dependencies and to develop strategic capacity needs. This also responds to the analysis in the 2021 Strategic Foresight Report⁵. In the framework of the Recovery and Resilience Facility and the preparation of national recovery and resilience plans, the Commission encouraged Member States to coordinate their efforts in favour of Multi-Country Projects in the digital area. This experience highlighted the need for the Commission to support coordination efforts by Member States, and for the Union to dispose of implementation mechanisms that facilitate joint investments, in order for Multi-Country Projects to materialise. In conjunction with other Commission's initiatives such as the Observatory for Critical Technologies⁶, a governance structure implementing the Digital Compass Communication should be established and should help to identify the Union's current and possible future digital strategic dependencies and contribute to strengthening its digital sovereignty.
- (4) The Commission's Communication on the European Green Deal⁷ emphasised that Europe should leverage the potential of the digital transformation, which is a key enabler for reaching the Green Deal objectives. The Union should promote and invest in the necessary digital transformation as digital technologies are a critical enabler for attaining the sustainability goals of the Green Deal in many different sectors. Digital technologies such as artificial intelligence, 5G, cloud and edge computing and the internet of things can accelerate and maximise the impact of policies to deal with climate change and protect the environment. Digitalisation also presents new opportunities for distance monitoring of air and water pollution, or for monitoring and optimising how energy and natural resources are used. Europe needs a digital sector that puts sustainability at its heart, ensuring that digital infrastructures and technologies become verifiably more sustainable and energy- and resource efficient, and contribute to a sustainable circular and climate-neutral economy and society in line with the European Green Deal.
- (5) The measures envisaged in the Digital Compass Communication should be implemented, to intensify actions defined in the strategy for Shaping Europe's digital future, and building on existing Union instruments (such as Cohesion programmes, the Technical Support Instrument, Regulation (EU) 2021/694 of the European Parliament and of the Council⁸, Regulation (EU) 2021/695 of the European Parliament and of the

⁴ Communication from the Commission to the European Parliament, the Council, the European Economic and Social Committee and the Committee of the Regions updating the 2020 new industrial strategy: Building a stronger Single Market for Europe's recovery", 5.5.2021 COM(2021) 350 final.

⁵ COM(2021) 750 final of 8.9.2021 – "2021 Strategic Foresight Report - The EU's capacity and freedom to act".

⁶ Action Plan on synergies between civil, defence and space industries, 22.02.2021, COM(2021) 70 final, Action 4.

⁷ Communication from the Commission to the European Parliament, the European Council, the Council, the European Economic and Social Committee and the Committee of the Regions "The European Green deal", 11.12.2019, COM/2019/640 final.

⁸ Regulation (EU) 2021/694 of the European Parliament and of the Council of 29 April 2021 establishing the Digital Europe Programme and repealing Decision (EU) 2015/2240 (OJ L 166, 11.5.2021, p. 1).

Council⁹ and Regulation (EU) 2021/523 of the European Parliament and of the Council¹⁰) and on the funds allocated for digital transition of Regulation (EU) 2021/241 of the European Parliament and of the Council¹¹. By this Decision, a Policy Programme “Path to the Digital Decade” should therefore be established in order to achieve, accelerate and shape a successful digital transformation of the Union’s economy and society.

- (6) In order to follow the trajectory of the Union regarding the pace of digital transformation, digital targets should be established. These targets should be linked to concrete areas, where progress should collectively be made within the Union. The targets follow the four cardinal points identified in the Digital Compass Communication, identified as the essential areas for the digital transformation of the Union: digital skills, digital infrastructures, digitalisation of businesses and of public services.
- (7) Digital skills, basic and advanced, are essential to reinforce the collective resilience of the Union’s society. Digitally empowered and capable citizens will be able to take advantage of the opportunities of the Digital Decade. Moreover, digital training and education should support a workforce in which people can acquire specialised digital skills to get quality jobs and rewarding careers in much greater numbers than today, with convergence between women and men. In addition, an essential enabler for taking advantage of the benefits of digitisation, for further technological developments and for Europe’s digital leadership is a sustainable digital infrastructure for connectivity, microelectronics and the ability to process vast data. Excellent and secure connectivity for everybody and everywhere in Europe including in rural and remote areas¹² is needed. Societal needs for upload and download bandwidth are constantly growing. By 2030, networks with gigabit speeds should become available at accessible conditions for all those who need or wish such capacity. Moreover, microprocessors which are already today at the start of most of the key, strategic value chains are expected to be in even higher demand in the future, in particular the most innovative ones. Climate neutral highly secure edge node guaranteeing access to data services with low latency wherever businesses are located and quantum capacity are also expected to be critical enablers.
- (8) Beyond enablers, all the above mentioned technologies will be at the core of new products, new manufacturing processes and new business models based on fair sharing of data in the data economy. The transformation of businesses will depend on their ability to adopt new digital technologies rapidly and across the board, including in industrial and services ecosystems that are currently lagging behind.
- (9) Democratic life and public services will also crucially depend on digital technologies and therefore they should be fully accessible for everyone, as a best-in-class digital

⁹ Regulation (EU) 2021/695 of the European Parliament and of the Council of 28 April 2021 establishing Horizon Europe – the Framework Programme for Research and Innovation, laying down its rules for participation and dissemination, and repealing Regulations (EU) No 1290/2013 and (EU) No 1291/2013 (OJ L 170, 12.5.2021, p. 1).

¹⁰ Regulation (EU) 2021/523 of the European Parliament and of the Council of 24 March 2021 establishing the InvestEU Programme and amending Regulation (EU) 2015/1017 (OJ L 107, 26.3.2021, p. 30).

¹¹ Regulation (EU) 2021/241 of the European Parliament and of the Council of 12 February 2021 establishing the Recovery and Resilience Facility (OJ L 57, 18.2.2021, p. 17).

¹² Long-term Vision for the EU’s Rural Areas. COM(2021) 345 final.

environment providing for easy-to-use, efficient and personalised services and tools with high security and privacy standards.

- (10) The Commission should review these digital targets by June 2026 to assess whether they still meet the high level of ambition of the digital transformation and update them or introduce additional digital targets, if necessary.
- (11) A harmonious, inclusive and steady progress towards the digital transformation and towards the achievement of the digital targets in the Union, requires a comprehensive, robust, reliable, flexible and transparent form of governance, based on close cooperation and coordination between the Union institutions, bodies and agencies, and the Member States. An appropriate mechanism should ensure coordination of convergence and the consistency and effectiveness of policies and measures at Union and national level. Therefore, it is necessary to lay down provisions on a monitoring and cooperation mechanism implementing the Digital Compass Communication.
- (12) This mechanism should include an enhanced monitoring system to identify gaps in the strategic digital capacities of the Union. It should also include a reporting mechanism, among others, on the progress towards the 2030 vision and corresponding digital targets as well as on the more general state of compliance with the objectives set in this Decision. It should establish a cooperative framework between the Commission and Member States to identify solutions addressing weaknesses and to propose targeted actions for effective remedies.
- (13) The Digital Economy and Society Index ('DESI')¹³ should become a part of the report on the state of the Digital Decade and should be used to monitor the progress towards the digital targets. This monitoring should include an analysis of the indicators measuring progress at Member States' level, national policies and initiatives aimed at reaching the objectives of this Decision and the targets as well as horizontal and thematic analyses tracking the digital transformation of European economies and a ranking of Member States progress therein. In particular, DESI's dimensions and indicators should be aligned with digital targets set out in this Decision. For each digital target, key performance indicators ('KPIs') should be set out in implementing acts to be adopted by the Commission. The KPIs should be updated when necessary for continued effective monitoring and to take account of technological developments. The data collection mechanism within Member States should be reinforced to present a thorough state of play on the progress towards the digital targets, as well as information on the relevant policies, programmes, and initiatives at national level. Based on the reviews and where needed, the Commission should prepare, in consultation with the Member States, a roadmap to set out future data collection needs. . In defining the DESI, the Commission should rely largely on official statistics collected in different Union surveys on the information society¹⁴. The Commission should use specific studies to collect data for those relevant indicators that are not measured in the Union surveys.

¹³ DESI is an annual set of analyses and measurement indicators, which since 2014 have been used to monitor Europe's overall progress and to benchmark individual Member States' progress in digital, feeding into the European Semester process and the country specific recommendations.

¹⁴ Regulation (EC) No 1006/2009 of the European Parliament and of the Council of 16 September 2009 amending Regulation (EC) No 808/2004 concerning Community statistics on the information society (OJ L 286, 31.10.2009, p. 31–35).

- (14) In order to keep the co-legislators informed about the progress of digital transformation in the Union, the Commission should submit to the European Parliament and the Council an annual report on the “State of the Digital Decade”, containing an overview and analysis of the digital transformation of the Union and an evaluation of the progress made with regard to the objectives of the Digital Decade and the digital targets for the period towards 2030. The report on the “State of the Digital Decade”, and in particular the DESI, should feed into the European Semester, including aspects relating to the Recovery and Resilience Facility.
- (15) In particular, the Commission should report on the progress towards the digital targets, detailing the degree of Union progress in relation to the projected trajectories for each target, the assessment of the efforts necessary to reach each target, including investment gaps in digital capacities and raising awareness about the actions needed to increase digital sovereignty. The report should also include an assessment of the implementation of relevant regulatory proposals as well as of the actions undertaken at Union and Member States level.
- (16) On the basis of this analysis the report would include specific recommended policies, measures and actions. When recommending policies, measures or actions in the report, the Commission should take into account the most recent data available, the joint commitments undertaken, the policies and measures defined by Member States as well as progress regarding recommended actions identified in earlier reports and addressed in the course of the annual cooperation. In addition, the Commission should take into account the differences in individual Member States’ potential to contribute to the digital targets, as well as the policies, measures and actions already in place and considered appropriate to achieve the targets, even if their effects have not yet materialised.
- (17) The annual report on the “State of the Digital Decade” should present the implementation of the digital principles as endorsed in the [insert title of solemn Declaration].
- (18) With a view to ensuring that the Digital Decade objectives and digital targets, as laid down in this Decision, are achieved, and that all Member States effectively contribute to that end, the design and implementation of the monitoring and cooperation mechanism should ensure exchanges of information and best practices through a constructive and inclusive dialogue between Member States and the Commission.
- (19) The Commission should, together with Member States, develop projected trajectories for the Union to reach the digital targets as laid down in this Decision. These projected trajectories should then be translated by Member States into national trajectories, where possible. The different potential of Member States to contribute to the digital targets should be taken into account and reflected in national trajectories. These trajectories should help assess progress over time at Union and national level respectively.
- (20) In order to ensure that cooperation between the Commission and the Member States is efficient and effective, Member States should submit to the Commission national Digital Decade strategic roadmaps covering the period up to 2030 (‘national Digital Decade strategic roadmaps’) proposing, where possible and measurable at national level, national trajectories, describing all the instruments adopted, planned or implemented with a view to contributing to the achievement at Union level of the objectives of this Decision and the digital targets. These national Digital Decade strategic roadmaps should be a crucial tool for the coordination of the policies of the

Member States and for ensuring predictability for the market. Member States should take into account relevant sectoral initiatives, both at Union and national level, and ensure consistency with them. During the annual cycle of cooperation, Member States could propose adjustments to their national Digital Decade strategic roadmaps to take into account the evolution of the digital transition at Union and national level and to respond, in particular, to the Commission recommended policies, measures and actions.

- (21) The timely availability of and access to radio spectrum are key for reaching the connectivity targets of the “Path to the Digital Decade”. In this context, the Member States and spectrum users require predictability and certainty and at the same time flexibility (based on the evolving needs) for the planning of milestones for spectrum availability. Particularly under the fast evolving digital and green transformation process, early information about a future spectrum availability and input on setting any milestones from key stakeholders (such as public authorities, industry and users) would increase legal certainty and investment predictability.
- (22) Since spectrum is essential to achieve the digital targets, and in particular a secure, performant and sustainable digital infrastructure, Member States should also report on their adopted and future policies and measures regarding the availability and possibility to use radio spectrum for existing users and prospective investors and operators. Without prejudice to the possibility for the Commission to propose new strategic spectrum policy orientations or mechanisms under Article 4 (4) of Directive (EU) 2018/1972 of the European Parliament and of the Council¹⁵ appropriate guidance could be provided by the Commission in that regard in order to meet the general objectives and digital targets laid down in this Decision.
- (23) The cooperative dialogue between the Commission and the Member States should commence with the assessment of their national Digital Decade strategic roadmaps and should be based on the data provided and assessment made in the report of the state of the Digital Decade, as well as on the feedback received by relevant stakeholders.
- (24) The cooperation should subsequently be structured within an annual cycle. The timing of the annual cooperation should take into account the need to reflect the results of the cooperation thus far, as well as measures, action and adjustments to the national Digital Decade strategic roadmaps proposed in the report of the following year.
- (25) In order to progress towards achieving the targets in alignment with the projected trajectories, Member States which are considered in the report as having made insufficient progress in a given area, should propose adjustment measures and actions they intend to undertake to foster progress in that critical area. Furthermore, the Commission and Member States should examine how recommended policies, measures and actions made in the previous year’s report have been addressed by Member States collectively and individually. A Member State may request a peer review process to be launched in order to give other Member States an opportunity to comment on proposals it intends to present in its national Digital Decade strategic roadmap, in particular as regards their suitability to achieve a specific target. The Commission may also propose the launch of a peer review process in respect of a Member State’s Digital Decade strategic roadmap.

¹⁵ Directive (EU) 2018/1972 of the European Parliament and of the Council of 11 December 2018 establishing the European Electronic Communications Code (OJ L 321, 17.12.2018, p. 36).

- (26) The Commission and one or more Member States may undertake joint commitments regarding coordinated actions they would like to undertake in order to achieve the targets, establish Multi-Country Projects, and agree on any other measures and actions at Union and national level with the objective to progress towards achieving the targets in alignment with the projected trajectories.
- (27) The effective implementation of the recommended policies, measures and actions and of the national Digital Decade strategic roadmaps and their adjustments, is crucial for the achievement of objectives and digital targets. If a Member State fails to effectively implement these measures, and the reasons provided for failing to do so are considered to be insufficient, the Commission may adopt a distinct recommendation, without prejudice of Commission's powers under the Treaty. Such recommendations should take into account and be complementary to the latest country-specific recommendations issued in the context of the European Semester.
- (28) The Member State concerned should take the recommendation into utmost account and where appropriate adjust its national Digital Decade strategic roadmap. In case a Member State does not intend to implement the recommendation, it should provide reasons as to why it decides not to do so and make those reasons public.
- (29) In order to ensure transparency and public participation, the Commission should engage with all interested stakeholders. To that end, the Commission should closely cooperate with stakeholders including private and public actors, such as bodies governed by public laws of the educational or health sector, and consult them on measures to accelerate the digital transformation at Union level. The involvement of stakeholders would be important at the level of Member States as well, in particular when adopting their national Digital Decade strategic roadmaps and their adjustments.
- (30) Multi-Country Projects involving several Member States should allow for large-scale intervention in key areas necessary for the achievement of the digital targets, notably by pooling resources from the Union, Member States, and where appropriate private sources. They should be implemented in a coordinated manner, in close cooperation between the Commission and Member States. For that reason, the Commission should play a central role in accelerating the deployment of Multi-Country Projects through the identification of Multi-Country projects ready for implementation among the projects categories indicatively included in Annex, in advising Member States on the choice of implementation mechanism, on the choice of the sources of funding and their combination, on other strategic matters related to the implementation of those projects, and on the selection of a European Digital Infrastructure Consortium (EDIC) as an implementation mechanism, where appropriate.
- (31) Public support to the Multi-Country Projects should be used notably to address market failures or sub-optimal investment situations, in a proportionate manner, without duplicating or crowding out private financing and having a clear European added value, in compliance with applicable Union law and national law consistent with Union law.
- (32) Multi-Country Projects should be able to attract and combine, in an efficient manner, various sources of Union and Member States' funding. Notably, the combination of the funds from centrally managed Union programme with resources committed by Member States should be possible, including, under certain conditions, contributions from the Recovery and Resilience Facility, as explained in Part 3 of the Commission

guidance to Member States on Recovery and Resilience Plans¹⁶, as well as contributions from European Regional Development and Cohesion funds. Whenever justified by the nature of a given Multi-Country Project, it should also be open to contributions from entities other than the Union and Member States, including private contributions.

- (33) The Commission, in cooperation with the Member States and acting as the coordinator of Multi-Country Projects, should assist Member States in the identification of their interests in Multi-Country Projects, give guidance regarding the selection of optimal implementation mechanisms and provide assistance in the implementation, contributing to the widest possible participation.
- (34) The Commission should be able to establish, upon Member States' application, and where it considers it appropriate, in particular in the situations where there is no alternative suitable implementation mechanism, a European Digital Infrastructure Consortium ('EDIC') to implement that Multi-Country Project.
- (35) In order to ensure uniform conditions for the implementation of this Decision implementing powers should be conferred on the Commission as regards the key performance indicators and for setting up the EDIC. Those powers should be exercised in accordance with Regulation (EU) No 182/2011 of the European Parliament and of the Council¹⁷,

HAVE ADOPTED THIS DECISION:

CHAPTER 1

SUBJECT MATTER, OBJECTIVES AND DEFINITIONS

Article 1

Subject matter

- (1) This Decision establishes a Policy Programme "Path to the Digital Decade" and sets out a monitoring and cooperation mechanism for that programme consisting of measures to:
 - (a) set a clear direction for the digital transformation of the Union and for delivery of the digital targets;
 - (b) structure and stimulate cooperation between the Union institutions and Member States;
 - (c) ensure the consistency, comparability and completeness of the monitoring and reporting by the Union.
- (2) This Decision also establishes a framework for Multi-Country Projects.

¹⁶ Brussels, 22.1.2021 SWD(2021) 12 final.

¹⁷ Regulation (EU) No 182/2011 of the European Parliament and of the Council of 16 February 2011 laying down the rules and general principles concerning mechanisms for control by Member States of the Commission's exercise of implementing powers (OJ L 55, 28.2.2011, p. 13).

Article 2

General objectives

The Union institutions and the Member States shall cooperate to support and achieve the following general objectives:

- (a) promote a human-centered, inclusive, secure and open digital environment where digital technologies and services respect and enhance Union principles and values;
- (b) reinforce Member States' collective resilience and bridge the digital divide notably by promoting basic and specialised digital skills for all and fostering the development of high-performing digital education and training systems;
- (c) ensure digital sovereignty notably by a secure and accessible digital infrastructure capable to process vast volumes of data that enables other technological developments, supporting the competitiveness of the Union's industry;
- (d) promote the deployment and the use of digital capabilities giving access to digital technologies and data on easy and fair terms in order to achieve a high level of digital intensity and innovation in Union's enterprises, in particular small and medium ones;
- (e) ensure that democratic life, public services and health and care services are accessible online for everyone, in particular disadvantaged groups including persons with disabilities, offering inclusive, efficient and personalised services and tools with high security and privacy standards;
- (f) ensure that digital infrastructures and technologies become more sustainable and energy- and resource efficient, and contribute to a sustainable circular and climate-neutral economy and society in line with the European Green Deal;
- (g) facilitate convergent conditions for investments in digital transformation throughout the Union, including by strengthening the synergies between the use of Union and national funds, and developing predictable regulatory approaches;
- (h) ensure that all policies and programmes which are relevant to the achievement of the digital targets, are taken into account in a coordinated and coherent way to fully contribute to the digital transition.

Article 3

Definitions

For the purposes of this Decision, the following definitions apply:

- (1) 'Digital Economy and Society Index ('DESI')' means an annual set of analysis and measurement indicators on the basis of which the Commission monitors the Union's and Member States' overall digital performance across several policy dimensions, including their progress towards the digital targets set out in Article 4 ;
- (2) 'Multi-Country Projects' means large scale projects facilitating the achievement of the digital targets set out in Article 4, including the Union's and Member States' financing, and meeting the requirements set out in Article 12;

- (3) ‘statistics’ means statistics as defined in Article 3(1) of Regulation (EC) No 223/2009 of the European Parliament and of the Council¹⁸;
- (4) ‘peer review’ means a review mechanism whereby Member States may comment on specific aspects of the policies, measures and actions proposed by a given Member States, and in particular on their suitability to contribute to achieving a specific target of the digital targets set out in Article 4, in the context of the annual cooperation established in Article 8 and which can serve to exchange best practices;
- (5) ‘projected trajectory’ means the assumed path per digital target until 2030, to achieve the digital targets set out in Article 4 and based on historical data where available.

CHAPTER 2

DIGITAL TARGETS

Article 4

Digital targets

- (1) The Union institutions and Member States shall cooperate to achieve the following digital targets in the Union by 2030:
 - (1) a digitally skilled population and highly skilled digital professionals:
 - (a) at least 80% of those aged 16-74 have at least basic digital skills;
 - (b) at least 20 million employed information and communications technology (ICT) specialists are employed, with convergence between women and men;
 - (2) secure, performant and sustainable digital infrastructures:
 - (a) all European households are covered by a Gigabit network, with all populated areas covered by 5G;
 - (b) the production of cutting-edge and sustainable semiconductors in the Union is at least 20% of world production in value;
 - (c) at least 10 000 climate neutral highly secure “edge nodes” are deployed in the Union, distributed in a way that guarantees access to data services with low latency (few milliseconds) wherever businesses are located;
 - (d) by 2025, the Union has its first computer with quantum acceleration, paving the way for the Union to be at the cutting edge of quantum capabilities by 2030.
 - (3) digital transformation of businesses:
 - (a) at least 75% of Union enterprises have taken up:

¹⁸ Regulation (EC) No 223/2009 of the European Parliament and of the Council of 11 March 2009 on European statistics and repealing Regulation (EC, Euratom) No 1101/2008 of the European Parliament and of the Council on the transmission of data subject to statistical confidentiality to the Statistical Office of the European Communities, Council Regulation (EC) No 322/97 on Community Statistics, and Council Decision 89/382/EEC, Euratom establishing a Committee on the Statistical Programmes of the European Communities (OJ L 87, 31.3.2009, p. 164).

- (1) cloud computing services;
 - (2) big data;
 - (3) artificial intelligence;
- (b) more than 90% of Union Small and Medium Enterprises ('SME') reach at least a basic level of digital intensity;
- (c) the Union grows the pipeline of its innovative scale ups and improves their access to finance, leading to at least doubling the number of unicorns;
- (4) digitalisation of public services:
 - (a) 100% online accessible provision of key public services for Union citizens and businesses;
 - (b) 100% of Union citizens have access to their medical records (electronic health records (EHR));
 - (c) at least 80% of Union citizens use a digital identification (ID) solution.
- (2) The Commission shall review the digital targets set out in paragraph 1 by 2026. The Commission shall submit a report to the European Parliament and to the Council regarding the outcome of the review and shall submit a legislative proposal to revise the digital targets in paragraph 1 where it considers this to be necessary to address technical, economic and societal developments for a successful digital transformation of the Union.

CHAPTER 3

GOVERNANCE: MONITORING AND COOPERATION MECHANISM

Article 5

Monitoring of progress

- (1) The Commission shall monitor the progress of the Union against the objectives and digital targets set out in Articles 2 and 4. To this end, the Commission shall rely upon Digital Economy and Society Index (DESI), and for the purpose of this decision, in accordance with Article 25 (2), shall set out in an implementing act the key performance indicators ('KPIs') for each digital target. .
- (2) Member States shall provide to the Commission in a timely manner the necessary statistics and data required for the effective monitoring of the digital transition and of the degree of achievement of the digital targets set out in Article 4. This shall include relevant information on the availability and accessibility of spectrum. Where the relevant statistics from Member States are not yet available, the Commission may use an alternative data collection methodology, such as studies or direct collection of data from the Member States, in consultation with the Member States. The use of that alternative data collection methodology shall not affect the tasks of Eurostat as laid down in Commission Decision 2012/504/EU¹⁹.
- (3) The Commission, in close cooperation with Member States, shall define Union-level projected trajectories for the attainment of each of the digital targets, which would

¹⁹ Commission Decision 2012/504/EU of 17 September 2012 on Eurostat (OJ L 251, 18.9.2012, p. 49).

serve as basis for the monitoring and the national Digital Decade strategic roadmaps. Where necessary, in light of technical, economic or societal developments, the Commission shall update one or more of these projected trajectories.

- (4) Member States shall provide to the Commission in a timely manner the necessary information required for the effective monitoring of the progress in the implementation of the principles enshrined in the [insert title of solemn Declaration].

Article 6

Report on the “State of the Digital Decade”

- (1) The Commission shall submit annually to the European Parliament and the Council a report on the “State of the Digital Decade”. This report shall be the comprehensive report of the Commission on the progress on digital transformation of the Union and it shall include the Digital Economy and Society Index (DESI).
- (2) In the report on the “State of the Digital Decade”, the Commission shall provide an assessment of the progress of the Union’s digital transition against the digital targets set out in Article 4 as well as the state of compliance with the general objectives referred to in Article 2 and the principles enshrined in the [insert title of solemn Declaration]. The assessment of the progress made shall be based, in particular, on the analysis and key performance indicators in the DESI as compared to Union-level and, where applicable, national projected trajectories, and, where applicable, on the establishment of and progress regarding Multi-Country Projects.
- (3) In the report on the “State of the Digital Decade”, the Commission may recommend policies, measures or actions to be taken by Member States in areas where progress was insufficient to achieve the digital targets set out in Article 4 or where significant gaps and shortages have been identified based on the results of the report on the “State of the Digital Decade”. Those recommended policies, measures or actions may, in particular, address:
 - (a) the level of ambition of contributions and initiatives proposed by Member States, with a view to collectively achieving objectives and targets set out in Articles 2 and 4;
 - (b) policies, measures and actions at Member State-level and other policies and measures of potential cross-border relevance;
 - (c) any additional policies, measures or action that might be required in the adjustments of national Digital Decade strategic roadmaps;
 - (d) interactions between and consistency of existing and planned policies, measures and actions.
- (4) The report shall take into account joint commitments as referred to in Article 8(4) as well as their implementation.
- (5) The report shall also include information on progress regarding recommended policies, measures or actions referred to in paragraph 3 of this Article and recommendations adopted pursuant to Article 9 and their implementation.
- (6) The report may also assess the need for any additional policies, measures or actions that might be required at the Union level.

National Digital Decade strategic roadmaps

- (1) By [six months after the entry into force of this Decision- specific date to be inserted by OP], Member States shall submit to the Commission their national Digital Decade strategic roadmaps which shall be consistent with, and contribute to achieving at Union level, the objectives and digital targets set out in this Decision. Member States and the Commission shall take into account relevant sectoral initiatives and ensure consistency with them.
- (2) Member States shall set out in their national Digital Decade strategic roadmaps:
 - (a) the main implemented, adopted and planned policies, measures and actions contributing to the objectives and digital targets set out in Article 2 and 4;
 - (b) national projected trajectories contributing to relevant digital targets measurable at national level;
 - (c) the impact expected to be made on each digital target as a result of the implemented, adopted and planned policies, measures and actions;
 - (d) the timing for implementation of the adopted and planned policies, measures and actions as well as an estimate of the timing when those policies, measures and actions are expected to produce an impact on the achievement of the digital targets.
- (3) The policies, measures and actions referred to in point (a) shall relate to the achievement of the objectives and the digital targets of this Decision for which at the date of submission of the national Digital Decade strategic roadmaps or of the adjustment of those roadmaps one or more of the following applies:
 - (a) directly applicable Union or national laws are in force;
 - (b) one or more commitments to adopt policies, measures or actions have been undertaken;
 - (c) financial resources have been allocated;
 - (d) human resources have been mobilised;
 - (e) radio spectrum resources have been or are committed to be allocated or assigned by the relevant national authorities;
 - (f) they constitute other important enablers related to objectives and digital targets.
- (4) Member States shall provide a general overview of the investment needed to contribute to the objectives and digital targets as set out in their national Digital Decade strategic roadmaps, as well as a general description on the sources of that investment, including, where applicable, planned use of Union programmes and instruments. The national Digital Decade strategic roadmaps may include proposals for Multi-Country Projects.
- (5) Member States shall ensure that their national Digital Decade strategic roadmaps take into consideration the latest country-specific recommendations issued in the context of the European Semester. Adjustments to national Digital Decade strategic roadmaps shall take into account the recommended policies, measures and actions under Article 6(3) and the recommendations adopted under Article 9.

- (6) The Commission shall provide guidance and support to Member States in the preparation of their national Digital Decade strategic roadmaps, including on how to establish at national level, where possible, appropriate projected trajectories which can effectively contribute to the achievement of Union-level projected trajectories.

Article 8

Annual cooperation between the Commission and the Member States

- (1) Member States and the Commission shall closely cooperate to identify ways to address deficiencies in areas where progress was insufficient to achieve one or more of the digital targets set out in Article 4 or where significant gaps and shortages have been identified based on the results of the report on the "State of the Digital Decade". This analysis shall take into account, in particular, the different capacities of Member States to contribute to some of the digital targets and the risk that delays on certain of these targets may have a detrimental effect on the achievement of other digital targets.
- (2) Within two months from the publication of the report on the "State of the Digital Decade", the Commission and the Member States shall endeavor to discuss the Member State's preliminary observations, notably as regards policies, measures and actions recommended by the Commission in the report on the "State of the Digital Decade".
- (3) Within five months from the publication of the report on the "State of the Digital Decade", the Member States concerned shall submit to the Commission adjustments to their national Digital Decade strategic roadmaps consisting of policies, measures and actions they intend to undertake, including, where relevant, proposals for Multi-Country Projects, to foster progress in the areas concerned by the digital targets set out in Article 4 and to fulfill objectives set out in Article 2. If a Member State considers that no action is required and that its national Digital Decade strategic roadmap does not require updating, it shall provide its reasons in writing.
- (4) At any point of the annual cooperation, the Commission and one or more Member States may undertake joint commitments, consult with other Member States on policy, measures or actions or establish Multi-Country Projects as provided for in Article 12. The Commission or a Member State which has proposed a policy, a measure or an action may also request a peer review process to be launched regarding specific aspects of that policy, measure or action, and in particular on its suitability to contribute to achieving a specific digital target. The outcome of the peer review process may be included in the following Report on the "State of the Digital Decade".
- (5) The Commission shall endeavor to inform Member States about the recommended policies, measures and actions it intends to include in the report on the "State of the Digital Decade" before the publication of the report.

Article 9

Recommendations

- (1) If a Member State fails to implement the appropriate adjustments to its national Digital Decade strategic roadmap following policies, measures or actions recommended by the Commission under Article 6 (3) without providing sufficient

reasons, the Commission may adopt a recommendation, including a specific analysis of how this failure could impact the achievement of the objectives and digital targets of this Decision.

- (2) The Member State concerned shall take the Commission's recommendation into utmost account and, where appropriate, adjust accordingly its national Digital Decade strategic roadmap within three months. If the Member State concerned considers that it should not adjust the national Digital Decade strategic roadmap in accordance with the recommendation or a substantial part thereof, it shall provide its reasons to the Commission in writing and make it public within three months.
- (3) The recommendations shall be complementary to the latest country-specific recommendations issued in the context of the European Semester.
- (4) In addition, where the Commission concludes that national measures are insufficient and put at risk the timely achievement of the objectives and digital targets set out in this Decision, it may propose measures as appropriate and exercise its powers under the Treaties in order to ensure the collective achievement of those objectives and targets.
- (5) In case a Member State continuously deviates from the national projected trajectory for several years, or alternatively does not intend to adopt corrective action based on a previous Commission recommendation, the Commission may initiate a targeted dialogue with the Member State in question and inform the European Parliament and Council thereof.
- (6) The Commission shall inform the European Parliament and the Council of any recommendation adopted pursuant to this Article.

Article 10

Cooperation

- (1) The Commission and the Member States shall closely cooperate for the purposes of the implementation of the obligations and tasks established in this Decision. To that end Member States may initiate a dialogue either with the Commission or with the Commission and the Member States on any subject relevant to achieving the digital targets and objectives. The Commission shall provide all appropriate technical assistance services, expertise and shall organize a structured exchange of information and best practices and coordination.

Article 11

Stakeholder consultations

- (1) The Commission shall closely cooperate with private and public stakeholders, including social partners, to collect information and develop recommended policies, measures and actions for the purposes of the implementation of this Decision.
- (2) The Member States shall cooperate with private and public stakeholders, including social partners, in line with the national legislation, when adopting their national Digital Decade strategic roadmaps and their adjustments.

CHAPTER 4

FRAMEWORK FOR MULTI-COUNTRY PROJECTS

Article 12

Multi-Country Projects

- (1) The general objective of the Multi-Country Projects shall be to facilitate the achievement of the digital targets.
- (2) Multi-Country Projects shall aim at one or more of the following specific objectives:
 - (a) improving the cooperation of the Union and of Member States in the achievement of the objectives of the Digital Decade;
 - (b) reinforcing the Union's technology excellence and industrial competitiveness in critical technologies, digital products, services and infrastructures that are essential for economic recovery and prosperity, for citizens' security and safety;
 - (c) addressing strategic vulnerabilities and dependencies of the Union along the digital supply chains;
 - (d) widening the diffusion and best use of digital solutions in areas of public interest and the private sector;
 - (e) contributing to a sustainable digital transformation of society and the economy that benefits all businesses and citizens across the Union;

The Annex sets out an indicative list of possible areas of activity in which Multi-Country Projects addressing these specific objectives could be established.

- (3) A Multi-Country Project shall involve the participation of at least three Member States.
- (4) Applicable Union law and national law consistent with Union law shall continue to apply to Multi-Country projects.
- (5) The Commission may adopt a recommendation to set up a Multi-Country Project or to invite a Member State to participate in a Multi-Country Project meeting the requirements of paragraphs (1) to (3) , taking into account the progress implementing the national Digital Decade strategic roadmaps and the adherence to the Commission's recommended actions. The Commission and Member States may also undertake to set up, or join, a Multi-Country Project as a joint commitment.

Article 13

Selection and implementation of Multi-Country Projects

- (1) Taking into account proposals for Multi-Country Projects in the national Digital Decade strategic roadmaps and joint commitments, the Commission shall, in close cooperation with Member States, prepare and publish, as an annex to the report on the "State of the Digital Decade", the strategic principles and priorities in the implementation of Multi-Country Projects and a progress report on the Multi-Country Projects selected for implementation at the time of the publication of the report.

- (2) All Union programmes and investment schemes, if allowed by rules specified in the programme's legal basis, may contribute to a Multi-Country Project, depending on the types of actions needed to achieve the required goal.
- (3) Other entities, whether public or private, may contribute to Multi-Country Projects where appropriate.
- (4) Multi-Country Projects may be implemented by the following implementation mechanisms:
 - (a) Joint Undertakings;
 - (b) European Research Infrastructure Consortia;
 - (c) the Union's agencies;
 - (d) independently by Member States concerned;
 - (e) to promote the execution of Important Projects of Common European Interest under Article 107(3), point (b) of the Treaty;
 - (f) European Digital Infrastructure Consortia in accordance with Chapter 5 of this Decision;
 - (g) any other appropriate implementation mechanism.

Article 14

Multi-Country Projects Accelerator

- (1) Following a Commission's recommendation referred to in Article 12(5), joint commitments or at the request of the participating Member States, the Commission shall coordinate the implementation of a Multi-Country Project, acting as a Multi-Country Project Accelerator.
- (2) In a first step of coordination, the Commission publishes a call for expression of interest addressed to all Member States. The call for expression of interest shall aim to establish whether a Member State intends to participate in the Multi-Country Project and what financial or non-financial contribution it proposes to provide.
- (3) In a second step of coordination, if at least three Member States express interest in a Multi-Country Project and at the same time propose financial or non-financial commitments to that project, the Commission, having consulted all Member States, shall give guidance on the choice of the appropriate implementation mechanism, on the sources of funding and on their combination within the project, as well as other strategic aspects related to the implementation of that project. The Commission may also propose on its own initiative to coordinate a Multi-Country Project in accordance with the steps described in paragraphs 2 and 3 to the participating Member States.
- (4) The Commission may give guidance regarding the setting-up of a new European Digital Infrastructure Consortium, in accordance with Article 15.
- (5) The Commission shall support the implementation of Multi-Country Projects by providing, as appropriate, services and resources referred to in Article 10.

CHAPTER 5

EUROPEAN DIGITAL INFRASTRUCTURE CONSORTIUM

Article 15

Objective and status of the European Digital Infrastructure Consortium (EDIC)

- (1) Member States may implement a Multi-Country Project by means of an European Digital Infrastructure Consortium ('EDIC').
- (2) An EDIC shall have legal personality from the date of entry into force of the Commission decision referred to in Article 16 (3), point (a).
- (3) An EDIC shall have in each Member State the most extensive legal capacity accorded to legal entities under the law of that Member State. It may, in particular, acquire, own and dispose of movable, immovable and intellectual property, conclude contracts and be a party to legal proceedings.
- (4) An EDIC shall have a statutory seat, which shall be located on the territory of a Member State.

Article 16

Setting up the EDIC

- (1) Member States applying for the setting-up of an EDIC ("applicants") shall submit an application to the Commission. The application shall be submitted in writing and shall contain the following:
 - (a) a request to the Commission to set up the EDIC;
 - (b) the proposed Statutes of the EDIC;
 - (c) a technical description of the Multi-Country project to be implemented by the EDIC;
 - (d) a declaration by the host Member State recognising the EDIC as an international body within the meaning of Articles 143, point (g) and 151(1), point (b) of Council Directive 2006/112/EC²⁰ and as international organisation within the meaning of Article 12(1), point (b), of Council Directive 2008/118/EC²¹, as of its setting up. The limits and conditions of the exemptions provided for in those provisions shall be laid down in an agreement between the members of the EDIC.
- (2) The Commission shall assess the application, taking into account the objectives of this Decision and practical considerations related to the implementation of the Multi-Country project to be implemented by EDIC.
- (3) The Commission shall, taking into account the results of the assessment referred to in paragraph 2, and in accordance with the examination procedure referred to in Article 25(2) adopt one of the following decisions by means of implementing acts:
 - (a) setting up the EDIC after it has concluded that the requirements laid down in this Chapter are met;

²⁰ Council Directive 2006/112/EC of 28 November 2006 on the common system of value added tax (OJ L 347, 11.12.2006, p. 1).

²¹ Council Directive 2008/118/EC of 16 December 2008 concerning the general arrangements for excise duty and repealing Directive 92/12/EEC (OJ L 9, 14.1.2009, p. 12).

- (b) rejecting the application if it concludes that the requirements laid down in this Chapter are not met, including in the absence of the declaration referred to in Article 16(1), point (d). In this case, Member States may still form a consortium by way of an agreement but it shall not carry the name EDIC, nor benefit from the implementation structure laid down in this Chapter.
- (4) The decision referred to in paragraph 2 shall be notified to the applicants. Where the application is rejected, the decision shall be explained in clear and precise terms to the applicants.
- (5) The decision setting up the EDIC shall be published in the *Official Journal of the European Union*.
- (6) The essential elements of the Statutes of the EDIC, as set out in Article 19(1), points (a) and (c), and, if applicable, contained in the application shall be annexed to the decision setting up the EDIC.

Article 17

Membership

- (1) The membership of EDIC shall include at least three Member States. Only Member States that provide a financial or non-financial contribution shall be members of EDIC with voting rights.
- (2) Following the adoption of a decision setting up an EDIC, other Member States may join as members at any time on fair and reasonable terms specified in the Statutes.
- (3) Member States that do not provide a financial or non-financial contribution may join EDIC as observers without voting rights.
- (4) An EDIC may be open to the participation of entities other than Member States, which may include inter alia international organizations and private entities, as specified in the Statutes. If this is the case, Member States shall hold jointly the majority of the voting rights in the assembly of members regardless of the amount of contributions from entities other than Member States.

Article 18

Governance

- (1) An EDIC shall have at least the following two bodies:
 - (a) an assembly of members made up of the Member States, other entities referred to in Article 17(4) and of the Commission as the body having full decision-making powers, including the adoption of the budget;
 - (b) a director, appointed by the assembly of members, as the executive body and legal representative of the EDIC.
- (2) The Commission shall participate in the deliberations of the assembly of members without voting rights. However, where a centrally-managed Union programme financially contributes to a Multi-Country Project, the Commission shall have a veto right on the decisions of the assembly.
- (3) The Statutes of an EDIC shall establish specific provisions concerning the governance, within the requirements of paragraphs 1 and 2.

Article 19

Statutes of the EDIC

- (1) The Statutes of an EDIC shall contain at least the following:
 - (a) a list of members, observers and the procedure for changes in membership and representation, which shall respect the right of non-participating Member States to join an EDIC;
 - (b) the detailed description of the Multi-Country Project, the tasks of Members, if applicable, and indicative timeline;
 - (c) the statutory seat and name;
 - (d) the rights and obligations of the members, including the obligation to make contributions to the budget;
 - (e) voting rights;
 - (f) rules on the ownership of infrastructure, intellectual property and other assets, as applicable.
- (2) The amendments of the Statutes shall be subject to the procedure referred to in Article 16.

Article 20

Liability

- (1) An EDIC shall be liable for its debts.
- (2) The financial liability of the members for the debts of the EDIC shall be limited to their respective contributions provided to the EDIC. The members may specify in the Statutes that they will assume a fixed liability above their respective contributions or unlimited liability.
- (3) The Union shall not be liable for an EDIC's debts.

Article 21

Applicable law and jurisdiction

- (1) The setting-up and internal functioning of an EDIC shall be governed:
 - (a) by Union law, in particular this Decision;
 - (b) by the law of the State where the EDIC has its statutory seat in the case of matters not, or only partly, regulated by acts referred to in point (a);
 - (c) by the Statutes and their implementing rules.
- (2) Without prejudice to the cases in which the Court of Justice of the European Union has jurisdiction under the Treaties, the law of the State where the EDIC has its statutory seat shall determine the competent jurisdiction for the resolution of disputes among the Members in relation to the EDIC, between the members and the EDIC, and between an EDIC and third parties.

Article 22

Winding up

- (1) The Statutes shall determine the procedure to be followed for the winding-up of an EDIC following a decision of the assembly of members. Winding-up may include the transfer of activities to another legal entity.
- (2) The insolvency rules of the State where the EDIC has its statutory seat shall apply in the event that the EDIC is unable to pay its debts.

Article 23

Reporting and control

- (1) An EDIC shall produce an annual activity report, containing a technical description of its activities and a financial report. It shall be approved by the assembly of members and transmitted to the Commission. This report shall be made publicly available.
- (2) The Commission may provide recommendations regarding the matters covered in the annual activity report.

CHAPTER 6

FINAL PROVISIONS

Article 24

Provision of information

- (1) Upon request from the Commission, Member States shall provide the Commission with the information necessary to carry out its tasks under this Decision, in particular regarding information necessary for the implementation of Articles 7, 8 and 9. The information requested by the Commission shall be proportionate to the performance of those tasks. Where the information provided refers to information previously provided by undertakings at the request of a Member State, such undertakings shall be informed thereof.

Article 25

Committee

- (1) The Commission shall be assisted by a committee ('the Communications Committee'). That committee shall be a committee within the meaning of Regulation (EU) No 182/2011.
- (2) Where reference is made to this paragraph, Article 5 of Regulation (EU) No 182/2011 shall apply, having regard to Article 8 thereof.

Article 26

Entry into force

- (1) This Decision shall enter into force on the twentieth day following that of its publication in the *Official Journal of the European Union*.

Done at Brussels,

For the European Parliament
The President

For the Council
The President