Digital transition in the EU recovery strategy

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Recovery and Resilience Facility

up to EUR 672.5 bn

Grants
up to EUR 312.5 bn

Loans
up to EUR 360 bn

Reforms and Investments

- Lasting impact
- Addressing country-specific recommendations
- Contribution to the 6 pillars of the RRF

26 Plans

min. 37% Green

min. 20% Digital

for all: do-no-significant-harm principle

do-no-significant-harm principle
Massive shift to teleworking

- Share of people usually working from home increased from 5% to 12% in one year (EU27)
- Sectors relying more on teleworkable jobs were generally more resilient to the crisis
- Telework is here to stay – partially

Accelerated adoption of digital technologies

% Firms adopting digital technologies

- In spite of large demand contraction, liquidity constraints and increased uncertainty, firms heavily **invested in digital technologies** during the pandemic

- Early technology adopters responded more effectively to the pandemic

Note: The data cover all enterprises without financial sector, with 10 employees or more
Source: Eurostat data from Community survey on ICT usage in enterprises
Where Member States stand on digital

MS are at very different levels of digitisation and have different needs:

• **Top performers**, which are also world leaders

• **Member States in the middle**, with gaps in several areas

• **Laggards**, facing significant shortcomings in all dimensions

*Source: Digital Economy and Society Index 2020*

**About DESI:**

- DESI measures digital performance across 5 dimensions.
- It is a composite index which combines 37 indicators.
- It provides solid and comparable data (mainly based on Eurostat), recognised by MS and stakeholders.
Support to the digital transition under the Recovery and Resilience Facility (RRF)

- At least 20% **Digital expenditure** in RRPs - 26.4% – 117bn*
- **Complementarity** with other sources of funding and private investments (incl. InvestEU)
- Flanking **reforms** (public administration, removing barriers to 5G deployment, etc...)
- **Security self-assessment** to preserve open strategic autonomy

* Assessment of 22 plans endorsed by the Commission to date.
Key reforms and investments to support the digital transition

**Digital public services**
Digitalisation of public administration, health, transport, and justice
€ 43 bn – 37 %

**Digitalisation of businesses**
Support to digitalisation for business with a focus on SMEs
€ 24 bn – 20 %

**Digital skills**
Basic and advanced digital skills
€ 20 bn – 17 %

**Connectivity**
Supporting the roll-out of very high capacity networks including 5G
€ 13 bn – 11 %

**R&I / advanced technologies**
R&I and deployment of advanced digital technologies (incl. sector applications)
€ 17 bn – 15 %

- Assessment of 22 plans endorsed by the Commission to date
- The categories for digital public services and digitalisation of businesses can include elements of adv. technologies
Digital skills

- Implementation of Digital skills strategies, including:
  - basic digital skills training for all citizens
  - adapting the existing initial and continuous vocational training offer to better integrate digital skills development
  - advanced digital skills training throughout the working life
- Closing the ICT specialist gap in the EU
- Digital transformation of the public administration accompanied by digital upskilling for relevant staff
- Digitalisation of schools and ensuring pupils’ access to digital equipment
- Targeted support to vulnerable or underrepresented groups

Complementary to other relevant EU funding
The social dimension of the RRP

- Social aspects are a key component of the Recovery and Resilience Facility. The social dimension features prominently in the 26 plans submitted so far. Social expenditure accounts for **around 30% of the total envelope**.

- The plans contain a broad range of reforms and investments that will contribute to strengthening social cohesion and resilience, as well as the policies for the next generation to equip them with skills to make them better prepared for future challenges, thereby supporting the implementation of the European Pillar of Social Rights.

- The Commission regularly underlines to Member States the importance of social partner involvement in the implementation of the RRP.

- The European Semester will complement the procedures underway to implement the recovery and resilience plans. It will reflect the policy priorities of the Commission, including the twin digital and green transitions, and the progress towards the principles of the European Pillar of Social Rights.
The broader policy context

Digital

• The Digital Decade Communication
• Artificial Intelligence Act
• Digital Services Act (DSA) and the Digital Markets Act (DMA)

Social

• Initiative to ensure fair working conditions and adequate social protection in platform work
• Debate on remote work and the need for a right to disconnect
• Skills Agenda: Individual Learning Accounts and Micro-credentials

The RRP s must drive forward a green transition and digital transformation towards a fair, inclusive and sustainable recovery to make Europe more resilient from a social, economic and institutional perspective to support sustainable and inclusive growth
Thank you

More information: Commission webpage on the RRF